



BankThai Public Company Limited

ANNUAL REPORT

2008

ไทยพาณิชย์
BANKTHAI



***At BankThai,
we focus on providing quality products
and services for all our customers.
It's what we do.***

CONTENTS	Summary of Financial Information	1
	Message from the Chairman	2
	Board of Directors	4
	Executive Director Committee	6
	Management Committee	7
	Thai Economy in 2008 and Outlook in 2009	8
	2008 Highlights	10
	Business Activities	12
	Organization Chart	22
	Shareholding and Management Structures	24
	Analysis of Financial Standing and Operating Performance	50
	Risk Factor and Risk Management	60
	Corporate Governance	66
	Report of the Audit Committee	82
	Report of Responsibility of Board of Directors to the Financial Reports	83
	Report of Independent Auditor	84
	Financial Statements	86
	Supplementary Information	162
	Business Executive Directory / Business Center / Area	169
	List of Branches	174



SUMMARY OF FINANCIAL INFORMATION

BankThai Public Company Limited

THB : MILLION

At Year End (THB Million)	Consolidated financial statements		Separate financial statements			
	2008	2007 (Restated)	2006 (Restated)	2008	2007 (Restated)	2006 (Restated)
Total assets	212,377	205,753	219,470	211,045	204,154	219,917
Lendings (net)	83,657	88,097	96,073	82,610	88,372	99,292
Liabilities	207,241	205,042	215,186	206,010	202,740	214,426
Deposits	159,729	166,029	181,219	160,006	166,183	181,319
Shareholders' equity	5,135	711	4,284	5,035	1,414	5,491
Total interest and dividend income	11,367	14,469	13,796	10,975	13,936	13,472
Total Income	12,017	10,351	15,810	9,963	8,886	14,249
Net losses for the years	(1,990)	(6,929)	(4,423)	(2,787)	(7,427)	(4,479)
Basic net losses per share (THB)	(0.31)	(3.70)	(3.32)	(0.43)	(3.72)	(3.07)
Book value (THB)	0.77	0.31	3.09	0.75	0.64	3.68
Ratios						
Return on Assets (%)	(0.95)	(3.26)	(1.81)	(1.34)	(3.50)	(1.83)
Return on Equity (%)	(68.07)	(277.45)	(68.85)	(86.44)	(215.13)	(64.09)
Net Profit (losses) (%)	(16.56)	(66.94)	(27.98)	(27.97)	(83.58)	(31.43)
BIS Ratios (%)	5.80	1.48	5.95	5.80	1.48	5.95



MESSAGE FROM THE CHAIRMAN

The Thai economy expanded at the moderate pace of 2.6% in 2008 compared to 4.9% in 2007. Economic deceleration crystallized in the second half of the year as volatile political events occurred and the global financial crisis deepened. These political incidents eroded the confidence of the business community and consumers. As a result, private expenditure advanced at a snail's pace of only 2.7% in 2008. In addition to the above unpleasant circumstances, the Thai economy in 2008 also faced the challenge of rising oil prices. The oil price galloped to unprecedented level of USD 147 per barrel in July, resulting in rising inflation. The Headline Consumer Price Index jumped from 2.2% in 2007 to 5.5% in 2008. Nevertheless, on the political front, Thailand did end the year on a positive note. The political tension has gradually but steadily eased, as the Democrat party, the former opposition party, successfully formed a coalition government.

In 2009, although the political tension has gradually improved, the external environment will remain unfavorable to the Thai economy. As a result, exports are projected to drop about 20 to 25% while domestic demand is likely to remain only modest. Despite the strong effort of the government to jump start the economy and other favorable conditions such as low oil prices, improvement in the political environment, and low interest rates, the global downturn is likely to overwhelm those positive factors in 2009. BankThai (the Bank), therefore, views that the year of 2009 will be another challenging year for Thailand.

The overall economic situation in 2008 was quite demanding for the banking industry. At the Bank, we have strived to improve all of our operations and tried to deliver better services to our customers in order to compete effectively in a highly competitive environment.

Despite rigorous efforts to improve operations, unfortunately the Bank Group still registered a loss in 2008. The operating results as reported in the Bank Group's financial statements for the period showed a net loss of THB 1,990 million, a decrease of Baht 4,939 million compared with the same period in 2007 (net loss of THB 6,929 million).

The Bank's financial statements showed a net loss of THB 2,787 million, decrease of THB 4,640 million compared with the same period in 2007 (net loss of THB 7,427 million). The substantial improvement in the reduction of loss for the current year was mainly due to the drop in marked-to-market loss in the CDO's of THB 4,372 million or

60%, from THB 7,315 million to THB 2,943 million. This was further improved by the realised gain of THB 970 million arising from the disposal of all the CDO's in the Bank's book. The decline in the allowance for bad and doubtful debts of THB 1,367 million or 38% also contributed to the improved performance.

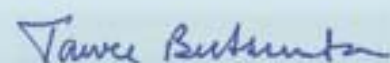
However these were partially offset by the net interest income decline of THB 734 million or 12% in 2008 as compared to 2007. Lower fee income for the current year of THB 760 million as compared to THB 1,466 million in 2007, a decline of THB 696 million or 48%, mainly arising from the drop in NPL management fees received from a subsidiary of THB 672 million resulting from the sale of NPL's to other financial institutions in 2008. Gain on sale of investments also decreased by THB 400 million.

There was a satisfactory improvement in our operating performance in 2008. We improved our competitiveness to be able to accommodate our customers' requirements. For example, we developed financial products and increased distribution channels to respond to the needs of various customer groups, such as the launch of SME loans and service through our 36 business centers around the country. In addition, we cooperated with public and private organizations to support SME businesses and create new retail products. On the deposit side, in 2008 we continued to expand our retail customer base through various kinds of marketing activities and the launch of a variety of financial products. As a result, our retail customer base increased to a satisfactory level.

The year 2008 marked another major milestone for the Bank. On 5 November 2008, CIMB Group, one of Southeast Asia's leading financial groups, through its wholly owned subsidiary, CIMB Bank, completed its purchase of ordinary shares of the Bank from the Financial Institutions Development Fund (FIDF), and emerged as the largest shareholder of the Bank with a 42.13% stake. CIMB Bank also launched a mandatory tender offer to the remaining shareholders. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank increased to 6,143,544,532 shares, representing 92.04% of the total issued and paid-up shares of the Bank.

I am pleased to say that the entry of CIMB Bank will strengthen the Bank, and support the overall operation to deliver better services and products to our customers through our financial innovation and utilize our wider distribution network. CIMB Group is Malaysia's second largest financial services provider and one of South East Asia's leading universal banking groups. Its headquarters are located in Kuala Lumpur, with regional universal banking operations in Malaysia, Indonesia, Singapore, and now Thailand, as well as regional offices in major financial centres. The Bank, together with CIMB Bank, has anchored BT's turnaround on three key pillars – profitability; market leadership in niche products/segments; and a high performance culture. This will lead to the development of a universal banking platform in Thailand and the identification of cross-border synergies between business units in Thailand and those in other countries. I sincerely believe that the participation of CIMB Bank and its regional platform will benefit the Bank's shareholders for years to come.

On behalf of the Board of Directors, I wish to record gratitude to our shareholders, our customers, and all the organizations and institutions we continue to work with. I would also like to extend our thanks and appreciation to all staff at the Bank.



Tawee Butsunorn

Chairman of the Board of Directors



BOARD OF DIRECTORS

BankThai Public Company Limited



Mr. Tawee Butsumtorn
Chairman



Dato' Robert Cheim Dau Meng
Vice Chairman



Mr. Chatchawal Eimsiri
Independent Director



Dato' Shaarani Bin Ibrahim
Independent Director



Mrs. Watanan Petersik
Director



Mr. Chin Yuen Yin
Acting President



Mr. Techapit Sangsingkeo
Independent Director



Mr. Dharin Divari
Independent Director



Mr. Preecha Oonchitti
Director



Mr. Kenny Kim
Director



Mr. Thaphop Kleesuwan
Secretary to the Board of Directors



EXECUTIVE DIRECTOR COMMITTEE

BankThai Public Company Limited



Mr. Preecha Oonchitti
Chairman



Dato' Robert Cheim Dau Meng
Member



Mr. Chin Yuen Yin
Member



Mr. Thaphop Kleesuwan
Secretary to the Executive Director Committee



MANAGEMENT COMMITTEE

BankThai Public Company Limited



Mr.Chin Yuen Yin
Acting President



Mr.Taveeb Chardtumrong
Advisor to the Management
Committee



Mrs.Duangphorn Sucharittanuwat
Senior Executive Vice President
Commercial Banking Group



Mr.Ekajai Tivutanond
Senior Executive Vice President
Business Support Group



Mr.Surachai Chitratsene
Senior Executive Vice President
Retail Banking Group
Acting Head, SME Banking Group



Mr.Lee Teck Seng
Senior Executive Vice President
Institutional Banking Group



Mrs.Panute Na Chiangmai
Executive Vice President
Acting Head,
Risk Management Group



Mr.Pipat Eamsherangkoon
Executive Vice President
Technology Division



Mr.Nuekrak Baingern
Executive Vice President
Operation Division



Ms.Uthaiwan Anuchitanukul
First Vice President
Planning Office



Mr.Thaphop Kleesuwan
Secretary to the Management
Committee



Thai Economy in 2008

In 2008, the Thai economy continued to progress slowly due to political uncertainty. The political conflict intensified in the first 11 months of the year as many political events occurred. The conflict heightened to a peak in November as the country's main international airport was seized and the ruling party, as well as the government at that time, was dissolved by the Constitution Court in early December.

Political uncertainty created a downbeat mood among the business community and consumers. As a result, private expenditure advanced at a snail's pace by only 2.7% in 2008. Nevertheless, the political tension has eased significantly, as the Democrat party, the former opposition party, became the core of a new coalition government in December, after a faction of the former ruling party joined the Democrat party to form a government. We expect the political tension to ease further as the current opposition party appears to have run out of steam; the party's latest demonstration in late February 2009 was short-lived and lacked real punching power. Consequently, confidence in the political system has been gradually but firmly restored.

The export sector was still the main and only engine driving the Thai economy in 2008. Thai exports (in USD terms) grew at the high rate of 27.1% in the first three quarters of 2008. As a result, despite the political adversity, the Thai economy was still able to expand at the respectable rate of 5.0% in the first three quarters of 2008. Nevertheless, growth diminished in line with the rising political conflict and the intensifying global financial crisis; the economic growth rate moderated from 6.0% in Q1 2008 to 5.3% and 3.9% in the second and third quarters, respectively. The seizure of the country's main international airport in November has gravely damaged tourism and related activities. In addition, the global economic downturn eventually depressed Thai exports; in Q4 2008 exports (in the USD terms) advanced only by 9.4%, a sharp drop from 28.4% in Q3 2008. As a result, the Thai economy in the last quarter contracted by 4.3%, the first economic contraction since Q1 1999. Due to the contraction of the Thai economy in the fourth quarter, the Thai economy advanced at a moderate rate of 2.6% in 2008.

In addition to the above misfortune, the Thai economy in 2008 also faced the challenge of rising oil prices. The oil price galloped to the unprecedented level of USD 147 per barrel in July, and resulted in rising inflation. The Headline Consumer Price Index jumped from 2.2% in 2007 to 5.5% in 2008, it reached a peak of 9.2% in July. This inflationary pressure surge forced the Bank of Thailand to raise its policy rate from 3.25% to 3.75% despite downbeat private spending. However, inflationary pressure has faded away very quickly as oil prices have plunged in H2 2008, resulting in a low inflation rate of 0.4% in December. Plummeting oil prices and inflation as well as subdued domestic demand triggered an interest rate cut at the end of 2008 and early 2009, as the Bank of Thailand decided to aggressively cut its benchmark rate by 100 basis points in the last meeting of 2008, 75 basis points in the first meeting of 2009, and 50 basis points in the February meeting. The policy rate in March 2009 stood at 1.50%.

The Baht was very volatile in 2008 due to the volatility of USD and other major currencies. Due to the weakening USD, the Thai Baht continued to strengthen from 2007, at THB 33.57 per USD at the beginning of the year to a peak at THB 31.16 per dollar in mid-March. Nevertheless, as the USD regained ground as the financial crisis started to spread into Europe and other developed countries in the second quarter, the Thai Baht began to depreciate, reaching a nadir at the beginning of December of THB 35.74 per USD. The currency hovered between THB 34.00 and THB 35.00 per dollar at the end of 2008. The Thai Baht continued to decline in line with the strengthening USD and stood at THB 36.12 per dollar in the early March.

Outlook of the Thai Economy in 2009

BankThai believes that 2009 will be another challenging year for Thailand. Although the political tension has gradually eased, the external environment will remain hostile to the Thai economy. The global economic recession is likely to continue to depress Thai exports throughout 2009. As a result, exports are likely to decline about 20% to 25%, while domestic demand is likely to remain modest. Despite the vigorous efforts of the government to jump-start the economy, BankThai still believes that the performance of the Thai economy will be rather reserved. We forecast that the Thai economy to slightly contract by about 2% in line with economies in the region and global economic conditions.

On the financial front, due to a sharp drop in oil prices, compared to 2008, and modest demand, general prices are estimated to shrink about 2% to 3% in 2009. Deflation and the decline in exports will compel the Bank of Thailand to cut its policy rate even further. The policy rate should be about 1% by year-end 2009. The Baht is likely to remain volatile in line with last year due to the volatility of the world's major currencies.

The financial crisis is expected to bring about liquidity tightness on two fronts. Firstly, it will trigger capital outflow by foreign investors. In particular, much short-term debt, about USD 20 billion, is not likely to be renewed. Such outflows will cause temporarily liquidity strains on the Thai financial system. Nevertheless, with ample foreign reserves of USD 117.9 billion, far exceeding foreign debt of USD 64.8 billion at the end of 2008, the Thai economy can easily withstand the drought of foreign capital resulting from the ongoing financial crisis. The deficiency of foreign capital, therefore, is not likely to pose any serious threat to the stability of the Thai external sector and financial markets. Secondly, rising risk will compel financial institutions to be very cautious in their lending practices. As a result, business generally will receive fewer loans relative to a 'normal situation'. Therefore, most companies, and SMEs in particular, will experience tight liquidity this year.

BankThai views that the global recession will continue during the first half of 2009. The cycle is expected to reach bottom sometime in the second half of 2009. Due to vigorous stimulus measures, financial and institutions rescue packages issued by governments of most countries, and extremely low interest rate worldwide, BankThai, therefore, envisages an economic recovery in the year 2010. The Thai economy will benefit greatly from such recovery.



20 June 2008 - The Financial Institutions Development Fund (“FIDF”) entered into a share purchase agreement with CIMB Bank. Under the agreement, the FIDF agreed to sell its 2,811,862,559 shares in the Bank (equivalent to 42.13% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share, totaling of THB 5,904,911,373.90.

5 November 2008 - Upon necessary approvals from the Bank of Thailand, the Ministry of Finance and other regulatory authorities, CIMB Bank completed its purchase of ordinary shares from the FIDF, and as a result, emerged as the largest shareholder of the Bank with a shareholding of 42.13%. On 17 November 2008, the Bank was notified that CIMB Bank will be undertaking a tender offer to purchase all the remaining shares of the Bank it does not own (3,862,838,023 shares or 57.87% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share, which is equivalent to a total consideration of THB 8,111,959,848.30. Upon completion of the tender offer on 6 January 2009, CIMB Bank’s shareholding in the Bank had increased to 6,143,544,532 shares, representing 92.04% of the total issued and paid-up shares of the Bank.

CIMB Bank is a wholly owned subsidiary of CIMB Group, the 5th largest banking group in South East Asia with assets of THB 2,067,450 million and a staff strength of over 35,000 employees. The Group is listed on Bursa Malaysia through Bumiputra-Commerce Holdings Berhad with a market capitalisation of over THB 221.8 billion. While the Group has a presence in 10 countries, its core markets are Malaysia, Indonesia, Singapore and Thailand.

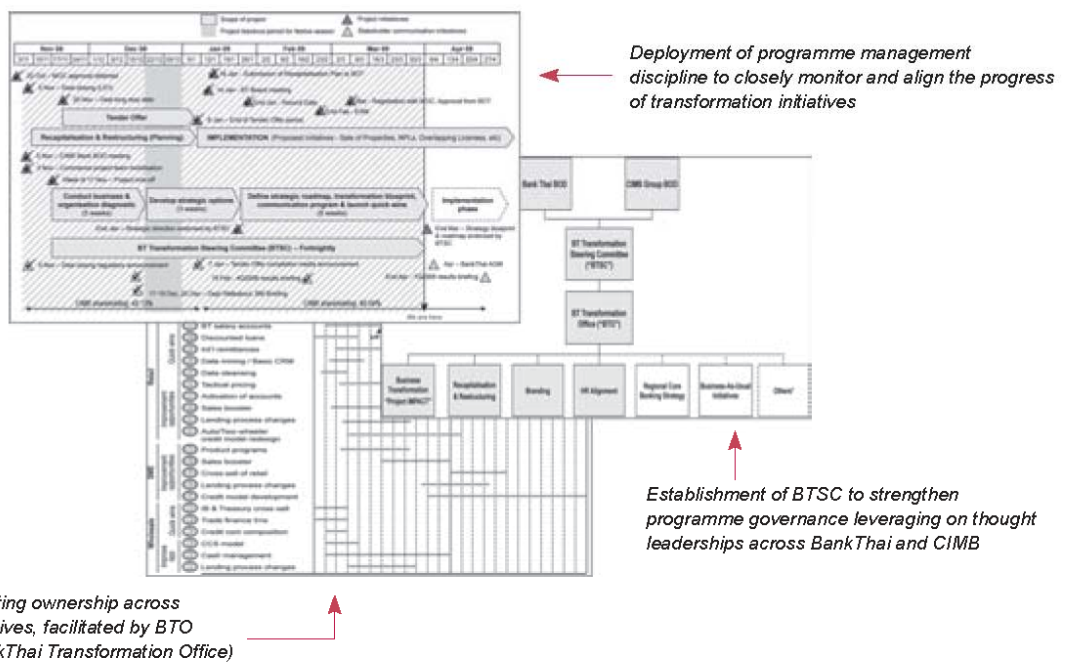
As a universal bank, CIMB Group aims to fulfil the financial needs of all customers - from the largest corporations to the smallest retail customer - from cradle to retirement. The Group is Malaysia’s 2nd largest consumer bank by assets with a network of over 360 branches while in Indonesia, it is the 6th largest by assets with over 650 branches. In Singapore, the Group’s presence is smaller as it is currently restricted to having only 2 branches. CIMB Group is also a market leader in investment banking, consistently acknowledged as the region’s no. 1 indigenous investment bank, and a global brand in Islamic banking.

The Group is backed by strong shareholders - Malaysian Government funds collectively own approximately 50% of the Group while Bank of Tokyo-Mitsubishi UFJ, one of the world’s largest banking groups, owns a 4.6% stake in CIMB Group.

17 November 2008 - BankThai and CIMB have undertaken a transformation programme to develop a strategic blueprint and roadmap for BankThai with 3 main objectives

1. Anchor the Bank’s turnaround on three pillars - (1) Profitability; (2) market leadership in niche product/segment; and (3) instill a high performance culture;
2. Outline the Bank’s universal banking platform in Thailand leveraging on CIMB capabilities; and
3. Identify cross-border synergies between Thailand and other core markets of the Group.

The programme is governed by the BankThai Transformation Steering Committee (“BTSC”) chaired by the Group Chief Executive of CIMB Group, Dato’ Sri Nazir Razak, and comprises representatives from CIMB and the Bank. BTSC meets on a bi-weekly basis and has endorsed a series of quick-wins and improvement opportunities to strengthen the foundations of the Bank.



15 December 2008 - Dato' Sri Nazir Razak together with Khun Tawee Butsunton conducted a briefing to senior management of the Bank to outline the Bank's transformation programme, key priorities and main activities for the future. About 200 of the Bank's senior employees attended the briefing including Management Committee members, Division Heads and all Department Heads. Other key representatives of CIMB and the Bank such as Khun Preecha Oonchitti, Mr. Chin Yuen Yin, Dato' Robert Cheim Dau Meng, Mr. Kenny Kim and Ms. Hamidah Naziadin (Director of Corporate Resources, CIMB Group,) were also present at the briefing.



Dato'Sri Nazir Razak welcomed the Bank's staff into the CIMB family and spoke about his aspirations and expectations for the Bank, Some of his key messages include:

"This transformation to me is an exciting journey for BankThai. CIMB is not just a shareholder, we are also an ASEAN universal banking operator. CIMB buys, CIMB stays, CIMB stays with you"

"To employees, you are going to be part of a regional franchise with greater career opportunities. CIMB will inject capital into BankThai for growth. We believe in high performance culture- differentiating people who perform and people who don't perform. This new beginning will be challenging and requires immense commitment"

"This is not about a Malaysian bank just buying into BankThai. It's about you coming into this ASEAN Banking Franchise, which I am entirely convinced this is the most sustainable business model for the future."

To cultivate buy-in and staff involvement throughout the Bank in the transformation programme, an IMPACT ("Important to ACT") Portal was launched to keep staff updated on progress and for them to provide feedback on the programme. Departmental briefings have also been conducted to ensure key messages are cascaded across the Bank.



BankThai is licensed by the Ministry of Finance and related authorities to engage in commercial banking, which constitutes the primary business of the Bank. In commercial banking, the Bank focuses on innovative and value-added products and services, particularly fee-based products and services such as cash management, financial advisory and treasury.

The main business areas of the Bank can be summarised as follows:

- (i) Commercial banking: the Bank provides a full suite of commercial banking products and services, such as deposits, loans, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, tele-banking and ATM services;
- (ii) Insurances: life and non-life insurance brokerage as licensed by Office of Insurance Commission, Ministry of Finance;
- (iii) Securities businesses and other related businesses as licensed by the Office of the Securities and Exchange of Commission (SEC) and/or Ministry of Finance such as:
 - (a) Financial advisory;
 - (b) Registrar and paying agent services
 - (c) Debt securities dealing and underwriting ;
 - (d) Bondholders' representative;
 - (e) Brokerage, dealing and underwriting of investment unit trusts;
 - (f) Custodian services; and
 - (g) Derivatives dealing;
- (iv) Business consultancy; and
- (v) Asset management;

In all cases, the Bank holds a stake in businesses that contribute, either directly or indirectly, towards promoting its growth.

The Bank's policy remains focused on building synergies between its strategic business units and its subsidiary and associate companies. With this in mind, the Bank intends to retain only those companies with growth potential and which are able to generate good investment returns.

The Bank's strength lies in its well-established and extensive network of domestic branches. As at 31 December 2008, the Bank operated 36 main offices with credit facilities and 147 branches, all of them equipped with foreign exchange facilities. In addition, customers enjoy easy and convenient access to 1,150 ATM terminals across the country.

Banking Products and Services

Commercial Banking Group

- **Key features and benefits:**

The Commercial Banking Group has 2 main focus areas as stated below:

Domestic Corporate Lending : Overdraft, Commercial Loans, Aval/Acceptance of Bill of Exchange, Letter of Guarantee, Loans for Energy-saving initiatives.

International Banking : Letter of Credit, Trust Receipt, Packing Credit, Trade Bill Negotiation, Export Bill Purchase, Remittance - Inward and outward

- **Operating Highlights in 2008**

The operating environment in Thailand in 2008 was largely affected by the global economic slowdown and fluctuation in commodity prices, as well as political events. The Bank was conservative in its commercial banking business, particularly in its lending activities. New customers were carefully screened while existing customers were carefully monitored to minimise the risk of non-performing loans. In the light of adverse operating conditions and fierce competition from other banks, the Bank continued to concentrate on maintaining asset quality, providing high-quality service to customers and maintaining an acceptable return on assets.

SME Banking Group

- **Key features and benefits:**

In 2008, the Bank continued to grow its SME business, recognising its importance as one of the key sectors of economic growth and investment in the country. At present, the Bank has 36 business centers across the country that deliver financial services to this target group.

To support the SME sector, the Bank provides financial services, consultancy services on various issues and from various areas of expertise, including introducing other products and financial services to fulfill the needs of SME customers and enable them to make their businesses operate more efficiently.

- **Operating Performance in 2008**

The Bank launched products and services to serve the needs of SME businesses. The Bank's wide variety of products and services offered to SMEs include working capital financing, loans for fixed asset investment, trade finance and other financial services. This is particularly welcomed by SME entrepreneurs in 2008 because they were affected by the global economic crisis, oil price volatility and domestic political issues.

The Bank closely monitors and provides consulting services to SME customers. In addition, the Bank continues to emphasize servicing existing customers in parallel with expanding services to its customers.

In addition, the Bank joined hands with various public and private agencies to introduce SME-specific loans and services. The Bank worked with the Office of the Small and Medium Enterprise Promotion (OSMEP) to support the second stage of its Machine Fund Project. Through this project, the Bank provided loans to SMEs to enable them to overhaul and make efficiency improvements to their machinery.

Retail Banking

Retail Lending

- **Business Overview**

The Bank provides a wide range of retail lending products to customers, both secured and unsecured, such as PersonalCash, HomeLoan, MortgagePower, Small Business Loan.

- During the year, new lending products were launched to fulfill customers' needs and to expand the business, notably,:
- PropertyLoans, a multi-purpose credit facility for individuals secured against all types of property, and

- Small Business Loan, a flexible business loan for small enterprises registered in Thailand.

The Bank's retail lending products were distributed through a variety of sales channels including : the Bank's 147 branches nationwide, 2,500 Direct Sales agents nationwide, outsourced agency and by direct mailers and telemarketing.

In addition, the Bank also makes available various channels for loan repayment for customers' convenience including Multi-channels for loan repayment also provided for customers' convenience as following:

BankThai's 147 branches nationwide, 1,200 Post Offices nationwide, and 5,000 Counter Service at Seven Eleven outlets.

Retail Deposit

The Bank also launched several innovative deposit products in 2008 including BT3+24/36 (bundled between fixed deposit 3 month and either 24 or 36 month) and Advance Interest (BT Thanjai). The latter was a fixed deposit product which paid interest upfront. The Bank also bundled deposit and insurance products by introducing Extra Savings, a deposit product which featured insurance protection.

- **Performance For Marketing Activity in year 2008**

The Bank's retail deposits increased 9.6% year on year, from THB 84,844 million in 2007 to THB 93,048 million at the end of 2008. Additionally, the Bank took part in several financial conventions and roadshows organised in Thailand, in particular, the Money Expo 2008 in both Bangkok and Chiangmai. The Bank also co-operated with other bank to launch "Sufficiency Life" deposit product that supported HM the King's initiative. In addition, the Retail Banking Division also provided support to branches in carrying out product campaigns for its deposit and loans products by running marketing communication campaigns and training staff.

Institutional Banking

Treasury products

- **Overview**

Financial Advisory:

The Bank provides various types of financial advisory services to our customers for corporate exercises such as initial public offerings, financial restructuring, syndicated lending, mergers and acquisitions, pre-investment feasibility studies, and independent financial advice.

- **Operating Highlights in 2008**

The Bank was the financial advisor to Aeronautical Radio of Thailand Ltd. in issuing bill of exchange in Capital Market. We assisted the company in preparing necessary documents of public offering of its bill of exchange and obtained SEC approval for the issue.

Debt Underwriting Business:

The Banks advises our customers in relation to the structure of debt instruments, debt markets, and placement strategy. We also provide underwriting services to our customers in order to ensure the success of debt issues undertaken by them.

- **Operating Highlights in 2008**

In 2008, the Bank played a major role in several debt issues including its role as Lead underwriter of State Enterprise Bond totaling THB 13,187 million Co-lead underwriter of debentures issued by Thai Airways International Public Company Limited, amounting to THB 7,000 million, and

- Co-underwriter of savings bonds issued by the Financial Institution Development Fund with a total amount of THB 50 billion.

In addition to the above, the Bank served as underwriter for bills of exchange issued by private companies worth THB 1,500 million.

Private Banking products

Private Banking products

- **Key features and benefits:**

Private Banking Service is the responsibility of the Privileged Banking Division and its main target customers are high net worth individuals. Our valued clients can easily access a suite of products and services, which cater to their particular financial needs, such as personal investment management or updates on new products and services.

The private banking business was launched in 2006 for the purpose of maintaining and increasing the number of high net worth clients whose individual deposits and investments amount to more than Baht 30 million. The Bank values the contributions that these clients have already made and recognize their potential to contribute further to the Bank's business growth. Given this, innovative approaches and expertise are being brought together to develop sophisticated solutions and specialist bespoke services to meet the demand of high net worth individuals.

- **Operating Highlights in 2008**

In the area of private banking, the Bank performed well in 2008 by adapting its experience and expertise to develop a broad portfolio of products and services to attract and retain quality customers. This has, in turn, increased its competitiveness. In 2008, private banking successfully sold investment products generating a business volume of THB 62 billion. Moreover, a number of new products created in collaboration with BT Asset Management Co.,Ltd. were launched, namely, *Foreign Investment Bond Funds (FIF)* and corporate bonds for which BANKTHAI was appointed as arranger for major companies like Thai Airways International Public company Limited. Other investment options included treasury bills, government bonds and bills of exchange issued by both the public and private sectors.

In addition to the above, the year saw customers enjoying various functions and activities organized by the Bank, including personal, hands-on attention provided by the Bank's Customer Relations Team. Activities organized in 2007 included Poom Jai Thai Tour, Thai Tanakarn Poom Jai Thai Saowana, and Kong Kwan Wan Kird Programme. Other seminars and courses that generated considerable interest among privileged customers were in the areas of health, food and astrology. This year we also introduced a limousine service as a part of the privileged program for customers, and it was very well received.

Investment banking

- **Key features and benefits:**

In its capacity as bondholders' representative and agent, the Bank's policy is to safeguard the interests of bondholders as prescribed in the terms and conditions of the bonds and by regulatory bodies, including the Securities and Exchange Commission. Major responsibilities of a bondholders' representative include protecting the rights of bondholders by ensuring that the issuer complies with the terms and conditions of the bonds; monitoring the interest and principal payment of the issuer; holding the benefit of the security document or any properties of the bondholders; and convening meetings of bondholders. The representative also serves as a facility agent and a securities agent, as and when required.

In its capacity as a fund supervisor and custodian, the Bank is responsible for safeguarding the interests of participants in mutual funds; keeping custody of the assets of private and provident funds; accepting, delivering, checking and verifying the accuracy of assets; ensuring that the fund management companies comply with the terms and conditions as approved by the SEC and stipulated in the prospectus; monitoring and arranging to receive interests and benefits arising from investment in the funds and reporting to clients; and initiating legal proceedings on behalf of the clients in the event of default. In addition, the custodian is responsible for the safekeeping of important documents, such as agreements, car registration documents and land title deeds.

In its capacity as securities registrar and paying agent, the Bank assumes responsibility for preparing, amending and maintaining particulars in the securities register; arranging the preparation and dispatch of securities certificates to securities holders; arranging for the transfer, pledging, confiscation, and redeeming of securities; arranging for interest and principal repayment on the securities; and arranging for securities holder's book closing.

- **Operating Highlights in 2008**

As at 31 December 2008, the Bank acted as a bondholders' representative for 17 transactions worth THB 42,050 million. The Bank also served as a fund supervisor and custodian for 14 funds valued at THB 23,195 million, and kept 335 agreements in its custody. It also acted in the capacity of securities registrar for securities such as ordinary shares and corporate bonds with a total value of THB 36,981 million.

Cash Management Services and E-Channels

The Bank has remained energetic in its pursuit of new cash management and electronic banking products and services to help meet the changing needs of customers and clients.

Cash Management Services

Cash management services caters to both individual and corporate customers. For individuals, the Bank features a variety of convenient solutions for bill payment, prepaid phone top up, money transfer, payment of recurring bills, payment for securities purchased, as well as the handling of social security income and dividends. Customers earn bonus points when using any of the Bank's cash management services. The points earned can be used to redeem merchandise, department store gift vouchers, expressway coupons, BTS Sky train tickets, gift vouchers from leading book stores, among many others.

Corporate clients also enjoy a convenient suite of cash management solutions which help them manage payroll, payments to suppliers, fund transfer, cheque writing, collections, dividend payments, as well as customs payments and procedures. Through these solutions, customers enjoy increased convenience, efficiency, security and speed of transactions.

Electronic Banking Services Channels

One of the Bank's key areas of emphasis in building its consumer and corporate banking services platform is creating easy to access channels to the its products and services. Apart from visiting the Bank's branches, customers are able to easily and conveniently access 24-hour banking services through electronic banking channels including Internet banking, phone banking, and ATM and other self-service terminals .

Internet Banking

BT i BANK is the Bank's Internet banking service that allows customers to conduct financial transactions such as account overview inquiry, account history inquiry, fund transfer, cheque status inquiry, stop cheque request, cheque book request and bill payment. With a high security systems in place, customers have confidence and peace of mind in transacting via BT i BANK. All financial transactions transmitted via BT i BANK are rigorously secured by Secure Socket Layer (SSL) 128. In addition, the Bank emphasises on raising awareness of and providing information on Internet security customers to safeguard their interests.

Phone Banking

BT Phone banking is a 24-hour automated phone banking service which enable customers to conduct transactions such as account overview inquiry, fund transfer, product information inquiry with the Bank's telebanking representatives, statement request via fax, bill payment, cheque status inquiry, stop cheque request and reporting of lost ATM cards.

ATM and Self Service Terminal

The Bank has 1,150 ATMs, 24 Cash Deposit Machines and 31 Passbook Update machines.

Research and Development Activities

The Research Office enhances the Bank's image as a knowledge based organisation. In 2008, the Bank disseminated its views (through its spokespersons and in print) relating to the economy, as well as the financial and industrial sectors, to various channels such as at press conferences, TV, radio and newspaper interviews, as well as seminars. At the same time, the Bank improved the quality of its analysis by the development of analytical tools such as econometric and other models. We also used time series and database techniques, including company visits and field surveys, to create more accurate analyses.

Corporate Image

In 2008, a key priority was enhancing the Bank's corporate image with a focus on delivering the highest business standards, creating value for customers, expanding the business base, and building brand awareness. The Bank continued to strive to build a commercial bank that has an important contributory role in motivating Thais to enhance and preserve their rich cultural heritage through corporate social responsibility and customer relationship management activities.

BankThai –Proud to be Thai (Poom Jai Thai) Charity Concert.

This annual concert series distinguishes itself with a performance by the Bangkok Symphony Orchestra (BSO) in a captivating programme of both Thai classical and contemporary music. The concert also features popular numbers sung by top artistes spanning different generations, and Thai folk dances. The concert is organized annually at the Thailand Cultural Centre in Bangkok.

In 2008 the Bank continued to reach out to a wider audience beyond Bangkok. This led to the organisation of the second provincial concert on 28 June 2008 at Sofitel Raja Orchid in Khonkaen. The total proceeds of THB 670,789 went to the Khonkaen University Fund. The success of this concert was reflected in the sale of all 1,060 seats two weeks in advance

In Bangkok, the Bank organized the Seventh **BankThai - Proud to be Thai Charity Concert** on 16 and 17 May 2008 at Thailand Cultural Centre. Total proceeds from the concert of THB 3.2 million were divided into three equal parts and distributed to the Narcotics Control Foundation (for the seventh year running), Assumption

School's Retired Teachers Foundation and the Bank's own **Poom Jai Thai Fund**, which funded the preservation of the historic site of Wat Mai Amphawan, Nakorn Rajasrima province in cooperation with the Fine Arts Department.

A special lecture "Thai Royal Funeral Rites at the Dusit Maha Prasat Throne Hall in the Grand Palace: A Case Study of Her Royal Highness Princess Galyani Vadhana," by Professor Paothong Thongchua

The Bank held a special lecture '**Thai Royal Funeral Rites at the Dusit Maha Prasat Throne Hall in the Grand Palace: A Case Study of Her Royal Highness Princess Galyani Vadhana,**' by Professor Paothong Thongchua, on 22 – 23 March 2008 at the Sriburapha Auditorium, Thammasat University to memorialise Her Royal Highness Princess Galyani Vadhana. All revenues from the lecture was donated to the Kidney Foundation of Thailand and the Thammasat University Archives. For this occasion the Bank cooperated with the Thai Khadi Research Institute at Thammasat University.

For advertising and marketing, the Bank continued to advertise its products and services, in order to maintain brand awareness. Advertisements via newspapers and magazines such as "Rob Roo Ruang Ngern Thong with BankThai", a financial article in *Manager daily newspaper, Thairath and Krungthep Turakij newspapers*, and billboards targeted SMEs in particular, to promote the Bank's retail lending and deposit services.

Staff Development Programme and Human Resources Management Plan

In 2007, the Bank commissioned a report to study the performance appraisal system of the Bank and its employees, with a view to identifying Key Performance Indicators (KPIs). Following that exercise, in 2008, the Bank engaged a consultant to design a new performance appraisal process, which included KPI, Competency and Career Management. Resulting from that, the Bank decide to implement and operate a modern and professional Human Resource Management System, which included an e-HR system. The new system was also designed to measure performance of employees.

The 1st phase of the new system was introduced in November 2008, the 2nd phase in January 2009 and the last phase will go live in April 2009.

Training Courses and Human Resources Development

In 2008, the Bank organized 256 training courses, comprising 129 internal and 127 external courses, costing to the tune of THB 17.76 million. The training courses were attended by 18,319 staff members, with some having participated in several courses. Staff members averaged 7.8 days of training during the year.

Policy Governing the Bank's Subsidiary and Associate Companies

A company is deemed to be a subsidiary company of the Bank if the Bank has the power to determine that company's financial and business policies. It is a company in which the Bank holds, directly or indirectly, more than half of its issued and paid-up share capital.

A company is deemed to be an associate company of BankThai if the Bank has the right to participate in the formulation of its financial and business policies. It is a company in which the Bank holds, directly or indirectly, more than 20% of its issued and paid-up share capital.

The bank operates in accordance with an investment policy in subsidiary and associate companies as specified in Bank of Thailand's consolidated supervision guidelines so that the Bank will not invest more than 10% of the total amount of a company's shares sold, except with approval from Bank of Thailand for the following cases:

1. Investment in companies in a financial group According to Bank of Thailand's approval criteria for establishing a financial group, there are companies engaging in financial businesses and companies engaging in supporting businesses which will support business of the bank and companies in the financial group. Bank of Thailand permitted the bank to establish a financial group consisting of BankThai PCL, Sathorn Asset Management Company Limited, BT Leasing Company Limited, BT World Lease Company Limited, BT Insurance Company Limited, BT Securities Company Limited, BT Asset Management Company Limited and BT Consultant Company Limited
2. Investment in companies outside a financial group The Bank can invest outside a financial group i.e. more than 10% of the total amount of a company's shares sold, especially under the following conditions:
 - 2.1 Companies engaging in financial businesses for which the Bank does not have the power of control, and only if such investments are approved in advance by Bank of Thailand.
 - 2.2 Companies engaging in supporting businesses beneficial to the Bank's business and the business of the overall financial system, for example, National Credit Bureau Co., Ltd, National ITMX Co., Ltd, S.W.I.F.T. Co., Ltd and Thai Rating and Information Services Co., Ltd.(TRIS).
 - 2.3 Companies in which the Bank holds shares from Trouble Debt Restructuring, debt conversion or debt enforcement and approved by Bank of Thailand.
 - 2.4 Companies under liquidation.
 - 2.5 Companies engaging in financial businesses or supporting businesses for which the Bank does not have management control or companies engaging in other businesses. However, Bank of Thailand will only approve an investment through a regulated finance company.

For overall management policy, with a view to directing and overseeing policies governing the management of subsidiary and associate companies, the Bank has appointed directors to sit on their respective boards of directors. The directors are responsible for keeping the Bank's board of directors apprised of all related developments and issues on a monthly basis. In addition, the Bank's board of directors has established a risk management committee of the financial group to control, monitor and supervise companies in the financial group to comply with the Bank's predetermined risk management policy and the BOT's guidelines. Furthermore, the Bank's Audit Committee has been assigned to fulfill the board's internal oversight responsibilities relating to those companies in order to ensure that the Bank can supervise and monitor the operations of the financial group in accordance with predetermined policy, including verifying all financial reports of the financial group accurately and sufficiently.



TABLE OF PROFIT

BankThai Public Company Limited

THB : MILLION

	As of December 31					
	2008		2007		2006	
	million	%	million	%	million	%
INTEREST AND DIVIDEND INCOME						
1. Loans	6,990.96	70.17	7,819.41	88.00	7,760.96	54.47
1.1 Borrowings	6,249.05	62.72	6,870.20	77.32	6,670.00	46.81
1.2 Overdrafts	401.48	4.03	427.59	4.81	429.78	3.02
1.3 Bills Discounts	340.43	3.42	521.62	5.87	661.18	4.64
2. Interbank and money market items	774.25	7.77	863.59	9.72	665.34	4.67
2.1 Deposits	16.99	0.17	625.04	7.03	509.82	3.58
2.2 Loans	749.87	7.53	127.43	1.44	92.55	0.65
2.3 Securities Purchased Under Resale Agreement	7.39	0.07	111.12	1.25	62.97	0.44
3. Securities	3,209.72	32.21	5,252.92	59.11	5,046.03	35.41
Net interest and dividend income	10,974.93	110.15	13,935.92	156.83	13,472.33	94.55
NON-INTEREST INCOME						
1. Fees and charges	759.97	7.63	1,455.53	16.38	691.05	4.85
1.1 Acceptances, aval and guarantees	109.57	1.10	124.26	1.40	133.86	0.94
1.2 Others	650.40	6.53	1,331.27	14.98	557.19	3.91
2. Gains (losses) on exchange rates	193.63	1.94	(317.27)	(3.57)	20.77	0.15
3. Other income	(1,965.05)	(19.72)	(6,188.09)	(69.64)	64.91	0.45
3.1 Others	(1,965.05)	(19.72)	(6,188.09)	(69.64)	64.91	0.45
Total non-interest income	(1,011.45)	(10.15)	(5,049.83)	(56.83)	776.73	5.45
TOTAL INCOME	9,963.48	100.00	8,886.09	100.00	14,249.06	100.00

THB : MILLION

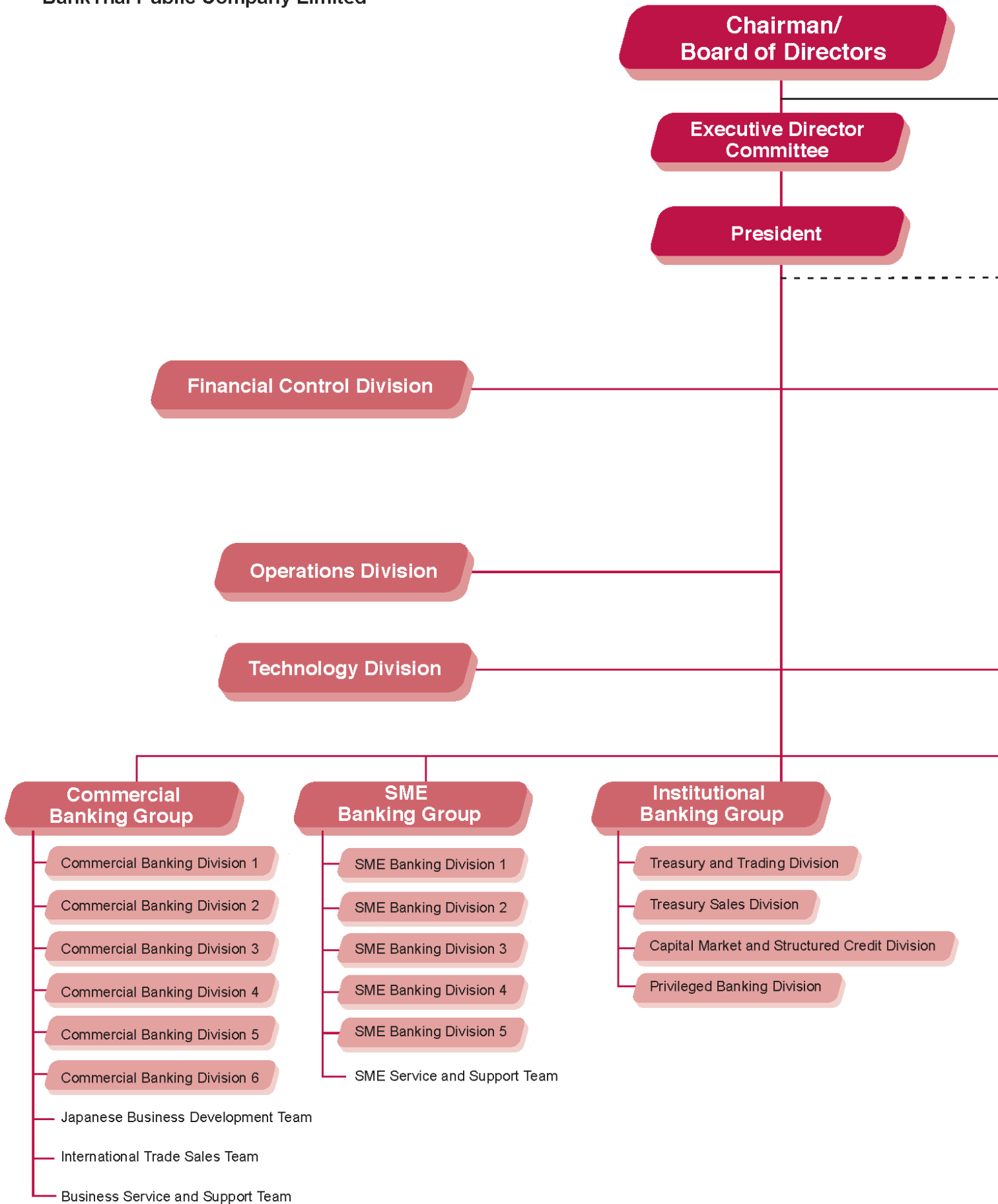
Company Name/ tructure	2008		2007		2006	
	million	%	million	%	million	%
1. BT Securities Co., Ltd.						
Interest and Dividend Income	31.70	13.17	22.49	8.06	17.02	7.56
Non-Interest Income	208.91	86.83	256.37	91.94	208.22	92.44
Total	240.61	100.00	278.86	100.00	225.24	100.00
2. BT Asset Management Co., Ltd.						
Interest and Dividend Income	0.94	0.76	1.50	1.97	1.18	2.57
Non-Interest Income	122.12	99.24	74.82	98.03	44.78	97.43
Total	123.06	100.00	76.32	100.00	45.96	100.00
3. BT Insurance Co., Ltd.						
Insurance Income	91.88	113.45	93.56	84.00	81.40	81.00
Interest and Dividend Income	14.80	18.27	15.69	14.00	17.17	17.00
Non-Interest Income	(25.69)	(31.72)	1.71	2.00	1.89	2.00
Total	80.99	100.00	110.96	100.00	100.46	100.00
4. BT Leasing Co., Ltd.						
Interest and Dividend Income	324.43	92.17	301.59	92.28	174.50	85.31
Non-Interest Income	27.56	7.83	25.24	7.72	30.04	14.69
Total	351.99	100.00	326.83	100.00	204.54	100.00
5. BT Business Consulting Co., Ltd.						
Interest and Dividend Income	0.08	18.18	-	-	0.03	0.14
Non-Interest Income	0.36	81.82	10.61	100.00	21.73	99.86
Total	0.44	100.00	10.61	100.00	21.76	100.00
6. Sathorn Asset Management Co., Ltd.						
Interest and Dividend Income	33.52	2.58	207.00	16.71	38.00	65.52
Non-Interest Income	1,264.01	97.42	1,032.00	83.29	20.00	34.48
Total	1,297.53	100.00	1,239.00	100.00	58.00	100.00
7. BT World Lease Co., Ltd.						
Interest and Dividend Income	321.60	82.44	327.42	84.62	318.05	87.06
Non-Interest Income	68.50	17.56	59.52	15.38	47.25	12.94
Total	390.10	100.00	386.94	100.00	365.30	100.00
8. Millea Insurance (Thailand) Pcl.**						
Interest and Dividend Income	809.21	88.22	657.82	91.47	644.64	95.96
Non-Interest Income	108.08	11.78	61.32	8.53	27.13	4.04
Total	917.29	100.00	719.14	100.00	671.77	100.00
9. World Class Rent a Car Co., Ltd.						
Interest and Dividend Income	415.01	82.60	355.31	84.05	393.40	82.32
Non-Interest Income	87.60	17.40	67.42	15.95	84.50	17.68
Total	502.61	100.00	422.73	100.00	477.90	100.00

** In 2008, the Bank did not invest in new shares of Millea Life Insurance Thailand Plc, and its shareholding changed from 30% to 15.26%. Such company is this not on associate of the Bank.



ORGANIZATION CHART

BankThai Public Company Limited



Audit Committee

Internal Audit Division

- Internal Audit Department
- Information Technology and Risk Audit Department
- Compliance and Credit Review Team

Corporate Affairs Division

- Office of the President
- Public Relations Office
- Planning Office

Human Resources Management Division

Retail Banking Group

- Retail Banking Division
- E-Banking Division
- Branch Service and Support Division

Business Support Group

- Legal Division
- Asset Management Division
- Network and Office Management Department
- Credit Administration Department

Risk Management Group

- Group Deputy-Risk Management
- Risk Management Division
- Credit Policy and Credit Quality Management Team
- Credit Committee Secretary Team
- Credit Approval Team
- Credit Analysis Division
- Research Office



1. Shareholding Structure

A. Top Ten Major Shareholders

As of 2 February 2009, the top ten major shareholders listed in the Shareholders' Registrar Book were as follows:

Name of shareholder	Nationality	Number of shares held	Shares held as a percentage of issued shares
1. CIMB Bank Berhad	Malaysian	6,143,544,532	92.04
2. Barclays Bank Plc, Singapore-Wealth Mgt	British	264,866,744	3.97
3. Pannasub Co., Ltd.	Thai	118,790,100	1.78
4. Thai NVDR Co., Ltd.	Thai	33,545,095	0.50
5. Mr. Pisit Phruengkpaiboon	Thai	9,604,300	0.14
6. Clearstream Nominees Ltd.	British	2,644,655	0.04
7. Mrs. Charoonlak Panitchiwa	Thai	2,544,400	0.04
8. Mrs. Suwanna Supachardkaisorn	Thai	2,000,000	0.03
9. Mrs. Ruenphet Sethapiyanon	Thai	2,000,000	0.03
10. Mr. Pairoj Charoenwisuttiwong	Thai	1,826,500	0.03
Other shareholders		93,334,256	1.40
Total		6,674,700,582	100.00
Foreign shareholders		6,412,618,478	96.07
Thai shareholders		262,082,104	3.93

B. Major Shareholders with Significant Influence over the Planning and Direction of the Bank's Operations

On 5 November 2008, CIMB Bank completed its purchase of ordinary shares of the Bank from the FIDF, and emerged as the largest shareholder of the Bank at 42.13%. On 17 November 2008, the Bank was notified that CIMB Bank will be undertaking a tender offer to purchase all the remaining shares of the Bank it does not own (3,862,838,023 shares or 57.87% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share, which is equivalent to a total consideration of THB 8,111,959,848.30. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank had increased to 6,143,544,532 shares, representing 92.04% of the total issued and paid-up shares of the Bank.

Future Obligations

- None -

2. Management Structure

The Bank's management structure consists of the following three groups:

2.1 Board of Directors.

2.2 Board Committees: Executive, Management, Audit, Nomination and Compensation, Risk Management, Credit Levels 2-6, Retail Banking, Capital Market, Sale of Non-Performing Assets, Assets and Liabilities Management, IT Strategic Planning, and

2.3 Executive Management.

2.1 Board of Directors

Definitions

A non-executive director is a director who:

- does not accept any appointment other than as a Board director.
- may or may not be an independent director.

An executive director is a director who:

- holds a management position with the Bank
- receives a regular remuneration from the Bank.

Director with delegated signature authority:

- a director or several directors may be authorized to execute contracts or other written instruments on behalf of the Bank.
- the scope of authority defined for each person shall be made available for public inspection, as appropriate.

A director without delegated signature authority shall not execute contracts or other written instruments on behalf of the Bank.

An independent director is a director who:

- holding shares *not* exceeding 1% of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;
- not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
- not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.
- The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of

Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
- neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding THB 2 million from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
- not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
- not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (1) to (8) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

Powers of the Board of Directors

1. To appoint and dismiss full-time and temporary employees; determine the levels of remuneration for full-time and temporary staff or any other persons having pecuniary relationship with the Bank; and declare dividends to shareholders;
2. To establish as many committees as the Board deems necessary to assist the Board in overseeing the Bank's business affairs, including determining the appropriate remuneration;
3. To appoint advisers in the context of the needs of the Board, including determining the appropriate remuneration;
4. To delegate certain functions or any of its powers to an individual Director or to a group of Directors or any other persons in a manner most appropriate to the business at hand; and
5. At board meetings, each director shall be entitled to cast one vote. Directors with material interests in the matter being considered are required to abstain on the matter. In the event of a vote tie, the Chairman of the Board shall have the deciding vote.

Duties and Responsibilities of the Board of Directors

- The basic responsibility of the Board is to exercise business judgment in good faith, in a manner that they reasonably believe to be in the best interests of the Bank, while complying with the applicable laws and regulations, the Bank's Articles of Association and resolutions adopted by the shareholders. The Board shall maintain convictions despite undue influence or opposition and pre-empt potential conflicts of interest. It shall also be responsible for approving all matters which require its approval, or recommending them to the shareholders for approval, as it deems fit, based on the following principles:

- Sufficiency:
 - 1) acts in support of the ultimate good of the Bank;
 - 2) exercises sound and prudent judgment; and
 - 3) decides dispassionately without consideration of personal gain.
- Caution:
 - 1) exercises due care and diligence by taking all the steps that he or she ought to take as a Director;
 - 2) makes informed decisions; and
 - 3) poses intelligent questions.
- Integrity:
 - 1) acts in good faith;
 - 2) makes decisions free of possible or even appearance of conflict of interest; and
 - 3) does not abuse power of authority by using classified information for personal gain.
- To set the direction, vision and policies and determine objectives and strategy to ensure the effective discharge of the Bank's functions and the most efficient use of the Bank's resources.
- To identify individuals qualified to become Directors and recommend to the shareholders' meeting nominees for election as directors, and encourage the shareholders to nominate candidates to stand for election as directors.
- To seek individuals from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity for appointment to executive management positions.
- Review and approve, together with Executive Management, specific financial objectives such as budgets proposed by Executive Management.
- To delegate the responsibility for the day-to-day management to Executive Management against agreed targets and objectives except when the matter warrants the Board's attention such as changes to the Bank's capital structure and major acquisitions, mergers, disposals and capital expenditure, or if the Board is required to ratify agreements involving conflicts of interest. In such case, the Board is responsible for making its recommendations to the shareholders, as appropriate.
- To determine the issues to be brought to its attention by Executive Management.
- To require Executive Management to discharge its duties against the Bank's strategic objectives and to regularly communicate those strategic objectives to the staff at all levels.
- To require Executive Management to comply with all relevant laws and regulations as well as the terms and conditions of various agreements.
- To ensure that the Bank has in place effective systems of risk management.
- To ensure that the Bank has in place effective internal controls; formulate and implement a well-defined conflict of interest policy; put in place policies and processes requiring Executive Management and other concerned parties to refrain from using confidential information for personal gain; assess and provide assurance on the effectiveness of the Bank's internal controls at the end of every year.
- To ensure fair treatment of all stakeholders.
- To assume responsibility for the financial statements of the Bank and its subsidiary companies and in that process, ensure that the notes to the financial statements contain all the important disclosures. The Board is also responsible for ensuring that processes are in place not only for implementing a sound accounting system, but also for ascertaining that proper accounting records are kept for future references.
- To ensure that processes are in place for reviewing the implementation of output delivery and the progress made on the achievement of expected accomplishments, as well as identifying the obstacles, so that appropriate policy response can be formulated.

- To establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, with consideration given to the risks and responsibilities involved as well as the need to better deliver long-term value to shareholders.
- To review the pay structure and the criteria for authorizing bonuses, incentives and benefits for full-time and temporary staff, including suppliers and contractors, as recommended by Executive Management.
- To appoint advisers to the Board or seek professional advice, at the expense of the Bank, within the context of the needs of the Board, and determine the appropriate levels of remuneration.
- To establish as many Board committees as necessary to assist the Board in overseeing the Bank's business affairs, including determining the appropriate levels of remuneration. Board committees have access to independent expert advice, as well as to engage regular staff to provide logistics support, at the Bank's expense.
- To ensure that information is disclosed into the public domain in an accurate, consistent and timely manner.
- To appoint a Board secretary to assist the Board in managing its business affairs, while ensuring compliance with the relevant laws and regulations as well as the Bank's Articles of Association.
- To put in place corporate governance guidelines and a code of business conduct and ethics, including board and committee charters as well as policies governing human resources management; also to provide oversight and direction throughout the organization, including ensuring their continued relevance and effectiveness.
- Conduct an annual self-evaluation.

Selection, Appointment and Removal of directors

- The Board of Directors shall be elected by the shareholders.
- The Board shall assign the Nomination and Compensation Committee to identify individuals qualified to become directors of a commercial bank or securities companies in accordance with the directives of the Bank of Thailand and other regulatory requirements. The Board shall nominate the candidates to be elected as directors to the shareholders' meeting, including those eligible for re-election or for new appointment based on the following procedure:
 1. According to the resolution adopted by the shareholders, the Board of Directors shall comprise no less than five and no more than 12 members, with half of the board members domiciled in Thailand.
 2. The Bank's Articles of Association provide for the following voting procedure:
 - (1) each shareholder shall have a number of votes equal to the number of shares held multiplied by the number of the directors to be elected;
 - (2) each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person in any number;
 - (3) after the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointments shall be made by drawing lots.
 3. The annual general meeting of shareholders shall elect the entire Board. The interim Board shall serve for a fixed period, until the new Board is elected and installed.
 4. Whenever any person vacates his or her seat as a Board member for any reason other than expiry of term of office, the remaining members shall, before the next Board meeting takes place, appoint another qualified and suitable director to fill that position for the remainder of

the term of office of his or her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the consent of 75% majority.

In addition to the above, in accordance with the Commercial Banking Act, the Bank of Thailand (BOT) has the right to issue an order requiring a commercial bank to dismiss from office any director or any employee whose business conduct or practice has posed serious harm to society at large, or if they have failed to comply with the directives prescribed by the BOT. In this instance, the Bank has the obligation to select a suitable replacement and make its recommendation to the BOT. The decision taken by the BOT to appoint or dismiss anyone is conclusive.

Composition of the Board

As of 28 February 2009, membership of the Board consisted of the following:

	Name	Official Title
1.	Mr. Tawee Butsunton	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman
3.	Mr. Chin Yuen Yin	Acting President
4.	Mr. Techapit Sangsingkeo	Independent Director/Chairman of Audit Committee
5.	Mr. Dharin Divari	Independent Director/Member of Audit Committee
6.	Mr. Chatchawal Eimsiri	Independent Director/Member of Audit Committee
7.	Dato' Shaarani Bin Ibrahim	Independent Director
8.	Mr. Kenny Kim	Director
9.	Mr. Preecha Oonchitti	Director
10.	Mrs. Watanan Petersik	Director
	Mr. Thaphop Kleesuwan	Secretary to the Board

Directors Nominated by Major shareholders

CIMB Bank has appointed two representatives to the Board, namely, Dato' Robert Cheim Dau Meng and Mr. Kenny Kim.

Signature Authority

As of 28 February 2009, the following Directors have been granted signature authority:

- | | | |
|----|-----------------------|------------------|
| 1. | Mr. Tawee Butsunton | Chairman |
| 2. | Mr. Chin Yuen Yin | Acting President |
| 3. | Mr. Preecha Oonchitti | Director |

Any two directors shall countersign and affix the Bank's common seal to written instruments.

The letter of authority filed with the Ministry of Commerce stipulates that Mr. Tawee Butsunton, Director (serving as Chairman), has the authority to execute contracts or written instruments on behalf of the Bank. However, Mr. Tawee Butsunton is not a director responsible for signing binding contracts on behalf of the Bank and is, therefore, in the position to bring independent judgment and scrutiny to decisions taken by Executive Management.

2.2 Committees of the Board

The Board has appointed the following principal committees to assist the Board in overseeing the objectives and effectiveness of the Bank's work:

1. Executive Director Committee
2. Management Committee

3. Audit Committee
4. Nomination and Compensation Committee
5. Risk Management Committee
6. Credit Committee Levels 2-6
7. Retail Banking Committee
8. Capital Market Committee
9. Committee on Sale of Non-Performing Assets
10. Assets and Liabilities Management Committee
11. IT Strategic Planning Committee

Executive Director Committee

The Executive Director Committee as at 28 February 2009 are as follows:

1. Mr. Preecha Oonchitti	Director	Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman	Member
3. Mr. Chin Yuen Yin	Acting President	Member
Mr. Thaphop Kleesuwan	Senior Vice President	Secretary
	Office of the President	

Powers, Duties and Responsibilities:

1. To examine and supervise the implementation of Board Resolutions;
2. To regularly review the work/progress reports of the management team in relation to the Bank's operation and management;
3. To examine the Bank's material matters, review changes in senior management, changes in business unit organs and significant investment matters;
4. To put forth proposals and plans on important matters requiring discussions and decisions of the Board;
5. To review and submit for Board's approval the annual financial budget, operational budget and any budget not including the annual budget;
6. To analyze the medium- to long-term development strategies and material investment decisions of the Bank and provide recommendations;
7. To review any redemption, retirement, modification or amendment of the terms of any fixed income, equity or derivative securities of the Bank or its subsidiaries, other than in accordance with the terms of such securities or pursuant to agreements in effect on the date hereof;
8. To review any issuance of any shares of capital stock of the Bank or its subsidiaries, rights of any kind convertible into or exchangeable for any shares of such capital stock or any option, warrant or other subscription or purchase right with respect to shares of such capital stock, including any derivative securities (other than shares of capital stock or derivative securities issued to the Bank);
9. To recommend the payment of any dividend;
10. To review and recommend any merger, divestiture or other similar corporate actions of the Bank;
11. To review any issuance of debt instruments by the Bank;
12. To approve proposed transactions and portfolio management of investment in debt instruments and hybrid securities with embedded derivatives;
13. To review and submit for the Board's approval the Authorization Index of the Bank's Groups;
14. To review and submit for the Board's approval the adjustment of annual salaries and rewards of the Bank;
15. To review and submit for the Board's approval the compensation other than salaries and rewards;

16. To review the investment policy related to equity investment and investment in debt instruments and hybrid securities prior to submission to the Board of Directors;
17. To review and submit for the Board's approval the guideline for investment in operational development;
18. To approve all IT infrastructure projects;
19. To approve costs and transactions as specified in the Authorization Index of the Network and Office Management Department and Technology Division which are value of more than THB 20 million;
20. To consider guidelines for remedying any damage incurred from any investment not including in the Bank's business plan; and
21. To review any matter delegated to it by the Board.

Management Committee

The Management Committee as at 28 February 2009 are as follows:

1. Mr.Chin Yuen Yin	Acting President	Chairman
2. Mr.Taveeb Chardtumrong		Advisor to the Management Committee
3. Mrs.Duangphorn Sucharittanuwat	Senior Executive Vice President Commercial Banking Group	Member
4. Mr.Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
5. Mr.Surachai Chitratsenee	Senior Executive Vice President Retail Banking Group, Acting Head, SME Banking Group	Member
6. Mr.Lee Teck Seng	Senior Executive Vice President Institutional Banking Group,	Member
7. Mrs.Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Member
8. Mr.Pipat Eamshereangkoon	Executive Vice President Technology Division	Member
9. Mr.Nuekruk Baingern	Executive Vice President Operation Division	Member
10. Ms.Uthaiwan Anuchitanukul	First Vice President Planning Office	Member
11. Mr.Thaphop Kleesuwan	Senior Vice President Office of the President	Secretary

Powers, Duties and Responsibilities:

1. To establish policies and guidelines for solving problems that cannot be resolved at the operational level, to monitor the bank's operations under the policies laid down by the Board of Directors of the Bank.
2. To review the Bank's budget in line with the Bank's business plan.
3. To review and submit to the Executive Director Committee the annual financial report, operational budget and any budget not including the annual budget.
4. To approve the purchase or the hiring under a special process for any purchase or hire above THB 1 million.

Audit Committee

At its 8/1999 and 9/1999 meetings, held on 27 May 1999 and 29 June 1999 respectively, the Board resolved to set up an Audit Committee. This decision was subsequently endorsed by the Extraordinary Meeting of Shareholders at its 1/2000 session, held on 21 July 2000. The Audit Committee serves a two-year term.

Membership of the Audit Committee

- | | |
|-----------------------------|----------|
| 1. Mr. Techapit Sangsingkeo | Chairman |
| 2. Mr. Dharin Divari | Member |
| 3. Mr. Chatchawal Eimsiri | Member |

Secretary to the Audit Committee:

- | | |
|--------------------------------|--|
| Mrs. Malini Apiwatananont | First Vice President,
Internal Audit Department |
| Mr. Pattanasak Chermchansophon | Team Head, Compliance and Credit Review |

Purposes and responsibilities

The Audit Committee is comprised of independent non-executive directors and reports directly to the Board. The purpose and responsibilities as set out in its charter include:

1. To ensure the appropriateness of the Bank's internal control, good corporate governance in accordance with direction from the Board of Directors.
2. To ensure that processes are in place for maintaining the integrity of the Bank's financial statements and financial disclosures, including those of related parties or those with conflict of interest.
3. To monitor compliance with the relevant laws and regulatory requirements, including the Bank's Articles of Association, policies and procedures.
4. To review the effectiveness of the Bank's internal controls with a view to enhancing the value and ensuring the long-term organizational health of the Bank.
5. To review and evaluate the effectiveness of risk management in accordance with good corporate governance and to provide credit reviews as required by the Bank of Thailand.
6. To review and approve the audit plan and annual budget for the Internal Audit Division and Compliance and Credit Review Team as well as to revising both of them to be in line with the changing environment.
7. To review the financial statements and to recommend to the Board and shareholders the appointment of external auditors, including appropriate remuneration.
8. To review the internal audit report, including the issues observed and recommendations made by the internal auditors, the examiners from the Bank of Thailand, the external auditors and other competent authorities; and to ensure that tangible steps are taken to actively implement the recommendations.
9. To produce and publish the Audit Committee's report signed by the Chairman of the Audit Committee in the Bank's annual report, in accordance with good corporate governance.
10. To perform any other assignments delegated to it by the Board.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists as at 28 February 2009 are as follows:

- | | | |
|--------------------------------|------------------------------------|-----------|
| 1. Mr. Dharin Divari | Independent Director | Chairman |
| 2. Dato' Robert Cheim Dau Meng | Vice Chairman | Member |
| 3. Executive Vice President | Human Resource Management Division | Secretary |

Powers, Duties and Responsibilities

1. To establish competitive policies and guidelines on remunerations and welfare of the Bank in line with market practices.
2. To consider and approve:
 - 2.1 The improvement of policies and/or remunerations and welfare regulations of the Bank in line with the current labour market.
 - 2.2 The policy on salary adjustments and payment of annual bonuses of the Bank.
 - 2.3 Voluntary retirement plans and relevant expenses.
3. To establish criteria and guidelines on remuneration and welfare management of the Bank's subsidiaries.
4. To recruit executive officers at the level from Senior Executive Vice President of the Bank and to propose to the Board of Directors for approval.

Risk Management Committee

The Risk Management Committee as at 28 February 2009 are as follows:

1. Dato' Robert Cheim Dau Meng	Vice Chairman	Chairman
2. Mr.Chin Yuen Yin	Acting President	Member
3. Mrs.Duangphorn Sucharittanuwat	Senior Executive Vice President Commercial Banking Group	Member
4. Mr.Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
5. Mr.Surachai Chitratsenee	Senior Executive Vice President Retail Banking Group, Acting Head, SME Banking Group	Member
6. Mr.Lee Teck Seng	Senior Executive Vice President Institutional Banking Group	Member
7. Mrs.Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Member
8. Mr.Pipat Eamsherangkoon	Executive Vice President Technology Division	Member
9. Mr.Somsak Chaiyadej	Senior Vice President Risk Management Division	Member and Secretary

Powers, Duties and Responsibilities

1. To establish and revise policies on risk management to be proposed to the Board of Directors of the Bank - for the consideration of the Bank and Financial Group's risk management framework, which includes the management of various types of risks e.g. credit risk, market risk, liquidity risk, operational risk, reputation risk and image and other types of risks which are significant to the Bank and Financial Group's business.
2. To establish strategies in compliance with risk management policies in order to evaluate, monitor and control that the Bank and the Financial Group's financial risks are within the reasonable level.
3. To review and approve risk management guidelines to be in line with the approved Risk Management Policy.
4. To ensure the adequacy of risk management policies and systems in conformity with business strategies of the Bank and market conditions; incorporated the efficiency of the systems and actions in accordance with the set forth policies.
5. To review and approve any changes in the Credit Policy Manual (except for retail banking) and

exceptions of the credit policy; also to approve methodologies and tools for assessment of credit risks and loan pricing methodologies.

6. To ensure that each individual business unit of the Bank achieves a return commensurate with the risks identified; also to establish RAROC target and to approve asset purchases or sales to achieve various RAROC targets.
7. To provide and revise criteria on portfolio management and approve concentration limits.
8. To approve and revise limits controlling market risks resulting from transactions in the Bank's trading book except stop loss limit ; also to approve methodologies and tools for measuring risk levels of new products of Treasury and Trading Division, e.g. value at risk, and DV01's.
9. To establish and revise guidelines on operational risk management, and to approve methodologies and tools for risk assessment and risk control; also to review adequacy of resources to manage operational risks.
10. To review contingency plan or business continuity management - including business continuity plan of various departments of the Bank and the Financial Group - to be implemented whenever necessary and propose to the Board of Directors for approval; also to review those plans and report to the Bank of Thailand annually or upon any material alterations in the Group's structure or operations.
11. To approve new products and services and alterations of business processes on both new and existing products and services of the Bank and the Financial Group (except those of retail banking group and subsidiaries in retail banking business) and approve the Delegations of Authority for loan approval and operating procedures under Product Program
12. To assess, monitor and supervise the overall risk management related to investment in equity, debt instruments, hybrid securities and debt instruments with embedded derivatives in the Bank's banking book under the following responsibilities:
 - 12.1 Review investment policy related to equity investment and investment in debt instruments, hybrid securities and debt instruments with embedded derivatives, and provide recommendations to the Board of Directors.
 - 12.2 Review the investment guidelines, including guidelines for monitoring and tracking, investment sub-limits, risk limits and provide recommendations to the Board of Directors.
 - 12.3 Review investment proposal and provide recommendations to the Executive Director Committee or the Board of Directors in case of approval to hold debt instrument when its credit rating is downgraded to level below criteria specified in the investment policy of each type of instrument.
 - 12.4 Monitor performance of equity investment, investment in debt instruments, hybrid securities and debt instruments with embedded derivatives, and ensure conformance with investment policies.
13. To establish and revise guidelines for capital allocation and to review capital adequacy of the Bank and the Financial Group.
14. To establish measures and guidelines for loan loss provisioning and adequacy of reserve.
15. To monitor, control and evaluate risk management performance of the Bank and the Financial Group in compliance with risk management guidelines and policies; also to provide quarterly reports to Board of Directors of risk status and any changes which have impact on overall risks of the Bank; any events that could significantly affect the stability of the Bank and the Financial Group, Risk Management Committee shall notify the Board of Director without delay.
16. To have Powers and Duties in compliance with the Stop Loss Limit Policy.
17. To perform other tasks delegated to Risk Management Committee by Executive Director Committee or The Board of Directors.

Credit Committee Level 2

The Credit Committee Level 2 as at 28 February 2009 are as follows:

1. Mr. Preecha Oonchitti	Director	Chairman
2. Mr. Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
3. Mrs. Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Member
4. Ms. Supaporn Isripradit	Credit Committee Secretary Team	Secretary

Powers, Duties and Responsibilities

1. To approve any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of a "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, and not exceeding THB 2,000 million.
2. To review and provide recommendations to the Bank's subsidiaries relating to the debt restructuring of the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 2,000 million.
3. To review and provide recommendations for approval of the Bank's Board of Directors, any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, exceeding THB 2,000 million.
4. To approve reducing the interest rates/the Letter of Guarantee fee at less than approved rates, as follows:
 - 4.1 Reduce the interest rate not exceeding 0.25 % from approved rates.
 - 4.2 Reduce the Letter of Guarantee fee not exceeding 0.25 % from approved rates.
5. Within an approved credit line, approve changes in conditions relating to credit facility, as follows:
 - 5.1 To approve excess in the usage of the sub-limit of any credit facility, not exceeding 10 %.
 - 5.2 To authorize the issuance of Letter of Guarantee of type different from those already approved.
 - 5.3 To approve the granting of various types of consent in any Syndicated Loan excluding changes in tenor and/or interest rate, under those conditions where consent is required within 30 days.
6. To approve the extension of the annual review date up to 3 months from the due date.
7. To approve a temporary excess in the Trade Finance limit not exceeding 10 % for a maximum of 6 months in those cases where the quantity of purchase cannot be smaller and/or cannot be divided into smaller L/Cs.

Credit Committee Level 3

The Credit Committee Level 3 as at 28 February 2009 are as follows:

1. Mrs. Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Chairperson
2. Mr. Paraadorn Phakaphat	Executive Vice President Legal Division or Head or expert of the Legal Team	Member
Mrs. Kampoo Visuthiphol	Credit Policy & Credit Quality Management Team Head	Member

Mr.Somchai Vongpiyasatit	Credit Approval Team	Member
Ms.Apinya Punjajitti	Credit Approval Team	Member
Ms.Siriporn Sirisingha	Credit Approval Team	Member
Mr.Suraphol Thipvilai	Credit Approval Team	Member
3. Ms.Supaporn Isripradit	Credit Committee Secretary Team	Secretary

Powers, Duties and Responsibilities

1. To approve any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of a "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 400 million; also to approve the transfer of accounts of debtors to the Asset Management Division, to approve the write off in case of the expiration of prescription period or insufficient of the document to proceed the legal action, to approve the debt restructuring which such debt obligation, under the accounting, has been written off or to approve the write off the investment, to approve the debt restructuring which there has the transfer of asset, debt instrument and conversion of debt to equity.
2. To acknowledge the updated report on the progress of troubled debt restructuring including and the progress of Watch List customers and to give the debt restructuring guideline to the customers or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 400 million;
3. To review and provide recommendations to the Bank's subsidiaries relating to the troubled debt restructuring of the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 400 million; also to approve the debt restructuring which such debt obligation, under the accounting, has been written off or to approve the write off the investment, to approve the debt restructuring which there has the transfer of asset, debt instrument and conversion of debt to equity.

Credit Committee Level 4

The Credit Committee Level 4 as at 28 February 2009 are as follows:

1. Mrs.Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Chairperson
2. Mrs.Kampoo Visuthiphol	Credit Policy & Credit Quality Management Team	Chairperson or Member
Mr.Somchai Vongpiyasatit	Credit Approval Team	Chairperson or Member
3. Ms.Apinya Punjajitti	Credit Approval Team	Member
Ms.Siriporn Sirisingha	Credit Approval Team	Member
Mr.Suraphol Thipvilai	Credit Approval Team	Member
Ms.Marayat Sawetkititum	Credit Policy & Credit Quality Management Team	Member
Ms.Suphaluk Sasalaksananon	Credit Policy & Credit Quality Management Team	Member
Mr.Sayan Angsusingha	Legal Division	Member
Mr.Pongdej Wongpoom	Legal Division	Member
Ms.Suvimon Phothonvattanakorn	Legal Division	Member
4. Member (Level 6 and up) of the Credit Committee Secretary Team		Secretary

Powers, Duties and Responsibilities

1. To approve any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of a "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 200 million; also to approve the transfer of accounts of debtors to the Asset Management Division, to approve the write off in case of the expiration of prescription period or insufficient of the document to proceed the legal action, except the approval of the debt restructuring which such debt obligation, under the accounting, has been written off or the approval of the write off the investment and the debt restructuring which there has the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director .
2. To review and provide recommendations to the Bank's subsidiaries relating to the troubled debt restructuring of the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 200 million, except the debt restructuring which such debt obligation, under the accounting, has been written off or the write off the investment, the acceptance of the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director.

Credit Committee Level 5

The Credit Committee Level 5 as at 28 February 2009 are as follows:

- | | | |
|---|--|--------------------------|
| 1. Mrs.Panute Na Chiangmai | Executive Vice President
Acting Head, Risk Management Group | Chairperson |
| 2. Mrs.Kampoo Visuthiphol | Credit Policy & Credit Quality
Management Team | Chairperson or
Member |
| Mr.Somchai Vongpiyasatit | Credit Approval Team | Chairperson or
Member |
| Ms.Apinya Punjajitti | Credit Approval Team | Chairperson or
Member |
| 3. Ms.Siriporn Sirisingha | Credit Approval Team | Member |
| Mr.Suraphol Thipvilai | Credit Approval Team | Member |
| Ms.Marayat Sawetkititum | Credit Policy & Credit Quality
Management Team | Member |
| Ms.Suphaluk Sasalaksananon | Credit Policy & Credit Quality
Management Team | Member |
| Mr.Chalong Viseshom | Legal Division | Member |
| Mrs.Vimolrat Pattichart | Legal Division | Member |
| Ms.Rapeeporn Vanasant | Legal Division | Member |
| Mr.Chaichana Sakkara | Legal Division | Member |
| Mr.Saharat Sukkul | Legal Division | Member |
| Ms. Wipavee Buranasomphop | Legal Division | Member |
| 4. Member (Level 5 and up) of the Credit Committee Secretary Team | | Secretary |

Powers, Duties and Responsibilities

1. To approve any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of a "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 50

million; also to approve the transfer of accounts of debtors to the Asset Management Division, to approve the write off in case of the expiration of prescription period or insufficient of the document to proceed the legal action, except the approval of the debt restructuring which such debt obligation, under the accounting, has been written off or the approval of the write off the investment and the debt restructuring which there has the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director .

2. To review and provide recommendations to the Bank's subsidiaries relating to the troubled debt restructuring of the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 50 million, except the debt restructuring which such debt obligation, under the accounting, has been written off or the write off the investment, the acceptance of the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director.

Credit Committee Level 6

The Credit Committee Level 6 as at 28 February 2009 are as follows:

- | | | | |
|----|--|---|----------------------------|
| 1. | Mr.Somchai Vongpiyasatit, or
Mrs.Kampoo Visuthiphol, or | Credit Approval Team
Credit Policy & Credit Quality
Management Team | Chairperson
Chairperson |
| | Ms.Apinya Punjajitti, or | Credit Approval Team | Chairperson |
| 2. | Ms.Siriporn Sirisingha | Credit Approval Team | Chairperson or
Member |
| 3. | Mr.Suraphol Thipvilai
Ms.Marayat Sawetkititum | Credit Approval Team
Credit Policy & Credit Quality
Management Team | Member
Member |
| | Ms.Suphaluk Sasalaksananon | Credit Policy & Credit Quality
Management Team | Member |
| | Mr.Sakont Srikrissanaruks | Legal Division | Member |
| | Mr.Haris Khanom | Legal Division | Member |
| | Mr.Anutap Indrakeo | Legal Division | Member |
| | Mr.Jance Kebwhite | Legal Division | Member |
| | Mr.Soontorn Rongdaj | Legal Division | Member |
| | Mr.Adisorn Sriaroon | Legal Division | Member |
| 4. | Member (Level 5 and up) of the Credit Committee Secretary Team | | Secretary |

Powers, Duties and Responsibilities

1. To approve any action relating to the credit facilities given to the customer and/or group of customers (according to the Bank's definition of a "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 10 million; also to approve the transfer of accounts of debtors to the Asset Management Division, to approve the write off in case of the expiration of prescription period or insufficient of the document to proceed the legal action, except the approval of the debt restructuring which such debt obligation, under the accounting, has been written off or the approval of the write off the investment and the debt restructuring which there has the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director .
2. To review and provide recommendations to the Bank's subsidiaries relating to the troubled debt

restructuring of the customer and/or group of customers (according to the Bank's definition of "group of customers") having aggregate credit facilities or outstanding debts plus accrued interest, whichever is higher, not exceeding THB 10 million, except the debt restructuring which such debt obligation, under the accounting, has been written off or the write off the investment, the acceptance of the transfer of asset, debt instrument and conversion of debt to equity will be approved by the Credit Committee level 3 or the Credit Committee level 2 or the Board of Director.

Retail Banking Committee

The Retail Banking Committee as at 28 February 2009 are as follows:

1. Mr.Chin Yuen Yin	Acting President	Chairman
2. Mr.Surachai Chitratsenee	Senior Executive Vice President Retail Banking Group, Acting Head, SME Banking Group	Member
3. Mrs.Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Member
4. Mr.Tada Charukitpaisarn	Executive Vice President Retail Banking Division	Member
5. Mr.Nuekruk Baingern	Executive Vice President Operation Division	Member
6. Mr.Tawich Virangkur	Senior Vice President E-Banking Division	Member and Secretary

Powers, Duties and Responsibilities

1. To analyze the medium-to long-term development strategies and investment decisions of the retail banking unit (including lending, collection, deposit-taking, branch and branch services and back-office infrastructure) for submission to the Executive Directors' Committee;
2. To develop annual financial and operational budgets for the retail banking division;
3. To coordinate and supervise resources in the implementation of short-, medium-and long-term strategies of the retail banking division;
4. To regularly review the work reports of the retail banking division management team in relation to all aspects of the retail banking business;
5. To review performance and make compensation and hiring/firing decisions (or recommend to the Executive Directors' Committee decisions as appropriate) for First Vice President and above positions in the retail banking division;
6. To approve the product program and launch plans for new products and services of the retail banking division and retail lending subsidiaries, as well as changes to existing retail products and services;
7. To approve delegation of authority for loan approval, and operating procedures covered under the product program.
8. To approve product advertising and sale promotion plans and budget under the overall annual business plan already approved by the Board of Directors
9. To approve budgets for specific event marketing under the overall annual business plan as already approved by the Board of Directors;
10. To approve the forbearance program allowing relief on interest and penalty fees for retail borrowers;
11. To approve special interest rates and fees for marketing and sale campaigns; and
12. To supervise other matters delegated to the Retail Banking Committee by the Executive Directors' Committee or the President.

Capital Market Committee

The Capital Market Committee as at 28 February 2009 are as follows:

1. Mr.Chin Yuen Yin	Acting President	Chairman
2. Mr.Kenny Kim	Director	Member
3. Mr.Lee Teck Seng	Senior Executive Vice President Institutional Banking Group	Member
4. Mr.Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
5. Mr.Chaiwat Matevelungsun	Executive Vice President Capital Market and Structured Credit Division	Member
6. Mr.Arnon Limmongkol	Vice President Capital Market and Structured Credit Division	Secretary

Powers, Duties and Responsibilities

To approve capital market transactions, investment in plain vanilla debentures and convertible debentures with investment grade rating, and transactions related to assets-under-management.

Committee on Sale of Non-Performing Assets

The Committee on Sale of Non-Performing Assets as at 28 February 2009 are as follows:

1. Dato' Robert Cheim Dau Meng	Vice Chairman	Chairman
2. Mr.Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
3. Mrs.Panute Na Chiangmai	Executive Vice President Acting Head, Risk Management Group	Member
4. Mr.Paraadorn Phakaphat	Executive Vice President Legal Division	Member
5. Mrs.Karnchana Paiboon	Advisor Financial Control Division	Member
6. Mr.Somkeart Srisuwan	Senior Vice President Network and Office Management Department	Member
7. Mrs.Saovanee Siriveshvaravudh	Vice President Non-Performing Assets Sales Team	Secretary

Non-Performing Assets shall mean fixed assets, other assets such as office equipment, leasehold rights and other assets received from the transfer of collateral to settle debts, enforcement under agreement, mergers or amalgamation including fixed assets, and office equipments which is no longer used.

Powers, Duties and Responsibilities

1. To make decisions regarding non-Performing assets.
 2. To set assets prices and sales procedures, and to approve sale of assets.
 3. To approve and to provide other method for the benefit of the Bank e.g. to lease or to use the Non-Performing assets and to obtain approvals from relevant authorities.
 4. To approve the registration of easement where it is beneficial to the Bank.
- Value of assets and approval ceiling: up to THB 300 million at book value.

Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee as at 28 February 2009 are as follows:

1. Mr.Chin Yuen Yin	Acting President	Chairman
2. Mr. Kenny Kim	Director	Member

3.	Mr.Lee Teck Seng	Senior Executive Vice President Institutional Banking Group	Member
4.	Mrs.Duangphorn Sucharittanuwat	Senior Executive Vice President Commercial Banking Group	Member
5.	Mr.Surachai Chitratsenee	Senior Executive Vice President Retail Banking Group, Acting Head, SME Banking Group	Member
6.	Mrs.Panute Na Changmai	Executive Vice President Acting Head, Risk Management Group	Member
7.	Mr.Sutee Losoponkul	Executive Vice President Treasury and Trading Division	Member
8.	Mr.Padej Piroonsit	Executive Vice President Treasury Sales Division	Member
9.	Mr.Bunluasak Pussarungsri	Executive Vice President Research Office	Member
10.	Ms. Uthawan Anuchitanukul	First Vice President Planning Office	Member
11.	Mr.Thawatchai Prommaporn	First Vice President Market Risk Management Team	Member and Secretary

Powers, Duties and Responsibilities

1. To establish and revise policies on assets and liabilities management, liquidity risk management and interest rate risk management proposed to the Board of Directors of the Bank.
2. To establish the proper structure of assets and liabilities, both in THB and foreign currencies on credits, investments, non-performing assets, deposits, loans etc., in conformity with market conditions and changes in business conditions, as to enable the Bank to achieve a return commensurate with risks identified.
3. To ensure implementation of risk measurement system reflecting actual liquidity risks and interest rate risks of the Bank's banking book.
4. To consider and approve proposed liquidity risk limits and interest rate risk limits of positions in the Bank's banking book, and to revise at least once a year or whenever necessary in order to control risks at a level in compliance with the policies and capital of the Bank.
5. To consider and approve interest rates of loans proposed by the relevant departments.
6. To consider and revise deposits interest rates policy to be implemented by relevant departments.
7. To monitor, control and evaluate assets and liabilities management, complying with the policies thereon.

IT Strategic Planning Committee

The IT Strategic Planning Committee as at 28 February 2009 are as follows:

1.	Mr.Kenny Kim	Director	Chairman
2.	Mr.Chin Yuen Yin	Acting President	Vice Chairman
3.	Mrs.Duangphorn Sucharittanuwat	Senior Executive Vice President Commercial Banking Group	Member
4.	Mr.Surachai Chitratsenee	Senior Executive Vice President Retail Banking Group, Acting Head, SME Banking Group	Member

5. Mr. Ekajai Tivutanond	Senior Executive Vice President Business Support Group	Member
6. Mr. Pipat Eamsherangkoon	Executive Vice President Technology Division	Member and Secretary

Powers, Duties and Responsibilities

1. To determine the strategies and planning of every IT project in conformity with the policies and strategies of the Bank.
2. To list priorities of projects and appropriate resources, e.g., budgets, manpower and office equipment.
3. To consider and determine technical projects, acquisitions and efficiencies of technologies as well as relevant equipment.
4. To approve all IT infrastructure projects;
5. To follow the progress of each IT project in association with the strategies approved.
6. To evaluate the application of technology as well as hardwares, softwares and relevant equipment, the evaluation of which may be used to determine the bank's future plans on technology.
7. To appoint appropriate sub-committees or working groups to carry out the assignments.
8. To approve the purchases or the hiring under a special process for IT project.
9. To approve IT project of which the project cost exceed THB 10 million but not exceed THB 300 million.

Selection of Senior Executives

In 2008, the principal focus was on attracting and retaining members from diverse professional backgrounds who combined a broad spectrum of experience and expertise necessary for delivering the Bank's business strategy while adding real value. An interview panel consisting of senior executives representing the Group or Division concerned and representatives from Human Resources Management Division assisted the Board in the recruitment, selection and nomination processes of all new senior executive appointments.

2.3 Executive Management

As at 28 February 2009, the Bank's Executive Management consisted of the following five members:

- | | |
|------------------------------------|---|
| 1. Mr. Chin Yuen Yin | Acting President |
| 2. Mr. Lee Teck Seng | Senior Executive Vice President Institutional Banking Group |
| 3. Mrs. Duangphorn Sucharittanuwat | Senior Executive Vice President Commercial Banking Group |
| 4. Mr. Surachai Chitratsenee | Senior Executive Vice President Retail Banking Group,
Acting Head, SME Banking Group |
| 5. Mr. Ekajai Tivutanond | Senior Executive Vice President Business Support Group |

The following senior executives were responsible for all financial and accounting matters:

Mrs. Teeraporn Ratanopas	Financial Accounting Department Head
--------------------------	--------------------------------------

3. Background of Directors and Executives

As of 28 February 2009

Name of Director, Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
1. Mr. Tawee Butsumorn <i>Chairman</i> <i>(Authorized Signatory)</i>	69	<ul style="list-style-type: none"> - Honorary Doctorate Degree in Engineering, King's Mongkut Institute of Technology Ladkrabang - Honorary Doctorate Degree in Engineering, Chulalongkorn University - Honorary Doctorate Degree in Engineering, Burapha University - B.Eng. (1st Class Hons.), Chulalongkorn University - Certificate from National Defence College, The Joint State Private Sector Regular Course <p><u>Training</u></p> <ul style="list-style-type: none"> - Director Certification Program (DCP) by Thai Institute of Directors Association (IOD) - The Dynamic Management for International Executives, Syracuse University, U.S.A. - Certificate of the Management of Transfer of Technology from INSEAD Institute, France - The Chief Executive Program, Irish Management Institute, Ireland - The Manufacturing in Corporate Strategy, Harvard University, Graduate School of Business Administration, U.S.A. - AMP-The Advanced Management Program, Harvard University, Graduate School of Business Administration, U.S.A. 	- (0.00%)	<p>2002 - 2003</p> <p>2000 - 2003</p> <p>1999 - 2002</p> <p>1992 - 1999</p>	<p>Chairman</p> <p>Chairman</p> <p>Chairman</p> <p>Chairman</p> <p>(Authorized Signature)</p> <p>Chairman</p> <p>Chairman</p> <p>(Authorized Signature)</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Chairman of the Board Director</p> <p>Director and Chairman of Executive Committee</p> <p>Advisor</p> <p>Senior Executive Vice President</p>	<p>Union Petrochemical Public Co., Ltd.</p> <p>Daiichi Corporation Public Co., Ltd</p> <p>NFC Fertilizer Public Co., Ltd.</p> <p>IEC Business Partners Co., Ltd</p> <p>Cathay Leaseplan Public Co., Ltd.</p> <p>-</p> <p>Thai Sri Insurance Co., Ltd.</p> <p>Sahaviriya Steel Industries Public Co., Ltd.</p> <p>Ratchaburi Power Co., Ltd.</p> <p>Ratchaburi Power Co., Ltd.</p> <p>Phayathai Asset Management Co., Ltd.</p> <p>Thai Military Bank Public Co., Ltd.</p> <p>Siam Cement Thai Public Co., Ltd.</p> <p>Siam Cement Thai Public Co., Ltd.</p>
2. Dato' Robert Cheim Dau Meng <i>Vice Chairman</i> <i>Chairman of Risk Management Committee</i> <i>Chairman of Committee on Sale of Non-Performing Assets</i> <i>Member of Executive Director Committee</i> <i>Member of Nomination and Compensation Committee</i>	57	<ul style="list-style-type: none"> - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants 	- (0.00%)	<p>2006-Present</p> <p>1999-2006</p> <p>1993-1999</p> <p>1992-1993</p> <p>1987-1991</p> <p>1984-1987</p> <p>1977-1984</p> <p>1976-1977</p> <p>1972-1976</p>	<p>Advisor</p> <p>Executive Director</p> <p>Chief Executive/Managing Director</p> <p>Executive Director</p> <p>General Manager</p> <p>Head of Corporate Finance</p> <p>Various Management Positions</p> <p>Financial Accountant</p> <p>Articled Clerk/Audit Senior</p>	<p>CIMB Investment Bank Berhad</p> <p>CIMB Investment Bank Berhad</p> <p>CIMB Investment Bank Berhad</p> <p>CIMB Investment Bank Berhad</p> <p>CIMB Investment Bank Berhad</p> <p>CIMB Investment Bank Berhad</p> <p>CIMB Bank Berhad</p> <p>Capital Paper Co., Ltd., London</p> <p>Thwaites Blackwell Bailey & Co., Chartered Accountants, London</p>

Name of Director, Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
				1970-1972	Articled Clerk	Victor Harris & Co., Chartered Accountant, London
3. Mr. Chin Yuen Yin <i>Director (Authorized Signatory)</i> Acting President Vice Chairman of IT Strategic Planning Committee Chairman of Management Committee Chairman of Retail Banking Committee Chairman of Capital Market Committee Chairman of Asset and Liabilities Management Committee Member of Executive Director Committee Member of Risk Management Committee	61	- Master of Business Administration, University of Hull - Bachelor of Economics (Honours), University of Malaysia - Fellow of the Chartered Institute of Marketing <u>Training</u> - International Banking Program, Manchester Business School - Program in Leading Charge & Organizational Transformation, Harvard University	- (0.00%)	1999 - 2005 1994 - 1999 1992 - 1994	Executive Vice President and Head, Group Consumer Financial Services Division Senior General Manager, Personal Banking Division Advisor to the President Director	OCBC Bank, Singapore Hong Leong Bank, Malaysia Bank SBU, Indonesia
4. Mr. Techapit Sangsingkeo <i>Independent Director</i> Chairman of the Audit Committee	64	- M.A. (Economics) Keio University, Japan (BOT's Scholarship) - B.A. (Economics) Hitotsubashi University, Japan	- (0.00%)	Present 2005 - Sep. 2007 2002 - 2004	Chairman (Authorized Signature) Chairman of Audit Committee Chairman of Audit Committee Executive Director Director Director and Executive Director Advisor Chairman of Audit Committee Deputy Governor	Sukhumvit Asset Management Co., Ltd. Star Sabitary Ware Co., Ltd. Thai Tap Water Supply Public Co., Ltd. Thai Asset Management Corporation Pathum Thani Water Co., Ltd. Foundation for Life Development Under the patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra Royal Thai Embassy Vientiane, Lao Pdr. Professional West Co., Ltd. Bank of Thailand
5. Mr. Dharin Divari <i>Independent Director</i> Diploma (Banking), State Committee Chairman of Nomination and Compensation Committee	66	- Diploma, SASIN - Senior Executive Program School of Trade and Economy (Hamburg) <u>Training</u> Director Certification Program (DCP) by Thai Institute of Directors Association (IOD)	- (0.00%)	2004 1993 - 2000	Director and Chairman of the Audit Committee Executive Vice President	Asia Fiber Public Co., Ltd. Member of Audit Kasikom Bank Public Co., Ltd.
6. Mr. Chatchawal Eimsiri <i>Independent Director</i> Member of the Audit Committee	49	- M.Sc. in Operation Research London School of Economics and Political Science, University of London - B.Sc. in Mathematics Imperial and Production Public Co., Ltd.	- (0.00%)	Present 2001 - Present	Director (Authorized Signature) Vice President Finance & Accounting,	Energy Complex Co., Ltd. PTT Exploration and Production Public Co., Ltd.

Name of Director, Management / Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
		College of Science and Technology, University of London Training Advanced Management Program (AMP) Harvard Business School		1990 - 1 Apr. 2001 1987 - 1990	Senior Manager, Financial Finance Manager	PTT Exploration and Production Public Co., Ltd. National Petrochemical Public company Limited
7. Dato' Shaarani Bin Ibrahim <i>Independent Director</i>	59	B.A. (Hons) International Relations, Universiti Malaya	- (0.00%)	2005 - 2008 2002 - 2005 1999 - 2002 1996 - 1999 1992 - 1996 1990 - 1992 1989 - 1990 1988 - 1989 1986 - 1988 1982 - 1986 1979 - 1982 1977 - 1979 1975 - 1977 1973 - 1975	Ambassador of Malaysia Ambassador of Malaysia Under Secretary Ambassador of Malaysia Under Secretary Minister Counsellor Deputy Director General Principal Assistant Secretary Counsellor Principal Assistant Secretary Affairs First Secretary Assistant Secretary Second Secretary Assistant Secretary	The Kingdom of Thailand The Kingdom of Spain East and South Asia Division, Ministry of Foreign Affairs The Republic of Uzbekistan Finance, Consular & Development Division, Ministry of Foreign Affairs Embassy of Malaysia in the People's Republic of China ASEAN, Ministry of Foreign Affairs Americas & European Division, Ministry of Foreign Affairs Embassy of Malaysia in the Republic of Indonesia Economic Division, Ministry of Foreign Affairs Embassy of Malaysia in the Republic of Iraq East Asia Division, Ministry of Foreign Affairs Embassy of Malaysia in the Kingdom of the Netherlands The Ministry of Foreign Affairs
8. Mr. Preecha Oonchitti <i>Director (Authorized Signatory)</i> Chairman of Executive Committee Chairman of Credit Committee Level 2	63	- Bachelor Degree's in Economics Thammasart University Training - Director Certification Program (DCP) - Finance for Non-Finance Director (FN) by Thai Institute of Directors Association (IOD)	- (0.00%)	Present 2004 - Sep 2007 1998 - 2001 1994 - 1998	Chairman (Authorized Signature) Chairman of Audit Committee Director Executive Vice President First Senior Vice President	BT Insurance Co., Ltd. Eastern Star Real Estate Public Co., Ltd. Eastern Star Resort Co., Ltd. Con-Plus and Management Co., Ltd. Kasikom Bank Public Co., Ltd. Kasikom Bank Public Co., Ltd.
9. Mr. Kenny Kim <i>Director</i> Chairman of IT Strategic Planning Committee Member of Capital Market Committee Member of Assets and Liabilities Management Committee	41	- Masters of Science in Finance, University of Lancaster, UK. - Graduate Accountant, Fellow and Member, Association of Certified Chartered Accountants - Member, Malaysian Institute of Accountants - Corporate Finance Faculty Member, Institute of Chartered Accountants in England and Wales	- (0.00%)	2001-Present 1999 - 2000 1996 - 1998 1995 - 1996 1994 - 1995 1993 - 1994 1991 - 1993	Director Assistant General Manager Senior Manager Manager Assistant Manager Executive Audit Senior	CIMB Investment Bank Berhad CIMB CIMB CIMB CIMB CIMB Moore Stephens Chartered Accountants

Name of Director, Management / Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
		<u>Training</u> Blue Ocean Strategy Course Certification Workshop, Various Invited Speakers.				
10. Mrs. Watanan Petersik <i>Director</i>	47	- AB Bryn Mawr College, PA USA. <u>Training</u> - Executive Training Program, INSEAD Institute, France - Aspen Institute, Moderator Global Leadership Network, Colorado, USA	- (0.00%)	2007 - Present 1996-2006 1991 - 1996 1990 - 1991 1987 - 1990 1985 - 1990 1984 - 1985	Senior Advisor Chief of staff Investment Banking Division, Managing Director Director Head of Equity Capital Markets Asia ex Japan Chief Representative, Bangkok Deputy Managing Director Chief Representative Head of Research Executive Trainee	TPG Capital Asia Goldman Sachs Asia, Hong Kong SGWarburg Asia, Hong Kong and Bangkok JF Thanakom, Bangkok James Capel Thailand, TISCO Thailand, TISCO/Bankers Trust New York,

Background of Executives

Name of Executives Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
1. Mr. Lee Teck Seng Senior Executive Vice President Institutional Banking Group	51	B.Science Hons (II), University of Malaya, Malaysia <u>Training</u> Global Business Consortium, London Business School	- (0.00%)	2007 - 2008 2006 - 2007 2005 - 2006 2004 - 2005 2003 - 2004 1996 - 2003 1984 - 1996 1980 - 1984	Head, Global Regional Treasurer Snr Bannker, Client Relationships, Wholesal Bank Head, Public Sector & Financial Institutions, Client Relationships, Wholesale Bank Head, Global Markets Head, Global Markets Dealer to Treasurer Operations Officer to Dealer	ABN AMRO Bank Bhd Markets United Overseas Bank Ltd., Standard Chartered Bank (Malaysia) Standard Chartered Bank (Malaysia) Standard Chartered Bank (Thailand) Standard Chartered Bank (Malaysia) Citibank Malaysia Malayan Banking Bhd
2. Mrs. Duangphorn Sucharittanuwat Senior Executive Vice President Corporate Banking Group	56	- Master of Business Administration, Thammasat University - Bachelor of Accounting. (2nd Class Hons.), Chulalongkorn University	- (0.00%)	Present	Chairman (Authorized Signatory) Councilor Board of Advisor	BT Securities Co., Ltd. Thailand Management Association Traim Udom Suksa Parents And Teachers Association

Name of Director, Management / Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
		Training - Director Certification Program (DCP) by Thai Institute of Directors Association (IOD) - The Financial and Macro Economic Effects of the new Basel accord - Customer Centricity and Enterprise Agility in Financial Service-Today's Global Industry Trends - Managing The Recovery: Challenges Ahead		2001-2002 1996-May 1999	Council Member Director, Committee on Energy Director Senior Executive Vice President	Yuthasa Na Nagara Foundation The Thai Chamber of Commerce BT Insurance Co., Ltd. Krungthai Thanakit Public Co., Ltd.
3. Mr.Surachai Chitratsenee Senior Executive Vice President Retail Banking Group	58	- M.A. (Economics), State University of New York at Binghamton, U.S.A - B.S. (Economics), Central Missouri State University, U.S.A.	(0.00%)	Present Experience	Chairman (Authorized Signatory) Chairman (Authorized Signatory) Director (Authorized Signatory) Executive Vice President President Deputy Managing Director	BT Leasing Co., Ltd. BT World Lease Co., Ltd. BT Insurance Co., Ltd. Bank of Asia Public Co., Ltd. Premier Finance and Securities Co., Ltd. A.G.C. (Thailand) Finance and Securities Co., Ltd. (a subsidiary of the Westpac Banking Group from Australia)
4. Mr.Ekajai Tivutanond Senior Executive Vice President Business Support Group	56	- Master of Law (LLM), Columbia University, New York, U.S.A - Barrister at Law - Bachelor of Law (LLB) (1st class honour), Thammasat University	- (0.00%)	Present 1995-1999	Director Director Human Resources Director and Corporate Legal Manager	BT Insurance Co., Ltd. Sathorn Asset Management Co., Ltd. Shell Companies in Thailand

Background of executives responsible for all financial and accounting

Name / Position	Age (years)	Education	Total company share holding	Work experience within 5 years		
				Period	Position	Company / Organization
1. Mrs. Teeraporn Ratanopas Financial Accounting Department Head	41	Master of Accounting Thammasat University	(0.00%)	2008-Present 2006-2008	Financial Accounting Department Head Finance Core Banking Team Head	BankThai Public Co., Ltd

Remarks : None of the Directors and Executives are related by blood

Report of changing in securities holding of Directors' and Senior Executives

As at end 2008 compared with end 2007:

Name	Official Title	Number share holding As at 31 Dec 08 (Shares)	Number share holding As at 31 Dec 07 (Shares)	Increase / Decrease in Shares
Mr. Phirasilp Subhapholsiri	Director	10,045	10,045	-
Mr. Songwud Buakhem	Executive Vice President	4	4	-

Directors' and Senior Executives' Share Ownership in Subsidiary Companies

As at end 2008 compared with end 2007:

Particulars	As at end 2008 (shares)	As at end 2007 (shares)	Change
Mr. Ekajai Tivutanond - BT Consultants Co., Ltd.	Senior Executive Vice President, Business Support Group 1	1	-
Mr. Prasert Wangrattanaprane - BT Consultants Co., Ltd.	First Executive Vice President, Financial Control Division 1	1	-
Mr. Phongsuree Bunnag - BT Consultants Co. Ltd.	Executive Vice President, Human Resources Mangement Division 1	1	-
Mr. Thaphop Kleesuwan 1. BT Securities Co., Ltd. 2. BT Insurance Co., Ltd. 3. BT Asset Management Co., Ltd. 4. BT Leasing Co., Ltd. 5. Sathom Asset Management Co., Ltd	Senior Vice President, Office of the President 1 10 1 1 1	1 10 1 - 1	- - - 1 -
Mr. Pattanasak Chermchansophon 1. BT Leasing Co., Ltd. 2. BT Asset Management Co., Ltd. 3. Sathom Asset Management Co., Ltd	First Vice President, Compliance and Credit Review Team Head 1 1 1	1 1 -	- - 1
Mr. Tanit Onnuch 1. BT Insurance Co., Ltd. 2. BT Asset Management Co., Ltd. 3. Sathom Asset Management Co., Ltd 4. BT Leasing Co., Ltd.	Vice President SME Service and Support Team Head 1 1 1 1	- - - -	1 1 1 1
Mr. Arnon Limmongkol 1. BT Securities Co., Ltd. 2. BT Insurance Co., Ltd.	Vice President, Structured Credit Division 1 10	1 10	- -

4. Details of Directorship of BankThai Directors and Executives in Subsidiaries, Associated and Related Companies

As at 31 December 2008

Name	Bank Thai	Subsidiaries							Associated		Others / Affiliate Companies																								
		1	2	3	4	5	6	7	1	2	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
1. Mr. Tawee Butsunton	/ V									V	V	V	V	V	V	/	/																		
2. Dato' Robert Cheim Dau Meng	/ D																	I																	
3. Mr. Chin Yuen Yin ⁽¹⁾	/ X																																		
4. Mr. Techapit Sangsingkeo	/ A																				V	M	A	A	/										
5. Mr. Dharin Divari	/																																		
6. Mr. Chatchawal Eimsiri	/																									/									
7. Mr. Preecha Oonchitti	/			V																							A	/							
8. Mr. Kenny Kim	/																	/																	
9. Mrs. Watanan Petersik	/																																	R	
10. Mr. Pongpanu Svetarundra ⁽²⁾	/																																		
11. Mrs. Saowanee Suwannacheep ⁽³⁾	/																																		
12. Mr. Daniel Ashton Carroll	/																																/	/	
13. Mr. Phirasilp Subhapholsiri ⁽⁴⁾	/			/																															
14. Mr. Ranvir Dewan	/																																N	N	/
15. Mrs. Duangphom Sucharittanuwat	// / V																																		
16. Mr. Surachai Chitratsenee	//			/ / V			/ V																												
17. Mr. Ekajai Tivutanond	//			/			/																												
18. Mr. Surin Premamornkit ⁽⁵⁾	// /																																		
19. Mr. Mani Jeeradit ⁽⁶⁾	// / V																																		
20. Mr. Chamnam Wangtal	//							/																											
21. Mr. Prasert Wangrattanapranee	E	/				/																													
22. Mrs. Teeraporn ratanopas	S																																		

(1) Mr. Chin Yuen Yin was appointed as Acting President on 1 January 2009.

(2) Mr. Pongpanu Svetarundra resigned from the position of director, effective on 5 November 2008.

(3) Mrs. Saowanee Suwannacheep resigned from the position of director, effective on 5 November 2008.

(4) Mr. Phirasilp Subhapholsiri resigned from the position of director / President, effective on 1 January 2009.

(5) Mr. Surin Premamornkit resigned from the position of Senior Executive Vice President, effective on 17 November 2008.

(6) Mr. Mani Jeeradit resigned from the position of Senior Executive Vice President, effective on 15 November 2008.

Remarks

V Chairman	D Vice chairman	/ Director
I Advisor	R Senior Advisor	N Non-Executive Director
A Chairman of the Audit Committee	X Acting President	// Senior Executive Vice President
M Executive Director	E First Executive Vice President	F Managing Director
P Managing Partner	S Senior Vice President	

Subsidiaries

1. BT Securities Co., Ltd.	2. BT Asset Management Co., Ltd	3. BT Insurance Co., Ltd.
4. BT Leasing Co., Ltd.	5. BT Business Consulting Co., Ltd.	6. Sathorn Asset Management Co., Ltd.
7. BT World Lease Co., Ltd.		

Others / Affiliate Companies

1. Cathay Leaseplan Public Co., Ltd.	2. Union Petrochemical Public Co., Ltd.	3. Daichi Corporation Public Co., Ltd.
4. NFC Fertilizer Public Co., Ltd.	5. IEC Business Partner Co., Ltd.	6. Thai Sri Insurance Co., Ltd.
7. Sahaviriya Steel Industries Public Co., Ltd.	8. Ratchburi Power Co., Ltd.	9. CIMB Investment Bank Berhad.
10. Sukhumvit Asset Management Co., Ltd.	11. Thai Asset Management Corporation (TAMC)	12. Star Sabitary Ware Co., Ltd.
13. Thai Tap Water Co., Ltd.	14. Pathum Thani Water Co., Ltd.	15. Energy Complex Co., Ltd.
16. Eastern Star Real Estate Public Co., Ltd.	17. Eastern Star Resort Co., Ltd.	18. TPG Capital Asia
19. Shriram Transport Finance Company Limited, MUMBAI, India		20. Parkway Group Healthcare, Singapore
21. BTPN Jakarta Indonesia	22. Shenzhen Development Bank	23. Lenovo Group



1. Performance Results

Consolidated operating results

As at 31 December 2008, the Bank and its subsidiaries ("Bank Group") reported a net loss of THB 1,990 million or basic earning per share at loss of THB 0.31, as compared to the same period last year 2007 which presented a loss of THB 6,929 million or basic earning per share at loss of THB 3.70. The loss decreased by THB 4,939 million or 71.28% due to lower marked-to-market loss from the Collateralised Debt Obligation (CDO) in 2008 as compared to 2007. The realised gain of THB 970 million from the sale of all its CDO in the third quarter of 2008 also contributed to the lower loss in the current year.

(A) A summary of Bank Group's income

The Bank Group's total income as presented in the consolidated financial statements as at 31 December 2008 was THB 12,017 million. This represented an increase of THB 1,667 million or 16.10% from 2007. Interest and dividend income was THB 11,367 million a decrease of THB 3,103 million or 21.44% from 2007. Interest from loans decreased by THB 671 million while money market income decreased by THB 79 million. Investments income decreased by THB 2,371 million. Interest and dividends contributed 94.59% of the Bank Group's total income.

The Bank Group's non interest income for 2008 was THB 651 million which was a increase of THB 4,769 million or 115.80% from 2007. This represented 5.41% of the total income and the increase was mainly attributed to lower marked-to market losses on the CDOs compared to 2007 as well as the gain on the sale of CDOs in 2008.

(B) Cost of Funds and Operating Expenses

The Bank Group's interest and operating expenses (including bad and doubtful debts, corporate income tax and minority interests) as presented in the consolidated financial statement as at 31 December 2008 was THB 14,007 million. This was a decline of THB 3,272 million or 18.94% from the 2007 expenses. The decrease was largely due to the drop in interest expense of THB 2,221 million or 28.82%, as compared to the year 2007. Interest expense made up 39.17% of the Bank Group's total expenses.

Non interest expense (including of bad and doubtful debts, corporate income tax and minority interests) was THB 8,523 million, a drop of THB 1,052 million or 10.98% from the year 2007. This was mainly due to the decrease of bad debts and doubtful accounts of THB 1,163 million from the year 2007. Non-interest expense represented 60.83% of the total expenses for the Bank Group.

(C) Net Profit (Loss)

The Bank Group's audited operating results for the year ended 31 December 2008 and 2007 presented a net loss of THB 1,990 million and THB 6,929 million respectively. The decrease in the loss was largely due to the lower marked-to-market losses in 2008 from the CDOs as well as the realised gain from the sale of all CDOs in the third quarter of 2008.

(D) Return on Equity

The Bank did not declare any dividends for its shareholders in 2008 as there were still cumulative

losses. In accordance with the Public Company Limited Act B.E. 2535 (AD 1992) and the Bank Charter, dividends can be paid provided that the Bank maintains profits without any cumulative losses. Furthermore, the Bank of Thailand's ruling states that as long as a commercial bank has not yet written off the worthless or irrecoverable assets or has not yet made full provision for the assets that may be worthless or irrecoverable, a commercial bank shall neither pay the dividend nor any other forms of returns to its shareholders. As at 31 December 2008, the Bank's accumulated loss was THB 10,199 million.

2. The Bank Group's financial position

Assets

The Bank Group's primary assets consists of loans, investments, interbank and money market items. As at 31 December 2008, the Bank Group had total assets of THB 212,377 million, an increase of THB 6,624 million or 3.22% as compared to the year 2007. Net loan outstanding was THB 83,657 million, a decrease of THB 4,440 million or 5.04%. Investment was at THB 45,520 million a decrease of THB 31,437 million or 40.85% and interbank and money market items of THB 43,367 million, a increase of THB 34,626 million or 396.11%.

Asset Quality

(a) Loans & Loan concentration

As at 31 December 2008, the Bank Group's net outstanding loans of THB 83,657 million, a decline of THB 4,440 million or 5.04% as compared to THB 88,097 million in 2007. The repayment of loans were higher than the extension of the loans during the year. Loans were mainly extended to the banking and financial business, consumer goods and manufacturing sectors. These made up of 29.99%, 19.51% and 18.41% respectively on the total loans granted in 2008. Loans extended to the banking and finance business sector amounted to THB 36,255 million, increased by THB 26,386 million or 267.38%, loans to the consumer goods sector amounted to THB 23,582 million, increased by THB 3,223 million or 15.83% and loan extended to the manufacturing sector amounted to THB 22,247 million, a decrease of THB 3,623 million or 14.00%. Balance of the loans were granted to commerce, real estate, construction and service sectors.

The Bank continued to diversify the proportion of loans granted to various business sectors to avoid over-concentration in any particular industry, in compliance with a credit policy whereby credit is extended to customers of vital business sectors with good growth potential and customers from all categories of large, medium, small and retail sectors. In addition, lending continues to focus on customers who are manufacturers in potential sectors and increasing the valued retail customer portfolio.

(b) Classification of assets

As at 31 December 2008, the Bank's classification of assets (including accrued interest receivables, but excluding loans to financial institutions) totaled THB 87,879 million, against an allowance for bad and doubtful debts of THB 5,269 million. The non-consolidated financial statements of the Bank as at 31 December 2008 then showed a ratio of loan-loss reserves to total loans (including accrued interest receivables, but excluding loans to financial institutions) at 5.99%, as compared to 7.71% in 2007. The Bank Group's financial statements as at 31 December 2008 indicated a ratio of loan-loss provisions to total

loans (including accrued interest receivables, but excluding loans to financial institutions) at 9.71%, as compared to 11.20% in 2007.

The Bank has closely monitored the status of each loan by maintaining a database of loans with outstanding balances ageing at each month's end and by segregating loan balances into 4 categories, namely: (1) 1-3 months past due; (2) 3-6 months past due; (3) 6-12 months past due; and (4) more than 12 months past due. Based on such information, the Bank reviews repayment records together with account history for debts reclassification, the collection process and forecasting trends for non performing loans.

(c) Non-performing loans (substandard loans)

As at 31 December 2008, the Bank Group's non-performing loans (before less allowance for doubtful debts) amounted to THB 13,242 million or 10.54% of the outstanding loan portfolio (only with respect to principal plus loans to financial institutions). As at 31 December 2007, the Bank Group's non-performing loans amounted to THB 13,854 million or 13.55% of the outstanding loan portfolio, which were classified in accordance with the Bank of Thailand's notification dated 21 December 2006 defining non-performing loans as substandard, doubtful, doubtful and loss, and including doubtful loans written off and subsequently reversed for booking.

(d) Criteria for income recognition

Revenue is recognised on accrual basis based on the outstanding principal amount. With respect to defaulted loans where payment of principal or interest is more than three months overdue, interest will not be recognised on accrual basis but recorded on cash basis. Pursuant to the directive of the Bank of Thailand, interest accruing on such defaulted loans which has been recorded as income will be reversed.

Interest income on restructured loans is recognised on accrual basis except for loan that has yet to comply with the restructuring agreement. In this respect, interest is recorded as income on cash basis until the borrower has been able to comply with the restructuring conditions for at least three consecutive months or by three consecutive instalments, whichever is longer.

Interest on investments is recognised on accrual basis based on the effective rate. Dividends from securities are recognised when the right to receive the dividends is established.

Interest income on investments in receivables, for which loan repayment is received during the year based on multiplication of the effective yield rate, by the acquisition cost of the outstanding loans.

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

Liabilities and Shareholders' Equity

As at 31 December 2008, the Bank Group presented total liabilities of THB 207,241 million which was an increase of THB 2,199 million or 1.07% from 2007, of which total deposits decline by THB 6,300 million or 3.80% to of THB 159,729 million. Interbank and money market increased by THB 2,551 million or 33.14% to THB 10,250 million, while borrowings was down by THB 2,646 million or 27.24% to THB 7,069 million. Accounts payable for purchases of investment was at THB 24,192 million, up THB 9,673 million or 66.63 %.

As presented in the consolidated financial statements as at 31 December 2008, shareholders' equity totaled THB 5,135 million which was an increase of THB 4,424 million or 622.24 % compared to 2007. This demonstrates the effect of the capital injection of THB 6,079 million in January 2008.

Liquidity

As presented in the Bank Group's financial statements for the year ended 31 December 2008, the details of the Bank Group's cash flows are as follows:

- Net cash outflows in operating activities was THB 36,526 million. This reflected the increases in interbank and money market items
- Net cash inflow from investment activities was THB 34,348 million, due to a decrease in investments held for trading
- Net cash inflow from financing activities was THB 2,934 million as a result of an increase in cash received from capital, and a decrease in long-term borrowings

The difference between the Bank Group's net cash flows received from (or used in) operating activities and net cash flow received from (or used in) investment activities and financing activities did not have any material impact on the Bank Group's cash position and liquidity situation at the end of the accounting period, both of which were maintained at the minimum level required by the BOT.

Relationship between Sources and Uses of funds

The two major sources of funds for the Bank are deposits and borrowings while the uses of funds cover the extension of loans. As at 31 December 2008, the Bank had deposits, borrowings and loans classified by maturities as listed below.

(THB : million)

Maturities	Credits ^{a/}	%	Deposits ^{a/}	%	Borrowings ^{a/}	%
Payment on demand	10,700	8.85	24,023	14.22	560	7.32
Up to one year	65,597	54.27	139,727	82.71	3,948	51.59
Greater than one year	44,573	36.88	5,186	3.07	3,145	41.09
Total	120,870	100.00	168,936	100.00	7,653	100.00

^{a/} Including interbank and money market items.

The comparative maturities of credits and deposits illustrate the mismatched term for sources and uses of funds. This was a result of the transfer of the Bank's non performing assets to Thai Asset Management Corporation "TAMC" from 2001 to the end of 2006 amounting to THB 98,126 million Under the Thai Asset Management Corporation Decree B.E. 2544, where all financial institutions were required to transfer non performing assets including any rights over the property that was being held as collateral for debt repayments to the TAMC within the prescribed conditions and time-limit set by TAMC. Nevertheless, the Bank managed to expand its lending portfolio and related services as well as investments in debts instruments with the aim to increase income in line with the sources of funds.

The Bank derives its funds from customer deposits which can be categorised as follows:

(THB : million)

Categories of Deposit	2008		2007		2006	
	Amount	%	Amount	%	Amount	%
Current and savings deposits	24,023	14.22	28,462	16.56	31,245	16.65
Long-term deposits	144,913	85.78	143,422	83.44	156,408	83.35
Total	168,936	100.00	171,884	100.00	187,653	100.00

Maintenance of ratios

Non compliance with capital funds maintenance provisions

As at 31 December 2008, the Bank's assets exceeded its liabilities by THB 5,035 million (a positive shareholders' equity balance). However, the Bank's capital funds to risk-weighted assets ratio (BIS ratio) was less than the level required by law. The Bank has requested for a waiver from the Bank of Thailand (BOT). The Bank's total capital to risk assets ratio year ended was 5.80. These were calculated in line with the Basel II regulation relating to the calculation of capital funds.

Liquid assets ratio

The Bank of Thailand requires all commercial banks to maintain the minimum liquid assets ratio at not less than 6% of total deposits and offshore borrowings with less than one-year maturity. At end of the year 2008, the Bank's total liquid assets was THB 68,968 million, while its loan-to-deposit ratio stood at 71.55%, liquid assets to total assets ratio was 32.69% and liquid assets to total deposits stood at 40.82%, all of which were covered by the regulatory minimum.

Investment cost

In 2008, the Bank did not invest in new shares of Millea Life Insurance Thailand Plc, and its shareholding changed from 30% to 15%. As such this company is no longer an associate of the Bank. The change has had no significant impact to the consolidated financial statements.

Sources of capital

Capital structure

The Bank's capital structure comprises of deposit at 95.67 % and borrowings as well as debt instruments both domestic and foreign at 4.33 %.

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

THB : MILLION

	AUDITED					
	2008		2007 (Restated)		2006 (Restated)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
ASSETS						
CASH	4,630.35	2.19	3,872.92	1.90	3,779.66	1.72
INTERBANK AND MONEY MARKET ITEMS	43,000.97	20.38	8,474.01	4.15	13,176.85	5.99
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	-	2,250.00	1.10	-	-
INVESTMENTS - Net	46,228.49	21.90	75,527.07	37.00	77,614.99	35.30
LOANS AND ACCRUED INTEREST RECEIVABLES - Net	82,610.24	39.14	88,372.44	43.29	99,292.42	45.15
PROPERTIES FORECLOSED - Net	2,277.16	1.08	2,372.42	1.16	2,353.38	1.07
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	162.59	0.08	367.73	0.18	468.21	0.21
PREMISES AND EQUIPMENT - Net	3,787.79	1.80	3,988.41	1.95	4,117.21	1.87
ACCOUNTS RECEIVABLE FROM SALE OF INVESTMENTS	24,144.59	11.44	11,071.75	5.42	813.00	0.37
RECEIVABLES FROM THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND UNDER GAIN/LOSS SHARING AND YIELD MAINTENANCE AGREEMENT	-	-	-	-	11,156.15	5.07
INTANGIBLE ASSETS	531.84	0.25	610.80	0.30	682.84	0.31
OTHER ASSETS	3,671.33	1.74	7,246.21	3.55	6,462.30	2.94
TOTAL ASSETS	211,045.35	100.00	204,153.76	100.00	219,917.01	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES						
DEPOSITS	160,005.58	75.82	166,183.23	81.40	181,318.66	82.45
INTERBANK AND MONEY MARKET ITEMS	9,985.68	4.73	7,736.62	3.79	10,857.15	4.94
LIABILITY PAYABLE ON DEMAND	188.35	0.09	276.25	0.14	274.97	0.13
BORROWINGS	6,598.14	3.13	8,088.75	3.96	7,018.50	3.19
BANK'S LIABILITY UNDER ACCEPTANCE	162.59	0.08	367.73	0.18	468.21	0.21
ACCRUED INTEREST EXPENSES	666.99	0.32	1,024.68	0.50	1,326.76	0.60
ACCOUNTS PAYABLE FOR PURCHASES OF INVESTMENTS	24,191.83	11.46	14,518.93	7.11	6,044.50	2.75
AMOUNTS DUE TO THE FINANCIAL INSTITUTIONS						
DEVELOPMENT FUND - BUYBACK WARRANT	-	-	-	-	1,145.65	0.52
PROVISIONS - PENSION BENEFITS TO EMPLOYEES	493.08	0.23	436.02	0.21	-	-
OTHER LIABILITIES	3,718.24	1.76	4,107.51	2.01	5,972.06	2.72
TOTAL LIABILITIES	206,010.48	97.62	202,739.72	99.30	214,426.46	97.51
SHAREHOLDERS' EQUITY						
ISSUED AND PAID-UP SHARE CAPITAL	25,030.13	11.86	8,343.38	4.09	14,934.50	6.79
SHARE DISCOUNTS	(10,606.99)	(5.03)	-	-	(1,123.61)	(0.51)
RETAINED EARNINGS (DEFICIT) AND UNREALIZED	(9,388.27)	(4.45)	(6,929.34)	(3.39)	(8,320.34)	(3.79)
TOTAL SHAREHOLDERS' EQUITY	5,034.87	2.38	1,414.04	0.70	5,490.55	2.49
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	211,045.35	100.00	204,153.76	100.00	219,917.01	100.00

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

THB : MILLION

	AUDITED					
	2008		2007 (Restated)		2006 (Restated)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
ASSETS						
CASH	4,631.71	2.18	3,875.06	1.88	3,781.21	1.73
INTERBANK AND MONEY MARKET ITEMS	43,367.15	20.42	8,741.49	4.25	13,326.86	6.07
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	-	2,250.00	1.09	-	-
INVESTMENTS - Net	45,520.19	21.43	76,957.44	37.40	79,407.25	36.18
TRADING TRANSACTIONS WITH SECURITIES COMPANIES						
LOANS AND ACCRUED INTEREST RECEIVABLES - Net	83,656.89	39.39	88,096.75	42.82	96,072.87	43.78
PROPERTIES FORECLOSED - Net	2,482.63	1.17	2,600.84	1.27	2,719.45	1.24
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	162.59	0.08	367.73	0.18	468.21	0.21
PREMISES AND EQUIPMENT - Net	3,863.32	1.82	4,078.77	1.98	4,212.44	1.92
ACCOUNTS RECEIVABLE FROM SALE OF INVESTMENTS	24,144.59	11.37	11,072.42	5.38	813.00	0.37
RECEIVABLES FROM THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND UNDER GAIN/LOSS SHARING AND YIELD MAINTENANCE AGREEMENT	-	-	-	-	11,156.15	5.08
INTANGIBLE ASSETS	550.71	0.26	635.06	0.31	708.10	0.32
OTHER ASSETS	3,996.85	1.88	7,077.42	3.44	6,804.08	3.10
TOTAL ASSETS	212,376.63	100.00	205,752.98	100.00	219,469.62	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES						
DEPOSITS	159,728.69	75.21	166,028.94	80.69	181,219.39	82.57
INTERBANK AND MONEY MARKET ITEMS	10,249.75	4.83	7,698.81	3.74	10,781.28	4.92
LIABILITY PAYABLE ON DEMAND	188.35	0.09	276.25	0.13	274.97	0.13
BORROWINGS	7,069.13	3.33	9,715.09	4.72	7,298.64	3.33
BANK'S LIABILITY UNDER ACCEPTANCE	162.59	0.08	367.73	0.18	468.21	0.21
ACCRUED INTEREST EXPENSES	679.01	0.32	1,030.39	0.50	1,326.54	0.60
ACCOUNTS PAYABLE FOR PURCHASES OF INVESTMENTS	24,191.83	11.39	14,518.93	7.06	6,044.50	2.75
AMOUNTS DUE TO THE FINANCIAL INSTITUTIONS						
DEVELOPMENT FUND - BUYBACK WARRANT	-	-	-	-	1,145.65	0.52
PROVISIONS - PENSION BENEFITS TO EMPLOYEES	493.08	0.23	436.02	0.21	-	-
OTHER LIABILITIES	4,478.97	2.10	4,969.80	2.42	6,626.90	3.02
TOTAL LIABILITIES	207,241.40	97.58	205,041.96	99.65	215,186.08	98.05
SHAREHOLDERS' EQUITY						
ISSUED AND PAID-UP SHARE CAPITAL	25,030.13	11.79	8,343.38	4.06	14,934.50	6.80
SHARE DISCOUNTS	(10,606.99)	(4.99)	-	-	(1,123.61)	(0.51)
RETAINED EARNINGS (DEFICIT) AND UNREALIZED	(8,827.53)	(4.16)	(7,165.15)	(3.48)	(8,265.88)	(3.76)
TREASURY STOCKS	(460.38)	(0.22)	(467.21)	(0.23)	(1,261.47)	(0.58)
TOTAL SHAREHOLDERS' EQUITY	5,135.23	2.42	711.02	0.35	4,283.54	1.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	212,376.63	100.00	205,752.98	100.00	219,469.62	100.00

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

THB : MILLION

	AUDITED					
	2008		2007		2006 (Restated)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
INTEREST AND DIVIDEND INCOME	10,974.93	110.15	13,935.92	156.83	13,472.33	94.55
NON-INTEREST INCOME	(1,011.45)	(10.15)	(5,049.83)	(56.83)	776.73	5.45
TOTAL INCOME	9,963.48	100.00	8,886.09	100.00	14,249.06	100.00
INTEREST EXPENSES	5,424.82	42.55	7,651.84	46.91	8,092.14	43.21
BAD DEBT AND DOUBTFUL ACCOUNTS	2,196.00	17.22	3,563.00	21.84	1,622.00	8.66
NON-INTEREST EXPENSE	5,129.80	40.23	5,098.12	31.25	9,013.63	48.13
TOTAL EXPENSES	12,750.62	100.00	16,312.96	100.00	18,727.77	100.00
NET LOSSES FOR THE YEARS	(2,787.14)		(7,426.87)		(4,478.71)	
NET LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (BAHT)	(0.43)		(3.72)		(3.07)	

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

THB : MILLION

	AUDITED					
	2008		2007		2006 (Restated)	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
INCOME INTEREST AND DIVIDEND INCOME	11,366.84	94.59	14,469.38	139.79	13,795.77	87.26
NON-INTEREST INCOME	650.61	5.41	(4,118.78)	(39.79)	2,013.86	12.74
TOTAL INCOME	12,017.45	100.00	10,350.60	100.00	15,809.63	100.00
BAD DEBT AND DOUBTFUL ACCOUNTS	2,315.36	16.54	3,478.26	20.13	2,115.53	10.44
INTEREST EXPENSES	5,484.23	39.17	7,704.80	44.59	8,092.29	39.96
NON-INTEREST EXPENSES	6,141.53	43.86	6,084.62	35.22	10,028.75	49.52
CORPORATE INCOME TAX	59.95	0.43	9.88	0.06	16.48	0.08
TOTAL EXPENSES	14,001.07	100.00	17,277.56	100.00	20,253.05	100.00
NET LOSSES FOR THE YEARS	(1,983.62)		(6,926.96)		(4,443.42)	
NET LOSS ATTRIBUTABLE TO:						
EQUITY HOLDERS OF THE BANK	(1,989.79)		(6,928.73)		(4,423.03)	
MINORITY INTERESTS OF THE SUBSIDIARIES	6.17		1.77		(20.39)	
	(1,983.62)		(6,926.96)		(4,443.42)	
NET LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (BAHT)	(0.31)		(3.70)		(3.32)	

BANK THAI PUBLIC COMPANY LIMITED
TABLE OF FINANCIAL RATIOS
FOR THE YEARS ENDED 31 DECEMBER

Financial Ratios		2008	2007 (Restated)	2006 (Restated)
Profitability Ratio				
Gross Profit	%	29.63	18.39	1.46
Net Profit	%	(27.97)	(83.58)	(31.43)
Return on Equity	%	(86.44)	(215.13)	(64.09)
Yield Rate	%	7.05	8.27	6.60
Cost Rate	%	2.98	3.86	3.59
Spread	%	4.06	4.41	3.02
Return on Investment	%	1.82	(1.84)	6.45
Efficiency Ratio				
Net Interest Income per Assets	%	1.16	0.62	0.16
Return on Assets	%	(1.34)	(3.50)	(1.83)
Turnover of Assets	Times	0.05	0.04	0.06
Financial Ratio				
Debt per Equity	Times	40.92	143.38	39.05
Loan per Borrowings	%	52.49	54.61	54.43
Loan per Deposits	%	54.72	57.36	56.62
Deposit per Total Liabilities	%	77.67	81.97	84.56
Dividend Paid	%	-	-	-
Asset Quality Ratio				
Allowance for Doubtful Accounts per Total Loan	%	5.97	7.66	3.57
Bad Debt per Total Loan	%	2.11	0.02	0.26
Non-Performing Loan per Total Loan	%	11.25	9.99	3.80
Accrued Interest Receivable per Total Loan	%	0.37	0.46	0.42
Capital Adequacy Ratio				
Capital Fund per Risk Assets	%	5.80	1.48	5.95
1st Tier Capital Funds per Risk Assets	%	3.57	0.81	4.12

Remark : Total Loans Exclude Loans to Financial Institutions

BANKTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

Financial Ratios		2008	2007 (Restated)	2006 (Restated)
Profitability Ratio				
Gross Profit	%	33.66	14.71	6.55
Net Profit	%	(16.56)	(66.94)	(27.98)
Return on Equity	%	(68.07)	(277.45)	(68.85)
Yield Rate	%	7.24	8.43	6.76
Cost Rate	%	2.98	3.86	3.59
Spread	%	4.26	4.57	3.18
Return on Investment	%	3.40	(0.05)	7.47
Efficiency Ratio				
Net Interest Income per Assets	%	1.39	0.76	0.29
Return on Assets	%	(0.95)	(3.26)	(1.81)
Turnover of Assets	Times	0.06	0.05	0.06
Financial Ratio				
Debt per Equity	Times	40.36	288.38	50.24
Loan per Borrowings	%	55.25	55.94	54.55
Loan per Deposits	%	57.76	59.31	56.83
Deposit per Total Liabilities	%	77.07	80.97	84.22
Dividend Paid	%	-	-	-
Asset Quality Ratio				
Allowance for Doubtful Accounts per Total Loan	%	9.68	11.15	7.29
Bad Debt per Total Loan	%	2.12	0.09	0.62
Non-Performing Loan per Total Loan	%	14.29	13.96	7.88
Accrued Interest Receivable per Total Loan	%	0.42	0.74	0.76
Capital Adequacy Ratio				
Capital Fund per Risk Assets	%	5.80	1.48	5.95
1st Tier Capital Funds per Risk Assets	%	3.57	0.81	4.12

Remark : Total Loans exclude Loans to Financial Institutions

: Capital Adequacy Ratio exclude Subsidiaries



Risk Management

Risk Management is considered a crucial factor in managing financial institutions. The 5 major risks that financial institutions are commonly exposed to are strategic risk, credit risk, market risk, liquidity risk and operational risk. To efficiently develop and enhance its risk management procedures, the Bank has appointed a Risk Management Committee, comprising members with relevant experience and expertise, responsible for proposing policies on risk management to the Board of Directors for consideration, establishing strategies to ensure compliance with such policies and monitoring the overall risk management of the Bank.

Strategic risk is risk resulting from inappropriate determination and implementation of strategic or operation plans, which could likely affect the Bank's revenue, capital and stability.

Strategic risk management has been of a great concern for the Bank. The Bank's strategy and annual business plan are developed with full participation from related units. Business plans are thoroughly assessed prior to submission for approval by the Board of Directors and are constantly monitored and measured against targets. Risks related to the implementation of strategic plans are as listed follows:

Risks resulting from economic instability and competition: Economic conditions and competitions are the two external factors that the Bank needs to handle with caution. Implementation of inappropriate business plans may lead to unsatisfactory performance. To closely monitor the economic conditions, economic specialists and the Bank's internal research team are assigned to support the Bank's committees so as to be capable of responding properly to adverse the situations promptly.

- **Risk resulting from capital inadequacy:** The Bank of Thailand closely monitors the performance of financial institutions to ensure their financial stability in view of their role as accountable intermediaries in saving and lending services. In order to maintain their stability, financial institutions' exposures to risk assets are limited in relation to their amount of capital – which is recognized as the "Capital to Risk Weighted Assets Ratio" measure. The Bank has been aware of such risks and has consistently strengthened its capital position throughout 2008. The Bank's situation improved significantly when CIMB Group emerged as the Bank's single largest shareholder. At present, CIMB Group has submitted a recapitalisation scheme to the Bank of Thailand for approval.
- **Risk resulting from inappropriate organizational structure and management** The Bank believes that having a proper organisational structure is one of the key factors in achieving the targets defined in its business plan. The Bank has set up various units with qualified staff and has in place check-and-balance procedures to ensure smooth implementation of its business plans. In order to improve its organisational structure and the division of roles and responsibilities, the Bank established a specialized unit, namely Organizational Development Division, to oversee this aspect of the Bank.

Credit Risk

Credit risk is known as the risk of suffering a financial loss, should any of the Bank's customers, clients or counterparties fail to fulfill their contractual obligations to the Bank. Credit risk may also arise where deterioration in credit quality poses a negative impact on the Bank's financial performance and capital fund.

Under its credit risk management policy, the Bank has put in place credit risk management process, measurement techniques and controls that are used to maintain checks and balances while providing for a clear

division of responsibilities between the marketing, credit analysis, credit approval, credit review and risk management. The Bank manages its credit risk exposures both at the customer stand-alone and at the portfolio levels, using different credit risk rating tools to measure risk at each level.

Risk grading tools have been developed on corporate customer. The Bank developed an SME Filter for SME customers, a credit scoring system to accurately evaluate a borrower's creditworthiness for all retail loans, unsecured and secured. At the same time, risk management is a fundamental part of the Bank's business activity. An initiative was taken in 2007 and continued in 2008 to assist subsidiary companies in credit business and in development of credit risk measurement tools, and to support expanded risk taking across the financial group.

Furthermore, the risk of NPLs is a major risk, affecting profitability and capital adequacy. As such, the Bank focuses on NPL management carefully. The Bank has made appropriate provisions for bad debt and doubtful accounts to ensure that there is sufficient capital to meet expected losses. To closely control NPLs, the Bank has established a Loan Classification and Provisioning Review Committee with the risk management group executive as a chairperson.

For portfolio credit risk, particular attention is given to the correlation between the credit quality of borrowers and concentration and diversification within the portfolio, by business type, as well as to optimize risk/return and set risk limits in accordance with the Bank's risk management policies. For the year ended 31 December 2008, loans classified by business can be summarized as follows:

Business Type	Total loans (MB)	By sector (%)	Non-performing loans (NPLs) (MB)	Ratio of NPLs to total loans by business sector (%)	Concentration of NPLs (%)
1. Agriculture, hunting and trapping, and forestry	224.22	0.19	97.28	43.39	0.98
2. Fisheries	79.98	0.06	-	-	-
3. Mining and quarry	90.40	0.07	48.42	53.56	0.49
4. Manufacturing	22,246.53	18.40	2,973.63	13.37	30.07
5. Electricity, gas and water	1,234.44	1.02	-	-	-
6. Construction	2,279.21	1.89	325.03	14.26	3.29
7. Wholesale and retail, vehicle repair, consumer and household goods	11,820.91	9.78	2,532.03	21.42	25.61
8. Hotels and restaurants	2,932.30	2.43	168.71	5.75	1.71
9. Transport, warehousing, and communication	4,930.74	4.08	444.07	9.01	4.49
10. Financial intermediaries	36,257.95	30.00	-	-	-
11. Real estate, leasing and business services	8,660.18	7.16	1,408.72	16.27	14.25
12. Public administration, national security, including compulsory social security services	4,000.00	3.31	-	-	-
13. Education	408.37	0.34	44.62	10.93	0.45
14. Health and social services	1,715.95	1.42	-	-	-

Business Type	Total loans (MB)	By sector (%)	Non-performing loans (NPLs) (MB)	Ratio of NPLs to total loans by business sector (%)	Concentration of NPLs (%)
15. Community, social and private services	407.29	0.34	66.07	16.22	0.67
16. Private household staff	-	-	-	-	-
17. International organisations, other overseas organisations and members	-	-	-	-	-
18. Private consumers	23,581.32	19.51	1,779.08	7.54	17.99
Total	120,869.79	100.00	9,887.66	8.18	100.00

Market Risk

Market Risk means the risk that the Bank may undertake due to changes in interest rate, foreign exchange rates, securities prices in capital and commodity markets, all of which may negatively affect the revenue and capital reserve of the Bank.

- **Interest Rate Risk**

The Bank controls and monitors interest rate risk through the Assets and Liabilities Management Committee (ALCO) which determines the interest rate risk management guidelines and limits on the banking book, arising in association with the mismatch in the interest rate structure of the assets and liabilities of the Bank. The Bank analyses the interest rate movement of assets and liabilities in different time periods (Gap Analysis) as one of the risk assessment tools. In addition, the Bank employs Net Interest Income Simulation methodologies, through which risk profiles are assessed, monitored, and market risk management measures proposed to the ALCO on a monthly basis by the independent risk management unit. The ALCO will determine the assets and liabilities structure to maintain an appropriate level of risk according to the Bank's policy.

The interest rate risk control on transactions in the Trading Book is supervised by the Risk Management Committee (RMC). The calculation of fair value for those transactions is performed on a daily basis so as to monitor marked to market profit and loss. A daily risk status report for the Bank's management is produced by the risk management unit which is independent from the risk takers. Adequate risk limits, sorted by products and by risk types, such as Value-at-Risk (VaR) Limit and One Basis Point Shift (PV01) Limit are assigned in order to assess the risk associated with movement in interest rate, which affects the revenue and capital reserve of the Bank.

- **Foreign Exchange Risk**

In the foreign exchange risk management, the Bank will make an effort either to match the funding source in exactly the same currency, or to enter into derivative instruments for foreign exchange hedging, so as to reduce risk arising from foreign exchange volatility, and to maintain risk at a level determined by the Bank's policy. Moreover, the Bank also monitors and controls foreign exchange transactions both on spot and forward positions. The majority of those transactions are for supporting customer businesses. On the other hand, the quantity in trading transactions is controlled at both dealer level and the portfolio level. Adequate risk limits are assigned and sorted by currencies, products, and risk types, such as Value-at-Risk (VaR) Limit, FX Net Open Position Limit, Stop Loss Limit, and so on. Daily mark-to-market on foreign exchange is performed. In addition, stress testing is frequently conducted and its results analysed in detail.

- **Market Risk of Equity Securities**

The Bank does not invest in equity securities apart from investment in subsidiary or affiliate companies, and common shares possess in the event of loan default. Also, the Bank does not execute any commodity-related transaction; thereby, market risk exposure will never arise.

The Bank has launched a Market Risk Policy and ensured that the rules and procedures there in are complied. This includes back-testing in market risk models on a regular basis. Also, the Bank regularly determines its capital reserve assessment for market risk to comply with the Bank of Thailand regulations.

Liquidity Risk Management

Liquidity risk means the probability that the Bank will not be able to redeem its financial positions on due date, as a consequence of not being able to convert assets into cash or not being able to obtain adequate funding on time.

The Bank conducts periodic liquidity tests in the light of its business operations and prevailing economic conditions, so as to comply with the Bank of Thailand regulations. Contingency planning is also conducted to prepare for any future liquidity crisis. Liquidity management is under the supervision of the Assets and Liabilities Management Committee (ALCO).

In 2008, the Bank was particularly cautious in liquidity management due to the global financial crisis and the introduction of the Deposit Protection Act. The Bank has been maintaining the majority of its assets in government bonds which could be converted into cash instantaneously. This is to ensure its financial position, should there be any unexpected monetary crisis. Depositor limits were also set in order to reduce risk from the need for instant funding replacement.

In liquidity risk control, the Bank has determined limits such as Liquidity Ratio for both normal and stress-testing scenarios, as well as determined the Cumulative Liquidity Gap limits for different time periods. Concentration limits in funding sources have also been determined, and sorted by individual and by group depositors.

As of 31 December 2008, the Bank had liquid assets totaling THB 67,061 million or 41.91% of total deposit, which was higher than the requirement prescribed by the Bank of Thailand.

Operational Risk Management

Operational risk is the risk of loss from inadequate or failed internal process and systems, lack of corporate governance, or management incompetence. Other risk factors include people and external events. All these factors can negatively affect the Bank's financial performance.

In order to effectively manage operational risks, the Bank has set up appropriate policies, processes and procedures that not only bring the Bank in line with international standards, but also contribute towards enhancing transparency and good governance. In this respect, the Risk Management Committee was given the authority to establish policies and practices which correspond with international best practice and to make recommendations to the Board of Directors for approval and deployment as the Bank's policy.

The Bank appoints the head of each unit as a Risk Owner, responsible for identifying, measuring and managing operational risks while also instilling a risk management and a compliance culture within their units. The Risk Management Division is responsible for developing models and tools for defining, assessing, reporting and monitoring operational risks in compliance with Bank-wide operational risk policies and practices and international standards. Each business unit in the Bank and the BT financial Group is required to manage its operational risks along the following lines:

- **Operational risk management self-assessment:** Each business unit is required to conduct an operational risk management self-assessment and report the results regularly to the Risk Management Division. These reports will be used in assessing the overall operational risk exposure and ensuring that adequate controls are in place. Risk reports are also required to be submitted to the Risk Management Committee to provide a basis for determining corrective actions and follow-up. This makes it incumbent upon individual business units to review regularly that their working processes are structured and managed, thereby minimizing operational mishaps and enhancing their ability to redress the problems in a coherent and timely manner. In this context, continuous attention has been given to providing effective and efficient oversight across the organization, including defining a clear range of responsibilities and approval authority, establishing checks and balances, and securing data and information. Particular attention has also been given to ensure the continuity of business activities in accordance with international standards while enhancing sound corporate governance.
- **Loss investigation reports:** The Bank requires every business unit to submit loss investigation reports through designated channels. These reports are also intended to help individual units to further improve the management of their operational risk profiles while reducing the possibility of similar losses in future. They also provide a suitable basis for developing models for calculating operational risk capital requirements.
- **Key risk indicators (KRIs):** The Bank requires every business unit to submit KRIs reports as part of the overall operational risk management process. In addition, each business unit is required to collaborate with the Operational Risk Management team to identify specific key operational risk indicators for monitoring the level of risks and identifying potential risks.
- **New product approval process:** The Bank has emphasized on developing new products or improving the production process and set up working group to scrutinize them. To comply with such purpose, the Bank enforced a stricter approval process to ensure the quality of products with the identification, assessment and appropriate control of credit, market and operational risks forming an integral part of the production process. All products are subject to a suitable review process before they can be signed-off and launched in the market by the working groups and the related business units.
- **Business Continuity Plan:** The Bank has prioritized the development of a business continuity plan with a purpose for reducing risks by enabling its key business activities to recover or be partially or completely restored within a predetermined time following a natural calamity, a disaster, or extend disruption, so as to preserve the Bank and the BT financial Group's reputation and customer's confidence. Business continuity plans have already been developed for the Bank's 6 principal business functions. Also, those afore-mentioned plans were already tested in 2008.
- **Compliant management process:** The Bank has been aware of reputation risk and customer's satisfaction. The Bank has set up a central unit and procedure to deal with customer's complaints. The Unit will record complaints into the system, monitor related units to solve the problems, response within specific period and report to the Bank's executives regularly.

In addition, the Bank established the Internal Audit Department and Compliance and Credit Review team as independent units to assist the Audit Committee to fulfill its internal oversight responsibilities. They report directly to the Audit Committee and are responsible for reviewing performance of individual business unit's compliance with the Bank's internal procedure, law and regulation, including revision of risk management process.

Risk related to foreign investment

As of 31 December 2008, the Bank's foreign investment was at USD 409 million or equivalent to THB 12,730 million (decrease from USD 1,248 million or THB 42,102 million in December 2007). Those investments comprised of Korean government bonds of USD 49 million and Structured Notes issued by foreign financial institutions and foreign governmental entities with a minimum credit rating of "A" amounting USD 360 million. The market value of the Structured Notes at the end of December 2008 was USD 360.296 million or 100.082% of their face value.

Since all Structured Notes are the principal protected notes, the risk of investment would be due to the uncertainty of the coupon, which depends on various market factors, such as prevailing LIBOR, SWAP rate etc. which will affect the market value of the notes. The Bank has controlled such risk by diversifying its portfolio with different coupon structures and closely monitoring adverse movement of market risk factors. However, the risks related to interest rate and foreign exchange were within the approved limits.

IT Infrastructure

A system log management was implemented in 2008 in order to reduce the Bank's operation risk and comply with the Computer-related Crime Act. B.E 2550. The electricity system for the Bank's Data Centre was improved to ensure its greater stability and capacity of supporting a wider range of systems and peripherals. The Bank also changed its ATM operation system, upgraded ATM-related hardware and improved the branches's networking facilities to better services.



Corporate Governance Policy

The Bank is committed to good corporate governance and seeks to respond, in a timely manner, to corporate governance developments with a view to promoting sustainable growth and competitive advantage while creating and delivering sustainable shareholder value and boosting the trust and confidence of investors both at home and abroad. With this in mind, the Board of Directors seeks to promote the highest standards of corporate governance in the Bank, and takes seriously its commitment to providing fair treatment to all stakeholders, while ensuring that the information the Bank discloses is comprehensive, clear, reasonably specific, accurate and timely. Utmost importance continues to be given to fulfill the Bank's responsibility towards the community at large as well as to protecting classified information, preserving customer confidentiality and resolving customer complaints in a coherent and effective manner.

In addition to the above, the Board is responsible for ensuring that the Bank maintains procedures and systems of internal control that provide reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls, as well as compliance with law and relevant regulations. Processes have been put in place for identifying, assessing and managing the significant risks and uncertainties facing the Bank. The Internal Audit Department and the Compliance and Credit Review Team have been set up to provide oversight and support to ensure that individual business units conduct their businesses and affairs in such a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements.

Continued focus is given to educating and increasing awareness among Directors, Executive Officers and employees about the Bank's Code of Business Conduct and Ethics, including the relevant laws and regulatory requirements as well as disciplinary procedures.

The Board of Directors' Meeting No. 2/2005, held on 28 February 2005, approved the Bank's Corporate Governance Guidelines, and resolved to review them regularly to ensure their continued relevance and effectiveness. The guidelines which apply to Directors, Executive Officers and employees as well as the Bank's suppliers and contractors have contributed to boosting trust and confidence among the investors and stakeholders in the management of the Bank's businesses and high standards of business conduct.

In addition to the above, the Board also adheres to the principles of good corporate governance for listed companies 2006, which have been adapted by the Stock Exchange of Thailand from the principle of the Organization for Economic Co-Operation and Development (OECD) and based on the World Bank's assessment of corporate governance practices undertaken with the framework of the programme on Corporate Governance – Report on the Observance of Standards and Codes (CG ROSC). The principles encompassed the following five categories:

Chapter I	:	Rights of Shareholders
Chapter II	:	Equitable Treatment of Shareholders
Chapter III	:	Role of Stakeholders
Chapter IV	:	Disclosure and transparency
Chapter V	:	Responsibilities of the Board

The Bank's corporate governance practices in 2008 were as follows:

Rights of Shareholders and Equitable Treatment of Shareholders (Chapters I and II)

The Bank is fully committed to extending fair treatment to all shareholders and maintaining good communication with them. In this respect, the aim is to ensure that shareholders have the opportunity to exercise their rights fully and fairly in an informed manner, with full and timely access to information the Bank discloses. Constant focus is on conducting shareholders meetings in accordance with the applicable laws and regulations.

The Board is required to hold a general meeting as its annual general meeting of shareholders in addition to other meetings (called extraordinary general meetings) as the Board deems fit. The annual general meeting must be held within four months of the financial year end. In 2008, the Bank convened the 14th session of the Annual General Meeting of Shareholders on 18 April 2008, and called two Extraordinary General Meetings of Shareholders on 12 June 2008 and 3 September 2008. Attendance by the Board and its Committees at these meetings was 90%.

In case of an annual general meeting 14 clear days' notice is required. In calling the 2008 Annual General Meeting of Shareholders, the Bank provided a notice convening the meeting, a detailed agenda and other supporting papers to all shareholders through the Thailand Securities Depository, the Bank's share registrar, 14 days before the Meeting. In addition, shareholders could access electronic copies of the notice and meeting papers quickly and securely via the Bank's website at www.bankthai.co.th. The arrangement gave all shareholders a forward indication of the general nature of the business to be transacted, thirty days prior to the Meeting, thereby facilitating the effective exercise of their rights. Furthermore, in accordance with the regulatory requirement, a notice was published in daily newspapers for three consecutive days, three days before the Meeting. In accordance with established practice, the agenda clearly indicated whether the issues were to be put forward for information or consideration of the Meeting. It also contained all the factual details, reasoning, and Board recommendations for each agenda item.

Details of meeting procedures and proxy appointments were provided to the shareholders. Shareholders who were unable to attend the Meeting in person had the opportunity to appoint a proxy or any of the Bank's independent directors as their proxy, using the proxy form which accompanied the notice convening the meeting. At the 2008 Annual General Meeting of Shareholders, eight shareholders took advantage of this option, by appointing the Chairman and members of the Audit Committee who are independent directors, to attend the Meeting and vote on their behalf.

On the day of the Meeting, various measures were taken to facilitate effective participation by the shareholders or proxy holders, including assigning staff to verify the related credentials. Registration was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders were presented with the opportunity to register at least two hours in advance.

The Annual General Meeting of Shareholders was chaired by the Chairman of the Board of Directors, who explained voting procedures before the meeting formally began, including how voting on each item on the agenda must be completed before moving on to the next item. The Chairman also ensured that the shareholders had the opportunity to speak or raise any issues or make recommendations when required, and provided comprehensive clarification when requested. The Chairman also ascertained that members of the Board or its Committees present at the Meeting were available to answer or clarify related issues. During the Meeting, voting was conducted in an open and transparent manner, with no modifications made to the original agenda. Voting results on each agenda item were tallied through the bar code system.

The report of the Meeting was prepared in an accurate and comprehensive manner, and included a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item showing the number of votes cast for or against the motion, including absentees. The report of the 2008 Annual General Meeting was submitted to the supervisory and regulatory bodies within 14 days of the Meeting, with a copy posted on the Bank's website at www.bankthai.co.th, for information of the shareholders.

The bank recognizes the utmost importance of safeguarding classified information. With this in mind, the Board has put in place policies to prohibit unauthorized disclosure of classified information, by requiring members of the Board, Executive Management and staff to refrain from using information that has become privately known to them to purchase or sell the Bank's shares or for personal gain. This policy is set out in regulations to supervise the use of inside information, concerning securities trading of directors and employees. This policy is set out under the "Safeguarding Classified Information" section.

Role of Stakeholders (Chapter III)

The Bank's policy is to preserve the rights and enhance trust and confidence among all stakeholders, including directors, executive officers, employees, shareholders, customers, business partners, creditors, and the competent authorities. With this in mind, the Bank has formulated and adopted a Code of Business Conduct and Ethics, as described below.

- **Customers**

The Bank takes seriously its commitment to provide customers with high-quality products and services while safeguarding their interests and according them fair treatment in various domains.

- **Shareholders**

The Bank recognizes the critical importance of ensuring that systems and processes are in place to provide assurance of effective and efficient operations, internal controls and compliance with laws and regulations. The Bank has a number of value-based business conduct and ethics policies, which apply to all employees. Foremost attention is given to create and deliver sustainable shareholder value, protect assets and provide shareholders with fair treatment while allowing them to exercise their rights fully and fairly and in an informed manner except when they have a material interest in the matter being considered at the shareholders' meeting. In such case, the shareholders concerned are required to abstain from voting on the matter, but are eligible to participate in the election of board of directors.

- **Employees**

The Bank attaches importance to according fair treatment to its employees, and is fully committed to enhancing the quality of its stock of human capital. In this context, the Bank continues to develop the training and support that allows staff to enhance their performance and career development options and thereby to support the Bank's sustainable growth and expansion in an increasingly competitive marketplace.

- **Creditors and Business Partners**

The Bank is committed to maintaining a reputation for high standards of business conduct in compliance with all applicable laws and regulations. The Bank conducts business with its business partners with fairness and confidentiality.

- **Competitors**

The Bank recognizes the importance of a fair and competitive business environment. It is committed to conducting business with its competitors with fairness and confidentiality while protecting the reputation of its competitors and ensuring that the way the Bank is managed and goes about its work is legal and ethical.

- **Social and Environment Responsibility**

The Bank has high regard for the impact of the Bank's operations on the community and the environment. The Bank organizes a range of annual activities, including charity concerts, *Krathin* offerings, and charitable donations, both in cash and in kind, to help underprivileged children and the community at large.

The Bank set up the BT Care Center or BT SME Call Center under the Customer Relations Team to handle customer complaints. The Team is responsible for receiving and maintaining a database of customer complaints, including classifying them by source and type. A report is prepared and forwarded to the Office of the President, the Internal Audit Department, the Compliance and Credit Review Team and other relevant offices, to resolve the complaints in an effective, fair and coordinated manner. Utmost care is taken to preserve customer confidentiality by not disclosing information unless required by law or authorized in writing by the customer to do so. All customers have access to the Team and can address their complaints or share their concern with the Bank through BANKTHAI CARE CENTER which is open between 08:30 and 17:00 hours, every business day; Telephone No. 0-2626-7777; Facsimile No. 0-2626-7770; E-mail addresses: www.bankthai.co.th (BankThai) and president@bankthai.co.th

Disclosure and Transparency (Chapter IV)

The Board attaches utmost importance to ensuring that accurate, timely and clear information, both in English and Thai, flows to the shareholders and other concerned parties across a variety of channels and media, including those provided by the Stock Exchange of Thailand and the Bank's website. In addition, in compliance with various laws and regulations, the Bank's annual report contains a number of significant disclosures, as presented in Forms 56-1 and 56-2. In parallel with this, a number of policy initiatives are taken to boost investor confidence in the Thai capital market, including ensuring clear and accurate information flows concerning the Bank's activities to regulatory bodies, investors, shareholders, analysts and the general public. For this purpose, the following units have been set up by the Executive Management:

- Share Registry and Investor Relations Unit is responsible for maintaining good communication with investors and supervisory and regulatory bodies, namely the Securities and Exchange Commission and Stock Exchange of Thailand. It is also responsible for disclosing information to shareholders, investors and securities analysts in an accurate, fair and transparent manner, including, for example, the Bank's management and shareholding structures and related party transactions, while ensuring compliance with the applicable laws and regulatory requirements. Shareholders and investors have access to the Unit on Telephone No. 0-2638-8283 and 0-2638-8287, or via E-mail address: shareholder.services1@bankthai.co.th.

In 2008, Executive Management and investor relations officers provided information to analysts and shareholders on various occasions, such as through a series of meetings of analysts, individual interviews and quarterly meetings of securities analysts.

- Public Relations Office is responsible for ensuring effective information flows concerning the Bank's products and services to the general public.

In addition to the above, the Bank is required to set out in this report a fair review of the business of the Bank during the financial year, compared with the prior year, and of the position of the Bank at the end of the financial year and a description of the principal risks and uncertainties facing the Bank. The Board of Directors is responsible for the financial statements of the Bank and its subsidiary companies, including the notes to the financial statements and other financial disclosures in the annual report. In practice, the

financial statements are prepared in accordance with generally accepted accounting principles, with suitable accounting policies, consistently applied and supported by reasonable and prudent judgment. The relevant information is incorporated in this report as well as in the “*Statement of the Board of Directors’ Responsibilities for the Financial Statements*”, which has been prepared at the same time as report of the external auditor. This report also describes the powers, duties and responsibilities of the Board and its principal Committees, the number of scheduled Board meetings held, and remuneration for the Directors.

Responsibilities of the Board (Chapter V)

1. Board Structure

- Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing and accounting. At present, there are 10 Board members, whose names and backgrounds are provided on pages 43-46 of this report.
- The election of Board of members follows the resolution of the Shareholders’ Meetings, as set out in the Bank’s Articles of Associations, and the size of the Board is determined by the meeting of shareholders and should consist of not less than five but not more than 12 members. The structure of the Board of Directors and Board Committees is as per the Bank of Thailand’s notification on the “Corporate Governance at Institutional of Commercial Banks” Board of Directors and includes:
 - 1 Executive Directors
 - 5 Non-Executive Directors
 - 4 Independent Directors (accounting for 40% of the total Board members)

The three independent Directors who serve concurrently on the Audit Committee and individuals must satisfy the criteria for appointment to the Board based on the principles of good corporate governance. More information can be found on pages 25-26.

- The Board appoints a Chairman who is not the same person as the President. The roles of Chairman and President are separate and each has clearly defined responsibilities, be it to determine the Bank’s goals and policies, provide strategic direction or assume responsibility for the day-to-day management of the Bank. A clear division of responsibilities helps ensure that no one individual has unfettered powers of decision-making while enabling the Chairman to provide an objective challenge to Executive Management.
- As set out in the Bank’s Articles of Association, the election of the entire Board takes place at the annual general meeting of shareholders. The interim Board is expected to serve for a fixed period, until the new Board is elected and installed. The list of directors including their roles and responsibilities are available from the “*Management Structure*” section from pages 24-29.
- The Board has appointed Mr. Thaphop Kleesuwan as Corporate Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks, including providing legal advice and ensuring compliance with the applicable laws and regulation, consistent with the Statement of Corporate Governance Principles, as well as the following services:
 - Providing preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board of Directors.
 - Arranging the Board of Directors’ Meetings and the Shareholders’ Meetings in accordance with the laws and the Bank’s Articles of Association and preparing minutes of the Board of Directors’ Meetings and the Shareholders’ Meetings, and monitoring subsequent compliance with the resolutions of those meetings.

- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Communicating with shareholders on their legitimate rights and the Bank's information.

2. Board Committees

In order for the Board to carry out its functions effectively, certain aspects of its role are delegated to Board Committees, such as the Executive Committee, the Management Committee, the Audit Committee, and the Nomination and Compensation Committee, whose members are mostly non-executive Directors, thereby enabling the Committees to carry out their work effectively in accordance with their terms of reference. The specific matters for which delegated authority has been given are set out in each Committee's terms of reference, which can be found from pages 29-42.

3. The Role and Responsibilities of the Board of Directors

3.1 Leadership and Vision

The Board of Directors consists of individuals from diverse professional backgrounds who combine a broad spectrum of experience and expertise and in particular, business ethics. The role of the Board, including the appointment and removal of directors are set out in the Bank's Corporate Governance Guidelines and Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has a good understanding of the Bank's business and affairs. It is responsible for ensuring independent oversight of internal control and risk management while providing objective challenge to Executive Management in the execution of the Bank's policies and strategies.

3.2 Ethics and Conflict of Interests

Part III of the Bank's Corporate Governance Guidelines contains the Code of Business Conduct and Ethics, as endorsed by the Board of Directors, at its 2/2005 meeting, held on 28 February 2005. The Code reflects and builds upon the Bank's core values: trust, integrity, honesty and transparency, with an important social and environmental dimension. The Code sets standards of conduct required of all Board directors, executive officers, full-time and part-time employees, towards the Bank's shareholders, customers, and other employees. Emphasis is given to enhancing the understanding of how their work interacts with society and the environment, as well as the Bank's competitors. Continued attention is given to preserve customer confidentiality and to enhance customer trust and satisfaction through honest and ethical behaviour. In performing their duties, employees are required to keep uppermost in their mind the principles of good corporate governance, including the need to use common sense, adhere to rules and regulations, and ensure that the Bank discharges its legal and regulatory responsibilities. Alleged breaches are investigated in accordance with the set procedures, and disciplinary penalties are imposed if found guilty. More information on the Bank's Code of Business Conduct and Ethics is available from the Bank's website at www.bankthai.co.th under "Corporate Governance" section, "Part III, Code of Business Conduct and Ethics".

The Bank's Corporate Governance Guidelines set out policies and procedures for conducting major transactions, including related party transactions and major acquisitions and disposals. Such transactions require the specific approval of at least three-quarters of the voting shareholders present at the meeting.

Any transaction that is not above the relevant threshold can also be submitted to the shareholders

for consideration if, in the opinion of the Board, such transaction can create potential liability to the Bank and its shareholders, or involve significant risks.

1. Major acquisitions or disposals

The Board and Executive Management are required to exercise the highest degree of care and prudence in entering into major acquisitions or disposals as follows:

- 1) consider all factors carefully;
- 2) take well-informed decisions or bring the matter to the attention of the shareholders; and
- 3) incorporate the reasons underlying the decisions or recommendations, including any other pertinent information into the minutes of the Board meeting as well as in the notice convening a shareholders' meeting.

2. Related party transactions

The Board and Executive Management are required to avoid making major transactions that can be interpreted as related-party transactions. If such transaction cannot be avoided, prudent steps must be taken to:

- 1) ensure that the transaction is legitimate and supports the ultimate good of the Bank, including that the terms and conditions are not different from or similar to those entering into with unrelated parties; and
- 2) ascertain that the procedures for considering and approving any given transaction are fair and transparent, including that the decision is made by a party having no material interest, and with steps having been taken to ensure full and transparent disclosure to the investors.

3. Recapitalization

The Bank undertakes a recapitalization when:

- 1) there is a specific purpose for capital increase based on the premise that profit margins will be improved;
- 2) the offer price does not drop below fair value, so as to avoid diluting the existing share value; and
- 3) the offering is conducted in a fair and appropriate manner without providing an avenue for any person or group of persons to gain control over the Bank except when it is in the Bank's best interests and provided that shareholder approval has been granted. In such case, action is taken to ensure complete disclosure of information and to require the stakeholders to abstain on the matter.

Related party transactions:

In year 2008, the Bank had significant business transactions with its subsidiary, associate and affiliate companies (related by way of common shareholders and/or common directors), including related persons (directors or executives from the level of vice president upwards). These transactions are in compliance with the conditions and the criteria that are agreeable between the Bank and its subsidiary, associate and affiliate companies. The summary of the related party transactions is as follows (as disclosed in the financial note Item 34):

- (1) As at 31 December 2008, loans and contingent liabilities associated with one executive from the level of vice president upwards amounted to THB 1 million; and

(2) As at 31 December 2008, loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of vice president upwards, hold 10% or more of their paid-up capital were as follows:

(Millions of THB)

Company Name	Obligations	Outstanding loans / Investment in receivables	Interest rate	Deposits	Nature of relationship	
					% shareholding	Joint Management
Subsidiary companies						
BT Securities Co., Ltd.	-	86	MLR -1.5%, 9%	51	99.99	Directors with delegated signature authority: Mrs. Duangphorn Sucharittanuwat, Mrs. Panute Na Chiangmai
BT Leasing Co., Ltd.	-	2,259	MOR-2%,3.6%, 4.2%	11	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
BT Asset Management Co., Ltd.	-	-	-	7	99.99	Directors with delegated signature authority: Mr. Manit Jeeradit, Mr. Prasert Wangrattanapranee
BT Consultant Co., Ltd.	-	6	MOR - 2%	2	99.99	Directors with delegated signature authority: Mr. Phongsuree Bunnag, Mr. Prasert Wangrattanapranee
BT Insurance Co., Ltd.	-	-	-	51	99.99	Directors with delegated signature authority: Mr. Preecha Oonchitti, Mr. Phirasilp Subhapholsiri, Mr. Ekajai Tivutanond, Mr. Surachai Chitratsenee
Sathon Asset Management Co., Ltd.	-	-	3.5%, 3.53%, 3.55%	153	99.99	Directors with delegated signature authority: Mr. Ekachai Tivutanond, Mr. Prasert Wangrattanapranee Mr. Songwud Buakhem, Mr. Thaphop Kleesuwan
Krungthai Thanakit Finance Plc.*	-	-	-	147	99.10	-
BT WorldLease Co., Ltd.	310	488	MLR, 2% of obligations	46	75.04	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
Subsidiary held by the Bank's subsidiary (BT WorldLease Co., Ltd.)						
Asset Liability Management Co., Ltd.	-	-	-	1	-	-
Associate Companies						
Worldclass Rent A Car Co., Ltd.	4	-	MLR, 2% of obligations	-	20.00	-
Related Companies						
Millea Life Insurance (Thailand) Public Co., Ltd.	-	-	-	59	15.26	Director: Mr. Chamnarn Wangtal, Mr. Tada Charukitphaisan

(Millions of THBt)

Company Name	Obligations	Outstanding loans / Investment in receivables	Interest rate	Deposits	Nature of relationship	
					% shareholding	Joint Management
Suetrong Construction Co., Ltd.	-	-	MLR - 3.075%, 2.5% of obligations	-	0.99	-
Maxwin Builders Ltd.	-	128	No interest, 6.75%	-	-	-
Thai Baroda Industry Co., Ltd.	-	-	No interest, 6.3%, 0.5% and 2% of obligations	-	-	-
Union Petrochemical Public Co., Ltd.	2	10	5%, 5.05% and 1.5% of obligations	3	-	-
Cenmetal (Thailand) Co., Ltd.	-	-	-	12	10.00	-
Sukhumvit Asset Management Co., Ltd.	-	-	1.25% of obligations	-	-	-
Thai Asset Management Corporation	-	-	-	-	-	-
Wongpaitoon Group Plc.	-	89	0.1%	-	11.33	-
Energy Complex Co., Ltd.	-	-	-	6	-	-

* Currently undergoing liquidation process

The Bank pays interests on deposits made by related parties at the normal rates granted to general depositors.

(3) The Bank has no person who has the potential to create conflicts of interest holding more than 5% of voting shares in any of the Bank's subsidiary or associate companies.

2. Related party transactions and justification

Loans and obligations associated with related persons (directors or executives above the level of vice president) are subject to interest rates under the Bank's employee benefits scheme. Loans which were transferred to the Bank under the merger process are subject to the market interest rates.

Loans, obligations and deposits associated with businesses in which the Bank or its subsidiary companies, or directors or executive officers above the level of vice president, hold 10% or more of their paid-up capital were transferred to the Bank under the merger process, or have undergone debt restructuring. These loans which include some new loans have been concluded on commercial terms agreed upon in the ordinary course of business between the Bank and the parties concerned, and are subject to market interest rates.

3. Procedures for approving related party transactions and safeguarding shareholders' interest

According to the Bank's Articles of Associations, all related party transactions are subject to the formal approval process, including the scrutiny and approval of the relevant Credit Committee. Members of the Board or Executive Management having material interest in the transactions are not allowed to take part in decision-making.

4. Trends in related party transactions

Related party transactions constitute part of the Bank's business functions and are subject to the formal approval process. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by clearly-defined review and approval procedures and practices.

Safeguarding of classified information

The Board recognizes the utmost importance of safeguarding classified information. With this in mind, the Board has put in place policies requiring that all members of the Board, Executive Management and staff, including their spouses and dependent children, abstain from disclosing classified information into public domain, or to use the information that has become privately known to them to purchase, sell, transfer any securities issued by the Bank, or for personal gain.

Members of the Board and Executive Management who are engaged in the purchase, sale, or transfer of securities issued by the Bank are required to report any of the above to the Stock Exchange of Thailand within three business days of the conclusion of the transaction, with a copy of the report provided to Office of the President. Individuals found guilty of misusing classified information are subject to disciplinary action in accordance with the Bank's established rules and regulations.

In addition to the above, the Board has assigned the Compliance and Credit Review Team to oversee the Bank's internal operations with a view to maintaining the integrity of compliance with applicable laws and regulations at all times.

3.3 Internal oversight responsibilities

Internal Control

The Audit Committee is responsible for assisting the Board in fulfilling its internal oversight responsibilities. The Committee meets at least once a month to ensure that the Bank maintains adequate systems of internal control, appropriate risk management, as well as sufficient and complete financial reports. The Committee also ensures that the Internal Audit Division and the Compliance and Credit Review Team remain effective; it also reviews their process development. It also holds meetings with Executive Management and external auditors to ensure that significant weaknesses in the design or operation of internal control are resolved in a timely manner. A summary and highlights of the Bank's internal control are presented below.

- **The Organization and its Environment**

The Bank prepares its annual business plan and reviews it during the course of the year. Constant emphasis is on introducing changes to its organizational structure and aligning the new structure and business processes. Continued attention is given to ensure that all employees adhere to the Bank's Code of Business Conduct and Ethics, and treat all customers fairly. Responsible offices and an appropriate environment have been set up to provide oversight and support to ensure that the Bank's internal control system is in accordance with the predefined policy and is appropriate and strengthened.

- **Risk Management**

The Bank is committed to managing and responding to risks posed by both internal and external

factors. This is supported by the Bank's policies and procedures issued for the Risk Management Group. The Risk Management Committee was also set up to determine the roles, responsibilities and the performance evaluation criteria in order to ensure the accomplishment of the Risk Management Plan.

- **Oversight of Executive Management**

The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels, including establishing approval limits. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives.

Executive Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for, or investments in, businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives.

In addition to the above, the Bank has established a Compliance and Credit Review Team to provide oversight and support to ensure that the Bank conducts its businesses and affairs in compliance with all applicable laws and regulatory requirements.

- **Information System and Information Flow**

The Bank has brought its accounting policies and practices in line with generally accepted accounting standards that support the Bank's business requirements. Continued attention is given to develop, enhance and maintain information systems and databases to provide quick access to data and information in a rapidly changing environment. In addition, the document management system provides an effective tool for tracking and storing important electronic documents appropriately and safely.

Board members disagreeing with or objecting to any Board decision are also allowed to record their concern in the report of the meeting.

- **Monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives and oversight requirements, as described below.

The Bank prepares an annual business plan, which is periodically reviewed with actual results and with a view to ensuring its continuing relevance and effectiveness in a rapidly changing environment.

The Internal Audit Division and the Compliance and Credit Review Team were set up as independent bodies, reporting directly to the Audit Committee. They are responsible for providing oversight and support to ensure that the Bank conducts its businesses and affairs in accordance with internal control system set by the Bank. The Audit Committee is seriously committed to ensuring that tangible steps are taken to implement any recommendations and it regularly monitors resolutions to ensure that any of identified issues are brought to a satisfactory conclusion.

4. Board Meetings

Scheduled Board meetings are arranged for the whole year. Normally, the Board meets at least once every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held. The Board secretary is responsible for providing all Directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the Directors a forward indication of the business to be transacted and to ensure, as far as possible, that they can manage their time commitments. The Secretary is also responsible for taking the minutes of each meeting, and preparing the report which is signed by the Board. The report is kept on file for reference or inspection purposes.

The table below sets out attendance at scheduled Board and Committee meetings in 2008.

	Name	Board of Directors											
		Bank	Executive Management	Audit	Nomination & Compensation	Risk Management	Capital Market	Asset & Liabilities Management	Sale of Non-Performing Assets	Credit Level 2	IT Strategic Planning	Financial Management & Control	
1	Mr. Tawee Butsunorn	21/22	-	-	-	-	-	-	-	-	-	-	-
2	Dato' Robert Cheim Dau Meng ^{1/}	3/3 From 5/11/08	2/2 From 5/11/08	-	-	2/2 From 5/11/08	2/2 From 5/11/08	-	-	1/1 From 5/11/08	-	-	-
3	Mr. Chin Yuen Yin ^{2/}	20/22	10/11	-	-	-	-	-	-	-	-	-	-
4	Mr. Techapit Sangsingkeo	21/22	-	-	54/58	-	-	-	-	-	-	-	-
5	Mr. Dharin Divari	22/22	-	-	58/58	7/7	-	-	-	-	-	-	-
6	Mr. Chatchawal Eimsiri	16/22	-	-	38/58	-	-	-	-	-	-	-	-
7	Dato' Sharrani bin Ibrahim ^{3/}	-	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Preecha Oonchitti	22/22	11/11	-	-	-	-	-	-	-	49/49	-	-
9	Mr. Kenny Kim ^{4/}	3/3 From 5/11/08	-	-	-	-	-	2/2 From 5/11/08	2/2 From 5/11/08	-	-	2/2 From 5/11/08	-
10	Mrs. Watanan Petersik	16/22	-	-	-	-	-	-	-	-	-	-	-
11	Mr. Pongpanu Svetarundra ^{5/}	11/22	-	-	-	-	-	-	-	9/10	-	-	-
12	Mrs. Saowanee Suwannacheep ^{6/}	17/22	9/11	-	-	-	-	-	-	-	-	10/12	-
13	Mr. Daniel Ashton Carroll ^{7/}	7/22	-	-	-	4/7	-	-	-	-	-	-	-
14	Mr. Phirasilp Subhapholsiri ^{8/}	20/22	10/11	31/31	-	-	13/14	13/13	11/12	-	-	7/12	-
15	Mr. Ranvir Dewan ^{9/}	17/22	10/11	-	-	5/7	6/14	-	9/12	-	-	-	11/11

^{1/} Dato' Robert Cheim Dau Meng was appointed director by the Board of Directors, at its 19/2008 meeting held on 5 November 2008. Subsequently, the Board of Directors, at its 3/2009 held on 20 February 2009, appointed him Vice Chariman.

^{2/} The Board of Directors' meeting No.21/2008, held on 25 November 2008, passed a resolution to request the Bank of Thailand's approval for the appointment of Mr. Chin Yuen Yin as Acting President, effective on 1 January 2009.

^{3/} The Board of Directors' meeting No.22/2008, held on 17 December 2008, passed a resolution to request the Bank of Thailand's approval for the appointment Dato' Sharrani bin Ibrahim as Independent Director, effective on 20 January 2009.

^{4/} Mr. Kenny Kim was appointed director by the Board of Directors, at its 19/2008 meeting held on 5 November 2008.

^{5/} Mr. Pongpanu Svetarundra resigned from the Board of Directors on 5 November 2008.

^{6/} Mrs. Saowanee Suwannacheep resigned from the Board of Directors on 5 November 2008.

^{7/} Mr. Daniel Ashton Carroll resigned from the Board of Directors on 20 January 2009.

^{8/} Mr. Phirasilp Subhapholsiri resigned from the Board of Directors/President on 2 February 2009, effective on 1 January 2009.

^{9/} Mr. Ranvir Dewan resigned from the Board of Directors on 9 February 2009.

5. Board Effectiveness: Performance Review

The Board, at 19/2549 (19/2006) meeting, held on 20 December 2006, resolved that an annual evaluation of the overall Board effectiveness should be conducted without pinpointing anyone in particular. The evaluation in 2007 comprised a questionnaire which was forwarded by the Bank secretary to each Director. The results of the evaluation were reviewed by the Chairman of the Board against the Board's terms of reference, before being presented to the Board.

6. Remuneration of Directors and Senior Executives

The Board's policy is to disclose information concerning remuneration for the Directors and Senior Executives in compliance with the Public Company Act and requirements of supervisory and regulatory bodies. Constant focus is on ensuring that the Bank maintains competitive policies on remunerations. The Board aims to achieve this by:

Remuneration of Directors

- The Bank's Articles of Association sets out broad policies and practices to allow flexibility in determining the remuneration for Directors based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for Directors, as approved by the meeting of shareholders, comprise base salary, meeting allowance, pension, bonus and other benefits. In this respect, shareholders have the authority to determine the specific remuneration packages for Directors, or establish general guidelines by which the remuneration could be determined at an appropriate time. Employees who also serve on the Board are entitled to receive pay increase in line with their extra responsibilities.
- The Board is responsible for proposing the remuneration packages for Directors to the meeting of shareholders, keeping in mind the need to deliver sustainable value for the Bank and shareholders, including the following key elements:
 - the reward is benchmarked against the markets in which the Bank competes for talent. This includes benchmarking against other comparable organizations;
 - scope of responsibilities;
 - the Bank's financial performance;
 - performance evaluation against targets and goals.

The remuneration packages for directors in 2008 comprised the following components:

1. Meeting and entertainment allowances:

The Annual General Meeting of Shareholders, at its sixth session (held in 2000), passed a resolution authorizing monthly lump-sum payment for meeting and entertainment allowances as follows:

- Meeting allowance:

Chairman	THB	130,000	per month
Director	THB	44,000	per month
- Entertainment allowance:

Chairman	THB	70,000	per month
----------	-----	--------	-----------

(The Chairperson and directors are responsible for arranging their own income tax. The above arrangement came into effect in May 2000).

The Annual General Meeting of Shareholders, at its ninth session held in 2003, and at its

twelfth session held in 2006, reviewed the above arrangement and decided to maintain the allowances at their present levels until further notice.

2. The Bank (subsidiary companies) paid other benefits to the Directors as follows:

1) Meeting allowance for Board Committees (as determined by the Board of Directors, at its 12/2000 meeting, held on 25 May 2000):

Chairman	THB	52,000	per month
Member	THB	40,000	per month

2) Meeting allowance for Executive Committees (as determined by the Board of Directors, at its 11/2007 meeting, held on 12 May 2007):

Chairman	THB	104,000	per month
Member	THB	40,000	per month

3) Insofar as the payment of meeting allowance for the Audit Committee was concerned, the Bank paid the Committee for providing audit to BT Consulting Co., Ltd. as described below. The rest of the subsidiary companies shouldered their own expenses (in pursuance of the resolution adopted by the Board, at its 21/2002 meeting, held on 18 December 2002).

Chairman	THB	12,000	per month
Member	THB	8,000	per month

4) Allowance for attending board meetings of subsidiary companies (paid directly by the subsidiary companies in pursuance of the resolution adopted by the Board, at its 4/2001 meeting, held on 21 March 2001):

Chairman	THB	33,000	per month
Directors	THB	22,000	per month

(The Chairperson and directors are responsible for arranging their own income tax).

- Directors who are required to serve on other Board committees are entitled to receive additional pay based on an increase in responsibilities, as the Board sees fit.
- The Board has access to independent expert advice in the context of the needs of the Board, including determining the appropriate remuneration.
- The Board is responsible for disclosing information concerning the remuneration packages in compliance with the Public Company Act and regulatory requirements.

1. Financial Remuneration

(1) Remuneration for Board members

In 2008, the aggregate remunerations for Directors comprising salaries as well as meeting and auditing allowances amounted to THB 16,528,000 (compared with THB 14,908,000 in 2007), as described below.

1. Board of Directors	THB	8,208,000	(2007: THB 7,680,000)
2. Executive Committee	THB	2,504,000	(2007: THB 1,952,000)
3. Audit Committee	THB	1,584,000	(2007: THB 1,464,000)
4. Nomination and Compensation Committee	THB	704,000	(2007: THB 944,000)
5. Risk Management Committee	THB	80,000	(2007: n.a.)
6. Capital Market Committee	THB	80,000	(2007: n.a.)
7. Asset and Liabilities Management Committee	THB	80,000	(2007: n.a.)
8. Committee on Sale of Non-Performing Assets	THB	624,000	(2007: THB 784,000)
9. Credit Committee Level 2	THB	1,248,000	(2007: THB 784,000)

10. IT Strategic Planning Committee THB 624,000 (2007: THB 624,000)

11. Finance Management and Control Committee THB 624,000 (2007: THB 364,000)

(Unit : THB)

Name	Office Title	Financial Remuneration											
		Board of Directors											
		Bank	Executive	Audit	Nomination & Compensation	Risk Management	Capital Market	Asset & Liabilities Management	Sale of Non-Performing Assets	Credit Level 2	IT Strategic Planning	Financial Management & Control	
1	Mr. Tawee Butsunorn	Chairman	2,400,000										
2	Dato' Robert Cheim Dau Meng	Vice Chairman	88,000	80,000		80,000	80,000			104,000			
3	Mr. Chin Yuen Yin	Acting President	528,000	440,000									
4	Mr. Techapit Sangsingkeo	Independent Director	528,000		624,000								
5	Mr. Dharin Divari	Independent Director	528,000		480,000								
6	Mr. Chatchawal Eimsiri	Independent Director	528,000		480,000								
7	Mr. Preecha Oonchitti	Director	528,000	624,000						1,248,000			
8	Mr. Kenny Kim	Director	88,000				80,000	80,000			104,000		
9	Mrs. Watanan Petersik	Director	528,000										
10	Mr. Pongpanu Svetarundra	Director	440,000						520,000				
11	Mrs. Saowanee Suwannacheep	Director	440,000	400,000							520,000		
12	Mr. Daniel Ashton Carroll	Director	528,000										
13	Mr. Phirasilp Subhapholsiri	Director	528,000	480,000									
14	Mr. Ranvir Dewan	Director	528,000	480,000									624,000
	Total		8,208,000	2,504,000	1,584,000	704,000	80,000	80,000	80,000	624,000	1,248,000	624,000	624,000

(2) Remuneration for Senior Executives

The Board is responsible for determining the procedures for evaluating the performance of Senior Executives based on the responsibilities, challenges and risks that are faced by each, with emphasis on maximizing personal contribution to deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for full-time and part-time employees or any other persons having material relationship with the Bank, as recommended by Executive Management. In 2008, the aggregate remunerations for seven Senior Executives at or above the level of Senior Executive Vice President stood at THB 43,397,670.

2. Other Benefits

In 2008, the Bank's contribution towards the provident fund for seven Senior Executives at or above the level of Senior Executive Vice President amounted to THB 2,169,883.50.

7. Executive Development Programme

The Bank's policy is to encourage all Directors to participate regularly in the executive development programme which is designed to further familiarise the Directors with the Bank's businesses and affairs, while providing them with an insight into their roles and responsibilities as Board members across a range of contexts. The programme also aims to encourage and assist the Directors in developing visionary thinking, including skills in adapting more effectively to the changing environment. Directors have

participated thus far in two programmes organized by Thai Institute of Directors (IOD), namely Directors Certification Programme (DCP) and Director Accreditation Programme.

All new Directors have an induction programme to provide them with a good overview of the Bank, including the business plan. They also receive an information pack that explains the Bank's corporate governance policies and practices, their roles and responsibilities of Directors and of the Board as a whole, including the various laws and regulations.

Two new Directors undertook their induction training in 2008 which was conducted by the Board Secretary.

Other Factors That May Affect Investor Confidence

- **Legal Dispute**

As of 31 December 2008, the Bank has a pending litigation suit against it which might affect the assets of the Bank exceeding 5% of its shareholders' equity.

The case is a civil case between Thai Melon Polyester Plc., as the plaintiff, and 5 defendants namely Thai Asset Management Corporation (TAMC) the 1st defendant, Mr.Somjet Moosirilert the 2nd defendant, BankThai Plc. the 3rd defendant, Bangkok Bank Plc. the 4th defendant, Siam Commercial Bank Plc. the 5th defendant (the 3rd, the 4th, the 5th defendants are hereafter collectively referred to as "the banks"). The case was filed on 21 March 2007 in the Civil Court (case no. Black 1215/2550) for the revocation of the transfer of a Non-Performing Loan (NPL) and the transfer of mortgages between the banks and TAMC along with the claims in tort. The total amount of claims against the 5 defendants jointly and severally was THB 24,500 million comprising damages for loss of reputation of THB 12,250 million and damages from the halt of business operations of THB 12,250 million, together with interest at the rate of 7.5% p.a. on the principal from the filing date to the date of full payment.

According to the claim, the Central Bankruptcy Court had issued an interim receivership order upon the plaintiff's assets, therefore, the plaintiff's NPL did not fulfill the criteria of the Thai Asset Management Decree B.E.2544 and, henceforth, could not be transferred to TAMC. The Bank as 3rd defendant, submitted a defending motion on 5 June 2007 based upon the following facts:

- on 28 March 2001, the Central Bankruptcy Court issued an order for temporary receivership over the plaintiff's assets;
- on 14 August 2001, the Central Bankruptcy Court dismissed the interim receivership order and disposed of the case;
- on 12 October 2001, the banks transferred the plaintiff's NPL to TAMC along with the rights over the mortgages.

Therefore, during the time the banks transferred the plaintiff's NPL to TAMC, the plaintiff's assets were no longer protected under the interim receivership order issued by the Central Bankruptcy Court. As a result, the banks had duly transferred the plaintiff's NPL to TAMC in accordance with the laws.

On 30 May 2008, the Civil Court dismissed the case on grounds that the transfer between the banks and TAMC over the plaintiff's NPL was in accordance with the laws and there was no need to make further decision on other issues.

On 10 September 2008, the plaintiff filed an appeal and the Bank submitted a defence against the appeal on 10 November 2008. The case is now under consideration before the Court of Appeals and it is more likely that the Court of Appeals will concur with the Civil Court. However, if the Court of Appeals shall rule against the Bank, the Bank's liability will be proportionately for the principal amount of THB 857.87 million.



In 2008, the Audit Committee performed specific responsibilities delegated to it by the Board of Directors, including ensuring compliance with the requirements of the Stock Exchange of Thailand as well as the relevant laws and regulatory requirements. Every effort was made, focusing on the audit and the review, to ensure that the Bank had in place adequate procedures and systems of internal control, good corporate governance, and appropriate risk management system that enhanced value for the Bank as stated in the objectives and targets set by the Board. The Committee regularly met at least once a month. In 2008, 58 meetings took place. In my capacity as Chairman, I attended 54 meetings, while other members, namely Mr. Dharin Divari, attended 58 meetings and Mr. Chatchawal Eimsiri attended 38 meetings. The main areas of the focus for the Committee are presented below.

1. Reviewed and approved the audit plans and annual budget for the Internal Audit Division and the Compliance and Credit Review Team. The Committee also reviewed the activities and staff development of the Internal Audit Division and Compliance and Credit Review Team in line with modern practice, international standards and guidelines and the requirements of the Bank of Thailand.
2. Reviewed the Bank's financial statements, including ensuring the effectiveness of the Bank's disclosure controls in line with generally accepted accounting principles. The Committee also considered and made recommendations on the selection and appointment of the external auditors to the Board and shareholders, including determining the levels of remuneration.
3. Reviewed and made recommendations on reports from the Internal Audit Division, including reports from both the Internal Audit Department and the Information Technology and Risk Audit Department.
4. Reviewed reports on credit and contingent liabilities' review with a view to ensuring compliance with the requirements of the Bank of Thailand and the Bank's standard operating procedures.
5. Reviewed audit reports on credit quality, credit facilitation, credit approval and follow-up processes.
6. Reviewed compliance reports concerning securities transactions, as licensed by the Securities and Exchange Commission and the Stock Exchange of Thailand, including ensuring compliance with the relevant laws and regulatory requirements.
7. Reviewed compliance reports and ensured thorough disclosures where transactions were connected, as required by the Anti-Money Laundering Office in pursuance of the Anti-Money Laundering Act. The committee also reviewed the reports disclosed to regulatory offices by the Bank.
8. Reviewed comments and recommendations rendered by the external auditors, commercial bank inspector(s), the Bank of Thailand, the Securities Exchange Commission and the Stock Exchange of Thailand, and the Internal Audit Division, with a view to requiring the offices concerned to ensure prompt, continuous and effective compliance and follow-up action.
9. Met with Executive Management and the external auditors from time to time, to acknowledge and exchange opinions.

From duties discharged, the Committee concluded that the Bank continued to operate with appropriate and effective systems of internal control. Reports on issues of significance that required, or were subject to, remedial action were prepared and submitted to the Committee by the Internal Audit Division and the Compliance and Credit Review Team, both of which report directly to the Committee. Throughout the year, the Committee took seriously its commitment to ensure that tangible steps were taken to resolve all the specific issues.

Mr. Techapit Sangsingkeo
Chairman of Audit Committee



REPORT OF RESPONSIBILITY OF BOARD OF DIRECTORS TO THE FINANCIAL REPORTS

The Board of Directors is responsible for the financial statements of Bank Thai Public Company Limited and her subsidiaries as well as the financial information presented in this annual report. The aforementioned financial statements were prepared in accordance with the Thailand and International general accepted accounting standards, applying appropriate and consistent accounting policies and with careful judgement and best estimates. Important information is adequately disclosed in the notes to financial statements as well as in compliance with the Notifications of the Bank of Thailand and the Stock Exchange of Thailand.

The Board of Directors has established and maintained appropriate and effective internal control system in order to rationally assure that the accounting information is correctly and completely recorded and adequate to sustain the Bank's assets as well as to prevent any material irregular operation or fraud.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to responsible for the quality of financial statements and internal control system. The Audit Committee' comments on these issues are included in the Audit Committee's report presented herewith this annual report.

The Board of Directors is of the opinion that The Bank's overall internal control is at a satisfactory level and provides rational reliability on the Bank's and her subsidiaries' financial statements of the year as at 31 December 2008.

(Mr. Tawee Butsunton)

Chairman

(Mr. Chin Yuen Yin)

Acting President



To the Shareholders of BankThai Public Company Limited

I have audited the accompanying consolidated balance sheet of BankThai Public Company Limited and its subsidiaries as at 31 December 2008, the related consolidated statements of income, 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 express an opinion on these financial statements based on my audit.

Except as discussed in the next paragraph, 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.

As discussed in Note 1.2 to the financial statements, as at 31 December 2008, the Bank's assets exceeded its liabilities by Baht 5,035 million (a positive shareholders' equity balance). However, the Bank's capital funds to risk-weighted assets ratio (BIS ratio) was less than the level required by law. The Bank has requested a waiver from the Bank of Thailand (BOT) and proposed a plan to increase its capital funds to resolve the issues. The BOT has ordered the Bank to report to it on progress towards resolution of the issues of maintenance of capital funds and the increase in capital at regular intervals until the capital increase is completed. The Bank is still in the process of increasing its share capital to resolve the capital fund issue, but the management of the Bank is confident that such capital increase will be completed by the first quarter of the year 2009.

In my opinion, except for the effect of the matter described in the preceding paragraph to the financial statements, 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 2008, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without additional qualifying my opinion on the aforementioned financial statements, I draw attention to the following matters:

a) As discussed in Note 1.3 to the financial statements, the financial crisis experienced by the United States over the past year has had a far reaching effect on the global economy as evidenced by falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The governments of many countries made efforts to remedy the liquidity crisis and build confidence. However, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts known to the Bank, and on estimates and assumptions currently considered appropriate as of the financial statement reporting date. However, they could be affected by an array of future events.

b) As discussed in Note 9.1 (b) to the financial statements, on 29 July 2008, the Bank sold all investment in CDOs through an auction, at a price of USD 77.04 million (Baht 2,580 million). Such sale of CDOs were recognised in the current year.

c) As discussed in Note 37 to the financial statements, the Bank has obligations in respect of the gain/loss sharing which may occur in the future as a result of the transfer of non-performing loans to TAMC and the outstanding issues with respect to the requisition of original ownership documents and others that may result in adjustments to the price and related interest, which are being examined and concluded by the Bank and TAMC.

I have previously audited the consolidated financial statements of BankThai Public Company Limited and its subsidiaries and the separate financial statements of BankThai Public Company Limited for the year ended 31 December 2007, as presented herein for comparative purposes, in accordance with generally accepted auditing standards, and expressed an unqualified audit opinion on those statements under my report dated 29 February 2008, drawing attention to (1) the uncertainty of the outcome of the credit crisis in the United States which could affect the value of CDOs; (2) Capital Fund maintenance; (3) the gain/loss sharing which may occur in the future as a result of the transfer of non-performing loans to TAMC; (4) the change in accounting policy for recording investments in subsidiaries and associates in the separate financial statements.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734



BALANCE SHEETS

BankThai Public Company Limited and its subsidiaries
As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Assets					
Cash		4,631,710,995	3,875,056,754	4,630,351,485	3,872,919,168
Interbank and money market items	7				
Domestic items					
Interest bearing		33,653,566,976	3,926,789,521	33,327,564,051	3,727,169,233
Non-interest bearing		8,919,265,398	4,262,845,019	8,879,088,442	4,194,990,019
Foreign items					
Interest bearing		21,561,883	484,999,226	21,561,883	484,999,226
Non-interest bearing		772,752,340	66,853,154	772,752,340	66,853,154
Interbank and money market items - net		43,367,146,597	8,741,486,920	43,000,966,716	8,474,011,632
Securities purchased under resale agreements	8	-	2,250,000,000	-	2,250,000,000
Investments	9				
Short-term investments - net		4,761,189,435	20,844,233,318	4,633,261,003	20,509,847,707
Long-term investments - net		40,660,166,639	55,924,127,034	40,251,593,231	53,644,252,097
Investments in subsidiaries and associates - net		98,832,738	189,081,648	1,343,637,904	1,372,973,902
Investments - net		45,520,188,812	76,957,442,000	46,228,492,138	75,527,073,706
Loans and accrued interest receivables	10				
Loans		92,260,538,869	98,473,068,101	87,553,426,943	95,315,114,454
Accrued interest receivables		388,790,254	735,201,024	325,979,415	440,963,010
Total loans and accrued interest receivables		92,649,329,123	99,208,269,125	87,879,406,358	95,756,077,464
Less : Allowance for doubtful debts		(8,972,756,197)	(11,060,809,020)	(5,249,480,640)	(7,332,924,511)
Revaluation allowance for debt restructuring		(19,682,248)	(50,712,838)	(19,682,248)	(50,712,838)
Loans and accrued interest receivables - net		83,656,890,678	88,096,747,267	82,610,243,470	88,372,440,115
Properties foreclosed - net	13	2,482,628,787	2,600,841,468	2,277,162,845	2,372,414,642
Customers' liability under acceptance		162,591,674	367,730,888	162,591,674	367,730,888
Premises and equipment - net	14	3,863,325,540	4,078,771,082	3,787,788,276	3,988,413,830
Accounts receivable from sale of investments	9.1(e)	24,144,587,004	11,072,417,488	24,144,587,004	11,071,751,394
Intangible assets	15	550,713,110	635,058,182	531,837,400	610,799,567
Other assets	16	3,996,850,889	7,077,428,104	3,671,326,759	7,246,206,961
Total assets		212,376,634,086	205,752,980,153	211,045,347,767	204,153,761,903

The accompanying notes are an integral part of the financial statements.



BALANCE SHEETS (continued)

BankThai Public Company Limited and its subsidiaries
As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Liabilities and shareholders' equity					
Deposits	17				
Deposits in Baht		159,528,185,999	165,849,070,971	159,805,073,275	166,003,363,506
Deposits in foreign currencies		200,501,977	179,872,995	200,501,977	179,872,995
Total deposits		159,728,687,976	166,028,943,966	160,005,575,252	166,183,236,501
Interbank and money market items	18				
Domestic items					
Interest bearing		8,349,284,983	6,052,472,690	8,082,691,757	6,085,387,793
Non-interest bearing		73,170,159	93,975,068	75,696,021	98,866,905
Foreign items					
Interest bearing		1,819,758,649	1,550,780,562	1,819,758,649	1,550,780,562
Non-interest bearing		7,535,838	1,582,825	7,535,838	1,582,825
Total interbank and money market items		10,249,749,629	7,698,811,145	9,985,682,265	7,736,618,085
Liability payable on demand		188,351,817	276,245,310	188,351,817	276,245,310
Borrowings	19				
Short-term borrowings		3,924,193,417	3,918,201,835	3,453,201,520	2,291,857,946
Long-term borrowings		3,144,937,500	5,796,890,000	3,144,937,500	5,796,890,000
Total borrowings		7,069,130,917	9,715,091,835	6,598,139,020	8,088,747,946
Bank's liability under acceptance		162,591,674	367,730,888	162,591,674	367,730,888
Accrued interest expenses		679,008,006	1,030,387,834	666,990,379	1,024,685,366
Accounts payable for purchases of investments	9.1(e)	24,191,832,049	14,518,929,475	24,191,832,049	14,518,929,475
Provisions - Pension benefits to employees		493,076,822	436,016,228	493,076,822	436,016,228
Other liabilities	20	4,478,970,458	4,969,806,757	3,718,235,837	4,107,514,977
Total liabilities		207,241,399,348	205,041,963,438	206,010,475,115	202,739,724,776

The accompanying notes are an integral part of the financial statements.



BALANCE SHEETS (continued)

BankThai Public Company Limited and its subsidiaries
As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered	21				
13,349,401,164 ordinary shares of Baht 3.75 each		50,060,254,365		50,060,254,365	
6,674,700,582 ordinary shares of Baht 3.75 each			25,030,127,183		25,030,127,183
Issued and paid-up share capital					
6,674,700,582 ordinary shares of Baht 3.75 each (31 December 2007 : 2,224,900,194 ordinary shares of Baht 3.75 each)		25,030,127,183	8,343,375,728	25,030,127,183	8,343,375,728
Share discount		(10,606,987,712)	-	(10,606,987,712)	-
Unrealised gain (loss)					
Revaluation surplus on assets	23	748,814,825	767,698,441	748,814,825	767,698,441
Revaluation surplus (deficit) on change in value of investments	24	54,637,646	(273,497,403)	55,777,090	(272,436,765)
Retained earnings (Deficit)					
Appropriated - statutory reserve		6,053,484	6,053,484	6,053,484	6,053,484
Deficit		(9,704,736,373)	(7,726,983,112)	(10,198,912,218)	(7,430,653,761)
Treasury stocks	22				
- 124,589,637 shares held by subsidiaries		(460,381,158)	(467,211,139)	-	-
Equity attributable to the bank's shareholders		5,067,527,895	649,435,999	5,034,872,652	1,414,037,127
Minority interest - equity attributable to minority shareholders of subsidiaries		67,706,843	61,580,716	-	-
Total shareholders' equity		5,135,234,738	711,016,715	5,034,872,652	1,414,037,127
Total liabilities and shareholders' equity		212,376,634,086	205,752,980,153	211,045,347,767	204,153,761,903
Off-balance sheet items - commitments					
Aval to bills and guarantees of loans	33	656,553,773	1,091,706,702	966,893,876	1,534,049,885
Liability under unmatured import bills		438,400,602	335,157,489	438,400,602	335,157,489
Letter of credits		1,335,783,769	2,226,680,177	1,335,783,769	2,226,680,177
Other commitments		216,412,132,718	363,221,755,315	216,412,196,718	363,221,819,315

The accompanying notes are an integral part of the financial statements.

Mr. Chin Yuen Yin
Acting President

Mr. Preecha Oonchitti
Director



INCOME STATEMENTS

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Interest and dividend income					
Loans		6,855,037,368	7,526,251,362	6,990,962,304	7,819,410,650
Interbank and money market items		798,084,642	877,023,448	774,249,650	863,589,500
Hire purchase and finance lease income		628,980,495	609,968,872	-	-
Investments		3,084,743,899	5,456,134,276	3,209,718,519	5,252,923,008
Total interest and dividend income		11,366,846,404	14,469,377,958	10,974,930,473	13,935,923,158
Interest expenses					
Deposits		4,883,959,732	6,626,956,539	4,888,126,211	6,632,474,497
Interbank and money market items		180,492,327	481,272,525	158,164,214	451,199,753
Short-term borrowings		111,347,789	309,414,602	70,095,562	281,009,705
Long-term borrowings		308,430,288	287,158,877	308,430,288	287,158,877
Total interest expenses		5,484,230,136	7,704,802,543	5,424,816,275	7,651,842,832
Net interest and dividend income		5,882,616,268	6,764,575,415	5,550,114,198	6,284,080,326
Bad debt and doubtful accounts		(2,315,362,744)	(3,478,259,984)	(2,196,000,000)	(3,563,000,000)
Net interest and dividend income after bad debt and doubtful accounts		3,567,253,524	3,286,315,431	3,354,114,198	2,721,080,326
Non-interest income					
Losses on investments	27	(1,001,021,826)	(5,497,923,259)	(2,099,535,182)	(6,659,658,800)
Gains on sale of non-performing loans		131,610,046	-	-	-
Fees and charges					
Acceptances, aval and guarantees		109,570,808	124,258,781	109,570,808	124,258,781
Others		838,342,338	830,538,331	650,397,035	1,331,273,290
Gains (losses) on exchange/derivatives		279,600,289	(260,212,120)	279,633,029	(260,208,820)
Gains on properties foreclosed/reversal of impairment		-	198,949,556	-	185,806,089
Other income/reversal of impairment		292,504,256	485,614,545	48,480,540	228,703,928
Total non-interest income		650,605,911	(4,118,774,166)	(1,011,453,770)	(5,049,825,532)

The accompanying notes are an integral part of the financial statements.



INCOME STATEMENTS (continued)

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Non-interest expenses					
Personnel expenses		2,301,191,537	2,131,516,647	1,915,726,007	1,702,867,118
Contribution fee to the Deposit Protection Agency/ the Financial Institutions Development Fund		670,469,739	713,123,608	670,469,739	713,123,608
Premises and equipment expenses		1,453,797,789	1,329,561,189	1,359,961,534	1,229,571,394
Taxes and duties		262,318,359	520,939,879	250,344,786	466,049,151
Share of losses from investments in associated company		30,924,781	15,998,546	-	-
Fees and charges		488,067,041	585,516,557	394,396,993	437,140,842
Directors' remuneration		25,848,600	20,421,000	20,201,600	15,216,000
Reserve for off-balance sheet items		31,000,000	55,000,000	31,000,000	55,000,000
Other expenses		877,909,273	712,539,297	487,701,842	479,154,785
Total non-interest expenses		6,141,527,119	6,084,616,723	5,129,802,501	5,098,122,898
Losses before corporate income tax		(1,923,667,684)	(6,917,075,458)	(2,787,142,073)	(7,426,868,104)
Corporate income tax	28	(59,955,020)	(9,877,149)	-	-
Net losses for the years		(1,983,622,704)	(6,926,952,607)	(2,787,142,073)	(7,426,868,104)
Net loss attributable to:					
Equity holders of the Bank		(1,989,797,290)	(6,928,725,940)	(2,787,142,073)	(7,426,868,104)
Minority interests of the subsidiaries		6,174,586	1,773,333		
		(1,983,622,704)	692,952,607		
Loss per share	31				
Basic loss per share (Baht per share)					
Net loss attributable to equity holders of the Bank		(0.31)	(3.70)	(0.43)	(3.72)
Weighted average number of ordinary shares (shares)		6,364,090,674	1,871,857,620	6,488,680,311	1,996,447,257

The accompanying notes are an integral part of the financial statements.

Mr. Chin Yuen Yin
Acting President

Mr. Preecha Oonchitti
Director



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

Consolidated financial statements										
Shareholders' equity of the Bank										
Note	Issued and paid-up share capital	Share discounts	Revaluation surplus on assets	Revaluation surplus (deficit) on changes in value of investment	Statutory reserve	Deficit	Treasury stocks held by the subsidiaries	Total equity attributable to the Bank's shareholders	Minority interest - equity attributable to minority shareholders subsidiaries	Total
Balance as at 31 December 2006	14,934,500,000	(1,123,608,592)	786,530,462	(594,047,392)	6,053,484	(8,524,221,359)	(1,261,470,416)	4,223,736,187	59,807,383	4,283,543,570
Amortise revaluation surplus on assets	-	-	(18,832,021)	-	-	18,832,021	-	-	-	-
Increase in fair value of investments	-	-	-	320,549,989	-	-	-	320,549,989	-	320,549,989
Net income (expenses) recognised directly in equity	-	-	(18,832,021)	320,549,989	-	18,832,021	-	320,549,989	-	320,549,989
Net income (losses) for the year	-	-	-	-	-	(6,928,725,940)	-	(6,928,725,940)	1,773,333	(6,926,952,607)
Total income (expenses) for the year	-	-	(18,832,021)	320,549,989	-	(6,909,893,919)	-	(6,608,175,951)	1,773,333	(6,606,402,618)
Increase in shares capital	7,314,501,940	(4,264,354,631)	-	-	-	-	-	3,050,147,309	-	3,050,147,309
Decrease in shares capital	(13,905,626,212)	5,387,963,223	-	-	-	8,517,662,989	-	-	-	-
Effect of decrease in share capital	-	-	-	-	-	(794,259,277)	794,259,277	-	-	-
Buy back on warrants issued by the Bank	-	-	-	-	-	(16,271,546)	-	(16,271,546)	-	(16,271,546)
Balance as at 31 December 2007	8,343,375,728	-	767,698,441	(273,497,403)	6,053,484	(7,726,983,112)	(467,211,139)	649,435,999	61,580,716	711,016,715
Amortise revaluation surplus on assets	-	-	(18,883,616)	-	-	18,883,616	-	-	-	-
Decrease in fair value of investments	-	-	-	(83,174,743)	-	-	-	(83,174,743)	-	(83,174,743)
Losses on impairment of investments	-	-	-	411,309,792	-	-	-	411,309,792	-	411,309,792
Net income (expenses) recognised directly in equity	-	-	(18,883,616)	328,135,049	-	18,883,616	-	328,135,049	-	328,135,049
Net income (losses) for the year	-	-	-	-	-	(1,989,797,290)	-	(1,989,797,290)	6,174,586	(1,983,622,704)
Total income (expenses) for the year	-	-	(18,883,616)	328,135,049	-	(1,970,913,674)	-	(1,661,662,241)	6,174,586	(1,655,487,655)
Shares capital issued	16,686,751,455	(10,606,987,712)	-	-	-	-	-	6,079,763,743	-	6,079,763,743
Decrease in treasury stocks held by subsidiaries	-	-	-	-	-	(6,839,587)	6,829,981	(9,606)	-	(9,606)
Minority interests - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(48,459)	(48,459)
Balance as at 31 December 2008	25,030,127,183	(10,606,987,712)	748,814,825	54,637,646	6,053,484	(9,704,736,373)	(460,381,158)	5,067,527,895	67,706,843	5,135,234,738

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS'S EQUITY (continued)

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

		Separate financial statements						
Note	Issued and paid-up share capital	Share discounts	Revaluation surplus on assets	Revaluation surplus(deficit) on changes in value of investment	Statutory reserve	Deficit	Total	
	Balance as at 31 December 2006	14,934,500,000	(1,123,608,592)	786,530,462	(588,915,165)	6,053,484	(8,524,009,121)	5,490,551,068
	Amortise revaluation surplus on assets	-	-	(18,832,021)	-	-	18,832,021	-
	Increase in fair value of investments	-	-	-	316,478,400	-	-	316,478,400
	Net income (expenses) recognised directly in equity	-	-	(18,832,021)	316,478,400	-	18,832,021	316,478,400
	Net losses for the year	-	-	-	-	-	(7,426,868,104)	(7,426,868,104)
	Total income (expenses) for the year	-	-	(18,832,021)	316,478,400	-	(7,408,036,083)	(7,110,389,704)
	Increase in shares capital	7,314,501,940	(4,264,354,631)	-	-	-	-	3,050,147,309
	Decrease in shares capital	(13,905,626,212)	5,387,963,223	-	-	-	8,517,662,989	-
	Buy back on warrants issued by the Bank	-	-	-	-	-	(16,271,546)	(16,271,546)
	Balance as at 31 December 2007	8,343,375,728	-	767,698,441	(272,436,765)	6,053,484	(7,430,653,761)	1,414,037,127
	Amortise revaluation surplus on assets	-	-	(18,883,616)	-	-	18,883,616	-
	Decrease in fair value of investments	-	-	-	(81,721,457)	-	-	(81,721,457)
	Losses on impairment of investments	-	-	-	409,935,312	-	-	409,935,312
	Net income (expenses) recognised directly in equity	-	-	(18,883,616)	328,213,855	-	18,883,616	328,213,855
	Net losses for the year	-	-	-	-	-	(2,787,142,073)	(2,787,142,073)
	Total income (expenses) for the year	-	-	(18,883,616)	328,213,855	-	(2,768,258,457)	(2,458,928,218)
	Share capital issued	16,686,751,455	(10,606,987,712)	-	-	-	-	6,079,763,743
	Balance as at 31 December 2008	25,030,127,183	(10,606,987,712)	748,814,825	55,777,090	6,053,484	(10,198,912,218)	5,034,872,652

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENTS

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from operating activities				
Net losses before tax	(1,923,667,684)	(6,917,075,458)	(2,787,142,073)	(7,426,868,104)
Adjustments to reconcile net losses before tax to net cash flows provided by (paid from) operating activities :				
Reversal of losses from settlement of Gain/Loss Sharing and Yield Maintenance Agreement	-	(77,705,812)	-	(77,705,812)
Share of loss from investments in associated company	30,924,781	15,998,546	-	-
Depreciation and amortisation	544,122,851	467,724,156	508,604,727	435,758,799
Bad debts and doubtful accounts	2,315,362,744	3,478,259,984	2,196,000,000	3,563,000,000
Reserve for off-balance sheet items	31,000,000	55,000,000	31,000,000	55,000,000
Impairment losses on intangible assets and other assets	110,445,770	40,000,000	110,445,770	40,000,000
Impairment losses on investments in subsidiary and associated companies (reversal)	-	10,000,000	(42,000,000)	304,000,000
Reversal of allowance for impairment of investment in receivables	(66,011,588)	-	(63,310,072)	-
Losses on impairment of properties foreclosed (reversal)	103,512,293	(151,913,662)	101,301,596	(130,000,000)
Impairment losses on investments (reversal)	521,861,590	(12,657,944)	520,487,110	(4,271,910)
Unrealised losses on exchange/derivatives	1,504,987,328	1,687,011,098	1,504,987,328	1,687,011,098
Losses (gains) on disposal of properties foreclosed	93,142,446	(47,035,894)	(25,020,360)	(55,806,089)
Unrealised losses on revaluation of investments	2,962,400,596	5,827,943,590	2,950,218,063	5,825,837,588
(Gains) losses on sale of investments	(159,145,553)	624,761,611	(160,365,240)	668,553,895
Gains on sale of non-performing loans	(131,610,046)	-	-	-
Realised gains on investment in non-performing loans	(1,230,195,747)	(838,358,101)	(71,317,199)	(19,223,611)
Unrealised gain on reclassification of investment types	-	(113,765,898)	-	(115,237,162)
Gains on disposal of equipment	(5,666,619)	(13,979,929)	(5,295,877)	(13,405,487)
Accrual of provisions	57,060,594	45,388,324	57,060,594	45,388,324
Interest and dividend income	(11,366,846,404)	(14,469,377,957)	(10,974,930,473)	(13,935,923,158)
Interest expenses	5,484,230,136	7,704,802,543	5,424,816,275	7,651,842,832
(Decrease) increase in accrued expenses	(570,477,612)	411,293,584	32,574,828	(206,915,543)
Losses from operating activities before changes in operating assets and liabilities	(1,694,570,124)	(2,273,687,219)	(691,885,003)	(1,708,964,340)
(Increase) decrease in operating assets				
Interbank and money market items	(34,614,373,478)	4,600,612,304	(34,516,642,584)	4,715,562,193
Securities purchased under resale agreements	2,250,000,000	(2,250,000,000)	2,250,000,000	(2,250,000,000)
Investments held for trading	(5,010,148,586)	8,432,487,575	(5,040,041,612)	8,388,509,266
Loans	1,554,010,202	3,839,005,769	3,480,341,536	7,311,830,916
Properties foreclosed	419,701,433	966,691,582	89,803,598	171,084,749
Receivables from the Financial Institutions Development Fund under Gain/Loss Sharing and Yield Maintenance Agreement	-	11,156,145,876	-	11,156,145,876
Other assets	1,597,615,110	(452,637,005)	2,134,868,722	(965,708,161)

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENTS (continued)

BankThai Public Company Limited and its subsidiaries
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Increase (decrease) in operating liabilities				
Deposits	(6,300,255,990)	(15,190,442,420)	(6,177,661,248)	(15,135,422,625)
Interbank and money market items	2,548,371,757	(3,084,808,837)	2,249,064,179	(3,120,534,309)
Liability payable on demand	(87,893,494)	1,272,089	(87,893,494)	1,272,089
Other liabilities awaiting accounts transfer	726,164,039	(173,629,445)	726,164,039	(173,629,445)
Other liabilities	(625,543,532)	(1,983,162,955)	(1,199,376,696)	(1,582,320,904)
Cash flows from (used in) operating activities	(39,236,922,663)	3,587,847,314	(36,783,258,563)	6,807,825,305
Cash received from interest income	8,617,165,639	9,068,018,034	7,869,883,048	8,673,582,961
Cash paid for interest expenses	(5,852,020,702)	(7,527,278,209)	(5,843,987,436)	(7,506,702,691)
Cash paid for corporate income tax	(53,918,222)	(20,249,411)	-	-
Net cash flows from (used in) operating activities	(36,525,695,948)	5,108,337,728	(34,757,362,951)	7,974,705,575
Cash flows from investing activities				
Decrease (increase) in securities held for investments	31,464,331,595	(15,250,761,422)	28,361,528,607	(16,589,058,054)
Increase in investments in subsidiary and associated company	-	(61,541,293)	-	(91,541,293)
Cash paid for purchases of equipment	(200,905,490)	(323,223,122)	(187,176,100)	(301,447,349)
Proceeds from disposals of equipment	11,615,308	34,349,806	9,023,311	31,681,306
Cash paid for purchases of intangible assets	(157,885,885)	(142,255,587)	(155,483,295)	(135,887,156)
Dividend received	263,478,176	321,584,559	435,757,783	319,816,124
Interest received	2,967,432,123	5,280,786,030	2,919,009,902	5,080,501,148
Net cash flows from (used in) investing activities	34,348,065,827	(10,141,061,029)	31,382,660,208	(11,685,935,274)
Cash flows from financing activities				
Increase in short-term borrowings	5,991,582	1,181,421,954	1,161,343,574	(164,785,504)
(Decrease) increase in long-term borrowings	(2,759,660,000)	1,430,400,000	(2,759,660,000)	1,430,400,000
Cash received from capital increase	6,079,763,743	3,050,147,309	6,079,763,743	3,050,147,309
Interest expenses	(391,810,963)	(535,395,734)	(349,312,257)	(511,273,267)
Net cash flows from financing activities	2,934,284,362	5,126,573,529	4,132,135,060	3,804,488,538
Net increase in cash and cash equivalents	756,654,241	93,850,228	757,432,317	93,258,839
Cash and cash equivalents at beginning of the years	3,875,056,754	3,781,206,526	3,872,919,168	3,779,660,329
Cash and cash equivalent at the end of the years	4,631,710,995	3,875,056,754	4,630,351,485	3,872,919,168

The accompanying notes are an integral part of the financial statements.



BankThai Public Company Limited and its subsidiaries
As at 31 December 2008 and 2007

1. General information

1.1 The Bank's information

BankThai Public Company Limited (hereinafter referred to as "the Bank") is a public company incorporated and domiciled in Thailand. 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 at 44 North Sathorn Road, Bangrak, Bangkok, and it has branches all over Thailand.

All subsidiaries were incorporated as a limited company or a public limited company under Thai laws. All those operate in Thailand by engaging mainly in securities business, fund management, insurance business, consultancy service, asset management, hire purchase and leasing.

On 22 January 2009, the Meeting of the Board of Directors No. 2/2009 passed a resolution to propose for approval by the Extraordinary General Meeting of Shareholders for the change of its name from "BankThai Public Company Limited" to "CIMB Thai Bank Public Company Limited". The change of name will be proceed after obtaining the approval from the Extraordinary General Meeting of Shareholders and the Ministry of Finance.

1.2 Capital Funds Maintenance Provisions

As at 31 December 2008, the Bank's assets exceeded its liabilities by Baht 5,035 million (a positive shareholders' equity balance). However, the Bank's capital funds to risk-weighted assets ratio (BIS ratio) was less than the level required by law. The Bank has requested a waiver from the Bank of Thailand (BOT) and proposed a plan to increase its capital funds to resolve this issues. The BOT has ordered the Bank to report to it on progress towards resolution of the issues of maintenance of capital funds and the increases in capital at regular intervals until the capital increase is completed. The Bank is still in the process of increasing its share capital to resolve the capital fund issue, but the management of the Bank is confident that such capital increase will be completed by the first quarter of the year 2009.

The Bank has requested permission from the Ministry of Finance, with concurrence of the BOT, to allow foreign shareholders to hold an aggregate of more than 49 percent to 100 percent of the total issued shares, so that the new investor can purchase the Bank's shares from the Financial Institutions Development Fund ("FIDF").

On 20 June 2008, the FIDF informed the Bank that it has entered into a Share Purchase Agreement with CIMB Group Sdn Bhd ("CIMB") to divest its shareholding of 2,811,862,559 ordinary shares (par value of Baht 3.75 per share) of the Bank, representing approximately 42.1271% of the total issued shares capital of the Bank, at a price of Baht 2.10 per share for a total consideration of Baht 5,904.9 million.

The sale and the purchase of the shares is to take place within the period stipulated in the agreement upon the satisfaction of certain conditions precedent including:

1. The Bank and its affiliated companies have received approvals from the relevant regulatory bodies i.e. the Ministry of Finance and the Ministry of Commerce;
2. The Articles of Association of the Bank have been duly amended to reflect an increase in the foreign shareholding limit that corresponds with the approval of the relevant regulatory body;
3. The representative(s) of CIMB have been appointed to the board of directors of the Bank;
4. CIMB and/or CIMB Bank Berhad as a transferee of the sale shares have received approval from Bank Negara Malaysia for an acquisition of shares in the Bank.

Upon the consummation of the transaction, CIMB and/or CIMB Bank Berhad will be required to make a tender offer for all the remaining shares in BankThai pursuant to the regulations of the Office of the Securities and Exchange Commission.

Subsequently, the conditions precedent have been satisfied as follows:

1. On 9 October 2008, the BOT informed the Bank that the Ministry of Finance, with the concurrence of the BOT, had approved holding of the Bank's shares by CIMB Bank Berhad, and approved foreign shareholding in an aggregate of more than 49 percent of the total shares of the Bank. The Ministry of Finance also approved the number of non-Thai directors holding more than one half of the total directorships of the Bank, in proportion to the shareholdings acquired from the FIDF and from the tender offer, including from the recapitalization in the first quarter of 2009.
2. On 13 October 2008, the Office of Insurance Commission approved BT Insurance Co., Ltd., a company in which the Bank holds 99.9997% of the total shares with voting rights, having foreign shareholding in an aggregate of more than 49 percent of the total shares with voting rights.
3. On 21 October 2008, the Bureau of Foreign Business Administration, Department of Foreign Business granted approval, in principle, for the Bank and its subsidiaries to operate businesses under Foreign Business Act B.E. 2542.
4. On 30 October 2008, FIDF informed the Bank that FIDF has duly received confirmation from CIMB Bank Berhad that all conditions precedent as prescribed in the Share Purchase Agreement have been fully met or have been waived. The completion date of the transaction is set for 5 November 2008.
5. On 5 November 2008, the Board of Director No.19/2008 approved the appointment of two representatives of CIMB Bank Berhad as new directors, replacing two directors who have resigned. The Bank registered the appointment of the new directors and the amendment of the section 9 of Chapter 3 of the Articles of Association: Transfer of Shares, which had been approved by the Extraordinary General Meeting of Shareholders No. 2/2008.

After the registration of the amendment of the above Articles of Association of the Bank, FIDF transferred the Bank's 2,811,862,559 shares, representing approximately 42.1271 percent of the total paid up shares of the Bank, to CIMB Bank Berhad, in accordance with the Share Purchase Agreement. FIDF received the payment of Baht 5,904.9 million from CIMB Bank Berhad on 5 November 2008. After the purchase of these shares, CIMB Bank Berhad is obliged to make a tender offer to purchase all the remaining shares of the Bank, according to the regulations laid down by the Securities and Exchange Commission.

On 17 November 2008, the Bank was notified that CIMB Bank Berhad would make a tender offer to purchase all the remaining shares of the Bank it does not own (3,862,838,023 shares or 57.87% of the total issued and paid-up shares of the Bank) at a price of THB 2.10 per share, for the total value of Baht 8,111,959,848.30. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank had increased to 6,143,544,532 shares, representing 92.04% of the total issued and paid-up shares of the Bank.

On 14 January 2009, the Meeting of the Board of Directors No. 1/2009 passed a resolution to propose the following to the Extraordinary General Meeting of Shareholders No. 1/2009, to be hold on 20 February 2009, for approval:-

- a) Amending agenda items 2 and 4 of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 to change the previous offering price of not lower than Baht 0.66 to an offering price of Baht 0.38, which will enable the Bank to increase its capital funds to Baht 2,536,386,221 as a result of the rights offering.
- b) Offering for sale quasi-capital instruments which are regarded by the Bank of Thailand as Tier 1 Capital (“Hybrid Tier 1”) and/or quasi-capital instruments that are regarded by the Bank of Thailand as Tier 2 Capital (“Hybrid Tier 2”), up to an amount of Baht 2,500 million or an equivalent amount in other currencies, as well as the authorisation of the Board of Directors, including the persons or the group of persons assigned by the Board of Directors for certain subsequent actions in relation to the issuance of quasi-capital instruments.

Subsequently, on 22 January 2009, Board of Directors No. 2/2009 approved additional details and conditions in relation to the issuance and offering for sale of additional quasi-capital instruments, and a resolution to seek approval from the Extraordinary General Meeting of Shareholders No. 1/2009 on 20 February 2009, for the issue and offering for sale of quasi-capital debt instruments that would be regarded by the Bank of Thailand as Tier 2 Capital (“Hybrid Tier 2”), up to an amount of Baht 2,500 million. The issuance of Hybrid Tier 2 has been structured to be in line with the maximum Hybrid Tier 2 Capital that can be raised by the Bank pursuant to the Bank of Thailand’s Notification Re: Elements of Capital of the Commercial Banks registered in Thailand, in order to ensure a more efficient capital structure of the Bank, subject to the recognition of the issued instruments as Hybrid Tier 2 by the Bank of Thailand.

1.3 Economic crisis

The financial crisis experienced by the United States over the past year has had a far reaching effect on the global economy as evidenced by falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The governments of many countries made efforts to remedy the liquidity crisis and build confidence. However, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts known to the Bank, and on estimates and assumptions currently considered appropriate as of the financial statement reporting date. However, they could be affected by an array of future events.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, with reference to the principles stipulated by the Bank of Thailand (“the BOT”) and the Office of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the Notification of the Bank of Thailand relating to the preparation and format of the financial statements of commercial banks and holding parent company of financial business groups, dated 3 August 2008.

The financial statements in Thai language are the official financial statements of the Bank. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policy.

2.2 Basis of preparation of the consolidated financial statements

- a) These consolidated financial statements include the financial statements of BankThai Public Company Limited (the Bank) and the following subsidiary companies (“the subsidiaries”):

Nature of business	Percentage of shares held by the Bank and subsidiary		Assets as a percentage to the consolidated total assets		Revenue as a percentage to the consolidated total revenues		
	As at 31 December		As at 31 December		For the years ended 31 December		
	2008	2007	2008	2007	2008	2007	
	Percent	Percent	Percent	Percent	Percent	Percent	
Subsidiaries directly held by the Bank							
BT Insurance Co., Ltd.	Non-life insurance	100	100	0.25	0.16	1.88	2.23
BT Leasing Co., Ltd.	Leasing and hire purchase	100	100	1.22	1.39	2.89	2.69
BT Business Consulting Co., Ltd.	Consultancy services	100	100	-	-	-	0.02
BT Securities Co., Ltd.	Securities	100	100	0.42	0.33	1.52	2.78
BT Asset Management Co., Ltd.	Fund manager	100	100	0.03	0.02	1.02	0.74
Sathorn Asset Management Co., Ltd.	Asset management	100	100	0.14	1.49	11.11	11.27
BT Worldlease Co., Ltd.	Hire purchase - motorcycle	75	75	0.50	0.37	3.02	2.40
Subsidiaries held by subsidiary (BT Worldlease Co., Ltd.)							
Siam Wall N.E. Leasing Co., Ltd.	Liquidation during for 2008	-	100	-	-	-	0.02
Asset Liability Management Co., Ltd.	In process of liquidation	100	100	-	0.01	0.04	0.11

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using consistent significant accounting policies.
- d) Material balances and transactions between the Bank and its subsidiaries have been eliminated in the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated income statements and within equity in the consolidated balance sheet.
- f) BT World Lease Company Limited, which is a subsidiary of the Bank, has two subsidiary companies. These are Siam Wall N.E. Leasing Company Limited, which is principally engaged in the provision of hire purchase loans to motorcycle buyers, and Asset Liability Management Company Limited, which is principally engaged in the sale of used motorcycles. Siam Wall N.E. Leasing Company Limited and Asset Liability Management Company Limited passed resolutions to dissolve those companies, and registered their dissolutions with the Business Promotion Department, Ministry of Commerce on 22 September 2008 and 7 November 2008, respectively. Siam Wall N.E. Leasing Company Limited registered its liquidation on 26 December 2008 and Asset Liability Management Company Limited is in the liquidation process. The consolidated financial statements excluded the financial statements of Siam Wall N.E. Leasing Company Limited for the year ended 31 December 2008.
- g) As at 31 December 2008 and 2007, the consolidated financial statements excluded the financial statements of another subsidiary, Krung Thai Thanakit Finance Public Company Limited, in which the bank holds 99 percent of shares, because the amounting is immaterial for the overall financial

statement and such subsidiary registered its dissolution with the Ministry of Commerce on 6 June 2003, has already returned its financial business license, and is currently in the process of liquidation. The condensed balance sheets of such subsidiary as at 31 December 2008 and 2007 (unaudited/unreviewed by auditor) are presented below.

(Unit: Million Baht)

	2008	2007
Assets		
Cash and deposits at financial institutions	149	145
Investments in government and state enterprise securities	8	8
Investments in the Bank's ordinary shares - cost	515	515
Less : Allowance for diminution in value of investments	(418)	(446)
Investments in the Bank's ordinary share - net	97	69
Loans and interest receivables - net	6	14
Others	3	3
Total assets	263	239
Liabilities and shareholders' equity		
Liabilities - other creditors and liabilities	2	2
Shareholders' equity		
Ordinary share capital	388	388
Deficit	(127)	(151)
Total shareholders' equity	261	237
Total liabilities and shareholders' equity	263	239

2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 9/2550, 38/2550 and 62/2550 mandating the use of new accounting standards as follows:

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these standards and believes that TAS 31, TAS 33 and TAS 49 are not relevant to the business of the Bank, while TAS 25, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current year.

The following accounting standards have an impact to the financial statements for the current year.

TAS 29 (revised 2007) “Leases”

TAS 29 (revised 2007) requires finance lease income, which is stated net of initial direct costs, to be recognised using the effective interest rate method.

TAS 43 (revised 2007) “Business Combinations”

TAS 43 (revised 2007) does not require the amortisation of goodwill acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Bank discontinuing the amortisation of the goodwill and instead testing for impairment, as from the beginning of the first fiscal year starting on or after 1 January 2008.

3.2 Accounting Standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notifications No. 86/2551 mandating the use of the following new accounting standards:

TAS 36 (revised 2007) Impairment of assets

TAS 54 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The Bank’s management has assessed the effect of these standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Change in accounting policy

4.1 Change in accounting policy for the subsidiary’s hire purchase income recognition in the consolidated financial statements

The hire-charges under hire purchase agreements with effective dates on or after 1 January 2008 are recognised over the installment period, using the effective interest rate.

For hire-charges under hire purchase agreements pre-existing before 1 January 2008, the subsidiary company has chosen to adopt the following methods:

- For short-term lease agreements, the subsidiary company will apply the existing sum-of-the-years-digits method until the lease expires.
- For long-term lease agreements, the subsidiary company will use the outstanding balances of the pre-existing finance leases as of 1 January 2008 as the beginning balances and apply the effective interest rate method over the remainder of the lease period.

4.2 Change in accounting policy for recording investments in CDOs and Structured Notes

As at 31 December 2007, the Bank has changed its accounting policy for recording investments in CDOs and structured notes with embedded derivatives, in compliance with the notification of the Bank of Thailand. This significantly effects the classification and measurement of investments in CDOs and the Bank has had to reclassify the CDOs from held-to-maturity investments which are presented at cost less provision for impairment to trading investments, which are presented at fair value through profit or loss as from 31 December 2007 onwards.

5. Significant accounting policies

5.1 Revenue recognition

(a) Interest and discount on loans

The Bank recognises 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 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 recognises 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 installments, 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) Interest and dividends on investments

Interest on investments is recognised on an accrual basis based on the effective rate. Dividends from securities are recognised when the right to receive the dividends is established.

Interest income on investments in receivables, for which loan repayment is received during the year based on multiplication of the effective yield rate, by the acquisition cost of the outstanding loans.

(d) Gains (losses) on sale of investments

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

(e) Gains (losses) on sale of property foreclosed

Gains or losses on sale of property foreclosed are recognised as income/expenses in income statement when the significant risks and rewards of ownership of property foreclosed have passed to the buyer.

(f) Fees and service income

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

(g) Brokerage fees

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

(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 periods.

(i) Reinsurance premium

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

(j) Hire purchase income

The hire-charges under hire purchase contracts are recognised over the installment period, using the effective rate method, when installments fall due.

However, recognition of income on hire purchase receivables ceases when payment is overdue from the third installment onwards. Income will be reinstated on an accrual basis when the overdue installments are received.

5.2 Expense recognition

(a) Interest expenses

Interest expenses are charged to income statements 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 have been provided upon receipt of claim advices from the insured. Loss reserve has been provided based on estimates made by the subsidiary's management. In addition, the subsidiary additionally sets up a provision for losses incurred but not reported (IBNR) at 2.5 percent of net premium written for the last twelve months in compliance with the Notification of the Ministry of Commerce governing the appropriation of unearned premium reserves.

(d) Commission fee under hire purchase agreements

The commission fee under hire purchase agreements is recognised over the installment period, using the effective rate method, when installment fall due.

5.3 Investments

a) 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 income.

b) Investments in available-for-sales 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 a separate item in shareholders' equity until the securities are sold, when the changes are then included in determining income.

c) Investments in debt securities expected to be held to maturity are determined at amortised cost. Premiums/discounts on debt securities are amortised based 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.

d) Investments in non-marketable equity securities which are classified as general investments are valued at cost less provision for impairment.

The fair value of marketable securities is based on the latest bid price on the last working day of the period 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 Centre or other financial institutions,

adjusted by an appropriate risk factor. The fair value of unit trusts is determined based on their net asset value.

The fair value of overseas debt securities in the form of CDOs (Collateralised Debt Obligations), which are classified as trading investments, based on the value notified by an arranger, in order to comply with a BOT instruction. The values notified by the arranger were derived using a valuation technique whereby valuation is generally based on the price of underlying assets and other factors. The Bank adjusted the mid-price basis value notified by the arranger to the bid price basis based on approximate amount notified by the arranger.

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

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

In the event the Bank and its subsidiaries reclassify investment in securities, such investments are adjusted to their fair value as at the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining income or recorded as revaluation surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment which is reclassified.

5.4 Investments in receivables

Investments in receivables purchased, which are valued at acquisition cost net of allowance for impairment (if any). Loss on impairment of investments is included in determining income.

Investments in receivables purchased which enter into trouble-debt restructuring are transferred to loans and presented at fair value. The fair value net of allowance for doubtful is based on the outstanding balance of investments in receivables purchased as at transferred date or as at the date of restructuring.

Allowance for impairment of investments in receivables purchased is set up based on estimated fair value, determined from the present value of expected future cash flows from collateral disposal or debt collection in accordance with the BOT's provisioning guidelines.

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

Promissory notes received in connection with the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), 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 agreement, when the Bank receives allocation from the TAMC, or when the gain or loss can be accurately estimated.

5.6 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies, are accounted for in the separate financial statements using the cost method net of allowance for impairment of investments in subsidiary and associated companies. Losses on impairment (if any) are included in determining income.

Investment in associated company, is accounted for in the consolidated financial statements using 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 associated company, in proportion to the investment.

If the Bank receives shares as a result of debt restructuring of a borrower and as a result of such acquisition holds more than 50 percent or 20 percent of the shares of such company, the Bank will not

treat the investee company as a subsidiary company or a associated company, respectively, as it intends to hold such investments on a temporary basis and must dispose of them in accordance with BOT's guidelines.

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

5.7 Loans/securities business receivables/hire purchase receivables

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

Securities business receivables comprise the net receivable balance of cash accounts and credit balance accounts secured by the purchased securities, as well as other receivables, which consist of overdue debtors and securities business receivables currently subject to legal proceedings, which are undergoing restructuring or settling in installments.

Hire purchase receivables are stated at net realisable value, deducting unearned hire purchase income.

5.8 Allowance for doubtful accounts

(a) For loans of banking business

The Bank provides allowances for doubtful accounts in accordance with the Notifications of the Bank of Thailand ("BOT") and adjusts the additional amount which is expected not to be collectible based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

The Bank set provision for normal loans (including restructured receivables) and special mention loans at minimum rate of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivable) net of collateral value, as required by the BOT's guidelines. For non-performing loans, the provision has to set up at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, based on the use of the discount rate and the time needed to dispose of collateral, in accordance with the BOT's guideline.

Amounts written off as bad debts, or bad debt recovery are deducted from or added to the allowance for doubtful accounts.

(b) For securities business receivables

A subsidiary provides allowance for doubtful debts 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 of the Office of the Securities and Exchange Commission.

(c) For hire purchase receivables

Allowance for doubtful accounts for hire purchase receivables of the subsidiaries has been provided at a percentage of the amount of principal outstanding, net of unearned income, based on the number of months overdue (with reference to the classification of loans under BOT's guidelines). Allowance for doubtful accounts is set for normal and special mention loans at minimum rates of 1% and 2%, respectively, of the receivable balances after deducting collateral, and at 100% of the balance of non-performing receivables, without deducting collateral value.

5.9 Troubled debt restructuring and losses from troubled debt restructuring

The Bank and its subsidiaries record troubled debt restructuring transactions and related losses with reference to the notifications of the Bank of Thailand.

(a) For loans of banking business

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 outstanding balance of receivables at the restructuring date is accounted for as revaluation allowance for debt restructuring and included as expenses in the income statements.

The Bank adjusts 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 income statements when debt restructuring agreement executed.

(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, financial instruments, or through share capital received from debtor on 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 and debt collection expenses are recorded as losses from debt restructuring and expense in the income statements.

In case where the troubled debt restructuring involves modifications of the terms or relaxation of the repayment conditions to the debtor, the subsidiary records the losses 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 and reducing allowance for doubtful accounts except that the allowance for doubtful accounts is inadequate, then shortage will be recognised as expenses for such year.

5.10 Properties/assets foreclosed

The Bank and its subsidiary which is asset management company, have presented properties foreclosed at the lower of cost or net realisable value with reference to the latest available appraisal value according to the notifications of the Bank of Thailand less estimated selling expenses.

For other subsidiaries assets foreclosed are presented at the lower of cost or net realisable value less estimated selling expenses.

5.11 Premises and equipment and depreciation

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

The Bank carries out an asset appraisal on land and buildings within 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 December 2005 and January 2006 and treated the appraised values (market value for the land and replacement cost less accumulated depreciation for the building) as fair values in presenting the assets on a revaluation basis.

Depreciation of building and equipment is calculated by reference to their costs or reappraised value in cases where the assets have been revalued, on a straight-line basis over the following estimated useful lives.

Buildings	-	20 - 40 years
Equipment	-	5 years and 10 years

Depreciation is included in determining income.

No depreciation is determined for land and assets under construction.

5.12 Intangible assets

Intangible assets with finite lives are amortised on a systematic basis over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statements.

A summary of the intangible assets with finite useful lives is as follows.

	Useful lives
Patents	5 years
Computer software	5 years or 10 years

5.13 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 income statements.

5.14 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

In addition, related parties include associated companies and individuals which directly or indirectly own a voting interest in the Bank and its subsidiaries that gives them significant influence over the Bank and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Bank's and its subsidiaries' operations.

5.15 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities in foreign currencies outstanding on the balance sheet date are translated into Baht at the exchange rates announced by the Bank of Thailand ruling on the balance sheet date.

Exchange gains and losses are included in determining income.

5.16 Financial derivatives

Obligations under financial derivatives contracts are regarded as off-balance sheet items. The accounting treatments for financial derivatives transactions depends on the purpose of the transaction as follows:

(a) Trading transactions

Obligations under financial derivatives contracts originated for trading purposes are stated at fair value. Gains/Losses arising from changes in value are included in determining income.

(b) Non-trading transactions

Derivatives classified as non-trading transactions are measured on basis equivalent to that used for the underlying asset and liability, as follows:

- (1) Foreign currency elements are translated into Baht at the rates ruling on the balance sheet date announced by the Bank of Thailand.
- (2) Interest elements are recorded on an accrual basis.

5.17 Embedded derivatives

The Bank records embedded derivatives in investments in Collateralised Debt Obligation and Structured Note in compliance with the Bank of Thailand's Notification as follows:

- (a) If the economic characteristics and risks of an embedded derivative are not closely related to the host contract, the Bank will account for the embedded derivative separately from the host contract and measure the embedded derivative at fair value through profit or loss. The host contract will be accounted for under the related accounting standards. In case of the Bank is unable to measure the embedded derivative separately, the Bank will designate the entire hybrid contract as at fair value (based on arranger's price) through profit or loss.
- (b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Bank will not account for the embedded derivative separately from the host contract and classify the host contract under the related accounting standards.

5.18 Impairment of assets

The Bank and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank and its subsidiaries realise loss on impairment when the asset's recoverable amount is less than the book value.

The Bank and its subsidiaries recognise impairment losses in the income statements.

The Bank and its subsidiaries assess at each reporting date whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank and its subsidiaries estimate the asset's recoverable amount and the impairment loss recognised in prior periods for assets other than goodwill is reversed.

5.19 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 income statements 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 income statements 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.

5.20 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 1 January 2000, the Bank will make contributions and pay benefits from the fund according to the following conditions:

Years of service	Percentage of contributions and benefits thereof (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. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

5.21 Treasury stock

Treasury stock, which is the Bank's ordinary shares purchased by the subsidiary companies is carried at cost and is deducted in shareholders' equity in the consolidated balance sheets. Gains and losses on disposal of treasury stock are taken to "Premium on treasury stock" or "Retained earnings".

5.22 Provisions

Provisions are recognised when the Bank and its subsidiaries has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.23 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follow:

6.1 Allowance for doubtful accounts for loans

Allowance for doubtful accounts for loans is intended to adjust the value of loans for probable credit losses. The management uses the Bank of Thailand's regulation regarding the provision of an allowance for doubtful accounts and judgment to establish reserves for estimated losses on outstanding loans when there is any doubt about the borrower's capacity to repay the principal and/or the interest. The allowances for loan losses are determined through a combination of specific reviews, period of default, statistical modeling and estimates, value of collateral and current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for loan losses and adjustments to the allowances may therefore be required in the future.

6.2 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercised judgment, using a variety of valuation techniques or value estimated by an arranger. The input to the models used is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

6.3 Allowance for impairment of investments

The Bank and its subsidiaries treat available-for-sale equity investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

The Bank and its subsidiaries treat other investments as impaired when the management judges that the recoverable amount is less than the carrying amount. The management is required to make judgment to make estimates of expected return from such investment.

6.4 Allowance for impairment of property foreclosed

The Bank and its subsidiaries assess allowance for impairment of property foreclosed when net realisable value falls below the book value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraisal value of assets, the type and nature of the assets. However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

6.5 Property, premise and equipment/Depreciation

In determining depreciation of premise and equipment, the management is required to make estimates of the useful lives and salvage values of the premise and equipment and to review estimate useful lives and salvage values when there are any changes.

6.6 Finance lease/Operating lease

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased assets have been transferred to the lessee. Leases that transfer substantially all the risks and rewards of ownership to the lessee are classified as financial leases. In the other hand, leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating lease.

6.7 Assessment of risk and rewards

When considering the recognition and derecognition of assets or liabilities, the management is required to use judgment in assessing risk and rewards. Although management uses its best knowledge of current events and actions in making such assessments, actual risks and rewards may ultimately differ.

6.8 Loss reserve and outstanding claims

Part of loss reserve claims is estimated from claims advices from insured, based on estimates made by independent appraisers or the relevant officers of the subsidiary company, depending on the particular case. The estimated value of losses is derived from actual losses but not more than the sum insured of the related insurance policies. The other part is for losses incurred but not yet reported (IBNR) and is estimated based on statistic at data and historical experience. However, actual results could differ from the estimates.

6.9 Litigation

The Bank and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation case, and in case where they believe that there will be no losses, they will provide no contingent liabilities at the balance sheet date. However, actual results could differ from the estimates.

7. Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	2008			2007		
	At call	Term	Total	At call	Term	Total
Domestic :						
Bank of Thailand and the Financial Institutions Development Fund	5,428	32,627	38,055	538	3,000	3,538
Commercial banks	206	262	468	438	201	639
Other banks	5	53	58	6	58	64
Finance, finance and securities, securities, and credit foncier companies	-	3,373	3,373	-	3,304	3,304
Other financial institutions	20	585	605	140	502	642
Total domestic items	5,659	36,900	42,559	1,122	7,065	8,187
Add: Accrued interest receivables	-	16	16	-	4	4
Less: Allowance for doubtful debts	-	(2)	(2)	-	(2)	(2)
Domestic items - net	5,659	36,914	42,573	1,122	7,067	8,189
Foreign :						
US dollar	729	-	729	426	34	460
Yen	22	-	22	20	-	20
EURO	19	-	19	34	-	34
Other currencies	24	-	24	37	-	37
Total foreign items	794	-	794	517	34	551
Add: Accrued interest receivables	-	-	-	-	1	1
Foreign items - net	794	-	794	517	35	552
Domestic and foreign items - net	6,453	36,914	43,367	1,639	7,102	8,741

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	At call	Term	Total	At call	Term	Total
Domestic :						
Bank of Thailand and the Financial Institutions Development Fund	5,425	32,627	38,052	537	3,000	3,537
Commercial banks	150	-	150	351	-	351
Other banks	-	-	-	3	-	3
Finance, finance and securities, securities, and credit foncier companies	30	3,359	3,389	30	3,359	3,389
Other financial institutions	20	585	605	140	502	642
Total domestic items	5,625	36,571	42,196	1,061	6,861	7,922
Add: Accrued interest receivables	-	13	13	-	2	2
Less: Allowance for doubtful debts	-	(2)	(2)	-	(2)	(2)
Domestic items - net	5,625	36,582	42,207	1,061	6,861	7,922
Foreign :						
US dollar	729	-	729	426	34	460
Yen	22	-	22	20	-	20
EURO	19	-	19	34	-	34
Other currencies	24	-	24	37	-	37
Total foreign items	794	-	794	517	34	551
Add: Accrued interest receivables	-	-	-	-	1	1
Foreign items - net	794	-	794	517	35	552
Domestic and foreign items - net	6,419	36,582	43,001	1,578	6,896	8,474

As at 31 December 2008, the Bank has promissory notes of Baht 3,304 million, that had been issued by finance companies ordered closed, and are avaled by the Financial Institution Development Fund ("the FIDF"). A promissory note amounting to Baht 544 million was recalled to cancel the aval since the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has yet to return the promissory note to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As of the balance sheet date such promissory note avaled by FIDF has been presented as assets and the related obligation has been presented as liabilities at the same amount due to this matter is yet to be finalised.

8. Securities purchased under resale agreements

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Government and Bank of Thailand securities	-	2,250	-	2,250
Total securities purchased under resale agreements	-	2,250	-	2,250

9. Investments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Value at cost method/equity method	46,825	83,983	48,930	84,026
Add (less) : Allowance for revaluation	17	(6,099)	42	(6,097)
Allowance for impairment	(1,322)	(927)	(2,743)	(2,402)
Net book value	45,520	76,957	46,229	75,527

9.1 Classified by types of investment

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	2008		2007		2008		2007	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Short-term investments :								
Securities held for trading								
Government and state enterprises securities	1,018	1,015	3,973	3,974	983	979	3,926	3,928
Private sector debt securities	3	3	106	109	-	-	101	104
Overseas debt securities	-	-	10,462	4,656	-	-	10,462	4,656
Domestic marketable equity securities	60	47	76	76	-	-	-	-
Total	1,081	1,065	14,617	8,815	983	979	14,489	8,688
Less : Allowance for revaluation	(16)	-	(5,802)	-	(4)	-	(5,801)	-
Securities held for trading - net	1,065	1,065	8,815	8,815	979	979	8,688	8,688
Available-for-sales securities								
Government and state enterprises securities	2,896	2,907	10,753	10,741	2,884	2,895	10,744	10,732
Private sector debt securities	768	769	1,090	1,088	758	759	1,090	1,088
Domestic marketable equity securities	30	5	27	3	-	-	-	-
Total	3,694	3,681	11,870	11,832	3,642	3,654	11,834	11,820
Add (less) : Allowance for revaluation	13	-	(14)	-	13	-	(14)	-
Less: Allowance for impairment	(26)	-	(24)	-	(1)	-	-	-
Available-for-sales securities - net	3,681	3,681	11,832	11,832	3,654	3,654	11,820	11,820
Held-to-maturity debt securities								
Government and state enterprises securities	15	-	195	-	-	-	-	-
Total	15	-	195	-	-	-	-	-
General investments								
Private sector debt securities	-	-	2	-	-	-	2	-
General investments - net	-	-	2	-	-	-	2	-
Short-term investments - net	4,761	-	20,844	-	4,633	-	20,510	-

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	2008		2007		2008		2007	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Long-term investments :								
Available-for-sales securities								
Government and state enterprises securities	18,681	18,887	9,232	9,114	18,669	18,874	9,200	9,081
Private sector debt securities	378	383	987	983	50	52	615	620
Domestic marketable equity securities	3,297	2,697	3,330	3,170	3,235	2,652	3,259	3,091
Total	22,356	21,967	13,549	13,267	21,954	21,578	13,074	12,792
Add (less) : Allowance for revaluation	20	-	(282)	-	33	-	(282)	-
Less: Allowance for impairment	(409)	-	-	-	(409)	-	-	-
Available-for-sales securities - net	21,967	21,967	13,267	13,267	21,578	21,578	12,792	12,792
Held-to-maturity debt securities								
Promissory notes issued by TAMC	2,705		6,589		2,705		6,589	
Government and state enterprises securities	155		156		155		156	
Overseas debt securities	13,951		31,639		13,951		31,639	
Total	16,811		38,384		16,811		38,384	
Less: Allowance for impairment	(54)		-		(54)		-	
Held-to-maturity debt securities - net	16,757		38,384		16,757		38,384	
General investments								
Private sector debt securities	11		11		11		11	
Domestic non-marketable equity securities	1,349		1,449		1,348		1,448	
Overseas non-marketable equity securities	14		14		14		14	
Investments in receivables (Note 9.6)	1,385		3,692		1,260		1,629	
Total	2,759		5,166		2,633		3,102	
Less: Allowance for impairment	(823)		(893)		(716)		(634)	
General investments - net	10,936		4,273		1,917		2,468	
Long-term investments - net	40,660		55,924		40,252		53,644	

(a) As of 31 December 2008, the Bank had foreign currency denominated debt investments in structured notes totalling USD 360 million (Baht 12,580 million), which have been classified as the held-to-maturity investments and are recorded under the cost method. Such notes were issued by foreign financial institutions and banks whose ratings were A or better. The notes have remaining lives of 3-9 years and contain conditions related to interest to be received by the bank and/or early repayment rights of the note issuers. As at 31 December 2008, the average price of the notes quoted by arrangers is approximately 99 percent of cost. The Bank has not set aside allowance for impairment on such investment because the Bank's management are confident that all notes will be recovered in full on the maturity date or when the issuer early redeems the notes. However, in view of the current financial turmoil and related uncertainties, the values of the notes may be affected by future impact of the economic and financial crisis.

The structured notes contain embedded derivatives that are considered as closely related to the

host contract instruments, except for one structured note with a cost of USD 50 million. The Bank recorded the revaluation adjustment for the fair value of the embedded derivatives in such note, based on the value estimated by the arranger.

- (b) On 29 July 2008, the Bank sold all investment in CDOs through an auction, at a price of USD 77.04 million (Baht 2,580 million), resulting in gains from the excess of the selling price over the net book value of the CDOs as of the trading date by USD 28.97 million (Baht 970 million). Such gains on the sale of CDOs were recognised in the current year. Investment in CDOs of USD 260 million were classified as trading investments and presented at fair value. The fair value of such investment at the month-end before the sale (June 2008), determined based on the arranger price, was USD 48.07 million (Baht 1,612 million). Losses on the adjustment of fair value of investment of USD 89 million and USD 123 million have been recognised in income statements for the years 2008 and 2007, respectively.
- (c) As at 31 December 2008, held-to-maturity debt securities classified as long-term investments included promissory notes of Baht 2,705 million (2007: Baht 6,589 million) which were received from TAMC in settlement for non-performing loans transferred to TAMC (as already discussed in Note 37 to the financial statements). Such promissory notes are non-transferable and availed by the Financial Institutions Development Fund.
- (d) As at 31 December 2008, the Bank has an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million and it is presented at its fair value of Baht 2,325 million, with the loss from revaluation amounting to Baht 175 million presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 40 concerning Accounting for Investment in Debt and Equity Securities. The investee was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a 10-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.
- (e) As at 31 December 2008, the Bank has accounts receivable from sales of investments of Baht 24,145 million and accounts payable from purchases of investments of Baht 24,192 million, which arose for sales and purchases of investments made during the last one to two working days before the period date. Settlement of such transactions was completed after the period date.
- (f) As at 31 December 2008, the Bank has investments which are pledged as collateral, as mentioned in Note 32.1 to the financial statements.

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

(Unit: Million Baht)

	Consolidated financial statements							
	2008				2007			
	Periods remaining				Periods remaining			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Available-for-sales securities								
Government and state enterprises securities	2,896	18,672	9	21,577	10,753	6,612	2,620	19,985
Private sector debt securities	768	373	5	1,146	1,090	969	18	2,077
Total	3,664	19,045	14	22,723	11,843	7,581	2,638	22,062
Add (less): Allowance for revaluation	13	209	2	224	(14)	(43)	(79)	(136)
Less : Allowance for impairment	(1)	-	-	(1)	-	-	(1)	(1)
Total	3,676	19,254	16	22,946	11,829	7,538	2,558	21,925
Held-to-maturity securities								
Promissory notes issued by TAMC	-	2,697	8	2,705	-	5,221	1,368	6,589
Government and state enterprises securities	15	-	155	170	195	-	156	351
Overseas debt securities	-	3,118	10,833	13,951	-	1,687	29,952	31,639
Total	15	5,815	10,996	16,826	195	6,908	31,476	38,579
Less : Allowance for impairment	-	(54)	-	(54)	-	-	-	-
Total	15	5,761	10,996	16,772	195	6,908	31,476	38,579
General investments								
Private sector debt securities	11	-	-	11	13	-	-	13
Less: Allowance for impairment	(11)	-	-	(11)	(11)	-	-	(11)
Total	-	-	-	-	2	-	-	2
Total debt securities	3,691	25,015	11,012	39,718	12,026	14,446	34,034	60,506

(Unit: Million Baht)

	Separate financial statements							
	2008				2007			
	Periods remaining				Periods remaining			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Available-for-sales securities								
Government and state enterprises securities	2,884	18,669	-	21,553	10,744	6,606	2,594	19,944
Private sector debt securities	758	50	-	808	1,090	615	-	1,705
Total	3,642	18,719	-	22,361	11,834	7,221	2,594	21,649
Add (less) : Allowance for revaluation	13	206	-	219	(14)	(35)	(79)	(128)
Less : Allowance for impairment	(1)	-	-	(1)	-	-	-	-
Total	3,654	18,925	-	22,579	11,820	7,186	2,515	21,521
Held-to-maturity securities								
Promissory notes issued by TAMC	-	2,697	8	2,705	-	5,221	1,368	6,589
Government and state enterprises securities	-	-	155	155	-	-	156	156
Overseas debt securities	-	3,118	10,833	13,951	-	1,687	29,952	31,639
Total	-	5,815	10,996	16,811	-	6,908	31,476	38,384
Less : Allowance for impairment	-	(54)	-	(54)	-	-	-	-
Total	-	5,761	10,996	16,757	-	6,908	31,476	38,384
General investments								
Private sector debt securities	11	-	-	11	13	-	-	13
Less: Allowance for impairment	(11)	-	-	(11)	(11)	-	-	(11)
Total	-	-	-	-	2	-	-	2
Total debt securities	3,654	24,686	10,996	39,336	11,822	14,094	33,991	59,907

9.3 Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10%

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:

(Unit : Million Baht)

	Consolidated and separate financial statements	
	2008	2007
Commercial business	2	2
Property development	167	167
Public utilities and services	17	17
Banking and finance businesses	244	40
Total	430	226
Less: Allowance for impairment	(344)	(183)
Net	86	43

9.4 Investments in investment units in which the Bank and its subsidiaries hold more than 10%

Investments in investment units in which the Bank and its subsidiaries hold more than 10% of the paid-up fund, which are not treated as their subsidiaries and associated companies, classified by type of fund, are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2008		2007	
	Cost	Fair value	Cost	Fair value
General investments				
Investment in property funds	476	470	551	545
Investment in fixed income funds	20	22	-	-
Total	496	492	551	545
Less: Allowance for impairment	(3)		(3)	
Book value	493		548	

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

As at 31 December 2008 and 2007, the Bank and its subsidiaries have the following investments in companies, which have problems relating to financial positions and operating results, can be summarised as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements							
	2008				2007			
	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Number of companies	Cost	Allowance for revaluation and impairment	Book value
Listed companies under delisting conditions	4	-	-	-	4	-	-	-
Companies with problems regarding to business continuity and/or weak financial status and operating performance	63	216	(206)	10	66	283	(272)	11
Defaulted debt securities	18	11	(11)	-	18	11	(11)	-

9.6 Investments in receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Investments in receivables	1,385	3,692	1,260	1,629
Less: Allowance for impairment	(315)	(530)	(208)	(271)
Investments in receivables - net	1,070	3,162	1,052	1,358

The outstanding balances of loan receivables as at 31 December 2008 and 2007, can be summarised as follows:

	2008				2007			
	Number of debtors	Principal	Purchase price	Estimated rate of return (Yield) *	Number of debtors	Principal	Purchase price	Estimated rate of return (Yield)*
		Million Baht	Million Baht	Percent		Million Baht	Million Baht	Percent
Consolidated financial statements								
Total accumulated investments in receivables	6,053	24,912	7,066	19	6,050	24,908	7,065	19
Outstanding investments in receivables as at the balance sheet date	3,874	10,683	1,385		5,235	19,378	3,692	
Separate financial statements								
Outstanding investments in receivables as at the balance sheet date	300	2,896	1,260		383	3,685	1,629	

* Excluded yield of investment in receivable of a subsidiary, the outstanding amount of which is Baht 49 million as at 31 December 2008 and Baht 57 million as at 31 December 2007.

On 25 June 2008, the Bank's subsidiary, Sathorn Asset Management Co., Ltd., entered into an agreement to sale of 1,418 NPLs to Bangkok Commercial Asset Management Co., Ltd. and Sukhumvit Asset Management Co., Ltd. at a price of Baht 3,850 million. Gain on sale of those NPLs of Baht 1,145 million was recorded in the income statement for the year ended 31 December 2008.

9.7 Investments in subsidiary and associated companies

Company name	Nature of business	Consolidated financial statements									
		Paid-up share capital		Percentage of holding		Investment value				Dividend received	
		2008	2007	2008	2007	Cost method		Equity method		2008	2007
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries - not included in consolidated financial statements											
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	238	238	-	-
Associated companies											
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	61	61	61	61	-	-
Millea Life Insurance Thailand Plc.	Life insurance	-	900	-	30	-	234	-	90	-	-
Total						623	857	299	389	-	-
Less : Allowance for impairment						(314)	(497)	(10)	(10)		
Investments in subsidiary and associated companies						309	360	289	379		
Less : Ordinary shares of the Bank held by its subsidiary which are not included in consolidated financial statements (cost method)								(190)	(190)		
Investments in subsidiary and associated companies - net								99	189		

Company name	Nature of business	Paid-up share capital		Separate final statement				Dividend received	
				Percentage of holding		Investment value Cost method			
		2008	2007	2008	2007	2008	2007	2008	2007
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries - included in consolidated financial statements									
BT Insurance Co., Ltd	Non-life insurance	300	300	100	100	236	236	-	-
BT Securities Co., Ltd.	Securities	1,200	1,200	100	100	1,175	1,175	-	-
BT Business Consulting Co., Ltd.	Consultancy services	33	33	100	100	32	32	-	-
BT Leasing Co., Ltd.	Leasing/hire purchase	200	200	100	100	378	378	-	-
BT Asset Management Co., Ltd.	Fund manager	190	190	100	100	190	190	-	-
Sathorn Asset Management Co., Ltd.	Asset management	25	25	100	100	25	25	175	-
BT Worldlease Co., Ltd. (including Siam Wall N.E. Leasing Co., Ltd. and Asset Liability Management Co., Ltd.)	Hire purchase - motorcycles, motorcycle trading	240	240	75	75	248	248	-	-
Subsidiaries -not included in consolidated financial statements									
Krung Thai Thanakit Finance Plc.	In process of liquidation	388	388	99	99	562	562	-	-
Associated companies									
Worldclass Rent a Car Co., Ltd.	Car rental	380	380	20	20	61	61	-	-
Millea Life Insurance Thailand Plc.	Life insurance	-	900	-	30	-	234	-	-
Total						2,907	3,141	175	-
Less : Allowance for impairment Investments in subsidiary and associated companies - net						(1,563)	(1,768)		
						1,344	1,373		

Share of losses from investment in an associated company for the years ended 31 December 2008 and 2007, amounting to Baht 31 million and 16 million, respectively, were calculated based on the associated company's financial statements, which were prepared by its management and have not been audited or reviewed by its auditor.

BT World Lease Company Limited, which is a subsidiary of the Bank, has two subsidiary companies. These are Siam Wall N.E. Leasing Company Limited, which is principally engaged in the provision of hire purchase loans to motorcycle buyers, and Asset Liability Management Company Limited, which is principally engaged in the sale of used motorcycles. Siam Wall N.E. Leasing Company Limited and Asset Liability Management Company Limited passed resolutions to dissolve those companies, and registered their dissolutions with the Business Promotion Department, Ministry of Commerce on 22 September 2008 and 7 November 2008, respectively. Siam Wall N.E. Leasing Company Limited registered its liquidation on 26 December 2008 and BT Worldlease Co., Ltd. has received a refund of capital of Baht 29 million as a result of the liquidation. Asset Liability Management Company Limited is in the liquidation process.

In 2008, the Bank did not invest in new shares of Millea Life Insurance Thailand Plc, and its shareholding changed from 30 percent to 15 percent. Such company is this not on associate of the Bank. The change has had no significant impact to the consolidated financial statements.

10. Loans and accrued interest receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Loans	92,261	98,473	87,553	95,315
Accrued interest receivables	389	735	326	441
Total loans and accrued interest receivables	92,650	99,208	87,879	95,756
Less : Allowance for doubtful debts	(8,973)	(11,061)	(5,249)	(7,333)
Revaluation allowance for debt restructuring	(20)	(51)	(20)	(51)
Net book value	83,657	88,096	82,610	88,372

10.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Bank overdrafts	5,995	6,302	5,927	6,147
Loans	61,117	68,825	58,449	65,763
Bills*	21,040	19,062	23,164	23,360
Hire purchase receivables*	3,645	3,640	-	-
Financial lease receivables*	261	266	-	-
Securities business receivables	189	333	-	-
Others	14	45	13	45
Total loans	92,261	98,473	87,553	95,315
Add : Accrued interest receivables	389	735	326	441
Total loans and accrued interest receivables	92,650	99,208	87,879	95,756
Less : Allowance for doubtful debts	(8,973)	(11,061)	(5,249)	(7,333)
Revaluation allowance for debt restructuring	(20)	(51)	(20)	(51)
Loans and accrued interest receivables - net	83,657	88,096	82,610	88,372

* As at 31 December 2008 and 2007, those amount have been presented net from unearned interest income with total of Baht 996 million and Baht 1,083 million, respectively (separate financial statements: Baht 14 million and Baht 35 million, respectively).

As at 31 December 2007, the Bank has loans in the form of, bills of exchange issued by its subsidiary amounting to Baht 298 million which have been sold at a discount to other parties, with recourse.

10.2 Classified by remaining period of contract

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Not over 1 year*	40,648	44,933	37,233	40,215
Over 1 year*	52,002	54,275	50,646	55,541
Total loans and accrued interest receivables	92,650	99,208	87,879	95,756

* 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 financial statements					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	91,016	-	91,016	97,166	-	97,166
US dollar	1,473	-	1,473	1,960	-	1,960
Other currencies	161	-	161	82	-	82
Total loans and accrued interest receivables	92,650	-	92,650	99,208	-	99,208

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	86,245	-	86,245	93,714	-	93,714
US dollar	1,473	-	1,473	1,960	-	1,960
Other currencies	161	-	161	82	-	82
Total loans and accrued interest receivables	87,879	-	87,879	95,756	-	95,756

10.4 Classified by types of business and loan classification

(Unit: Million Baht)

	Consolidated financial statements						
	2008						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Securities and hire purchase receivables	Total
Agricultural and mining	225	24	7	79	147	-	482
Manufacturing and commerce	24,689	3,918	1,863	1,425	5,167	-	37,062
Real estate and construction	4,277	3,857	798	133	840	-	9,905
Public utilities and services	13,673	2,362	194	37	674	-	16,940
Personal cash	9,421	559	475	-	929	-	11,384
Housing loans	8,812	245	88	75	212	-	9,432
Hire purchase receivable and financial lease receivable	-	-	-	-	-	3,936	3,936
Others	3,031	72	37	19	120	230	3,509
Total loans and accrued interest receivables	64,128	11,037	3,462	1,768	8,089	4,166	92,650

(Unit: Million Baht)

Consolidated financial statements							
2007							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Securities and hire purchase receivables	Total
Agricultural and mining	330	4	58	10	145	-	547
Manufacturing and commerce	34,592	1,005	1,486	327	5,307	-	42,717
Real estate and construction	10,685	142	464	208	2,114	-	13,613
Public utilities and services	14,623	90	502	118	714	-	16,047
Personal cash	11,598	545	403	-	1,328	-	13,874
Housing loans	4,956	144	33	62	244	-	5,439
Hire purchase receivable and financial lease receivable	-	-	-	-	-	3,933	3,933
Others	2,194	27	16	5	364	432	3,038
Total loans and accrued interest receivables	78,978	1,957	2,962	730	10,216	4,365	99,208

(Unit: Million Baht)

Separate financial statements						
2008						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	225	24	7	79	60	395
Manufacturing and commerce	24,689	3,918	1,863	1,425	2,256	34,151
Real estate and construction	4,277	3,857	798	133	680	9,745
Public utilities and services	13,678	2,362	194	37	648	16,919
Personal cash	9,421	559	475	-	929	11,384
Housing loans	8,812	245	88	75	141	9,361
Others	5,779	72	37	19	17	5,924
Total loans and accrued interest receivables	66,881	11,037	3,462	1,768	4,731	87,879

(Unit: Million Baht)

Separate financial statements						
2007						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	330	4	58	10	91	493
Manufacturing and commerce	34,518	1,005	1,486	327	3,694	41,030
Real estate and construction	10,685	142	464	208	427	11,926
Public utilities and services	14,629	90	502	118	305	15,644
Personal cash	11,598	545	403	-	1,328	13,874
Housing loans	4,954	144	33	62	67	5,260
Others	7,438	27	16	5	43	7,529
Total loans and accrued interest receivables	84,152	1,957	2,962	730	5,955	95,756

10.5 Classification of loans

The Bank and its subsidiaries classified loans by loan classification and/or based on the over due date as summarised below:

a) Loans of the Bank and its subsidiaries

	Consolidated financial statements							
	2008				2007			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts
Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht	
Pass	64,128	19,801	1	261	78,977	28,399	1	476
Special mention	11,037	2,177	2	112	1,957	796	2	16
Sub-standard	3,462	1,243	100	1,273	2,962	1,280	100	1,509
Doubtful	1,768	762	100	886	730	286	100	309
Doubtful of loss	8,089	5,698	100	5,803	10,216	7,546	100	7,772
Total	88,484	29,681		8,335	94,842	38,307		10,082
General provision for further losses				166				428
Total				8,501				10,510

(1) For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

	Consolidated financial statements							
	2008				2007			
	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral ⁽¹⁾	Minimum percentage	Allowance provided in the accounts
Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht	
Pass	66,881	22,553	1	249	84,152	33,577	1	475
Special mention	11,037	2,177	2	112	1,957	796	2	16
Sub-standard	3,462	1,243	100	1,243	2,962	1,280	100	1,509
Doubtful	1,768	762	100	802	730	286	100	309
Doubtful of loss	4,731	2,463	100	2,693	5,955	4,468	100	4,694
Total	87,879	29,198		5,099	95,756	40,407		7,003
General provision for further losses				150				330
Total				5,249				7,333

(1) For provision for sub-standard, doubtful and doubtful of loss loans, which is set up in accordance with new BOT guidelines, the debt balance after collateral is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 31 December 2008, there were defaulted loans amounting to Baht 7,615 million, for which the Bank has ceased accrual of interest income (2007: Baht 7,673 million).

b) Securities business receivables of the subsidiary

(Unit: Million Baht)

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts	
	2008	2007	2008	2007	2008	2007
Pass	129	274	-	-	-	-
Sub-standard debt	24	21	-	-	-	-
Doubtful debt	77	137	77	137	99	168
Total	230	432	77	137	99	168

c) Hire purchase receivables and financial lease receivables of the subsidiaries

As at 31 December 2008 and 2007, hire purchase receivables and financial lease receivables of the subsidiaries are classified based on the over due date as follows:

(Unit: Million Baht)

	Debt balance - net from unearned income		Allowance for doubtful accounts	
	2008	2007	2008	2007
Current or overdue less than 1 installment	3,013	3,071	30	31
Overdue 2 - 3 installments	557	484	11	10
Overdue 4 - 6 installments	79	85	45	37
Overdue 7 - 12 installments	14	27	14	26
Overdue more than 12 installments	268	257	268	270
Debtors under litigation	5	9	5	9
Total	3,936	3,933	373	383

10.6 Non-performing loans

As at 31 December 2008 and 2007, the Bank and its subsidiaries had the following non-performing loans, according to the criteria set up by the BOT and the Office of the Securities and Exchange Commission:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Non-performing loans (principal only)	13,242	13,854	9,888	9,568

As at 31 December 2008 and 2007, the above non-performing loans under the BOT's criteria were presented in accordance with the notification of the BOT, defining non-performing loans to be the debts classified as sub-standard, doubtful and doubtful loss and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with the BOT's criteria have already been fulfilled.

10.7 Hire purchase and financial lease receivables

Net receivables of the Bank's subsidiaries under hire purchase agreements and financial leases amount to Baht 3,563 million and mostly comprise hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 and 6 years and under most interest is charged at a fixed rate.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2008					
Amounts due under lease agreement					
	Less than 1 year	1-5 years	Over 5 years	performing loans	Non - Total
Gross investment in the lease	1,890	2,604	12	412	4,918
Unearned finance income	(527)	(407)	-	(48)	(982)
Present value of minimum lease payments receivable	1,363	2,197	12	364	3,936
Allowance for doubtful accounts					(373)
Net receivables under hire purchase agreements and financial leases					3,563

10.8 Troubled debt restructuring

For the years ended 31 December 2008 and 2007, 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.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Number of debtors	4,593	2,665	4,590	2,643
Debt balances	2,115	1,519	2,114	1,320

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

((Unit: Million Baht))

Consolidated financial statements					
For the year ended 31 December 2008					
Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
	Before restructuring	After restructuring			
Transfer of assets	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Modification of terms of payments	4,593	2,115			9
Combination of methods	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Total	4,593	2,115		-	9
Loans and accrued interest receivables as at 31 December 2008	264,847	92,650			

(Unit: Million Baht)

Consolidated financial statements					
For the year ended 31 December 2007					
Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
	Before restructuring	After restructuring			
Transfer of assets	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Modification of terms of payments	2,665	1,519			100
Combination of methods	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Total	2,665	1,519		-	100
Loans and accrued interest receivables as at 31 December 2008	289,064	99,208			

(Unit: Million Baht)

Separate financial statements					
For the year ended 31 December 2008					
Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
	Before restructuring	After restructuring			
Transfer of assets	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Modification of terms of payments	4,590	2,114			9
Combination of methods	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Total	4,590	2,114		-	9
Loans and accrued interest receivables as at 31 December 2008	208,964	87,879			

(Unit: Million Baht)

Separate financial statements					
For the year ended 31 December 2007					
Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
	Before restructuring	After restructuring			
Transfer of assets	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Modification of terms of payments	2,643	1,320			-
Combination of methods	-	-	- Land and land with premises	-	-
			- Ordinary shares	-	
			- Others	-	
Total	2,643	1,320		-	-
Loans and accrued interest receivables as at 31 December 2007	235,380	95,756			

The debts restructured by mean 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 the restructuring agreements	Consolidated financial statements					
	2008			2007		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring	After restructuring		Before restructuring	After restructuring
Not more than 5 years	1,496	1,066	1,057	719	976	917
5 - 10 years	3,088	1,034	1,034	1,938	532	491
10 - 15 years	8	13	13	6	6	6
More than 15 years	1	2	2	2	5	5
Total	4,593	2,115	2,106	2,665	1,519	1,419

(Unit: Million Baht)

Term of repayment according to the restructuring agreements	Separate financial statements					
	2008			2007		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring	After restructuring		Before restructuring	After restructuring
Not more than 5 years	1,493	1,065	1,056	704	867	867
5 - 10 years	3,088	1,034	1,034	1,932	443	443
10 - 15 years	8	13	13	5	5	5
More than 15 years	1	2	2	2	5	5
Total	4,590	2,114	2,105	2,643	1,320	1,320

Supplemental information for the years ended 31 December 2008 and 2007 relating to the restructured debts is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions during the years (Hair cut loss)	306	84	248	25
Cash settlement by debtors				
Principal	1,153	1,088	1,133	1,008
Interest	332	297	329	286

As at 31 December 2008 and 2007, the troubled debtors for which the Bank and its subsidiaries completed their debt restructuring can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Number of debtors	6,113	2,970	6,109	2,955
Debt balances after restructuring	3,251	4,732	3,221	4,623

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 cashflows, discounted by the market interest rate. As at 31 December 2008 and 2007, the Bank have losses from the revaluation of restructured debts (PV Loss) of Baht 20 million and Baht 51 million, respectively, for which the Bank had provided allowance for revaluation as a result of debt restructuring.

In addition, as at 31 December 2008 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 approximately Baht 43 million (31 December 2007: Baht 100 million). The Bank had already provided a provision for such losses, which is presented as part of the allowance for doubtful debts in the balance sheet.

11. Allowance for doubtful debts

(Unit: Million Baht)

	Consolidated financial statements								
	2008								
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	General provision	Total	Securities and hire purchase receivables	Grand total
Balance as at 31 December 2007	476	16	1,509	309	7,772	428	10,510	551	11,061
Add : Addition	-	-	-	-	-	2,291	2,291	52	2,343
Reversal of bad debts	-	-	-	-	-	8	8	-	8
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Less : Bad debts written off	(10)	(7)	(6)	(3)	(1,817)	(9)	(1,852)	(113)	(1,965)
Reversal of allowance made for settled debts	-	-	-	-	(10)	-	(10)	(18)	(28)
Reversal of allowance made for sold NPLs	(55)	-	-	-	(2,398)	-	(2,453)	-	(2,453)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(150)	103	(230)	580	2,256	(2,559)	-	-	-
Balance as at 31 December 2008	261	112	1,273	886	5,803	166	8,501	472	8,973

(Unit: Million Baht)

Consolidated financial statements									
2007									
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision	Total	Securities and hire purchase receivables	Grand Total
Balance as at 31 December 2006	819	79	776	601	4,606	65	6,946	618	7,564
Add : Addition	-	-	-	-	-	3,563	3,563	25	3,588
Reversal of allowance made for settled debts	(26)	-	-	-	(62)	-	(88)	(21)	(109)
Reversal of bad debts	-	-	-	-	-	27	27	-	27
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	63	63	5	68
Transferred from allowance for doubtful debts of interbank and money market items	-	-	-	-	-	18	18	-	18
Less : Bad debts written off	(17)	(1)	-	(3)	-	5	(16)	(76)	(92)
Transferred to revaluation allowance for debt restructuring	-	-	-	-	-	(3)	(3)	-	(3)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(300)	(62)	733	(289)	3,228	(3,310)	-	-	-
Balance as at 31 December 2007	476	16	1,509	309	7,772	428	10,510	551	11,061

(Unit: Million Baht)

Separate financial statements							
2008							
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	General provision	Total
Balance as at 31 December 2007	475	16	1,509	309	4,694	330	7,333
Add : Addition	-	-	-	-	-	2,196	2,196
Reversal of bad debts	-	-	-	-	-	8	8
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	7	7
Less : Bad debts written off	(10)	(7)	(6)	(3)	(1,817)	(9)	(1,852)
Transferred from revaluation allowance for subsidiary	(12)	-	(30)	(84)	(2,317)	-	(2,443)
Increase (decrease) due to change in classification or collatera l value/transfer general provision to specific provision	(204)	103	(230)	580	2,133	(2,382)	-
Balance as at 31 December 2008	249	112	1,243	802	2,693	150	5,249

(Unit: Million Baht)

	Separate financial statements						
	2007						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	General provision	Total
Balance as at 31 December 2006	685	79	776	601	1,380	160	3,681
Add : Addition	-	-	-	-	-	3,563	3,563
Reversal of bad debts	-	-	-	-	-	27	27
Transferred from revaluation allowance for debt restructuring	-	-	-	-	-	63	63
Transferred from allowance for doubtful debts of interbank and money market items	-	-	-	-	-	18	18
Less : Bad debts written off	(17)	(1)	-	(3)	-	5	(16)
Transferred to revaluation allowance for debt restructuring	-	-	-	-	-	(3)	(3)
Increase (decrease) due to change in classification or collateral value/transfer general provision to specific provision	(193)	(62)	733	(289)	3,314	(3,503)	-
Balance as at 31 December 2007	475	16	1,509	309	4,694	330	7,333

12. Revaluation allowance for debt restructuring

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	Balance - beginning of the period	51	134	51
Add : Revaluation allowance transferred from allowance for doubtful debts	-	3	-	3
Less: Amounts written off during the periods	(24)	(18)	(24)	(8)
Revaluation allowance transferred to allowance for doubtful debts	(7)	(68)	(7)	(63)
Balance - end of the period	20	51	20	51

The write-off transactions and/or the adjustments of revaluation allowance for debt restructuring are transferred to allowance for doubtful debts.

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 unused assets transferred as a result of merger and awaiting disposal.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	Cost	3,245	3,280	3,017
Less: Allowance for impairment	(762)	(679)	(740)	(661)
Book value	2,483	2,601	2,277	2,372

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 or plus interest.

(Unit: Million Baht)

Consolidated financial statements				
2008		2007		
Balances	Obligations with regard to buyback option or first refusal rights	Balances	Obligations with regard to buyback option or first refusal rights	
Immovable	3,204	-	3,232	22
Movable	41	-	48	-
Total	3,245	-	3,280	22
Less : Allowance for impairment	(762)		(679)	
Properties foreclosed - net	2,483		2,601	

(Unit: Million Baht)

Separate financial statements				
2008		2007		
Balances	Obligations with regard to buyback option or first refusal rights	Balances	Obligations with regard to buyback option or first refusal rights	
Immovable	3,017	-	3,033	22
Less : Allowance for impairment	(740)		(661)	
Properties foreclosed - net	2,277		2,372	

The Bank provides allowance for impairment of properties foreclosed by reference to appraisal value. The Bank appraisals or review the fair value of properties foreclosed annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subject to restrictions on the allowed periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowed periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties foreclosed.

14. Premises and equipment

((Unit: Million Baht))

Consolidated financial statements					
Revaluation basis		Cost basis		Total	
Land	Buildings	Equipment	Assets under installation and under construction		
Cost/Revaluations:					
31 December 2007	1,274	3,608	2,210	16	7,108
Additions	-	17	166	18	201
Disposals/written off	-	-	(137)	-	(137)
Transfers	(1)	(4)	16	(27)	(16)
31 December 2008	1,273	3,621	2,255	7	7,156
Accumulated depreciation:					
31 December 2007	-	(1,155)	(1,494)	-	(2,649)
Depreciation for the year	-	(136)	(259)	-	(395)
Depreciation on disposals/written off	-	2	127	-	129
31 December 2008	-	(1,289)	(1,626)	-	(2,915)
Allowance for impairment:					
31 December 2007	(88)	(264)	(29)	-	(381)
Decrease during the year	1	2	1	-	4
31 December 2008	(87)	(262)	(28)	-	(377)
Net book value:					
31 December 2007	1,186	2,189	687	16	4,078
31 December 2008	1,186	2,070	601	7	3,864
Depreciation for the years ended					
31 December					
2007					374
2008					395

(Unit: Million Baht)

	Separate financial statements				Total
	Revaluation basis		Cost basis		
	Land	Buildings	Equipment	Assets under installation and under construction	
Cost/Revaluations:					
31 December 2007	1,274	3,552	1,959	16	6,801
Additions	-	17	152	17	186
Disposals/written off	-	-	(123)	-	(123)
Transfers	(1)	(4)	16	(27)	(16)
31 December 2008	1,273	3,565	2,004	6	6,848
Accumulated depreciation:					
31 December 2007	-	(1,121)	(1,311)	-	(2,432)
Depreciation for the year	-	(134)	(235)	-	(369)
Depreciation on disposals/written off	-	2	116	-	118
31 December 2008	-	(1,253)	(1,430)	-	(2,683)
Allowance for impairment:					
31 December 2007	(88)	(264)	(29)	-	(381)
Decrease during the year	1	2	1	-	4
31 December 2008	(87)	(262)	(28)	-	(377)
Net book value:					
31 December 2007	1,186	2,167	619	16	3,988
31 December 2008	1,186	2,050	546	6	3,788
Depreciation for the year					
2007					350
2008					369

Certain equipment items of the Bank and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets as at 31 December 2008 and 2007, amounting to approximately Baht 1,004 million and Baht 955 million, respectively (separate financial statements: Baht 869 million and Baht 795 million, respectively).

15. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements					
	Amortising period	Balance as at 31 December 2007	Increase	Transfer in/(out)	Amortisation	Balance as at 31 December 2008
Expenditures in connection with development and improvement of computer systems - under development	-	402	117	(20)	(20)	479
Computer software	5 - 10 years	371	40	20	(117)	314
License Fee	5, 10 years	12	-	-	(3)	9
Total		785	157	-	(140)	802
Allowance for impairment		(150)	(130)		29	(251)
Net intangible assets		635				551

(Unit: Million Baht)

	Separate financial statements					
	Amortising period	Balance as at 31 December 2007	Increase	Transfer in/(out)	Amortisation	Balance as at 31 December 2008
Expenditures in connection with development and improvement of computer systems - under development	-	402	117	(20)	(20)	479
Computer software	5 - 10 years	351	38	20	(111)	298
License Fee	5 years	8	-	-	(2)	6
Total		761	155	-	(133)	783
Allowance for impairment		(150)	(130)		29	(251)
Net intangible assets		611				532

As of 31 December 2008, the Bank recorded development costs of a core banking business system amounting to Baht 374 million. The Bank is in the process of reviewing its system requirements and looking for an appropriate system. However, such development costs mainly comprise costs of conceptual design, which can be used in future implementations since they cover actual operational requirements, and management believe the Bank will derive benefit from this design in the future. As at the end of year, the Bank has recognised impairment loss on those assets about which there is uncertainty as to future utilisation, totaling Baht 251 million. However, on 21 January 2008 the Bank claimed the developer for compensation of Baht 128 million through the International Court of Arbitration, International Chamber of Commerce.

16. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Unrealised gains on derivative revaluation	1,638	3,361	1,638	3,361
Accrued interest and dividend receivables	703	905	701	902
Prepaid interest on deposits	475	-	475	-
Withholding tax receivables	94	1,112	81	1,097
Credit support assets on derivative	52	702	52	702
Leasehold right	254	262	245	253
Advances	118	105	112	98
Subsidiary accounts receivable - Management fee (Note 34)	-	-	4	590
Others	807	785	507	398
Total	4,141	7,232	3,815	7,401
Less: Allowance for impairment	(144)	(155)	(144)	(155)
Other assets - net	3,997	7,077	3,671	7,246

17. Deposits

17.1 Classified by type of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
At call	1,349	1,561	1,351	1,564
Savings	20,876	25,250	21,123	25,386
Fixed				
- Less than 6 months	61,450	43,925	61,452	43,927
- 6 months and up to 1 year	41,981	42,378	41,981	42,378
- Over 1 year	33,935	52,781	33,961	52,794
Negotiable certificate of deposit	138	134	138	134
Total deposits	159,729	166,029	160,006	166,183

17.2 Classified by the remaining period of contracts

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Not over 1 year*	154,575	164,688	154,827	164,842
Over 1 year	5,154	1,341	5,179	1,341
Total	159,729	166,029	160,006	166,183

* Included expired contracts

17.3 Classified by currency and residency of depositors

(Unit: Million Baht)

	Consolidated financial statements					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	158,835	693	159,528	165,052	797	165,849
US dollar	197	-	197	96	-	96
Other currencies	4	-	4	84	-	84
Total	159,036	693	159,729	165,232	797	166,029

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	159,112	693	159,805	165,206	797	166,003
US dollar	197	-	197	96	-	96
Other currencies	4	-	4	84	-	84
Total	159,313	693	160,006	165,386	797	166,183

18. Interbank and money market items (liabilities)

(Unit: Million Baht)

Consolidated financial statements						
2008			2007			
At call	Term	Total	At call	Term	Total	
Domestic:						
Bank of Thailand and the FIDF	-	396	396	-	1,103	1,103
Commercial banks	19	320	339	41	-	41
Other banks	3	-	3	2	-	2
Finance, finance and securities, securities, credit foncier companies	197	480	677	264	300	564
Other financial institutions	427	6,580	7,007	572	3,865	4,437
Total domestic items	646	7,776	8,422	879	5,268	6,147
Foreign:						
US dollar	89	-	89	235	-	235
Other currencies	773	965	1,738	393	924	1,317
Total foreign items	862	965	1,827	628	924	1,552
Total domestic and foreign items	1,508	8,741	10,249	1,507	6,192	7,699

(Unit: Million Baht)

Separate financial statements						
2008			2007			
At call	Term	Total	At call	Term	Total	
Domestic:						
Bank of Thailand and the FIDF	-	396	396	-	1,103	1,103
Commercial banks	16	-	16	40	-	40
Other banks	3	-	3	2	-	2
Finance, finance and securities, securities, credit foncier companies	248	480	728	295	300	595
Other financial institutions	435	6,580	7,015	580	3,865	4,445
Total domestic items	702	7,456	8,158	917	5,268	6,185
Foreign:						
US dollar	89	-	89	235	-	235
Other currencies	773	965	1,738	393	924	1,317
Total foreign items	862	965	1,827	628	924	1,552
Total domestic and foreign items	1,564	8,421	9,985	1,545	6,192	7,737

19. Borrowings

(Unit: Million Baht)

	Consolidated financial statements					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,747	1,747	-	1,687	1,687
Subordinated debentures of USD 40 million, maturing in 2017	-	1,398	1,398	-	1,350	1,350
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Non-interest bearing subordinated debentures of Baht 2,760 million, maturing in 2009	2,760	-	2,760	2,760	-	2,760
	3,304	3,145	6,449	3,304	3,037	6,341
Securities sold under repurchase agreement						
Securities sold under repurchase agreements maturing in 2008, coupon rate of 3.80% per annum	-	-	-	312	-	312
Securities sold under repurchase agreements maturing 2009, coupon rate of 3.85% per annum	316	-	316	-	-	-
	316	-	316	312	-	312
Fixed rate notes						
Bills of exchange maturing in 2008, coupon rate of 2.80 - 5.00% per annum	-	-	-	2,052	-	2,052
Bills of exchange maturing in 2009, coupon rate of 3.00 - 4.00% per annum	149	-	149	-	-	-
Promissory note maturing in 2008, coupon rate of 3.40 - 5.00% per annum	-	-	-	712	-	712
Promissory note maturing in 2009, coupon rate of 3.80 - 5.25% per annum	155	-	155	-	-	-
	304	-	304	2,764	-	2,764
Discount note payable						
Discount note payable maturing in 2008	-	-	-	298	-	298
	-	-	-	298	-	298
Total	3,924	3,145	7,069	6,678	3,037	9,715
Less: Current portion of long-term borrowings	(3,924)	-	(3,924)	(3,918)	-	(3,918)
Long - term borrowings - net	-	3,145	3,145	2,760	3,037	5,797

(Unit: Million Baht)

	Consolidated financial statements					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated notes						
Subordinated debentures of USD 50 million, maturing in 2016	-	1,747	1,747	-	1,687	1,687
Subordinated debentures of USD 40 million, maturing in 2017	-	1,398	1,398	-	1,350	1,350
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Non-interest bearing subordinated debentures of Baht 2,760 million, maturing in 2009	2,760	-	2,760	2,760	-	2,760
	3,304	3,145	6,449	3,304	3,037	6,341
Fixed rate notes						
Bills of exchange maturing in 2008, coupon rate of 2.85 - 4.05% per annum	-	-	-	1,450	-	1,450
Bills of exchange maturing in 2009, coupon rate of 3.00 - 4.00% per annum	149	-	149	-	-	-
	149	-	149	1,450	-	1,450
Discount note payable						
Discount note payable maturing in 2008	-	-	-	298	-	298
	-	-	-	298	-	298
Total	3,453	3,145	6,598	5,052	3,037	8,089
Less : Current portion of long-term borrowings	(3,453)	-	(3,453)	(2,292)	-	(2,292)
Long - term borrowings- net	-	3,145	3,145	2,760	3,037	5,797

- a) As at 31 December 2008 and 2007, the Bank has subordinated debentures of Baht 3,304 million which transferred to the Bank since merger date.
- b) On 16 February 2007, the Bank issued unsecured 400 units of a subordinated debenture with a face value of USD 100,000 each to overseas investors, at a price of USD 100,000 per unit, or for a total of USD 40 million. The notes have a tenor of 10 years, maturing on 20 February 2017, with an early redemption call option in the year 2012. They bear interest at the 6-month LIBOR US dollar deposits rate plus 350 basis points from years 1 – 5 and, at the 6-month LIBOR US dollar deposits rate plus 525 basis points from year 6 onwards. Interest is due on 20 February and 20 August every year (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the Bank of Thailand.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank, within 120 days after the issue date.

The related expenses of Baht 23 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

- c) On 17 July 2006, the Bank issued 50 unsecured and subordinated debentures with a face value of USD 1 million each to overseas investors, at a price of USD 1 million per unit, or for a total of USD 50 million. The notes have a tenor of 10 years, maturing on 17 July 2016, with an early redemption call option in the year 2011. They bear interest at the 6-month LIBOR US dollar deposits rate plus 350 basis points for the first 5 years, and at the 6-month LIBOR US dollar deposits rate plus 525 basis points after the optional redemption date in 2011. Interest is due every 17 July and 17 January (under the specified conditions).

There is a call option in the following three cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the issuer wishes to redeem the debentures early on the optional redemption date.
3. If the debentures cannot be counted as Lower Tier II Subordinated Debt of the issuer.

In all three cases, early redemption must be pre-approved by the Bank of Thailand.

Certain covenants are stipulated in the debenture agreements, including prohibitions on borrowing, providing guarantees, or creating any other obligations which are or purport to be subordinated debt of the Bank unless such obligations rank junior to or pari passu with the debentures.

The related expenses of Baht 38 million were recorded as a deferred expense and are amortised to expenses over the term of the debenture.

20. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Unrealised losses on derivatives	1,006	1,052	1,006	1,052
Credit support liabilities on derivative	517	1,572	517	1,572
Amount due to Department of Alternative Energy				
Development and Efficiency	484	435	484	435
Reserve for pension fund	5	5	-	-
Other liabilities awaiting accounts transfer	1,040	358	1,038	352
Others	1,427	1,548	673	696
Total	4,479	4,970	3,718	4,107

21. Share capital

Capital Increase

In January 2008, the Bank issued new ordinary shares based on the rights offering made to the Bank's existing shareholders, whereby a total of 3,048,039,603 shares were subscribed. The amount received from the issuance of the additional ordinary shares was Baht 4,145 million.

Subsequent to the proposal to sell new shares to the existing shareholders, the Board of Directors' Meeting held on 23 January 2008 approved the offering for sale of the 1,401,760,785 remaining shares by means of private placements of 617,511,977 shares and 784,248,808 shares with the FIDF and TPG Newbridge group, respectively, at a price of Baht 1.38 per share. On 29 January 2008, the FIDF and TPG Newbridge group paid in capital funds totalling Baht 1,934 million.

On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from Baht 25,030,127,182.50 to Baht 50,060,254,365 by issuing 6,674,700,582 new ordinary shares with a par value of Baht 3.75 each, and set the terms of allotment for the newly issued capital increase shares as follows:

- 1) All 6,674,700,582 newly issued capital increase shares are to be offered to existing shareholders whose names are registered as shareholders in the Shareholders' Register Book as of the date to be set by the Board of Directors, in proportion to each shareholding (Rights Offering) at the ratio of one existing share to one new share.
- 2) The newly issued capital increase shares can be sold at a price lower than par value (Baht 3.75), provided that such an offering price is not lower than Baht 0.66 (which represents the book value of the Bank's shares according to the unreviewed financial statements of the Bank for the six-month period ending on 30 June 2008); Baht 0.66 is the legally required floor price.
- 3) Any shares remaining after the rights offering are to be allocated to any shareholders subscribing in excess of their rights pursuant to their entitlement until all shares are fully subscribed.
- 4) In respect of the offering (a) the offer and issue of the capital increase shares is to take place only after the completion of the purchase of the Bank's shares by CIMB Bank Berhad ("CIMB Bank") from the Financial Institutions Development Fund ("FIDF") and the completion of the tender offer for all of the Bank shares by CIMB Bank due to the share purchase agreement as aforementioned; (b) the Board of Directors is authorized to consider and prescribe other terms and conditions relating to the issue and the rights offering of new ordinary shares; and (c) the Board of Directors, the President or their designated persons are authorized to sign any related documents and to perform any other acts necessary for and expedient in relation to the rights offering as well as to give information and file any documents and evidence to the Stock Exchange of Thailand, the Ministry of Commerce and any other relevant government agencies.

On 14 January 2009, the Board of Directors' meeting No.1/2009 passed a resolution to propose for approval by the Extraordinary General Meeting of Shareholders No. 1/2009, to be held on 20 February 2009, that agenda items 2 and 4 of the resolutions of the Extraordinary General Meeting of Shareholders No. 2/2008 be amended to change the previously stipulated offering price of not lower than Baht 0.66 to an offering price of Baht 0.38.

The change in structure of shareholder

On 5 November 2008, the sale and purchase of the Bank's shares between FIDF and CIMB Bank has been fully completed since the conditions precedent prescribed in the Share Purchase Agreement have been satisfied or waived. As a result, CIMB Bank has had 42.1271 percent of the Bank 's shares since 5 November 2008. Following the purchase of the shares, CIMB Bank was obliged to make a tender offer to purchase all of the remaining shares of the Bank, in accordance with the criteria stipulated by the Securities and Exchange Commission of Thailand.

On 6 November 2008, the Bank informed the Stock Exchange of Thailand that the Bank had received a statement from CIMB Bank declaring its intention to make a tender offer, and the declaration form (form 247-3) had been sent to the Stock Exchange of Thailand.

On 17 November 2008, the Bank informed the Stock Exchange of Thailand that CIMB Bank had made a tender offer for all securities of the Bank. The offer period was 30 consecutive business days, from 20 November 2008 to 6 January 2009.

On 1 December 2008, the Bank informed the Stock Exchange of Thailand that the Bank had received an amendment of the tender offer in respect of the Details of the Offeror and the Details of the Bank, from CIMB Bank.

On 22 December 2008, the Bank informed the Stock Exchange of Thailand that CIMB Bank had reported the preliminary results of the tender offer to the Stock Exchange of Thailand under Form 247-6 Khor, on 22 December 2008. This detailed that tendered shares accepted by the offeror at the end of 19 December

2008 totaled 2,596,618,837 shares, or equivalent to 38.90 percent of total issued and outstanding shares of the Bank. As a result, CIMB Bank held a total of 5,408,481,396 shares, or equivalent to 81.03 percent of the total issued and outstanding shares of the Bank.

On 13 January 2009, the Bank informed the Stock Exchange of Thailand that the tender offer period has been completed on 6 January 2009, and therefore, CIMB Bank had reported the results of the tender offer to the Stock Exchange of Thailand under Form 256-2. This detailed that tendered shares accepted by the offeror at the completion of the offer period (6 January 2009) totaled 3,331,681,973 shares, or equivalent to 49.91 percent of the total issued and outstanding shares of the Bank. As the result, CIMB Bank holds 6,143,544,532 shares, or equivalent to 92.04 percent of the total issued and outstanding shares of the Bank.

Capital Reduction

On 14 January 2009, the Board of Directors' meeting No.1/2009 passed a resolution to propose for approval by the Extraordinary General Meeting of Shareholders No. 1/2009, to be held on 20 February 2009, a decrease of the registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share. The premium arising from the capital reduction exercise is to be used to credit the share discount account in order to offset the share discount amount and, subsequently, credited to the retained earnings account in order to offset the deficit. The utilization and the capital reduction are to take place after the Rights Offering, and upon obtaining approval from the Bank of Thailand. After such capital reduction, the registered share capital of the Bank will be reduced from Baht 50,060,254,365 to Baht 6,674,700,582.

22. Treasury stock - Bank's ordinary shares held by its subsidiaries

As at 31 December 2008, BT Securities Company Limited and Krung Thai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, hold 124,589,637 of the Bank's ordinary shares. Investment in the Bank's ordinary shares is presented as treasury stock in the consolidated financial statements, and amounts to approximately Baht 460 million. The investments are recorded under the cost method, as a deduction item in shareholders' equity.

In January 2009, BT Securities Company Limited and KrungThai Thanakit Finance Public Company Limited, subsidiary companies of the Bank, sold ordinary shares of such treasury stock to CIMB Bank Berhad under the tender offer scheme at a price of Baht 2.10 per share, for a total of Baht 262 million. The loss on sale of such ordinary shares Baht 199 million will be charged directly against the Bank's deficit.

23. Revaluation surplus

This represents surplus arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2008	2007
Balance - beginning of period	768	787
Less: Amortisation	(19)	(19)
Balance - end of period	749	768

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

24. Revaluation surplus (deficit) on investments

(Unit: Million Baht)

	Separate financial statements	
	2008	2007
Revaluation surplus on investments:		
Debt securities	221	6
Equity securities	11	27
Total	232	33
Revaluation deficit on investments:		
Debt securities	(1)	(134)
Equity securities	(175)	(172)
Total	(176)	(306)
Revaluation surplus (deficit) on investments - net	56	(273)

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.

26. Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551.

(Unit: Million Baht)

	2008	2007
Tier I		
Issued and paid up share capital	25,030	8,343
Share discount	(10,607)	-
Statutory reserve	6	6
Deficit unappropriated	(10,310)	(7,430)
Total	4,119	919
Tier II		
Revaluation surplus on assets	468	478
Reserve for loan classified as pass	226	383
Subordinated debentures	2,060	58
Total	2,754	919
Total Tier I and Tier II capital funds	6,873	1,838
Less: Revaluation deficit on capital securities available-for-sale	(174)	(168)
Total capital funds	6,699	1,670

As at 31 December 2008, the Bank's total capital to risk assets ratio and tier 1 capital to risk assets ratio were 5.80% and 3.57%, respectively. These were calculated in line with the BOT's regulation relating to the calculation of capital funds announced by the BOT on 27 November 2008.

27. Losses on investments

Losses on investments as presented in the income statements for the years ended 31 December 2008 and 2007 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Unrealised losses on revaluation of investments	(2,962)	(5,828)	(2,950)	(5,826)
(Increase) decrease in allowance for impairment of investments in subsidiary and associated companies	-	(10)	42	(304)
(Increase) decrease in allowance for impairment of investments	(522)	13	(521)	4
Gains on reclassification of investment types	-	114	-	115
Reverse allowance for impairment of investment in non-performing loans	66	-	63	-
Realised gains (losses) on securities trading				
Trading securities	1,028	239	1,034	194
Available-for-sale securities	14	33	16	35
Held-to-maturity debt securities	8	(923)	8	(923)
General investments	137	26	137	26
Realised gains on investment in non-performing loans	1,230	838	71	19
Losses on investments	(1,001)	(5,498)	(2,100)	(6,660)

28. Corporate income tax

No corporate income tax was payable for the year, after adding back certain expenses and provisions non-deductible for tax computation purposes and deducting tax exempted income to the profit/loss for the year, since the tax losses brought forward by the Bank exceeded net income for the year.

The corporate income tax presented in the consolidated financial statements is the corporate income tax of the Bank's subsidiaries.

29. 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 statement of income based on number of years of service of 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 statements of income for the year in which he/she resigns. Such pension benefits are only provided to employees who are former employees of the Union Bank of Bangkok Public Company Limited. As at 31 December 2008, there were 707 employees to whom the Bank had such obligations, and the accrued benefits to these employees amounted to Baht 493 million.

30. Provident fund

The Bank, its subsidiaries and their employees have jointly established a provident fund in accordance with 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 and pay to staff when resign under the terms and conditions as specify in the term and condition of provident funds. The fund, which is

managed by Krung Thai Asset Management Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. For the years ended 31 December 2008 and for the years ended 31 December 2007, respective amounts of Baht 78 million and Baht 72 million were contributed to the fund by the Bank and its subsidiaries (The Bank only: Baht 66 million and Baht 59 million, respectively).

31. Earnings (losses) per share

Earnings (losses) per share as presented in the separate income statements is the basic earnings (losses) per share which is calculated by dividing the net income (losses) for the year by weighted average number of ordinary shares held by outside shareholders in issue during the year.

Earnings (losses) per share as presented in the consolidated income statements is basic earnings (losses) per share which is calculated by dividing net income (losses) for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year (net from treasury stocks held by subsidiaries in consolidated financial statements).

32. Encumbrance of assets

32.1 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 financial statements		Separate financial statements	
	2008	2007	2008	2007
Securities sold under repurchase agreements	312	-	-	-
Utilities usage	9	9	9	9
Guarantees on loans	45	45	-	-
Deposit for branch opening	-	33	-	33
Others	14	14	-	-
Total	380	101	9	42

32.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring, 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 2008 and 2007, the investments subject to such obligation are as follows:

(Unit: Million Baht)

Year of maturity	Consolidated and separate financial statements			
	2008		2007	
	Number of company	Cost	Number of company	Cost
No maturity	-	-	1	-
2008	-	-	1	-
2010	1	8	1	8
2011 onwards	2	-	2	-
Total	3	8	5	8

Moreover, the Bank has properties foreclosed subject to obligation under the debt restructuring agreements which grant buyback options or first refusal rights to debtors as mentioned in Note 13 to the financial statements.

32.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring, 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 2008 and 2007, the investments subject to such obligation are as follows:

(Unit: Million Baht)

Year of maturity	Consolidated and separate financial statements			
	2008		2007	
	Number of company	Cost	Number of company	Cost
No maturity	-	-	1	-
2008	-	-	1	-
2010	1	8	1	8
2011 onwards	2	-	2	-
Total	3	8	5	8

Moreover, the Bank has properties foreclosed subject to obligation under the debt restructuring agreements which grant buyback options or first refusal rights to debtors as mentioned in Note 13 to the financial statements.

33 Commitments and contingent liabilities

33.1 Commitments

As at 31 December 2008 and 2007, significant commitments of the Bank consist of:

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills ⁽¹⁾	496	-	496	924	-	924
Guarantees on loans	455	16	471	535	75	610
Liability under unmatured import bills	-	438	438	-	335	335
Letters of credits	23	1,313	1,336	105	2,122	2,227
Other commitments:						
Other guarantees ⁽¹⁾	5,643	219	5,862	6,061	368	6,429
Forward and spot contracts						
- Bought	-	16,050	16,050	-	37,521	37,521
- Sold	-	22,019	22,019	-	51,017	51,017
Cross currency and interest rate						
- Bought	8,265	2,892	11,157	26,794	2,521	29,315
- Sold	1,205	9,353	10,558	2,705	24,715	27,420
Currency option						
- Wrote call option	-	-	-	-	212	212
Interest rate cap						
- Bought	-	-	-	960	-	960
- Sold	-	-	-	960	-	960
Interest rate swap contracts						
- Fixed rate payer	23,351	11,022	34,373	38,163	13,540	51,703
- Floating rate payer	26,020	11,022	37,042	35,463	13,276	48,739
- Fixed rate payee	23,180	11,022	34,202	33,523	13,276	46,799
- Floating rate payee	26,191	11,022	37,213	40,103	13,540	53,643
Credit Default Swap						
- Sold	382	-	382	382	-	382
Undrawn bank overdrafts	7,555	-	7,555	8,122	-	8,122
Total	122,766	96,388	219,154	194,800	172,518	367,318

⁽¹⁾ As at 31 December 2008, the Bank has issued bank guarantees amounting to Baht 4 million (31 December 2007: Baht 4 million) for an affiliate and avaled notes payable of a subsidiary amounting to Baht 310 million (31 December 2007: Baht 442 million). The aval of the subsidiary has been eliminated from the consolidated financial statements.

As at 31 December 2008, the Bank has an outstanding obligation in respect of the claim made under a Bank guarantee by the Public Warehouse Organization (PWO), which submitted a letter dated 4 September 2007 requesting the Bank to settle obligations amounting to Baht 111.5 million in respect of its guarantees of a rice purchase and sale contract, because the debtor had defaulted on such contract. The debtor subsequently notified the Bank to stop any payment under the guarantees subject to court's final order, on the grounds that it had not defaulted on the agreement, because the quality of rice in the warehouse was not in accordance with that stipulated in the contract, and it had filed a lawsuit against PWO, which is being heard by the court. The Bank, as the guarantor, has reviewed the related

2 documentation attached to the claim letter received from PWO covering the contract, the letter issued by PAT extending the goods delivery period and the approval letter from PWO to extend such period and waiving the penalty and related expenses incurred, and believes that PWO extended the period and waived the penalty and related expenses for the reason that the quality of rice in the warehouse was not in accordance with the contract. The Bank is therefore confident that the Bank will not incur loss as a result of this guarantee. However, for conservative reasons, the Bank has set aside provision for this guarantee at 50% of the total guarantee amount claimed by PWO, on Baht 55 million, and recorded this as other liabilities.

Besides the above guarantee liabilities, the bank has guarantee liabilities in respect of the rice custody contract, amounting to Baht 237.5 million. This guarantee covered the years 2004 through 2005, a period some time ago, and both the debtor and PWO were jointly responsible for holding access keys to the custodian warehouse, of which duplication was prohibited. Moreover, no claim for settlement has been lodged in respect of this custody guarantee. The Bank therefore believes that it will not incur loss as a result of this guarantee.

33.2 Contingent liabilities

- (a) As at 31 December 2008 and 2007, 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 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 separate financial statements	
	2008	2007
Sum claimed in case where the Bank and its subsidiaries are direct defendants	311	309
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	10	5
- Sum of claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	24,620	24,630
Total	24,941	24,944

In the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of these cases will not materialise because the transfers were made in accordance with result in the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 31 December 2008, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs, with sums claimed totaling Baht 5 million in cases where the Bank is the direct defendant and Baht 36 million in cases where the Bank is the co-defendant with others. However, the Bank is in the process of appealing the decisions.

Aside from the above discussed court cases, as mentioned in Note 15 to the financial statements, on 21 January 2008 the Bank submitted a claim to the International Court of Arbitration, International Chamber of Commerce, claiming damages totaling Baht 128 million from an IT developer who had been unable to deliver an IT system in accordance with the contract. The IT developer has counter claimed the Bank for payment of the remaining contract price for the IT system, amounting to USD 9 million. The Bank believes that the outcome of this case will not result in a material loss.

- (b) The Bank has commitments in respect of the loss sharing (if any) under the agreement to transfer non-performing to TAMC, as discussed under Note 37 to the financial statements.

33.3 Commitments under long-term leases

As at 31 December 2008 and 2007, the Bank and its subsidiaries had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

(Unit: Million Baht)

Lease periods	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
1 - 3 years	469	516	393	464
4 - 5 years	27	32	27	31
6 - 10 years	26	34	26	34
11 - 30 years	14	17	14	17

33.4 Other commitments

As at 31 December 2008, the Bank has other commitments as follows:

1. The Bank entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 December 2008, the Bank is obligated to pay a further Baht 291 million and USD 0.2 million, respectively under such agreements.
2. The Bank has capital commitments of approximately Baht 15 million in respect of the purchase and installation of equipment.

34. Related party transactions

During the years, the Bank and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Bank and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Subsidiary companies				
Revenue:				
Interest income	-	-	158	308
Dividend income	-	-	175	-
Fees income and service	-	-	143	826
Other income	-	-	12	14
Expenses:				
Interest expenses	3	1	9	8
Premises and equipments expenses	-	-	18	19
Fees expenses	-	-	3	9
Other expenses	-	-	2	7
Associated companies				
Revenue:				
Interest income	-	1	-	1
Fees income	-	8	-	8
Related companies				
Revenue:				
Interest expenses	8	19	8	19
dividend income	1	-	1	-
Fees income	30	1	30	1
Expenses:				
Interest expenses	3	75	3	75

During the current year, the Bank has charged asset management fees to Sathorn Asset Management Company Limited (a subsidiary) under the amendment of the Collection Agency Agreement dated 29 August 2007. The fee will be at a rate of 30% of the total debt collected and the amount received from the disposal of properties foreclosed, before any charges and related expenses. The fee for the year ended 31 December 2008 of Baht 97 million (2007: Baht 790 million) are recorded as other fees and charges in the income statement and the outstanding amounts were presented under the caption of other assets in the balance sheet. This transaction was eliminated from the consolidated financial statements. As at 31 December 2008, the Bank has receivable fee from such subsidiary to Baht 4 million.

During the year, the Bank sold rights of claim over 110 non-performing loan accounts to Sathorn Asset Management Co., Ltd., in accordance with a resolution of the Board of Director's meeting at a price of Baht 112 million. The net book values (after deducting allowance for doubtful accounts) totaled Baht 110 million.

In addition, the Bank and a subsidiary conducted securities trading through another subsidiary engaged in the securities business. The volumes of such trades for the years ended 31 December 2008 and 2007, were Baht 36 million and Baht 1,648 million, respectively, while related commission fees for the same years amounted to Baht 0.09 million and baht 4 million, respectively.

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, excluding of salaries and related benefits payable to directors who hold executive positions.

The Bank and its subsidiaries paid compensation to executives or equal positions in the form of contracted compensations and other benefits amounting to Baht 198 million (the Bank only, Baht 143 million).

The outstanding balances of significant related party transactions as at 31 December 2008 and 2007 are as follows:

(Unit: Million Baht)

Consolidated financial statements								
2008				2007				Pricing policy for loans
Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	
								(Percent per annum)
Subsidiary								
Krung Thai Tanakit Finance Plc.	-	-	147	-	-	-	143	
	-	-	147		-	-	143	
Associated companies								
Millea Life Insurance Thailand Plc.	-	-	-	-	-	-	68	
Worldclass Rent a Car Co., Ltd.	1	-	4	3	3	4	-	MLR, 2% of obligations
		-	4		3	4	68	
Related companies								
Millea Life Insurance Thailand Plc.	-	-	59	-	-	-	-	
Sunshine Plc.	610	-	-	724	745	-	-	15%, 15.5%, 18%, 19%
Suetrong Construction Co., Ltd.	461	-	-	471	473	34	1	MLR - 3.075%, 2.5% 2.5% of obligations
Maxwin Builders Co., Ltd.	131	128	-	138	134	-	-	No interest, 6.75%
Thai Baroda Industry Co., Ltd.	237	-	-	268	262	70	-	No interest, 6.3%, 0.5% and 2% of obligations
Union Petro Chemical Plc.	36	10	2	39	40	2	4	5%, 5.05% and 1.5% of obligations
Cenmetal (Thailand) Co., Ltd.	-	-	-	-	-	-	53	
Sukhumvit Asset Management Co., Ltd.	-	-	-	-	-	2	50	1.25% of obligations
Thai Asset Management Corporation	-	-	-	-	-	-	1,669	
Wongpaitoon Group Plc.	89	89	-	89	89	-	-	0.1%
Energy Complex Co., Ltd.	-	-	6	-	-	-	41	
Global Leasing Co., Ltd.	24	25	-	22	23	-	-	15%
		252	2	80		1,766	108	1,818
Related persons	1	1	-	120	1	1	-	40
		1	-	120		1	-	40

Separate financial statements										
2008				2007				Pricing policy for loans		
Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits	Average loans outstanding	Outstanding Loans/ Investments in receivables	Obligations	Deposits			
								(Percent per annum)		
Subsidiary companies										
BT Securities Co., Ltd.	86	86	-	51	138	86	-	31	MLR-1.5%, 9%	
BT Leasing Co., Ltd.	2,258	2,259	-	11	2,201	2,258	-	28	MOR - 2%, 3.6%, 4.2%	
BT Asset Management Co., Ltd.	-	-	-	7	-	-	-	8		
BT Business Consulting Co., Ltd.	6	6	-	2	5	6	-	2	MOR - 2%	
BT Insurance Co., Ltd.	-	-	-	51	-	-	-	39		
Sathorn Asset Management Co., Ltd.	1,224	-	-	153	3,725	2,969	-	61	3.5%, 3.53%, 3.55%	
Krung Thai Tanakit Finance Plc.	-	-	-	147	-	-	-	143		
BT Worldlease Co., Ltd.	189	488	310	46	174	-	442	18	MLR, 2% of obligations	
Subsidiary held by the Bank's subsidiary										
(BT Worldlease Co., Ltd.)										
Asset Liability Management Co., Ltd.	-	-	-	1	-	-	-	1		
		2,839	310	469			5,319	442	331	
Associated companies										
Millea Life Insurance Thailand Plc.	-	-	-	-	-	-	-	68		
Worldclass Rent a Car Co., Ltd.	1	-	4	-	3	3	4	-	MLR, 2% of obligations	
		-	4	-			3	4	68	
Related companies										
Millea Life Insurance Thailand Plc.	-	-	-	59	-	-	-	-		
Suetrong Construction Co., Ltd.	461	-	-	-	471	473	34	1	MLR - 3.075%, 2.5% of obligations	
Maxwin Builders Co., Ltd.	131	128	-	-	138	134	-	-	No interest, 6.75%	
Thai Baroda Industry Co., Ltd.	237	-	-	-	268	262	70	-	No interest, 6.3%, 0.5% and 2% of obligations	
Union Petro Chemical Plc.	36	10	2	3	39	40	2	4	5%, 5.05% and 1.5% of obligations	
Cenmetal (Thailand) Co., Ltd.	-	-	-	12	-	-	-	53		
Sukhumvit Asset Management Co., Ltd.	-	-	-	-	-	-	2	50	1.25% of obligations	
Thai Asset Management Corporation	-	-	-	-	-	-	-	1,669		
Wongpaitoon Group Plc.	89	89	-	-	89	89	-	-	01.%	
Energy Complex Co., Ltd.	-	-	-	6	-	-	-	41		
		227	2	80			998	108	1,818	
Related persons										
1	1	-	-	120	1	1	-	40		
		1	-	120			1	-	40	

The Bank pays interest on deposits made by related parties at the normal rates granted to general depositors.

35. Financial information by segment

The Bank operates financial and banking business, and its subsidiaries' business involve securities business, fund manager business, non-life insurance business, consultancy service business, asset management business, hire purchase and leasing business which are not the same business segment as the Bank's.

Financial information by segment presented in the consolidated financial statements for the years ended 31 December 2008 and 2007 are as follows:

(Unit: Million Baht)

For the year ended 31 December 2008						
Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Tal	
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	3,354	446	4	42	(279)	3,567
Share of income from investments under equity method	-	-	-	-	(31)	(31)
Non-interest income	(1,011)	103	1,290	508	(240)	650
Non-interest expenses	(5,130)	(481)	(147)	(562)	210	(6,110)
Corporate income tax	-	(2)	(48)	(10)	-	(60)
Net income (losses)	(2,787)	66	1,099	(22)	(340)	(1,984)

(Unit: Million Baht)

For the year ended 31 December 2007						
Bank business	Hire purchase business	Asset management business	Other business	Eliminations	Tal	
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	2,721	437	96	43	(11)	3,286
Share of income from investments under equity method	-	-	-	-	(16)	(16)
Non-interest income	(5,050)	(65)	975	591	(570)	(4,119)
Non-interest expenses	(5,098)	(339)	(912)	(607)	887	(6,069)
Corporate income tax	-	-	-	(9)	-	(9)
Net income (losses)	(7,427)	33	159	18	290	(6,927)

(Unit: Million Baht)

For the year ended 31 December 2007												
	Bank business		Hire purchase business		Asset management business		Other business		Eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Investments - Net	46,228	75,527	-	150	6	1,788	800	1,423	(1,514)	(1,931)	45,520	76,957
Loans and accrued interest receivable - Net (including interbank and money market items)	125,611	96,846	3,645	3,683	259	1,125	683	619	(3,174)	(5,435)	127,024	96,838
Land, premises and equipments - Net	3,788	3,988	26	29	-	-	49	62	-	-	3,863	4,079
Accounts receivable from sale of investments	24,145	11,072	-	-	-	-	-	-	-	-	24,145	11,072
Other assets	11,273	16,721	65	162	183	212	334	363	(30)	(651)	11,825	16,807
Total assets	211,045	204,154	3,736	4,024	448	3,125	1,866	2,467	(4,718)	(8,017)	212,377	205,753

36. Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposit, liability payable on demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

36.1 Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers, clients on counter parties failed to discharge their contractual obligations.

The Bank credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Bank manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME Filter, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage power), including for home loans, the Bank has developed a credit scoring system for use in risk evaluation.

In respect of the credit review and approval process, the Bank has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Bank has established a Credit Review Unit, which is an independent unit, to ensure that the credit approval process is 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 e.g. loan guarantees and other guarantees, derivative contracts.

As at 31 December 2008 and 2007, the Bank had the following off-balance sheet commitments as summarised by the period to maturity, counting from the balance sheet date of the contracts:

(Unit: Million Baht)

	Separate financial statements					
	Counting from 31 December 2008			Counting from 31 December 2007		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Aval to bills	496	-	496	924	-	924
Guarantees of loans	471	-	471	610	-	610
Liabilities under unmatured import bills	438	-	438	335	-	335
Letters of credit	1,336	-	1,336	2,166	61	2,227
Other guarantees	5,781	81	5,862	6,156	273	6,429

36.2 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 DVO1, 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.

a) 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. The Bank has set risk limits for interest rate risk under banking accounts (Net Interest Income Charge) under the consent of the Assets and Liabilities Committee (ALCO) to control under the appropriate level. Where the risk limits for structured interest rate risk for trading accounts (Interest rate VaR) are approved by the Risk Management Committee.

As at 31 December 2008 and 2007, financial assets and liabilities classified by types of interest rate are as follows:

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 December 2008			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial Assets				
Cash	-	-	4,630	4,630
Interbank and money market items	86	33,252	9,652	42,990
Investments ⁽¹⁾	17,695 ⁽¹⁾	19,736	11,499	48,930
Loans	59,566	27,777	210	87,553
Financial Liabilities				
Deposits	21,115	137,532	1,359	160,006
Interbank and money market items	1,475	8,421	89	9,985
Liabilities payable on demand	-	-	188	188
Borrowings	3,145	149	3,304	6,598

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,260 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

(Unit: Million Baht)

Descriptions	Separate financial statements			
	31 December 2007			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash	-	-	3,873	3,873
Interbank and money market items	541	3,670	4,262	8,473
Securities purchased under resale agreements	-	2,250	-	2,250
Investments ⁽¹⁾	44,570 ⁽¹⁾	16,129	23,327	84,026
Loans	77,551	17,269	495	95,315
<u>Financial Liabilities</u>				
Deposits	25,406	139,213	1,564	166,183
Interbank and money market items	1,824	5,812	101	7,737
Liabilities payable on demand	-	-	276	276
Borrowings	3,038	1,747	3,304	8,089

⁽¹⁾ Certain of this amount comprises investment in receivable of Baht 1,629 million based on the original contract rate. Interest on investment in receivable is recognised on a cash basis.

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

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 years ended 31 December 2008 and 2007, can be summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	Average balances	Interest and dividend	Average rate (%)	Average balances	Interest and dividend	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items	22,223	767	3.45	17,769	752	4.23
Securities purchased under resale agreements	1,847	7	3.32	2,697	111	4.12
Investments	62,429	3,210	5.14	91,523	5,253	5.75
Loans	91,468	6,991	7.64	99,177	7,819	7.88
<u>Performing financial liabilities</u>						
Deposits	156,829	4,888	3.12	179,797	6,632	3.69
Interbank and money market items	6,640	141	2.13	11,262	278	2.47
Securities sold under repurchase agreements	-	-	-	942	33	3.46
Borrowings	5,078	379	7.45	9,935	568	5.72

b) 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 Treasury and Trading Division is responsible for managing foreign currency positions within risk limits set by Risk Management Committee. These are the FX VaR limit and FX exposure limit.

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 2008 and 2007, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

	Separate financial statements						
	2008				2007		
	USD	KRW*	EURO*	Other Currencies*	USD	EURO*	Other Currencies*
Spot	312.98	39.23	3.12	5.23	1,028.36	0.52	3.26
Forward							
- Forward contract	(310.80)	(38.81)	(2.60)	(6.14)	(1,043.93)	(0.69)	(4.13)
Total	2.18	0.42	0.52	(0.91)	(15.57)	(0.17)	(0.87)

* EURO, KRW and other currencies are stated in USD equivalents.

c) Equity position risk

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 revenues and the value of financial assets.

36.3 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 and Trading Division of the Bank is responsible for liquidity management, including procurement of both short-term and long-term sources of funds, and debt security investment management. The overall liquidity risk management is monitored by the Asset and Liability Management Committee according to the liquidity risk limits set for the Liquid Asset Ratio, and Liquidity Cumulative Gap.

The period to maturity, counting from the balance sheet date, of financial instruments outstanding as at 31 December 2008 and 2007 are as follows:

(Unit: Million Baht)

Descriptions	Separate financial statements				
	Counting from 31 December 2008				
	At call	Less than 1 year	More than 1 year	No maturity	Total
Financial Assets					
Cash	4,630	-	-	-	4,630
Interbank and money market items	6,419	36,571	-	-	42,990
Investments ⁽¹⁾	11 ⁽¹⁾	4,625	38,030	6,264	48,930
Loans ⁽²⁾	10,650 ⁽²⁾	32,330	44,573	-	87,553
Financial Liabilities					
Deposits	22,474	132,353	5,179	-	160,006
Interbank and money market items	1,564	8,414	7	-	9,985
Liabilities payable on demand	188	-	-	-	188
Borrowings	544	2,909	3,145	-	6,598

(1) Investments classified as maturity at call of Baht 11 million are investment in defaulted debt securities.

(2) A part of loans classified as maturity at call of Baht 9,888 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

(Unit: Million Baht)

Descriptions	Separate financial statements				
	Counting from 31 December 2007				
	At call	Less than 1 year	More than 1 year	No maturity	Total
Financial Assets					
Cash	3,873	-	-	-	3,873
Interbank and money market items	1,578	3,536	3,359	-	8,473
Investments ⁽¹⁾	11 ⁽¹⁾	26,326	50,699	6,990	84,026
Loans ⁽²⁾	10,550 ⁽²⁾	34,601	50,164	-	95,315
Financial Liabilities					
Deposits	26,950	137,892	1,341	-	166,183
Interbank and money market items	1,545	5,588	604	-	7,737
Liabilities payable on demand	276	-	-	-	276
Borrowings	545	1,747	5,797	-	8,089

(1) Investments classified as maturity at call of Baht 11 million are investment in defaulted debt securities.

(2) A part of loans classified as maturity at call of Baht 9,568 million are outstanding balances of defaulted loans classified in sub-standard category and upward. However, repayment schedules of these loans are dependent upon new restructuring conditions.

36.4 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 detailed for financial assets above.

As at 31 December 2008, differences between the book value and the fair value of financial instruments of the Bank are estimated to be immaterial. However, the investments in held-to-maturity foreign debt securities in form of Structured Notes, which have price quoted by the arrangers lower than their book values are discussed in Note 9.1 (a) to the financial statements.

36.5 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 2008 and 2007, financial derivatives as classified by their maturities are as follows:

(Unit: Million Baht)

	Separate financial statements					
	2008			2007		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	15,695	355	16,050	32,700	4,821	37,521
- Sold	21,775	244	22,019	45,917	5,100	51,017
Foreign currency swap contracts						
- Bought	3,642	7,515	11,157	18,449	10,866	29,315
- Sold	3,358	7,200	10,558	17,153	10,267	27,420
Fx currency option						
- Wrote call option	-	-	-	212	-	212
Interest rate cap						
- Bought	-	-	-	960	-	960
- Sold	-	-	-	960	-	960
Interest rate swap contracts						
- Fixed rate payer	13,561	20,812	34,373	14,770	36,933	51,703
- Floating rate payer	13,759	23,283	37,042	11,966	36,773	48,739
- Fixed rate payee	13,759	20,443	34,202	11,446	35,353	46,799
- Floating rate payer	13,561	23,652	37,213	15,290	38,353	53,643
Credit Default Swap						
- Sold	382	-	382	-	382	382

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 or interest rates, which can fluctuate materially as the market situation changes.

37. Agreement to transfer 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 2008 and 2007, loans transferred to TAMC are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2008		2007	
	Book value	Transfer price	Book value	Transfer price
Loans transferred to TAMC				
CAP	82,345	21,934	82,348	21,934
NON CAP	15,774	3,465	15,774	3,465
Total	98,119	25,399	98,122	25,399
Less : TAMC notes which have been redeemed by TAMC		(22,694)		(18,810)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 9.1)		2,705		6,589

The Bank is to 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. As at 31 December 2008 and 2007, the Bank recognised interest receivable under these promissory notes amounting to Baht 282 million and Baht 293 million, respectively.

Share of the unrealised gain and losses arising from management of the non-performing loans

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, which is to be allocated at the end of the agreement, counting 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 which, 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. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

However, on 17 November 2006, the Bank transferred rights over future gain sharing under the agreement to transfer CAP loans to TAMC to FIDF, although the Bank is still obligated to share losses with TAMC.

As at 31 December 2008, the amount of such gains/losses cannot be reasonably estimated, and the Bank has therefore not recognised any gains/losses that may occur as a result of the above obligations in its accounts. However, the Bank's management believes that no significant future losses will be incurred.

Outstanding issues with TAMC

As of 31 December 2008, the Bank and TAMC had outstanding issues regarding the follow up of outstanding requisitions of original ownership documents and appraisal reports for collateral, and regarding the valuation of leasehold rights collateral of 127 debtors with transfer prices totalling Baht 1,061 million. The Bank believes that these issues will not have a material impact on the transfer price of the loans and interest on TAMC note, since some of the original ownership documents and appraisal reports for the collateral have already been handed over to TAMC while, collateral for receivables that have a number of creditors, TAMC needs to contact the major creditors itself in order to move the issue forward. With respect to the outstanding issue of the valuation of leasehold rights, the Bank believes that the transferable leaseholds can be appraised or revalued.

The above issues are still being investigated and finalised between the Bank and TAMC. The Bank's management believes that there will not be a material impact to the transfer price and relevant interest. However, for conservative reasons, the Bank has recorded allowance for impairment of the TAMC Promissory Notes amounting to Baht 54 million in the current year financial statements.

38. Reclassification

Certain amounts in the financial statements for the prior year ended 31 December 2007 have been reclassified to conform to the current year's classification, but with no effect to previously reported net losses or shareholders' equity. The reclassifications are as follows

(Unit: Million Baht)

	Consolidate financial statements		Separate financial statements	
	As reclassified	As reclassified reported	As previously	As previously reported
Other assets	7,077	7,021	7,246	7,190
Provisions - Pension benefits to employees	436	-	436	-
Other liabilities	4,970	5,350	4,107	4,487

39. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 20 February 2009.

Audit fees

For the year end 31 december 2008, fee for the external auditor was as follows:

- (1) Audit fee
 - The bank and its subsidiary companies paid an amount of THB 13,700,000 in audit fees. Other expenses, such as transport and photocopying did not exceed 10% of the audit fee.
- (2) The bank and its subsidiary companies paid an for non-audit services such as consulting services provided by the external auditors as follow:
 - During the financial year, there were no non-audit services and extra charge for non-audit services to be delivered beyond the financial year 2008 paid to the external auditors.



SUPPLEMENTARY INFORMATION

Name	:	BankThai Public Company Limited
Registration No	:	0107537002338 (former Bor. Mor. Jor. 480)
Business Type	:	Commercial Banking
Head Office	:	No. 44, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone	:	0-2633-9000-3; 0-2638-8000
BANKTHAI CARE CENTRE	:	0-2626-7777 Press 0
Facsimile	:	0-2633-9026
Website	:	http://www.bankthai.co.th

Capital Structure

The registered and issued and paid-up share capital of the Bank as at 28 February 2009 are as follows:

Registered Share Capital	:	THB 50,060,254,365 (fifty billion, sixty million, two hundred and fifty-four thousand, three hundred and sixty-five Baht), which comprises:
		(i) Ordinary shares: 13,349,401,164 shares (thirteen billion, three hundred and forty-nine million, four hundred and one thousand, one hundred and sixty-four) ordinary shares, with a par value of THB 3.75 (three Baht and seventy-five satang)
		(ii) Preference shares: -none-
Issued and Paid-up Share Capital	:	THB 25,030,127,182.50 (twenty-five billion, thirty million, one hundred and twenty-seven thousand, one hundred and eighty-two Baht and fifty satang), comprising 6,674,700,582 (six billion, six hundred and seventy-four million, seven hundred thousand, five hundred and eighty-two) ordinary shares, with a par value of THB 3.75 (three Baht and seventy-five satang)

Issuance of Debt Securities

Classified by type	Interest rate	Maturity	Collateral	Restrictions and requirements	Debentures in issue and value as at 31 December 2008 (THB)	Credit ratings (Modity's/ TRIS)	Proxy
1. US\$ 50,000,000 Subordinated Floating Rate Notes due 2016 Callable with Step up in 2011 (Issue Date : 17 July 2006)	Six-month LIBOR US dollar deposit rate plus 350 basis points ("bps") for the first 5 years; and six-month LIBOR US dollar deposit rate plus to 525 bps after an early redemption	17 Jul 2016	-none-	Call option in the case when: (1) there are significant changes in tax laws resulting in increased tax liability for the issuer ; (2) the issuer decides redeem the debentures at the end of the first	1,747,187,500 (US\$ 50,000,000)	-none-	-none-

Classified by type	Interest rate	Maturity	Collateral	Restrictions and requirements	Debentures in issue and value as at 31 December 2008 (THB)	Credit ratings (Modity's/ TRIS)	Proxy
	call option in 2011.			five years; or (3) the debentures do not qualify as Lower Tier II Subordinated Debt.			
2. US\$40,000,000 Subordinated Floating Rate Notes due 2017 Callable with Step Up in 2012 (Issue Date : 16 February 2007)	Six-month LIBOR US dollar deposit rate plus 350 bps points for the first 5 years; and six-month LIBOR US dollar deposit rate plus 525 bps after an early redemption call option in 2012	20 Feb 2017	-none-	Call option in the case: when: (1) there are significant changes in tax laws resulting in increased tax liability for the issuer ; (2) the issuer decides redeem the debentures at the end of the first five years; or (3) the debentures do not qualify as Lower Tier II Subordinated Debt.	1,397,750,000 (US\$ 40,000,000)	-none-	-none-
3. Subordinated long term notes ¹	-none-	22 Dec 2003	-none-	-none-	544,502,520	-none-	-none-
4. Subordinated 10-year long term notes ²	-none-	1 Feb 2009	-none-	-none-	2,759,660,000	-none-	-none-

Note: 1. THB 544.50 million transferred from the state-intervened financial institutions, Union Asia Finance and Securities Public Co., Ltd.
2. THB 2,759,66 million transferred from the state-intervened financial institutions: (a) THB 1,509.66 million from Dhana Siam Finance Public Co., Ltd. ; (b) THB 500 million from IFCT Finance and Securities Co.,Ltd.; and (c) THB 750 million from First City Investment Finance Public Co.,Ltd.

Dividend Policy

(i) Dividend Policy

The Bank's dividend policy is to distribute dividends to shareholders from not less than 40% of its net earnings (after corporate income tax) from operations for the year. Pursuant to Article 43 of the Bank's Articles of Association, "No dividend shall be paid otherwise than out of profits. If the Company has incurred losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit. The Board of Directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders in the next meeting. The payment of dividend shall be made within the time as prescribed under the law and the notice of such payment of dividend shall be sent to the shareholders and also be published in a newspaper."

As the Bank reported accumulated loss in 2008, the Board of Directors decided not to declare any dividend for the 2008 financial year, in pursuance of Section 115 of the Public Limited Companies Act BE 2535 (AD 1992) which stipulates that dividends shall not be paid other than out of profits. In the case where the company still has an accumulated loss, no dividends shall be paid.

(ii) Dividend Policy of the Bank's Subsidiary Companies

With respect to the Bank's subsidiary companies, the decision to declare a dividend is at the discretion of the respective subsidiary companies' boards of directors and is dependent upon the subsidiary companies' net earnings.

Shareholding in juristic entities at 10% or more of paid-up capital

As of 31 December 2008

	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of Shares)	Number of Shares Holding	%
1	BT Securities Co.,Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2657-9000	Securities	Ordinary	120,000,000	119,999,993	99.99
2	BT Asset Management Co.,Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2686-9500	Mutual Fund	Ordinary	22,000,000	21,999,993	99.99
3	BT Insurance Co.,Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2657-1700	Insurance	Ordinary	30,000,000	29,999,910	99.99
4	BT Leasing Co.,Ltd. 889 Thai CC Tower 25 th , 32 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2673-9111	Leasing	Ordinary	20,000,000	19,999,994	99.99
5	BT Business Consulting Co.,Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7123	Consulting	Ordinary	330,000	329,993	99.99
6	Sathon Asset Management Co.,Ltd. 44 North Sathon Road, Silom, Bangrak, Bangkok Tel. 0-2638-8000	Asset Management	Ordinary	2,500,000	2,499,993	99.99
7	BT Worldlease Co.,Ltd. 889 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2675-6300 Fax. 0-2675-6299	Leasing	Ordinary	24,000,000	18,010,000	75.04

	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of Shares)	Number of Shares Holding	%
8	Millea Life Insurance (Thailand) Public Co.,Ltd. 195 Empire Tower, South Sathon Road, Yannawa, Bangkok Tel. 0-2670-1400 Fax. 0-2670-1401-11	Insurance	Ordinary	176,956,522	27,000,000	15.26
9	Srithepthai Plaschem Co.,Ltd. 109 Moo 8, Bangna-Trad Road, Bangna, Bangkok Tel. 0-2398-0027 Fax. 0-2383-0201	Plastic	Ordinary	83,332	31,410	37.69
10	Worldclass Rent a Car Co.,Ltd. 19/23 Building A, Royal City Avenue New Petchburi Road, Bangkok 10320 Tel. 0-2203-0225 Fax. 0-2203-0250	Car Rental	Ordinary Preferred Shares	3,800,000	760,000	20.00
11	Wongpaitoon Group Public Co.,Ltd. 70/19 Moo 6 Ekkachai Road, Bangbon Bangbon, Bangkok 10150 Tel. 0-2416-4642 Fax. 0-2416-1853	Footware	Ordinary	868,268,161	98,364,146	11.33
12	Sri U-Thong Co.,Ltd. 388 SP Building, 12 th Floor, Phaholyothin Road, Phayathai, Bangkok Tel. 0-2273-0032 Fax. 0-2273-0517	Construction	Ordinary	106,494,231	16,623,720	15.61
13	M-Home SPV 3 Co.,Ltd. 1006/420 Masterview Executive Place Building, 1 st Floor, Charoennakorn Rd., Banglumphu, Klongsan Bangkok 10600	Asset Management	Ordinary	10,000	1,282	12.82
14	Ramada Tawana Hotel Co.,Ltd. 80 Surawongse Road, Bangkok Tel. 0-2236-0361 Fax. 0-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
15	Senju Metal (Thailand) Co.,Ltd. 87 M Thai Tower All Seasons Place, Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel. 0-2654-3223-5	Solder Materials	Ordinary	200,000	20,000	10.00
16	BSL Leasing Co.,Ltd. 175 Sathon City Tower, 19 th Floor, South Sathon Road, Sathon, Bangkok Tel. 0-2670-4700 Fax. 0-2679-6160	Leasing	Ordinary	1,000,000	100,000	10.00

	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No.of Shares)	Number of Shares Holding	%
17	Sanwa Interfood Co.,Ltd. 255 Moo 5 Suwansorn Road, Kabinburi, Prachinburi Tel. 0-2543-6730-3	Food	Ordinary	10,000,000	1,000,000	10.00
18	Bangkok SMBC Consulting Co.,Ltd. 138 Boonmitr Building, 7 th Floor, Silom Road, Suriyavong, Bangrak, Bangkok Tel. 0-2237-6295-8	Service	Ordinary	20,000	2,000	10.00
*19	Sunshine Public Co.,Ltd. 522 Ratchada Complex, Ratchadaphisek Road, Huaykhuang, Bangkok Tel. 0-2541-4006 Fax. 0-2541-4014	Electrical Appliance	Ordinary	40,000,000	4,000,000	10.00
*20	P.C.Patanasub Co.,Ltd. 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Commerce	Ordinary	10,000	9,993	99.93
*21	Krungthai Thanakit Public Co.,Ltd. Sermmit Tower, 15-16 th Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Commerce	Ordinary	1,076,976,000	1,067,229,773	99.10
*22	Nava SC Securities Co.,Ltd. C/O 22/F., Prince Building, Central, Hong Kong	Securities	Ordinary	95,000,000	76,155,817	80.16
*23	Executive Management Services Manpower Ltd. 295 Rama III Road, Bangkholaem, Bangkok 10120 Tel. 0-2689-2626 Fax.0-2689-2636	Service	Ordinary	2,000	340	17.00
*24	Global Leasing Co.,Ltd. 518/5 Maneeya Center, 9 th Floor, Ploenchit Road, Lumpini, Pratumwan, Bangkok 10330 Tel. 0-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
*25	TPF Leasing Co.,Ltd. Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00

Company Name / Address		Type of Business	Type of Share	Paid-up Capital (No.of Shares)	Number of Shares Holding	%
*26	UTM Advisory & Capital Management Co.,Ltd. 44 Bangthai Building, 18 th Floor, Langsuan Road, Lumpini, Bangkok	Service	Ordinary	100,000	10,000	10.00
27	SPL Development Co.,Ltd. 149 Modern Home Tower, Nontri Road, Yannawa, Bangkok	Property Development	Ordinary	500,000	499,999	99.99
28	Thai-Ultra Auto Part Co.,Ltd. 59/1 Moo 4 Highway Road, Nikomattana, Bankai, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
29	Advance Manufacturing Leasing Co.,Ltd. 246 Time Square Building, 11 th Floor Sukhumvit Road 12-14, Klongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
30	Zigma Paint (Thailand) Co.,Ltd. 36 Moo 4, Bangshan Industrial Estate, Serithai Road, Meanburi, Bangkok Tel. 0-2517-0166-7	Chemical Industry	Ordinary	60,600,000	8,400,000	13.86

Remark * under liquidation process

- Suetrong Construction Co.,Ltd. - after capital reduction and followed by capital increase to THB 102,020,000 (1,020,200 shares), BT's shareholding stands at 0.99% of total issued shares
- Phoenix Insurance (Thailand) Co.,Ltd. - after an increase of registered capital to THB 600.0 million (60.0 million shares), BT's shareholding stands at 5% of total issued shares

References

Share Registrar (ordinary shares)	:	Thailand Securities Depository Co., Ltd. 62, The Stock Exchange of Thailand Building 4 th and 7 th Floor, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: (66)-2-229-2800, (66)-2-654-5599 Fax: (66)-2-359-1263
Auditor	:	Ernst & Young Office Ltd. 33 rd Floor, Lake Rachada Building 193/136-137 New Rajadapisek Road Bangkok 10110, Thailand Tel: (66)-2-264-0777; Fax: (66)-2-264-0790 Auditors in charge : <ul style="list-style-type: none">- Miss Ratana Jala, Certified Public Accountant (Thailand), Registration No. 3734- Mr. Narong Puntawongse, Certified Public Account (Thailand), Registration No. 3315; and/or- Miss Saifon Inkaew, Certified Public Account (Thailand), Registration No. 4434
Senior Legal Experts	:	(1) Mr.Damrong Chamsuthi (Former Deputy Chief Justice of the Supreme Court) No. 272 North Tesabalrangrak, Soi 8 Prachanivet 1, Chatuchak, Bangkok 10900, Tel: 0-2589-3023 (2) Mr.Narm Yimyam (Former Chairman of Kor.Tor.Sor, Chief Judge of the Court of Appeal, Division 1 and Chief Judge in the Supreme Court) No. 47 Soi Yasoob 1, Viphavadee Road, Chatuchak, Bangkok 10900, Tel: 0-2272-1687 (3) Mr.Sawan Sukdarak (Former Judge of the Supreme Court) No. 112/80 Moo Ban Chinkhet, Soi 1/11 Ngamwongwan Road, Laksi, Bangkok 10210, Tel: 0-2589-1447



Corporate Banking Group

Corporate Banking Division 1

Mr. Chit Chittivaranon
Corporate Banking Division 1 Head

Corporate Banking Division 2

Mr. Wiwat Vetayanukul
Corporate Banking Division 2 Head

Corporate Banking Division 3

Mrs. Wirongrong Sukying
Corporate Banking Division 3 Head

Corporate Banking Division 4

Mr. Tara Ratanaphiphob
Corporate Banking Division 4 Head

Corporate Banking Division 5

Mr. Vorakan Dhepchalerm
Corporate Banking Division 5 Head

Corporate Banking Division 6

Mr. Samchai Benchaphathomrong
Corporate Banking Division 6 Head

Japanese Business Development Team

Mr. Takashi Kusumoto
Japanese Business Development Team
Head

International Trade Sales Team

Mrs. Rujiporn Promchai
International Trade Sales Team Head

Business Service and Support Team

Mr. Chatchai Jannaul
Business Service and Support Team
Head

SME - Banking Group

SME - Banking Division 1

Mr. Munin Thampornpipat
SME - Banking Division 1 Head (Acting)

SME - Banking Division 2

Mr. Somkiat Sethasompope
SME - Banking Division 2 Head

SME - Banking Division 3

Mr. Suwat Summashipvitsavakul
SME - Banking Division 3 Head

SME - Banking Division 4

Mr. Boripat Kulchartchai
SME - Banking Division 4 Head

SME - Banking Division 5

Mr. Wongkasem Kamthanat
SME - Banking Division 5 Head

SME - Banking Team 1/3

Mr. Pakorn Prechaporn
SME - Banking Team 1/3 Head

SME - Banking Team 2/3

Mr. Wichien Jongpanichkulthorn
SME - Banking Team 2/3 Head

SME - Banking Team 3/3

Mr. Thanadej Kanokyurapan
SME - Banking Team 3/3 Head

SME - Banking Team 1/4

Miss. Suteewan Sirisawat
SME - Banking Team 1/4 Head

SME - Banking Team 2/4

Mr. Kraiwut Doltada
SME - Banking Team 2/4 Head

SME - Banking Team 3/4

Mr. Hasadin Prothien
SME - Banking Team 3/4 Head

SME - Banking Team 1/5

Mr. Chalor Taerungreung
SME - Banking Team 1/5 Head

SME - Banking Team 2/5

Mr. Sakchai Wongchaisuriya
SME - Banking Team 2/5 Head

SME - Banking Team 3/5

Mrs. Hathaikorn Wichairatana
SME - Banking Team 3/5 Head

SME Service and Support Team

Mr. Tanit Onnuch
SME Service and Support Team Head

Institutional Banking Group

Treasury & Trading Division

Mr. Sutee Losoponkul
Treasury & Trading Division Head

Treasury Sales Division

Mr. Padej Piroonsit
Treasury Sales Division Head

Capital Market & Structured Credit Division

Mr. Chaiwat Matevelungsun
Capital Market & Structured Credit
Division Head

Privileged Banking Division

Mrs. Janchai Angsamaporn
Privileged Banking Division Head

Treasury Team

Mrs. Kanyapamch Boonbandam
Treasury Team Head

Foreign Exchange Trading Team

Miss Veeravan Tantiprasut
Foreign Exchange Trading Team Head

Derivatives Trading Team

-

Structured Rates Team

Mr. Popon Kangpenkae
Structured Rates Team Head

Financial Institutional Team

Mr. Prawat Rakpatapeesuwan
Financial Institutional Team Head

Institutional Funding Team

Mrs. Saisamorn Duangmanee
Institutional Funding Team Head

Foreign Exchange Sales Team

Mrs. Chalairat Sorasuchart
Foreign Exchange Sales Team Head

Fixed Income Sales Team

Miss Sarinthorn Suree
Fixed Income Team Head

Derivative Sales Team

Mr. Wichien Prachyavutirat
Derivatives Sale Team Head

Capital Market Team

Miss Sumalee Boon-A-Nan
Capital Market Team Head

Structured Credit Team

Mr. Chaiwat Matevelungsun
(Acting) Structured Credit Team Head

Privileged Banking Team 1

Miss Ladda Somjit
Privileged Banking Team 1 Head

Privileged Banking Team 2

Mrs. Orawan Patimaprakom
Privileged Banking Team 2 Head

Privileged Banking Team 3

Miss Pavita Wattanayam
Privileged Banking Team 3 Head

Privileged Banking Team 4

Miss Sakulpat Sirirugsa
Privileged Banking Team 4 Head

Privileged Banking Product Development Team

Mrs. Janchai Angsamaporn
(Acting) Privileged Banking Product Development Team Head

Retail Banking Group

Retail Banking Division

Mr. Tada Charukitpaisarn
Retail Banking Division Head

E-Banking Division

Mr. Tawich Virangkul
(Acting) E-Banking Division Head

Branch Service and Support Division

-

Electronic Banking Services Department

Mr. Tawich Virangkul
Electronic Banking Services Department Head

Branch Services Department

Mr. Udomsak Lehleakbhai
Branch Services Department Head

Business Planning and Analysis Team

Mr. Sutee Tantana
Business Planning & Analysis Team Head

Retail Products Management Team

-

Retail Deposit & Investment Products Management Team

-

Relationship Management & Marketing Support Team

Miss Amornrat Hovatanapibul
Relationship Management & Marketing Support Team Head

Direct Sales Management Team

Mr. Khomkit Marom
Direct Sales Management Team Head

Bangkok Metropolitan Branch Management Team

-

Provincial Branch Management Team

Mrs. Hathaitip Hengtrakul
Provincial Branch Management Team Head

Retail Collection Team

Mr. Surin Pakavaleetorn
Retail Collection Team Head

Mobile Sale Management Team

Mr. Surachai Janaboon
Mobile Sale Management Team Head

Customer Information Quality Control Team

Mr. Parkpoom Bunchasak
Customer Information Quality Control Team Head

Retail Credit Application Processing Team

Mrs. Kanyika Sukhavat
Retail Credit Application Processing Team Head

Fraud Control & Investigation Team

Mr. Wiroj Mongkolmahalarp
Fraud Control & Investigation Team Head

Business Support Group

Legal Division

Mr. Paraadorn Phakaphat
Legal Division Head

Assets Management Division

-

Network & Office Management Department

Mr. Somkeart Srisuwan
Network & Office Management Department Head

Credit Administration Department

Mr. Ekajai Tivutanond
(Acting) Credit Administration Department Head

Metropolitan Case Monitoring Team

Miss Suvimon Phoponvattanakorn
Metropolitan Case Monitoring Team Head

Provincial Case Monitoring Team

Mr. Sayan Angsusingha
Provincial Case Monitoring Team Head

Legal Execution Team

Mr. Pongdej Wongpoom
Legal Execution Team Head

Legal Consultant Team

-

Assets Management Team 1

-

Assets Management Team 2

Mr. Sonthit Chukate
Assets Management Team 2 Head

Assets Management Team 3

Mr. Chalernpol Decharit
Assets Management Team 3 Head

Assets Management Team 4

-

Non-Performing Assets Sales Team

-

Risk Management and Staff Credit Group

Group Deputy - Risk Management
Mrs. Panute Na Chiangmai
Risk Management and Staff Credit Deputy Group Head

Risk Management Division

Mr. Somsak Chaityadej
Risk Management Division Head

Credit Analysis Division

Mrs. Thitawat Pothanant
Credit Analysis Division Head

Research Office

Mr. Bunluasak Pussarungsri
Research Office Head

Credit Analysis Department 1

Miss Suwanna Leewiraphan
Credit Analysis Department 1 Head

Credit Analysis Department 2

Miss Srisuda Mahalelakul
Credit Analysis Department 2 Head

Credit Analysis Department 3

-

Credit Risk Portfolio Management Team

Mr. Witawus Charuchandr
Credit Risk Portfolio Management Team Head

Market Risk Management Team

Mr. Thawatchai Prommaporn
Market Risk Management Team Head

Operational Risk Management Team

Mr. Tawat Jitkraisorn
Operational Risk Management Team Head

Credit Policy & Credit Quality Management Team

Mrs. Kampoo Visuthiphol
Credit Policy & Credit Quality Management Team Head

Credit Committee Secretary Team

Miss Supaporn Isripradit
Credit Committee Secretary Team Head

Credit Approval Team

-

Financial Control Division

Financial Accounting Department

Mrs. Teeraporn Ratanopas
Financial Accounting Department Head

Management Accounting & Information Department

Mr. Kamol Ruangmanamongkol
Management Accounting & Information Department Head

Budgeting Finance Costing and Treasury Accounting Control Management Department

Miss Pensri Phabhapote
Budgeting Finance Costing and Treasury Accounting Control Management Department Head

Tax Management Team

-

Finance Core Banking Team

-

Corporate Affairs Division

Office of the President

Mr. Thaphop Kleesuwan
Office of the President Head

Public Relations Office

Mrs. Thapthim Singhaseni
Public Relations Office Head

Planning Office

Miss Uthaiwan Anuchitanukul
Planning Office Head

Human Resources Management Division

Business Unit HR Team - Business Group

Mr. Pachurn Subhasatienpong
Business Unit HR Team Head - Business Group

Business Unit HR Team - Operations & Support Group

Mrs. Nuntawan Sudsataya
Business Unit HR Team Head - Operations & Support Group

Compensation Management Team

Mr. Pongsa Boonchaivatanachot
Compensation Management Team Head

Human Resources Development Team

Miss Metta Angrakoon
Human Resources Development Team Head

Employee Relations Team

Mr. Saroj Kijjanont
Employee Relations Team Head

Technology Division

Mr. Pipat Eamsheerangkoon
Technology Division Head

IT Service Development Department

-

IT Operation Department

Mr. Paiboon Sirichuchnin
IT Operation Department Head

Relationship and Project Management Team

Mr. Surachai Anurakradchada
Relationship and Project Management Team Head

Information Security & Risk Management Team

Mr. Krisda Sribunnak
Information Security & Risk Management Team Head

IT Service Support Team

Mr. Weerarat Ratanamungmekar
IT Service Support Team Head

IT Service Improvement Team

-

Core Banking Project Office

Miss Ladarat Pongurai
Assistant Project Director
Miss Yupa Pipatkomkul
Project Manager Technical

Commercial Loan Approval Process System Project

-

Operations Division

Mr. Nuekrak Baingern
Organization Development Division Head

Domestic Banking Operations Department

Mr. Chanin Veerawan
Domestic Banking Operations Department Head

Electronic Banking Operations & Customer Services Department

-

Credit Operations Department

Mr. Thiti Supamanee
Credit Operations Department Head

International Business & Investor Services Department

Mrs. Boonyapak Wanichpan
International Business & investor Services Department Head

Treasury Operations Department

Mr. Wanchai Lerttevasiri
Treasury Operations Department Head

Control and Quality Assurance Team

-

Internal Audit Division

Internal Audit Department

Mrs. Malini Apiwatananont
Internal Audit Department Head

Information Technology and Risk Audit Department

Mr. Boonkiat Ekwanich
Information Technology and Risk Audit Department Head

Compliance and Credit Review Team

Mr. Pattanasak Chermchansophon
Compliance and Credit Review Team Head

Business Center in Metropolis

Bang Lamphu Business Center

Mr. Suriyon Manawapat
Business Center Manager

Bangbon Business Center

Mr. Narongchai Indrasuksri
Business Center Manager

Bangna - Trad Business Center

Mr. Kasamsith Sirikulbodee
Business Center Manager

Bangna Business Center

Mr. Monchai Kaewsangtham
Business Center Manager

Bang Yai Business Center

Mr. Anan Suthitangawichian
Business Center Manager

Charansnitwongse Business Center

Mr. Wittaya Nuntanakom
Business Center Manager

Huey Kwang Business Center

Mr. Sakolpat Wongchartluang
Business Center Manager

Jawarad Business Center

Mr. Aphichai Timakawit
Business Center Manager

Ladprao Business Center

Mr. Wittaya Nateenantasawasdi
Business Center Manager

Min Buri Business Center

Mr. Chaowalert Punjawasaru
Business Center Manager

Nawanakhon Business Center

Mr. Phisanu Chanwattanachai
Business Center Manager

New Phetchaburi Business Center

Ms. Siriluck Wongthai
Business Center Manager

Nongkhaem Business Center

Mr. Samran Umasangthongkul
Business Center Manager

Rangsit Business Center

Mr. Chadin Mokawatana
Business Center Manager

Sathon Business Center

Mr. Somphop Phuangphong
Business Center Manager

Suksawad Business Center

Mr. Sunsern Saratan
(Acting) Business Center Manager

Thanon Rattanathibet Business Center

Mr. Sukrid Thangkhongnuch
Business Center Manager

Thanon Sailuat Samutprakan Business Center

Mr. Suthon Skularnoon
Business Center Manager

Yannawa Business Center

Mr. Sunk Sapphansaen
Business Center Manager

Business Center in Provincial**Chiangmai Business Center**

Mr. Phiphop Khatsri
Business Center Manager

Chonburi Business Center

Mr. Preecha Karoonvattana
Business Center Manager

Chumphon Business Center

Mr. Montree Choosinthong
Business Center Manager

Hatyai Business Center

-

Khonkaen Business Center

Mr. Warawich Jittasantiwong
Business Center Manager

Nakhon Pathom Business Center

Mr. Tawatchai Yonprasarn
Business Center Manager

Nakhon Ratchasima Business Center

Mr. Anugul Phinijjai
Business Center Manager

Nakhonsawan Business Center

Mr. Nuttapat Teoyhansakhawe
(Acting) Business Center Manager

Omnoi Sub Business Center

Mr. Sutthisak Chatuphonphiset
Business Center Manager

Pattaya Business Center

Mr. Poompong Suntornstiankul
Business Center Manager

Pra Nakhon Si Ayutthaya Business Center

Mr. Pradit Limsawat
Business Center Manager

Phuket Business Center

Mr. Songwuth Thephabutr
Business Center Manager

Ratchaburi Business Center

Mr. Nut-Phat Lekjaroerung
(Acting) Business Center Manager

Samutsakorn Business Center

Mrs. Uruwan Sirorattana
Business Center Manager

Suratthani Business Center

Mr. Prakob Vongchisit
Business Center Manager

Ubon Ratchathani Business Center

Mr. Somwang Khowiboonchai
(Acting) Business Center Manager

Udon Thani Business Center

Mr. Wutthichai Chiraphornkun
Business Center Manager

Bangkok Area**Bangkok Area 1**

Mr. Anake Kongsangprome
Area Manager

Bangkok Area 2

Mrs. Nantanit Anan-Naweenusorn
Area Manager

Bangkok Area 3

Mr. Jaet Netprawong
Area Manager

Bangkok Area 4

Mr. Nattawud Thanompan
Area Manager

Bangkok Area 5

Mr. Kasarb Amatayakul
Area Manager

Bangkok Area 6

Mr. Saravut Obsuwan
Area Manager

Provincial Area**Provincial Area 1**

Mrs. Anchuree Klaichid
Area Manager

Provincial Area 2

Mr. Tanongsit Jarusajjanan
Area Manager

Provincial Area 3

Mr. Ruangsit Yongpraphat
Area Manager

Provincial Area 4

Mr. Prasong Auesatidvong
Area Manager

Provincial Area 5

Mr. Kowit Nualrod
(Acting) Area Manager

Provincial Area 6

Mr. Kowit Nualrod
Area Manager

Business center In metropolis	Telephone	Fax
Bang Lamphu Business Center	0-2629-2903-5	0-2629-2906
Bangbon Business Center	0-2416-8277-9, 0-2894-4075-6, 0-2894-4077	0-2894-4051
Bangna - Trad Business Center	0-2312-6630-2, 0-2312-6752-4	0-2312-6755
Bangna Business Center	0-2747-5389-90	0-2747-5391
Bangyai Business Center	0-2926-3471, 0-2926-3480-1	0-2926-3470
Charansnitwongse Business Center	0-2418-0776	0-2418-0775
Huey Kwang Business Center	0-2277-0554, 0-2277-2863, 0-2277-9955	0-2691-7820
Jawarad Business Center	0-2233-8696, 0-2234-2551-2, 0-2234-4002, 0-2234-4527, 0-2234-4941	0-2234-4525
Ladprao Business Center	0-2936-9116, 0-2538-2493-4	0-2936-9117
Min Buri Business Center	0-2540-4908,0-2540-4910	0-2540-4909
Nawanakhon Business Center	0-2520-4539-40, 0-2520-4799	0-2520-4085
New Phetchaburi Business Center	0-2718-0613-5	0-2718-0612
Nong Khaem Business Center	0-2421-1122, 0-2421-1460, 0-2421-1991, 0-2421-3787	0-2808-9549
Rangsit Business Center	0-2959-2212-4	0-2959-0910
Sathon Business Center	0-2638-8141-5	0-2633-9274
Suksawad Business Center	0-2817-2705-7	0-2817-2704
Thanon Rattathibet Business Center	0-2527-8728, 0-2527-8745, 0-2527-8748	0-2527-8759
Thanon Sailuat Samutprakan Business Center	0-2703-8593-5	0-2703-8596
Yannawa Business Center	0-2291-2650, 0-2291-2874	0-2688-3321

Business center in provincial	Telephone	Fax
Chiang Mai Business Center	0-5321-1633, 0-5321-4035, 0-5341-8222	0-5321-1637, 0-5341-8451
Chon Buri Business Center	0-3878-1093,0-3878-1189,0-3878-1365,0-3878-1366	0-3878-2165
Chumphon Business Center	0-7757-0112, 0-7757-0131, 0-7757-0342	0-7757-0164
Hat Yai Business Center	0-7423-0973, 0-7423-3037, 0-7424-5011	0-7424-5022
Khon Kaen Business Center	0-4322-0812, 0-4322-0925, 0-4322-1457, 0-4322-1731, 0-4322-4827, 0-4332-2677-8	0-4322-2654, 0-4322-4631
Nakhon Pathom Business Center	0-3428-0170, 0-3428-0173, 0-3428-0177	0-3428-0176
Nakhon Ratchasima Business Center	0-4425-8162, 0-4426-2447	0-4424-3785, 0-4426-2127
Nakhon Sawan Business Center	0-5622-1137, 0-5622-2939, 0-5622-7473, 0-5631-1611	0-5622-4182
Omnoi Business Center	0-2810-4916-7, 0-2810-5211-2	0-2810-4918
Pattaya Business Center	0-3841-6256-8, 0-3848-8140-1	0-3841-6228
Phar Nakhon Si Ayutthaya Business Center	0-3523-2993-6	0-3523-2932
Phuket Business Center	0-7621-4651-2	0-7625-8251
Ratchaburi Business Center	0-3231-8908-10	0-3231-8911
Samut Sakhon Business Center	0-3442-8812-4	0-3442-8815
Suratthani Business Center	0-7721-3640, 0-7721-3643	0-7721-2735
Ubon Ratchathani Business Center	0-4528-4224-5, 0-4531-3395, 0-4528-3136	0-4531-3467, 0-4528-3137
Udon Thani Business Center	0-4222-3248-9, 0-4234-3846, 0-4234-3856-7	0-4234-3847

Bangkok Area

Bangkok Area 1	Telephone	Fax
44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330	0-2626-7105, 0-2626-7261-2	0-2626-7107
Kluaynamthai Branch	0-2392-7824, 0-2392-9208, 0-2391-9113	0-2391-9112
Lumpini Branch	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Pratunam Branch	0-2251-5510, 0-2251-5569, 0-2253-5542-3	0-2251-5415
Sathon Branch	0-2638-8970, 0-2638-8973-6, 0-2638-8978-9	0-2633-9034
Sathupradid Branch	0-2210-2724-6	0-2210-2723
St. Louis Branch	0-2286-0335, 0-2286-0374, 0-2286-2438	0-2286-0318
Thanon Chan Branch	0-2678-5670-1	0-2678-5672
Thanon Langsuan Branch	0-2626-7101-3	0-2626-7104
Yannawa Branch	0-2289-3872-3	0-2289-0560
Central Plaza Rama 3 Sub Branch	0-2673-7035-6	0-2673-7037
Empire Tower Sub Branch	0-2670-1621-2	0-2670-1623
K.S.L. Tower Thanon Si Ayutthaya Sub Branch	0-2642-6762-3	0-2642-6764
Mahboonkrong Center Sub Branch	0-2686-3964-6	0-2686-3967
Siam Square Sub Branch	0-2250-1735-6	0-2250-1737
Silom Center Sub Branch	0-2632-7621-2	0-2632-7623
Silom Sub Branch	0-2234-3010, 0-2236-4747-8	0-2236-4749

Bangkok Area 2	Telephone	Fax
632-636 Yaowarat Road, Samphanthawongse, Samphanthawongse, Bangkok 10100	0-2266-4308, 0-2639-6637	0-2639-6635
Bangpo Branch	0-2585-0192, 0-2585-8180, 0-2587-3454, 0-2912-3871	0-2585-0260
Bangrak Branch	0-2234-6209, 0-2234-6435, 0-2234-9884	0-2233-5020
Jawarad Branch	0-2233-8696, 0-2234-2552, 0-2234-4002, 0-2234-4527, 0-2234-6713	0-2266-4309
Mahanak Branch	0-2223-2650, 0-2223-6624, 0-2224-7021	0-2224-7022
Pakklongtalad Branch	0-2224-7207-8, 0-2224-7210	0-2224-7209
Rajawongse Branch	0-2221-1333, 0-2224-8162-3	0-2222-3190
Ratchadamnoen (Thanon Dinso) Branch	0-2221-7679, 0-2221-7395, 0-2224-8053	0-2224-8052
Sampeng Branch	0-2224-2313, 0-2226-0367	0-2224-2333
Thatien Branch	0-2222-4323, 0-2224-8164-5, 0-2622-2448-9	0-2224-8164
Thewet Branch	0-2280-0481-2, 0-2281-5453, 0-2282-3568	0-2282-4085
Yomaraj Branch	0-2215-7126-7, 0-2215-7382-3	0-2215-7383
Bang Lamphu Sub Branch	0-2629-1573-5	0-2629-1576
Chakkrawat Sub Branch	0-2622-5660-1, 0-2622-9049	0-2622-5662
Si Yan Sub Branch	0-2636-9517-9	0-2636-9520
Vorachak Sub Branch	0-2223-5058, 0-2223-4988	0-2224-9011

Bangkok Area 3	Telephone	Fax
624 Jaroennakorn Road, Bukkalo, Thonburi, Bangkok 10600	0-2877-5598-9	0-2877-5598
Bangbon Branch	0-2416-8277-8, 0-2894-4075-6	0-2416-8279
Bangplad Branch	0-2424-3361-2, 0-2433-8188, 0-2880-4305-6	0-2424-3361
Bangyeekhan Branch	0-2433-5920-3	0-2433-5921
Bukkalo Branch	0-2468-7141-2, 0-2468-8202	0-2468-8203
Charansnitwongse Branch	0-2411-0339, 0-2411-3603-4, 0-2864-6134	0-2411-2245
Nong Khaem Branch	0-2421-1122, 0-2421-1460, 0-2421-3787, 0-2421-1991	0-2421-3788, 0-2808-9549
Phasi Charoen Branch	0-2467-5453-4, 0-2868-8338, 0-2868-8836, 0-2868-8839	0-2467-3106
Prannok Branch	0-2412-3098, 0-2418-1572-4	0-2412-3098
Rat Burana Branch	0-2427-4403, 0-2427-4405	0-2427-4404
Suksawad Branch	0-2463-2130, 0-2463-5345-6	0-2463-5344
Thon Buri Branch	0-2465-0442, 0-2472-1058, 0-2890-3103-4	0-2465-8758
Wat Sai Branch	0-2415-0909, 0-2415-1235, 0-2415-1378	0-2415-2712
Central Pinklao Sub Branch	0-2884-6725-7	0-2884-6728
Central Plaza Rama II Sub Branch	0-2872-4307-8	0-2872-4309
Phra Pradaeng Sub Branch	0-2818-4517-9	0-2818-4520
The Mall Bangkhae Sub Branch	0-2413-0739, 0-2455-3515, 0-2803-8608-9	0-2455-3515
The Mall Tha Phra Sub Branch	0-2477-4287-8	0-2477-7289

Bangkok Area 4	Telephone	Fax
4099 Sukhumvit Road, Bangna, Bangna, Bangkok 10260	0-2747-4084-5	0-2747-4084
Bangna Branch	0-2393-0789, 0-2747-5322	0-2393-0788
Bangna – Trad Branch	0-2312-6752-4, 0-2312-6630-2, 0-2740-6661	0-2312-6755, 0-2740-6660
Big C Bang Phli Branch	0-2312-9695-6	0-2312-9596
New Phetchaburi Branch	0-2718-0613-8	0-2718-0620
Poochaosmingprai Branch	0-2384-3670, 0-2384-7604-6, 0-2754-3324	0-2384-7605
Samuthprakarn Branch	0-2387-1806, 0-2387-1849, 0-2702-8618-9	0-2389-1349
Seri Center Srinakarin Branch	0-2746-0330-1	0-2746-0332
Thonglor Branch	0-2391-4789-91, 0-2392-1584	0-2391-4790
Yaek Asok-Sukhumvit Branch	0-2258-1913, 0-2258-1916, 0-2259-0601	0-2258-1939
Central City Bangna Sub Branch	0-2745-7314-5	0-2745-7316
Ekkamai Power Center Sub Branch	0-2714-7370-2	0-2714-7347
Gmm Grammy Place Sub Branch	0-2665-8181, 0-2665-9906-7	0-2665-9908
Imperial World Samrong Sub Branch	0-2380-6883-4	0-2380-6894
Lat Krabang Sub Branch	0-2739-1705, 0-2739-1895-6	0-2739-1897
On Nuch Sub Branch	0-2730-3066-8	0-2730-3069

Thanon Sailuat Samutprakan Sub Branch	0-2703-8520-2	0-2703-8523
Thanon Thepharak Sub Branch	0-2713-4594-6	0-2713-4597

Bangkok Area 5	Telephone	Fax
2314/15-17 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240	0-2374-2993, 0-2375-2307	0-2374-2858
Bangkhen Branch	0-2511-4353, 0-2512-1716, 0-2511-1719	0-2511-4320
Huamark Branch	0-2377-1362-3, 0-2377-2555	0-2377-1365
Huey Kwang Branch	0-2277-0554, 0-2277-2863, 0-2277-9955	0-2277-0903
Ladprao Branch	0-2530-1372, 0-2538-2493-4, 0-2936-9115-6	0-2530-1371
Phaholyothin Branch	0-2278-1079, 0-2279-5088, 0-2279-8662, 0-2616-8474	0-2279-0737
Ramintra Branch	0-2509-5713, 0-2510-4448, 0-2519-2203	0-2509-5712
Fashion Island Sub Branch	0-2947-5188-9	0-2947-5190
Fortune Town Sub Branch	0-2642-0891-3	0-2642-0891-3
Imperial World Ladprao Sub Branch	0-2934-8530-2	0-2934-8533
Min Buri Sub Branch	0-2906-3672-4	0-2906-3675
Ramkhamhaeng Sub Branch	0-2319-8567, 0-2319-8575, 0-2319-8617	0-2319-8575
Suntowers Thanon Vibhavadirangsit Sub Branch	0-2617-7617-8	0-2617-7619
Talad Wongsakon Sub Branch	0-2994-3087, 0-2994-3394	0-2994-3943
Talat Ying Charoen Sub Branch	0-2972-3363-5	0-2972-3366
The Mall Bangkok Sub Branch	0-2704-9156-8	0-2704-9159
Wang Hin Sub Branch	0-2942-6206-8	0-2942-6218

Bangkok Area 6	Telephone	Fax
1/124 Mu 5, T.Taladkhwah, A.Muang, Nonthaburi 11000	0-2968-4064-5	0-2968-4063
Chaengwattana Branch	0-2573-8121, 0-2574-1502-3	0-2573-8785
Donmuang Branch	0-2566-1588, 0-2566-1610, 0-2929-9947	0-2566-1593
Ngamwongwan Branch	0-2580-1601, 0-2580-1920, 0-2951-9018-9	0-2580-2451
Rangsit Branch	0-2531-5893, 0-2567-2232, 0-2959-1990, 0-2959-2212	0-2531-3020
Tivanon Branch	0-2525-0586, 0-2525-2561, 0-2968-4066-7	0-2527-0264
Bang Yai Sub Branch	0-2903-3120, 0-2903-3125	0-2903-3127
Future Park Rangsit Sub Branch	0-2958-5310-2	0-2958-5313
IT Square Sub Branch	0-2576-0476-7, 0-2576-0374	0-2576-0428
Muang Thong Thani Sub Branch	0-2981-4135, 0-2981-4172	0-2981-4446
Nikhom Utsahakam Nawanakhon Sub Branch	0-2520-4831-3	0-2520-4834
Pak Kret Sub Branch	0-2960-6544-6	0-2960-6547
Talat Thai Sub Branch	0-2529-2277, 0-2529-2971	0-2529-4852
Thanon Rattanathibet Sub Branch	0-2527-8643-4, 0-2527-8722	0-2527-8723
Wongsawang Town Center Sub Branch	0-2913-9783-5	0-2913-9786
Zeer Rangsit Sub Branch	0-2992-5739-40	0-2992-5741

Provincial Area

Provincial Area 1	Telephone	Fax
153 Rajvithee Road, T.Prapathomjadee, A.Muang, Nakhon Pathom 73000	0-3428-0197, 0-3428-0387-90, 0-3428-0396-8	0-3428-0196
Hua Hin Branch	0-3253-1461-2	0-3253-1463
Kanchanaburi Branch	0-3451-7554-7	0-3451-7558
Nakhon Pathom Branch	0-3425-4233-4, 0-3428-0198-9	0-3425-1028
Phar Nakhon Si Ayutthaya Branch	0-3523-2993-6	0-3523-2932
Phetchaburi Branch	0-3242-5148, 0-3242-8227	0-3242-8227
Ratchaburi Branch	0-3231-5988-9, 0-3231-4962-3	0-3231-5588
Samut Sakhon Branch	0-3481-0955-6	0-3481-0957
Samut Songkharm Branch	0-3471-1142, 0-3471-2429, 0-3472-3568	0-3472-4046
Saraburi Branch	0-3631-5304, 0-3631-5307	0-3631-5303
Suphan Buri Branch	0-3550-2660-3	0-3550-2664
Omnoi Sub Branch	0-2810-5211-2	0-2810-5213

Provincial Area 2	Telephone	Fax
64 Changphuek Road, T.Sriphoom, A.Muang, Chiang Mai 50200	0-5341-8400, 0-5341-8402, 0-5341-8338-41 # 401, 403	0-5341-8401
Chiang Mai Branch	0-5328-7070, 0-5341-8338-9	0-5328-7078
Chiang Rai Branch	0-5371-4029-30, 0-5371-9377-8	0-5371-5905
Lumpang Branch	0-5432-3883-4, 0-5432-3902-3	0-5432-3907
Manorom Branch	0-5649-1006, 0-5649-1223	0-5649-1224
Nakhon Sawan Branch	0-5621-1137, 0-5622-2939, 0-5622-7473	0-5622-7474
Phitsanulok Branch	0-5525-2179, 0-5525-2199, 0-5524-4060	0-5524-4061
Central Airport Chiang Mai Sub Branch	0-5328-4447-8	0-5328-4449
Mae Sai Sub Branch	0-5364-2495-7	0-5364-2498
Thanon Changkhlan Sub Branch	0-5382-0913-6	0-5382-0917
Thanon Suthep Sub Branch	0-5380-8848-9, 0-5380-8912	0-5380-8913

Provincial Area 3	Telephone	Fax
142-148 Srichan Road, A.Muang, Khon Kaen 40000	0-4332-1463, 0-4338-9250-4, 0-4338-9337-8	0-4332-1476
Buri Ram Branch	0-4462-5124, 0-4462-5183, 0-4462-5705, 0-4462-5715	0-4462-5698
Khon Kaen Branch	0-4322-0812, 0-4322-0925, 0-4322-2677-8, 0-4322-4631, 0-4322-4827	0-4322-1731
Nakhon Ratchasima Branch	0-4424-3714, 0-4424-3785, 0-4424-4153	0-4425-8161
Nong Khai Branch	0-4241-1728, 0-4241-1738, 0-4241-2791	0-4241-2624
Sakon Nakhon Branch	0-4271-1190, 0-4273-0557, 0-4273-0919	0-4271-1701
Surin Branch	0-4452-1464-7	0-4452-1468
Ubon Ratchathani Branch	0-4528-4224-5, 0-4531-3395, 0-4528-3136	0-4531-3467
Udon Thani Branch	0-4222-3248-9, 0-4234-4097	0-4224-7184

Provincial Area 4	Telephone	Fax
144/53-55 Sukhumvit Road, T.Tapradu, A.Muang, Rayong 21000	0-3886-4109-10	0-3886-4110
Chachoengsao Branch	0-3881-3041-3	0-3881-3044
Chanthaburi Branch	0-3934-0212-5	0-3934-0216
Chon Buri Branch	0-3878-2161-5	0-3878-2166
Rayong Branch	0-3861-1220, 0-3861-1588-9	0-3861-4870
Amata Nakron Industrial Estate Sub Branch	0-3845-7037-8	0-3845-7039
Nong Mon Sub Branch	0-3874-6135-6, 0-3874-5210	0-3874-5766
Pacific Park Sriracha Sub Branch	0-3877-1480-1	0-3877-1482
Saha Group Industrial Park Sriracha Sub Branch	0-3876-2561-2, 0-3876-2570	0-3876-2588
Thanon Pattaya Sai 3 Sub Branch	0-3848-8140-1	0-3848-8142

Provincial Area 5	Telephone	Fax
129/8 Niphat - Uthit 3 Road, A. Hat Yai, Songkhla 90110	0-7435-4624-5	0-7435-4625
Hat Yai Branch	0-7423-0973, 0-7423-3037, 0-7423-5777	0-7424-5022
Nakhon Si Thammarat Branch	0-7531-3201-4	0-7531-3707
Namom Branch	0-7438-3006	0-7438-3005
Songkhla Branch	0-7431-1906, 0-7432-4050-1, 0-7443-5002	0-7431-4391
Talat Kimyong Hat Yai Branch	0-7435-1133-5	0-7435-1136
Dan Nok Sadao Sub Branch	0-7443-4192-3	0-7443-4194
Talat Plaza Hat Yai Sub Branch	0-7434-9242-4	0-7434-9245

Provincial Area 6	Telephone	Fax
323/1 Narmuang Road, A.Muang, Surat Thani 84000	0-7721-2390, 0-7721-4922-31	0-7721-2391
Chumphon Branch	0-7750-4825, 07751-1698, 0-7757-0259	0-7751-1661
Krabi Branch	0-7563-0572-5	0-7563-0576
Phuket Branch	0-7621-1501, 0-7621-7153, 0-7625-8411	0-7621-1502
Surat Thani Branch	0-7721-3177, 0-7727-3574-5	0-7727-3575
Central Festival Phuket Sub Branch	0-7636-7008-9	0-7636-7010
Thanon Tilok Uthit 1 Sub Branch	0-7625-6606-7	0-7625-6608



BANGKOK AREA

BANGKOK AREA 1

- Kluaynamthai
- Lumpini
- Pratunam
- Sathon
- Sathupradid
- St.Louis
- Thanon Chan
- Yannawa
- Central Plaza Rama 3 Sub
- Empire Tower Sub
- K.S.L.Tower Thanon Si Ayutthaya Sub
- Mahboonkrong Center Sub
- Siam Square Sub
- Silom Center Sub
- Silom Sub
- Thanon Langsuan Sub

BANGKOK AREA 2

- Bangrak
- Bangpo
- Jawarad
- Mahanak
- Pakklongtalad
- Rajawongse
- Ratchadamnoen (Thanon Dinso)
- Sampeng
- Thatien
- Thewet
- Yomaraj
- Bang Lamphu Sub
- Chakkrawat Sub
- Si Yan Sub
- Vorachak Sub

BANGKOK AREA 3

- Bangbon
- Bangplad
- Bangyeekhan
- Bukkalo
- Charansnitwongse
- Nong Khaem
- Phasi Charoen
- Prannok
- Rat Burana
- Suksawad
- Thon Buri
- Wat Sai
- Central Pinklao Sub
- Central Plaza Rama II Sub
- Phra Pradaeng Sub
- The Mall Bangkhae Sub
- The Mall Tha Phra Sub

BANGKOK AREA 4

- Bangna
- Bangna - Trad
- Big C Bang Phli
- New Phetchaburi
- Poochaosamingprai
- Samuthprakarn
- Seri Center Srinakarin
- Thonglor
- Yaek Asok-Sukhumvit
- Central City Bangna Sub
- Ekkamai Power Center Sub
- Gmm Grammy Place Sub
- Imperial World Samrong Sub
- Lat Krabang Sub
- On Nuch Sub
- Thanon Sailuat Samutprakan Sub
- Thanon Thepharak Sub

BANGKOK AREA 5

- Bangkhen
- Huamark
- Huey Kwang
- Ladprao
- Phaholyothin
- Ramintra
- Fashion Island Sub
- Fortune Town Sub
- Imperial World Ladprao Sub
- Min Buri Sub
- Ramkhamhaeng Sub
- Suntowers Thanon Vibhavadirangsit Sub
- Talad Wongsakon Sub
- Talat Ying Charoen Sub
- The Mall Bangkapi Sub
- Wang Hin Sub

BANGKOK AREA 6

- Chaengwattana
- Donmuang
- Ngamwongwan
- Rangsit
- Tivanon
- Bang Yai Sub
- Future Park Rangsit Sub
- IT Square Sub
- Muang Thong Thani Sub
- Nikhom Utsahakam Nawanakhon Sub
- Pak Kret Sub
- Talat Thai Sub
- Thanon Rattanathibet Sub
- Wongsawang Town Center Sub
- Zeer Rangsit Sub



BRANCHES PROVIDING CURRENCY EXCHANGE SERVICE

PROVINCIAL AREA

PROVINCIAL AREA 1

- Hua Hin
- Kanchanaburi
- Ratchaburi
- Samut Songkharm

PROVINCIAL AREA 2

- Chiang Rai
- Central Airport Chiang Mai Sub
- Mae Sai Sub
- Thanon Changkhlan Sub

PROVINCIAL AREA 3

- Buri Ram
- Khon Kaen
- Nong Khai
- Surin

PROVINCIAL AREA 4

- Rayong
- Amata Nakron Industrial Estate Sub
- Nong Mon Sub
- Pacific Park Sriracha Sub
- Thanon Pattaya Sai 3 Sub

PROVINCIAL AREA 5

- Hat Yai
- Talat Plaza Hat Yai Sub

PROVINCIAL AREA 6

- Chumphon
- Krabi
- Phuket
- Surat Thani
- Central Festival Phuket Sub
- Thanon Tilok Uthit 1 Sub

CURRENCY EXCHANGE OFFICE INSIDE THE BANK'S PREMISED

Chiang Rai Branch

879/14 Phaholyothin Road,
A.Muang, Chiang Rai

Hua Hin Branch

62 Phetkasem, A.Hua Hin,
Prachuap Khiri Khan

Lumpini Branch

1032/10-12 Rama 4 Road,
Bangkok

Yaek Asok-Sukhumvit Branch

390/4-5 Sukhumvit Road,
Bangkok

Yannawa Branch

2074/7 New Road, Bangkok

Silom Sub Branch

269 Silom Road, Bangkok

CURRENCY EXCHANGE OFFICE OUTSIDE THE BANK'S PREMISED

Talat Lotus Yaowarat

663-665 Mangkon Road,
Samphanthawong, Aamphanthawong,
Bangkok



BankThai Public Company Limited

44 North Sathon Road, Silom, Bangrak, Bangkok 10500

Tel. 0-2633-9000-3, 0-2636-8000

Fax. 0-2633-9026

<http://www.bankthai.co.th>