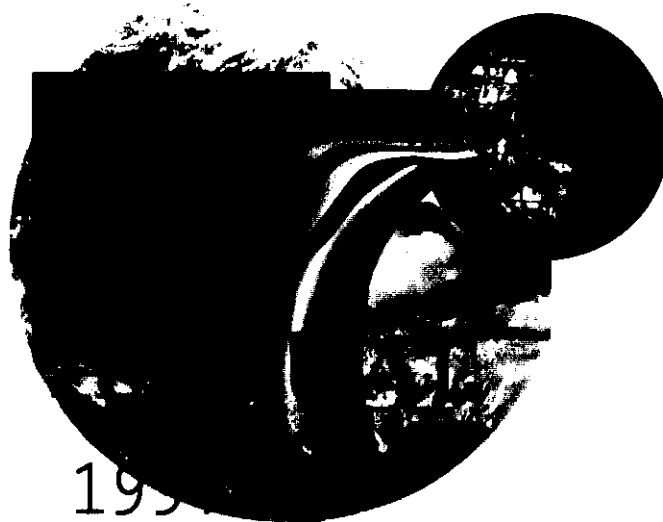


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Bangkok Bank Public Company Limited



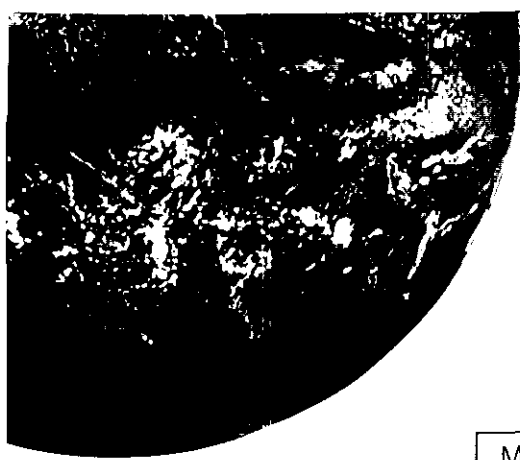
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FINANCIAL HIGHLIGHTS

	1997	1996	Percentage Change
Bangkok Bank and Subsidiaries at Year-End (Baht Thousand)			
Assets	1,416,434,980	1,161,597,744	+ 21.9
Loans and Advances (Net of Provision for Possible Loan Losses) ¹	1,022,971,542	951,661,456	+ 7.5
Deposits ¹	952,149,920	841,931,176	+ 13.1
Liabilities	1,312,630,341	1,053,739,945	+ 24.6
Shareholders' Equity	103,804,639	107,857,799	- 3.8
Interest and Dividend Income	133,687,232	118,161,715	+ 13.1
Total Income	155,418,486	132,787,251	+ 17.0
Profit Before Tax	8,663,922	31,131,194	- 72.2
Net Profit	4,213,922	20,811,194	- 79.8
Per Share (Baht)			
Profit Before Tax	8.65	31.09	- 72.2
Income Tax	4.44	10.31	- 56.9
Net Profit	4.21	20.78	- 79.7
Dividends Paid	2.00	6.00	- 66.7
Par Value	10.00	10.00	-
Book Value	103.65	107.72	- 3.8
Share Prices-Range	195.00 - 78.00	260.00 - 181.00	-
-Year-End	86.00	191.00	- 55.0
Financial Ratio (%)			
Rate of Return on Average Assets	0.33	1.89	- 1.56
Rate of Return on Average Equity	3.98	20.70	- 16.72
Net Profit to Total Income	2.71	15.67	- 12.96
Capital to Risk Assets	11.72	11.45	+ 0.27
Remark 1: From 1997, not including interbank and money market items.			



M E S S A G E
F R O M
T H E C H A I R M A N



For the world community, 1997 was a very eventful year, especially in the economic arena. In the middle of February, Mr. Deng Xiaoping, the former supreme leader of the People's Republic of China, passed away, generating concern around the world as to the effect this would have on the change of national leadership in Beijing. As it has turned out, Mr. Jiang Zemin has not only maintained his position as the supreme national leader, but has strengthened his leadership. It was he who represented the government at the historic handing-over ceremony in Hong Kong when the territory returned to Chinese rule in the middle of the year.

Following the collapse of the Soviet Union, which has left the USA as the world's only super-power, we have seen a clear trend during the past year of China and Russia strengthening their relationship. The USA, at the same time, has endeavoured to improve its ties with both China and Russia. This has met with some success. However, the US has still failed in its efforts to push the Middle-East peace process forward. Europe, meanwhile, has seen some interesting changes. NATO announced that it had accepted 3 new members from Eastern Europe, namely, Hungary, Poland, and The Czech Republic. Another major watershed was the change of government in the United Kingdom, following a landslide victory by the Labour Party after nearly 2 decades in the opposition. In Asia, elections took place in several countries, with some incumbents being returned to power. Cambodia also underwent a political change, resulting from a struggle for power, with Mr. Hun Sen gaining the upper hand. ASEAN, celebrating 30 years since its founding, announced that Laos and Myanmar had become full members.

On the economic front, the group of industrial countries, especially the USA, continued to pressure developing countries into opening their markets, claiming that this would foster greater trade in goods and services. As a result, we have seen significant advances during the past twelve months. At the beginning of the year, members of the World Trade Organization (WTO) were able to achieve agreement in liberalizing the telecommunication industry, and before the year's end, agreement was reached on liberalizing other service sectors, including finance, banking and insurance. A trend that has become increasingly evident is that the USA will use environmental factors, i.e. conservation of forestry, water sources, natural resources, as well as protection of rare vegetation and animal species, in its dealing with other countries to press for its own advantage.

The global economy in 1997 was originally expected to grow at an acceptable rate. However, the second half of the year brought some worries. This started with the Japanese economy, which had been expected to recover, but instead weakened further. Then, the weakness of that country's financial institutions was exposed once again. Apart from that, the group of Asia's 'tiger' economies — the

acclaimed rising stars of newly industrialized countries — began experiencing export problems, further weakening their already large trade and current account deficits. This was compounded by rigidity in the foreign exchange system, undermining stability of the foreign exchange market and providing speculators with opportunities to attack the currencies of those countries. The Thai baht was the first currency to come under pressure, forcing the authorities to finally float the baht at the beginning of July. The baht depreciated sharply in the ensuing months, leading to a financial crisis in Thailand. The Crisis spread to other countries in the region, hitting Indonesia, Malaysia, and South Korea. A fear then arose that this problem would spread to other countries worldwide.

Despite the financial turmoil in East Asia in 1997, the USA and other leading industrial countries, except Japan, saw their economies expand at a commendable rate, being affected very little by the financial woes of Asia. As a result, the global economy is expected to grow by about 3.0 per cent for the year.

Turning our attention to Thailand, 1997 has seen our economy sink into the doldrums in the wake of the slowdown during the previous year, which was due to the marked drop in exports and the more restrictive monetary policy. This situation deteriorated rapidly during the second half of the year, with the property sector spiralling alarmingly into recession, causing finance companies to face mounting non-performing loans. Their liquidity problems thus worsened, forcing many companies to borrow substantially from the Financial Institution Development Fund. The amount rose rapidly to exceed Baht 400 billion. The Bank of Thailand then ordered 58 finance companies to suspend their operations. Meanwhile the government issued decrees to establish two institutions, namely — The Financial Sector Restructuring Authority (FRA), and The Asset Management Corporation (AMC), the purpose of which is to handle the financial restructuring of the finance company sector. The weakness of the Thai financial system in face of the heavy increase in foreign debt burden of the Thai private sector shook the confidence of many overseas investors and creditors, resulting in a steady outflow of funds. Meanwhile, expectation that the baht would depreciate has intensified speculation on the Thai currency. As this situation worsened considerably, the Bank of Thailand finally had to float the baht on 2 July 1997, resulting in a de facto devaluation of the currency. This has had the effect of drastically reducing the value of the baht. Moreover, in their efforts to defend the baht, the authorities spent a large portion of the nation's foreign exchange reserves to no avail, inflicting great damage to the foreign exchange position of the country. This forced the government to seek assistance from the International Monetary Fund (IMF), subjecting the country to various restrictive macroeconomic conditions in return for a rescue package of US\$ 17.2 billion. This situation has brought about high inflation, high interest rates, and a sharp economic contraction, resulting in unemployment, and insolvency to many business enterprises, so much so that many may have to close down or go into bankruptcy. This situation has developed into the most serious economic crisis since the end of World War II. Consequently, the Thai economy is expected to register zero growth in 1997. And in the present year, the situation is anticipated to become even worse.

The Thai economy, which has known an annual growth rate of more than 10 per cent, and was once held up as an exemplar of a developing country, has rapidly fallen into a crisis situation. Efforts to look for the causes point to the complacency of leaders in both the public and private sectors to address effectively and promptly the mounting problems facing the country during the boom years. These problems include a chronic current account deficit, as well as inadequate savings in the face of extremely high investment in the country,

leading to excessive dependence on overseas funds, a large portion of which were short-term portfolio investment which could easily be withdrawn at short notice. Other problems include the rigidity of the exchange rate regime, and delay in correcting problems related to financial institutions.

All this is attributable to the introduction of the financial liberalization policy without sufficient legal and financial infrastructure and mechanisms to properly handle the free flows of funds, aggravated by a lack of experience in financial management in a free market system. This resulted in an excessive inflow of funds from abroad and thus high liquidity in the financial system. This then led to over investment in some sectors of the economy, for example, in real estate and stocks, creating a bubble economy in which asset prices soared rapidly when compared with the price of goods. Finally, at the beginning of 1997, the bubble burst, sending the economy into a downward slide. Furthermore, as a result of attacks on the baht in the foreign exchange market, led by hedge funds, the value of the Thai currency as well as the overall Thai economy immediately began to sink deeper. It was unfortunate for Thailand that its currency was the first to come under attack. The Thai authorities underestimated the strength of the funds, sacrificing tens of billion US. dollars in foreign exchange reserves in a futile effort to defend the Thai currency. This must be considered a very expensive lesson in deed.

This crisis has seriously shaken confidence in the finance sector and the overall Thai economy, and the authorities have taken drastic steps to try to rectify the matter. An important move was to request assistance from the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB), as well as some neighbouring countries. Urgent measures implemented included the rehabilitation of the financial sector, strict fiscal and monetary discipline and the improvement of production efficiency. These have all led to a painful readjustment process, requiring understanding and cooperation from the Thai people in all walks of life. To overcome this crisis, we must learn how to turn obstacles into opportunities, being frugal and buy Thai. Meanwhile, those in the business sector must promptly adapt themselves to enhance their competitiveness in the world market. Priority will need to be given to quality investment projects. It is believed that the active implementation of financial discipline in the government and private sectors, aided by Thailand's basically strong economic fundamentals, together with the fact that Thailand is a food surplus country, will eventually restore Thailand to its economic health, capable of growing with stability in the not-too-distant future.

The year 1997 may be regarded as a period of important change in the Thai financial system. This is due to the fact that the financial sector has been under strong pressure from economic problems both in Thailand and in the East Asian region. This is reflected by contraction in exports, investment and consumption expenditure, while the foreign debt burden of private businesses rose markedly. The lowering of the ranking of the trustworthiness of Thailand and Thai financial institutions by leading rating institutions has had a strong impact on the opportunity and costs of sourcing overseas funds. Moreover, the volatility and the fall in the value of the baht have caused much difficulty to the general public. The economic storm as described has hit the economy with full force, causing liquidity to become increasingly volatile and tight. The deposit and credit interest rates have been on the rising trend, while costs of financial expenditure have risen sharply. The financial institutions themselves have had to exercise great caution and become stricter in credit extension in order to prevent low quality credits from augmenting.

On its part, Bangkok Bank Public Company Limited has long made every possible effort to ensure that we are well prepared for this untoward event. The Bank has given priority to quality assets management throughout the past decade. It has also constantly maintained a high level of provision for possible loan loss during the period.

Although financial liberalization has led to intensified competition and a narrowing spread, the Bank has made preparations to offset these effects by improving its capabilities in new financial services in order to earn more fee-based income, and through the improvement of its operating efficiency, to reduce cost. Major financial activities generating substantial fee-based income for the Bank include credit cards, provident funds management, Bangkok International Banking Facilities (BIBF) operations, as well as trading and dealing in foreign exchange. It is expected that these business activities will increase in importance in the future. Furthermore, with an increasingly complex and volatile financial environment, many more opportunities will arise for financial advisory services, and the trading and dealing in treasury products, providing more fee-based income to the Bank.

With regard to the improvement of our services to our customers, various changes and improvements have been made. Our branches now have a new fresher and brighter look with a more customer-friendly atmosphere. In general, a branch office is now divided into 3 areas, i.e. self-service, through the use of modern technology which reduces customers' need to be served at a counter. The second area is for the marketing and sale of the Bank's products and services. The third area is reserved for basic services such as depositing, *withdrawing or transferring money, and the payment of service charges*. Emphasis is placed on the ease and speed of service in an orderly fashion. Furthermore, the Bank has continued to enhance its technological capabilities by expanding its automatic branch system, and self-service system. Some Baht 200 million worth of new computers have recently been purchased and installed for this purpose, with our staff members being given special training to assist our customers to make use of all this computerized equipment.

On the overseas front, changes have been made in the administration of our foreign branches. Our Hong Kong branch will be upgraded to become the centre for management of all our branches overseas, as it is located in a freer environment, more conducive for it to operate as a regional management centre legally and financially.

Apart from this, in March 1998, Bangkok Bank will open another branch in Xiamen, in the Fujian area, the People's Republic of China. This branch will be added to those already operating in Shanghai, Shantou, Hong Kong, and Kowloon, with representative offices in Beijing and Chengdu. In early 1998, the Bank will close its branch in Hamburg, Germany, owing to stricter laws and regulations which are making it more difficult to conduct our business. The number of our branches overseas will thus remain at 22 and representative offices at 3. Our wholly-owned local bank in Malaysia will meanwhile continue to operate as before.

The operational result for 1997 of Bangkok Bank and subsidiaries has been commendable, considering the difficult environment. Total assets at the end of 1997 stood at Baht 1,416,434.98 million, an increase over the previous year by Baht 254,837.24 million, or 21.9 per cent. Deposits totalled Baht 952,149.92 million, up Baht 110,218.74 million or 13.1 per cent. Although credit extensions in the prevailing economic situation have generally been limited, the depreciation of the baht has boosted lending through the BIBF and through our overseas branches in baht terms resulting in a substantial increase in the Bank's total credit extension. Consequently total

credits at end-1997 amounted to Baht 1,022,971.54 million, an increase of Baht 71,310.09 million or 7.5 per cent over the previous year.

Bangkok Bank, in its continued efforts to develop its branch system, opened 20 more domestic branches in 1997, 3 branches in the Metropolitan area, and a further 17 branches in provincial areas. This brings the total number of branches to 541 at end-1997. Of these, 146 branches were in the metropolitan area and 373 branches in the provinces. Overseas branches numbered 22, plus 3 representative offices.

With regard to different businesses in which banks hold shares upward of 10 per cent, although there are 63 companies, most of them are small. The reason banks became involved is to assist these businesses and help some of them to begin operation, or to convert liabilities into operating capital. However, the operating results of these businesses do not have much effect on the profits of banks. In this type of business, mention could be made of two companies, namely, The Bualuang Mutual Fund Company Limited. With problems related to financial institutions, this pushed the company to close 4 of these mutual funds and return money to fund holders in order to protect the interests of customers. Other remaining funds, however, continue to operate as usual. The other company is Bangkok Bank Berhad in Malaysia in which the bank holds 100 per cent of its shares. Although the official requirements in the country are quite strict, the company continues to perform well.

Even though the Thai economy is currently going through a difficult time, and that it will require a rather long period of time for the economy to recover to its former level, Bangkok Bank Public Company Limited is fully determined to maintain its base and position as a leading bank of the region without any change. The Bank will also emphasize improving itself to operate efficiently in the modern world in line with the process of globalization, and provide all our clients with the full range of services to meet their many needs without let-up. During the present time while the economy continues to experience storms, there are risks and pressures on general performance. The situation is further aggravated by the significant slowdown of the economy, the volatile, unsteady value of the baht, the stringent measures governing bank operations stipulated by the Bank of Thailand, as well as increasing competition from overseas financial institutions. To cope with the difficult situation, Bangkok Bank will implement its 4 policies to counter these difficulties, as follows.

1) Liquidity : as the bank's liquidity depends on deposits, this is of supreme importance to us. Liquidity is the life-blood (strength) of a financial institution. The Bank must consider mobilizing deposits as its top priority in order to acquire enough liquidity, while minimizing expenses and risks.

2) Efficiency : the Bank is making every effort to improve the various steps and methods of its work process. Steps are being taken to increase its efficiency include thriftiness, greater flexibility, and maximizing the use of resources.

3) Asset quality : normally, in running a commercial bank, risk is involved in extending credit. However, in the present difficult situation of the Thai economy, the risk factor increases considerably. The Bank must therefore take extra care in maintaining quality of its assets, in order that the problem of non-performing loans may be avoided.

4) Public confidence : the confidence of a bank's customers and the general public is basic and of great importance for a financial institution, because if there is a lack of public confidence, a financial institution may not be able to survive. Bangkok Bank Public

Company Limited, which has established its reputation over a period of more than 50 years, will do everything possible to maintain its name, and the confidence of the public.

Although the Thai economy sank deeply into a recession in the second half of 1997, Bangkok Bank has still performed satisfactorily. This is due to the continuing wide support we enjoy. For this, I want to express my sincere thanks to all — particularly our customers and shareholders, the public, our colleagues in other banks, as well as in financial institutions both local and abroad. Furthermore, I take this opportunity to warmly thank all our members of staff who have again faithfully performed their duties in the service of Bangkok Bank Public Company Limited. I extend my best wishes to all, and am confident that, together, we can face the uncertainties of the coming year with confidence and courage, enabling us to overcome the difficulties facing our economy.

A handwritten signature in black ink, appearing to read 'K. Prasit' with a stylized flourish underneath.

(Prasit Kanchanawat)

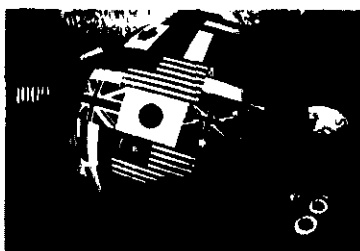
THE ECONOMY

I N 1 9 9 7

A N D T R E N D S

F O R 1 9 9 8

The world economy in 1997 expanded at a commendable rate. All the major industrial countries except Japan saw healthy growth in their economies. The average inflation rate was lower than that of 1996, while the world trade growth was higher due to a rise in exports of developed countries. The unemployment figures also declined.



World Economic Indicators	1995	1996	1997 f	1998 f
1. World economic growth (%)	3.6	4.0	4.1	3.5
Developed countries	2.5	2.7	3.0	2.5
USA	2.0	2.8	3.8	2.4
Japan	1.5	3.9	0.3 ¹	1.1
EU	2.5	1.7	2.6	2.7
Germany	1.8	1.4	2.3	2.6
East Asian countries	8.5	7.5	6.2	4.3
Asian NIEs	7.4	6.3	5.9	3.3
ASEAN 4	8.0	7.1	3.7	1.1
China	10.5	9.6	8.8	8.5
2. World trade growth (%)	9.5	6.2	8.6	6.2
3. Inflation rate (%)				
Developed countries	2.5	2.4	2.2	2.3
USA	2.8	2.9	2.4	2.6
Japan	-0.1	0.1	1.7	0.8
EU	2.9	2.5	1.9	2.1
Germany	1.8	1.5	1.8	2.3
East Asian countries	9.0	6.0	3.4	5.0
Asian NIEs	4.6	4.2	3.6	4.0
ASEAN 4	7.1	6.6	6.1	9.6
China	17.1	8.3	1.0	3.0
4. Current account balance (US\$ billion)				
Developed countries	35.2	18.8	22.6	-29.0
USA	-129.1	-148.2	-177.5	-230.2
Japan	111.4	65.8	94.9	98.9
EU	52.6	86.4	98.8	89.2
Germany	-23.6	-13.1	-8.2	-4.8
East Asian countries	-25.1	-26.0	6.6	25.4
Asian NIEs	4.8	-0.7	3.3	15.3
ASEAN 4	-31.5	-32.5	-22.0	-9.1
China	1.6	7.2	25.3	19.2

World Economic Indicators	1995	1996	1997 f	1998 f
5. Unemployment (%)				
Developed countries	7.3	7.3	7.1	7.0
USA	5.6	5.4	5.0	5.2
Japan	3.1	3.3	3.4	3.3
EU	11.2	11.4	11.1	10.8
Germany	9.4	10.3	11.5	11.4
	2.1	2.3	2.5	2.6
6. Oil Price (US\$ / bbl.)	7.17	20.42	19.39	19.03

Sources : IMF World Economic Outlook, DECEMBER 1997

NRI Capital Market Trends, FEBRUARY 1998

f/ Daiwa Institute of Research Ltd.

Meanwhile, the economies of Southeast Asian countries grew at a much slower pace. Several countries, which were heavily burdened by short-term foreign debts, experienced strong attacks on their currencies. Starting in Thailand, this spread to other countries in the region, namely, Indonesia, Malaysia, the Philippines and South Korea. The effect was a drastic and rapid drop in the value of all their currencies. Furthermore, the effect of this currency crisis also affected Japan, Hong Kong, Singapore and Taiwan, the economies of which have been closely linked to those of ASEAN and South Korea. The USA and Europe were also affected as evidenced by a decline in exports of some industries especially commercial aviation and computers. The currency crisis has become a major problem for countries throughout the Asian region in the second half of the year.

The Thai economy in 1997 was unable to receive the full benefit from an expansion in the world economy and trade. The major reasons for this were the structural problems in both the real and the financial sectors and the failure to rectify them in time. The chronic current account deficit; the failure to improve the exchange system, used since the end of 1984, in line with the changing conditions; and the slow pace of moving the industries up scale in line with rising wages were cases in point. The introduction of the BIFB in 1993, together with the lack of necessary financial infrastructure and business sector's skill in financial management under the free and open market system, has resulted in excessive borrowing of funds from abroad. The excessive and unproductive use of foreign funds by private enterprises has resulted in serious macroeconomic imbalances. The Thai economy's decade-long high growth rate has created high pressure on prices and the external balances, rapidly increasing the dependence on overseas short-term funds.

In 1996, the Thai economy began to slowdown, a clear signal coming from the exports sector which, after several years of growth averaging more than 20 per cent, actually shrank a little for the first time. This trend continued into the first half of 1997. Meanwhile, various businesses failed to meet their foreign debt obligations. This prompted foreign investors to begin to lose confidence, effecting a massive outflow of funds since the 2nd quarter. Furthermore, 58 finance companies were ordered to temporarily suspend their operations in the middle of the year without clear corrective measures. This finally resulted in the permanent closure of 56 finance companies at the beginning of December. The financial system thus underwent a severe liquidity crunch.

Thailand's bubble economy finally burst in 1997, with its currency coming under attack several times, the strongest being in May. This forced the Bank of Thailand to spend a large amount of international reserves in an attempt to defend the baht, but to no avail. On 2 July 1997, the managed floatation of the currency was announced. Moreover, on 19 August, the central bank further announced that its forward swap obligations during the next 12 months amounted to US\$ 23.4 billion, of which US\$ 14.8 billion were offshore obligations.

The rapid deterioration of the country's financial position led the Thai government to seek financial assistance from the International Monetary Fund (IMF). Although Thailand acquired loans in the amount of US\$ 17.2 billion from the IMF in August on conditions that the Government strictly follow the IMF's monetary and fiscal policy prescription in order to get the economy back on its feet, coupled with the urgent restructuring of the economic and financial institution system. However, the Thai baht continued on its downward slide from an average of Baht 25.78 per US dollar in June to Baht 45.29 at the end of December 1997, with no clear signs to indicate where and when this slide would end. Thus, the foreign debt burden in the business sector increased sharply.

As the Thai population has enjoyed economic prosperity during the past 9 years, and has never experienced economic recession for decades, this downturn has given rise to great pessimism in business communities and among consumers. The economic slowdown during the first half of 1997, has deteriorated and turned into a recession, due to very tight liquidity, causing serious difficulties in all sectors of the economy. As a result, consumption, investment, and production in various key industries have all witnessed shrinkage. The SET price index, which closed at 665.62 points at the end of July, fell to 372.69 points at the end of December, while unemployment increased rapidly, and is expected to reach 1.3 million persons, almost double the 1996 figure. The public purchasing power has declined as the consumer price index since the month of August has risen 7.2 per cent over the same period of prior year because the cost of living has increased significantly. Due to the weakening baht, the cost of production has risen, aggravated further by the increase in VAT from 7 per cent to 10 per cent in August. The average increase in the cost of living for the year is 5.6 per cent. The government's collection of tax, meanwhile, has failed to reach its target, creating a budget shortfall of Baht 44.2 billion, the first deficit in a decade, in spite of the government's efforts to cut both current and capital expenditures. The economy in 1997 is expected to register zero or small negative growth. Thailand's international financial position weakened considerably even with IMF's loan package, international reserves dropping from US\$ 38.7 billion at the end of 1996, to US\$ 27.0 at the end of December 1997, as a result of the large outflow of funds from the private sector and the clearing of the forward swap obligations of the Bank of Thailand. Consequently, the balance of

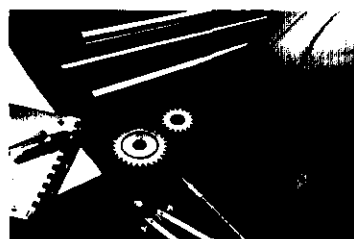
payments was in a deficit of Baht 299.2 billion, the first deficit in 14 years, while the trade and the current account deficits were reduced to 1.7 per cent and 0.8 per cent respectively of Gross Domestic Production (GDP). Exports during the second half of the year improved considerably, resulting in the export growth of 29.8 per cent in baht terms or 3.8 per cent in US dollar. Meanwhile the sluggish domestic demand and investment affected imports, the value of which rose by only 4.3 per cent in baht terms or a decrease of 13.4 per cent in US dollar.

Agriculture. Production in 1997 grew by about 3 per cent, about the same rate as in the two preceding years due to below-normal rainfall during the May-September 1997 period. Water in reservoirs of large dams was, on the average, not quite 70 per cent of their capacity, spawning problems in the cultivated areas, dependent on irrigation water. On the livestock front, exports of frozen chicken and processed products were on the mend, particularly in the European markets, fuelling recovery in production somewhat. Regarding fishery, although the shrimp epidemic abated, most farmers still slowed their culture activities, leading to lower production.

Manufacturing. Manufacturing production declined by 0.7 per cent, as compared to growth of 6.9 per cent in the preceding year. Production slackened drastically since August after the sharp depreciation of the baht and suspension of operations of 58 finance companies. Manufacture of goods for domestic consumption dropped due to low purchasing power. In fact, some industries had to slow down or temporarily suspend operations, with those hardest hit industries including automobile, steel, and construction materials.

Construction. This sector contracted by 12.7 per cent, chiefly due to the slow down in private sector construction, dampened by an oversupply of homes, office buildings and shopping centres. Furthermore, liquidity tightened steadily on account of several factors, which included particularly greater caution of financial institutions in extending credits so as to prevent the deterioration of their asset quality, a rapid rise in foreign debt burden in baht terms shouldered by corporations borrowed heavily from overseas, and high interest rates exacerbated by the closure of many financial institutions while many real estate developers became insolvent.

However, infrastructure projects for which concessions had been granted to private companies continued apace from the previous year. These included Section D of the Second Stage Expressway from Rama IX Road to Sri Nakarin Road, the Thanayong's Bangkok Sky-Train Project, and a newly-launched Bang Pa-in—Pak Kred Expressway Project. Most government infrastructure projects and those of state enterprises were on-going ones carried over from the previous year. These included the eastern bound Bang Na—Bang Pli—Bang Pakong Expressway, and the new Bangkok—Chonburi Motorway and the Asian Games Sport Complex Project. New infrastructure projects initiated in the year were the Subway Project of the Metropolitan Rapid Transit Authority, and the Elevated Roadway above Ramkamhaeng Road Project to be finished in time for the Asian Games.



Investment. Private investment contracted. Of the total investment funds committed in projects approved by the BOI since 1995 to date, which were worth about Baht 1 trillion, only 60 per cent have been actually invested. Projects approved for investment promotion in 1997 were mostly for vehicle parts, petrochemicals, electronics, household electrical appliances, and electricity generation. Among the foreign investors, those from Japan led the field, followed by Europe, the USA, and Taiwan.

The investment climate in 1997 was not bright. Investment funds of projects applied for investment promotion dropped by 40 per cent. The BOI in consequence adjusted its promotional strategies by allowing more flexibility for investors intending to carry out investment during this difficult period. For instance, manufactures for export in zone 1 and zone 2 are permitted to expand their production capacities and to receive tax exemption for imports of new machinery. In addition, promotion was granted to ventures which save foreign exchange, and to supporting industries, increasing the types of supporting industries eligible for promotion from 14 to 19.

As for government investment, most of the projects were those continuing from last year. Capital expenditure for fiscal 1997 was increased to Baht 391.2 billion, a rise of 19.5 per cent. Investment budget of state enterprises totalled Baht 177.9 billion, an increase of 19.1 per cent.

Prices. The Consumer Price Index during the first half of 1997 increased by only 4.4 per cent. This was rather low when compared to the rates in the two previous years. However since early July the value of the baht has depreciated by more than 80 per cent. This together with the raising of the VAT rate made prices of necessities soared in the second half of 1997. For the entire year, the CPI went up on an average, by 5.6 per cent, with the rate going up over 7 per cent since September 1997.

External Financial Position. The trade and current account balances in 1997 are estimated to be in deficit by Baht 84.4 billion and Baht 37.1 billion. These show considerable improvement when compared to the deficits of Baht 417.6 billion and Baht 372.2 billion in 1996. However the balance of payments posted a deficit of Baht 299.2 billion as against a surplus of Baht 54.6 billion last year.

Up to the end of 1997, Thailand had drawn of US\$ 8.7 billion from the IMF's assistance package of US\$ 17.2 billion. Its international reserves, however, were still dwindling from US\$ 38.7 billion at end-1996 to US\$ 27.0 billion at the end of 1997. This was due to large outflows in the private sector and repayment on account of the swap obligations by the Bank of Thailand.

The value of the baht weakened from Baht 25.79 per US\$ on 30 June to Baht 47-48 at the end of December. As a result, the export value in the second half of the year expanded by as much as 55.8 per cent when compared to the corresponding period of last year. For the entire year, the export value is expected to total Baht 1,790.1 billion, an increase of 29.8 per cent (the growth in US\$'s terms would be about 3.8 per cent). Export goods with high growth were mainly new products requiring technology in the manufacturing process. These included automobiles and parts, printed circuits, chemical products etc. Traditional labour intensive products showed impressive growth only in the second half of the year. Agricultural products continued to be in the doldrums owing to universal declines in prices of all major products, with the sole exception of rice. The import value is estimated to total about Baht 1,874.5 billion, an increase of only 4.3 per cent (a decline of 13.4 per cent in terms of US\$), in line with dampened domestic demand and investment. However, returns on foreign investment and interest payments on foreign borrowings were higher in the second half of the year due to a weakened baht, while income

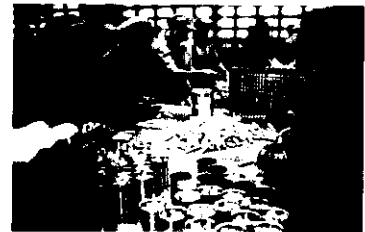
from tourism grew at a low rate. Thus the surplus in the services and unrequited transfer account was at a level approximate to that in 1996.

Public Finance. This year was the first time in a decade when government revenue was lower than expenditure. The budgetary deficit totalled Baht 44.2 billion and the cash deficit Baht 31.1 billion, compared to surpluses of Baht 100.0 billion and Baht 104.3 billion respectively in fiscal 1996.

Revenue : actual revenue of the government in fiscal 1997 amounted to only Baht 844.3 billion, which was about 0.7 per cent below that in the preceding fiscal year, and was well below the target of Baht 925 billion. Economic slowdown was to be blame. The shortfall in revenue collection was in spite of the increase in the VAT rate by 3 per cent.

Expenditure : the downward adjustments of budgetary expenditure in fiscal 1997 from Baht 984 billion to Baht 944 billion, and eventually to Baht 925 billion was effected to bring about a more balanced budget. This and measures to stringently supervise civil service expenditures succeeded in keeping actual expenditure for the fiscal year at only Baht 888.5 billion. This comprised Baht 724.5 billion or 78 per cent of the planned budgetary expenditure.

Securities Market. The securities market in 1997 was severely bearish. The turnover amounted to only Baht 929.6 billion, representing a fall of 28.7 per cent. The number of shares traded was 29.9 billion, up 54.1 per cent. The SET index was highest at 870.57, lowest at 354.29, and closed at 372.69, fallen by 458.88 points or 55.2 per cent from the preceding year. Causes pushing the bourse into the doldrums may be identified as concern earlier in the year, for stability of the baht whose value was subsequently floated in July, high interest policy as a preventive measure against speculation on the baht exchange rate, huge sub-standard loans to the property sector, and suspension of operation of 58 finance companies. However, to address these problems, the following measures were initiated by the government : permitting the net settlement of the same securities on cash account within one day; enactment of the Securitization Act; raise the stock price movement ceiling from 10 per cent to 30 per cent of the previous day's closing price; increase maintenance margin for new customers by upping the call margin from 25 per cent to 35 per cent, and forced sale from 15 per cent to 25 per cent. These measures, however, failed to revive the stock market.



The financial sector. The financial crisis has resulted in serious liquidity problems and high interest rates not seen in the country before. During the first half of 1997, the Thai baht came under harsh attack in February and May. In an effort to defend the currency, the Thai authorities spent huge amount of international reserves and implemented measures to separate offshore from onshore markets. Furthermore, on 2 July 1997, the authorities changed the exchange rate regime from basket system to that of managed float. This resulted in a rapid depreciation of the baht value, an outflow of funds, and tumbling prices of stock, tightening financial liquidity further. Foreign debt servicing burden increased sharply, and many companies in the private sector defaulted. The sub-standard debts problem worsened and the quality of assets problem threatened the stability of the financial institutions. These factors were used by rating agencies

Thai Economic Indicators	1995	1996	1997 e	1998 f
GDP (current prices, billion baht)	4,188.9	4,598.3	4,870.0	5,230.0
Real GDP growth (%)	8.8	5.5	0.0	-2.0
- Agriculture	2.5	3.8	3.0	2.8
- Manufacturing	11.2	6.9	-0.7	-1.4
- Construction	7.4	6.1	-12.7	-23.9
- Others	9.0	5.0	0.6	-1.2
Consumption (%)	7.1	6.7	0.4	-1.5
- Private sector	7.4	6.3	0.2	0.1
- Public sector	5.4	9.5	1.4	-12.3
Investment (%)	11.2	6.0	-8.7	-11.6
- Private sector	10.9	2.0	-13.2	-4.7
Residence	6.2	-2.3	-78.0	-9.2
Machinery and equipment	12.2	3.1	0.5	-4.5
- Public sector	12.3	20.8	6.4	-30.3
Inflation (%)				
- Consumer price index	5.8	5.9	5.6	8.8
- Wholesale price index	8.3	4.7	4.0	10.0
Baht : US dollar (average)	25.0	25.4	31.4	45.0
International trade				
- Exports (billion baht)	1,381.7	1,378.9	1,790.1	2,649.5
	(23.6)	(-0.2)	(29.8)	(48.0)
(US \$)	(24.7)	(-1.9)	(3.8)	(3.1)
- Imports (billion baht)	1,755.5	1,796.5	1,874.5	2,605.5
	(30.5)	(2.3)	(4.3)	(39.0)
(US \$)	(31.8)	(0.6)	(-13.4)	(-3.1)
- Trade Balance	-374.0	-417.6	-84.4	44.0
As % of GDP	(-8.9)	(-9.1)	(-1.7)	(0.8)
- Current account balance	-337.6	-372.2	-37.1	65.2
As % of GDP	(-8.0)	(-8.1)	(-0.8)	(1.3)
- Balance of payments	179.5	54.6	-299.2	
- International reserves	37.0	38.7	27.0	
(billion US dollar)				
Tourism				
- Tourist arrivals (million)	7.0	7.2	7.2	7.7
	(12.7)	(3.5)	(0.1)	(7.2)
- Outbound Thai tourists (million)	1.8	1.8	1.6	0.8
	(8.3)	(1.4)	(-16.0)	(-50.0)
Commercial banking (billion baht)				
- Deposits	3,203.6	3,643.3	4,224.7	4,690.0
	(18.2)	(13.7)	(16.0)	(11.0)
- Credit including BIBF	4,300.9	4,911.4	5,953.8	6,275.0
	(24.2)	(14.2)	(21.2)	(5.4)
Credits /deposits (%)	134.3	134.8	140.9	133.8
- Credits excluding BIBF	3,620.4	4,103.8	4,542.2	4,680.0
	(20.4)	(13.4)	(10.7)	(3.0)
Credits / deposits (%)	113.0	112.6	107.5	99.8

Thai Economic Indicators	1995	1996	1997 e	1998 f
Fiscal position (fiscal year, billion baht)				
- Revenue	715.0	843.2	925.0	n.a.
	(19.2)	(17.9)	(9.7)	n.a.
- Expenditure	715.0	843.2	925.0	800.0
	(19.2)	(17.9)	(9.7)	(-13.5)
- Capital expenditure	253.8	327.3	382.9	256.7
	(19.2)	(28.9)	(17.0)	(-33.0)
Actual revenue ^{1/}	760.8	850.2	844.3	-
Actual expenditure ^{1/}	643.3	750.2	888.5	-
Budgetary balance ^{1/}	117.5	100.0	-44.2	-
Cash balance ^{1/}	112.5	104.3	-31.1	-50.4 ^{2/}
State enterprises' expenditure (billion baht)	764.8	893.7	1,137.8	1,170.8
	(18.9)	(12.3)	(27.3)	(2.9)
- Capital expenditure	153.7	167.2	325.0	325.7
	(16.5)	(8.8)	(94.3)	(0.2)
- Current expenditure	611.1	726.5	812.8	845.1
	(19.6)	(18.9)	(11.9)	(4.0)
Actual capital expenditure ^{1/}	148.1	149.4	177.9	-
	(21.4)	(0.8)	(19.1)	-
Securities transactions				
- Volume (million shares)	20,823.2	19,389.1	29,902.3	-
- Value (billion baht)	1,534.9	1,303.1	929.6	-
SET index (closing)	1,280.81	831.57	372.69	-

Notes : () Percentage change from the same period of prior year

1/ Bank of Thailand

2/ IMF's conditions

to downgrade the ratings of the country's and Thai financial institutions' debt instruments on several occasions. Extensive withdrawal of money from various finance companies also forced the authorities to announce the temporary closure of 58 finance companies, and to give guarantee for depositors and creditors of 33 finance companies and 15 commercial banks still in operations. However, the public remained wary of several institutions, forcing the authorities to lower the liquidity ratio by 1 per cent, to 6.0 per cent. Furthermore, the authorities introduced a fund recycling system, requiring banks with increased deposits to place a part of them with the Financial Institution Development Fund. Apart from this, in order to ease the liquidity situation and to reduce the excessively high cost of fund, the authorities adjusted the formula for calculating interest ceiling on lending to general customers, general, by applying the MLR+4 per cent instead of the MRR rate, and set the interest rate ceilings on deposits at commercial banks and finance companies by using average deposit rates of the 5 largest commercial banks as a weekly bench mark rate plus 3 per cent, to take effect on 18 September 1997.

The Thai government has strictly adhered to the IMF conditions, and made every effort to restore investor confidence, for instance by closing 56 ailing finance companies, allowing foreigners to hold more than 49 per cent of shares in financial institutions for up to 10 years, emphasizing the importance of a sound capital base and competitive efficiency by giving the Bank of Thailand the power to order capital increases and to immediately change the board and the management of financial institutions, as well as successfully persuading Japanese banks, the major lenders to Thai corporations, to roll over most debts to the private sector. This has greatly helped improve the situation.

In the second half of the year, interest rates have been high because of the weak baht. The Bank of Thailand has raised the interest rate ceiling for deposits at commercial banks to 14 per cent, and for finance companies' promissory notes to 17 per cent. Later this was changed to a bench mark rate plus 3 per cent.

The interest rate on fixed deposits of less than Baht 1 million at large commercial banks towards the end of the year was about 1.25 per cent higher than at the beginning of the year, while interest on large deposits increased by 4.0-4.25 per cent to 12.75-13.00 per cent. MLR rose 2.0 per cent to 15.25 per cent, while the loan rate for general customers rose by 4.25 per cent to 19.25 per cent. As the value of the baht weakened sharply to Baht 49 to the US dollar, the overnight repurchase rate was sometimes higher than that proposed to the IMF (set at 15-20 per cent).

Deposits in the commercial banking system in 1997 increased by about 16.0 per cent, due to the following factors:

1) During the first 11 months of the year, money was transferred from finance and securities companies to commercial banks. Deposits (promissory notes) at finance and securities companies dropped sharply by Baht 660 billion. Of this amount, nearly Baht 100 billion was deposited at government banks, US\$ 4.4 billion flowed out of the country, and the rest was deposited at commercial banks.

2) During the crisis, the banks competed keenly in mobilizing deposits, while the authorities, in order to encourage savings, abolished interest income tax on 24-month deposits.

3) Savings through the provident funds totalled Baht 128.3 billion at the end of November 1997. More than 30 per cent of this amount was cash and deposits at commercial banks.

4) On the negative side, the continued depreciation in value of the baht resulted in the outflow of foreign funds, particularly the non-resident baht account. The net outflow amounted to US\$ 7.2 billion during the first 9 months of the year.

Credits in 1997 grew by 21.2 per cent. Excluding BIBF lending, the percentage increase was 10.7. In July alone, BIBF lending rose by Baht 200 billion. Thus, it is apparent that credit growth in 1997 were attributable in large part to the change in the value of the baht. The slowdown of credit growth was due to the following factors:

1) Banks were very cautious about the quality of their assets as they must now disclose publicly their NPL figures, commencing in June 1997, and they were required to maintain reserves for interest on loans which were more than 6 months in arrears, at a rate of 15 per cent in cases where the loans were fully collateralized, and 100 per cent for the loans not fully collateralized.

2) The order to temporarily close 58 finance companies caused customers to be illiquid. Outstanding credits of finance and securities companies declined by Baht 200 billion during the first 11 months of the year. In the third quarter alone, the drop amounted to Baht 90 billion.

3) Due to very tight liquidity, banks must ration credits and make the most efficient use of resources.

Trends for 1998

Economic crises in Asia in 1997 were more severe than expected, affecting other regions of the world. At the beginning of December 1997, the IMF adjusted downward the world economic growth in 1998 from 4.3 per cent estimated in October to only 3.5 per cent. The heaviest fall was that of ASEAN countries, followed by the Asian newly industrialized economies. However, it is expected that economies of the western industrial countries will not be much affected.

The US economic growth rate is anticipated to slow down from 3.8 per cent in 1997 to 2.4 per cent in 1998 due to almost full utilization of production capacity in the past year. Inflation and unemployment rates will increase slightly. Adjustment of fiscal structure to achieve balanced budget will be materialized as planned.

The economies of the European Union countries will enjoy higher rates of growth. It is anticipated that the German economy will grow at 2.6 per cent, the highest rate since 1994, but the unemployment rate will remain high as reform of the labour market has not yielded much desirable results.

The Japanese economy is still threatened by the bad debt problem in the financial institutions and the financial crises in the four ASEAN countries and South Korea which are a major outlet for Japanese export, taking up one-fifth of total Japanese export and its investment. Furthermore, Japan will have to cut back public sector investment so as to effect adjustment in its budget structure. However the government has tried to stimulate the economy by reducing income tax to the tune of Yen 2 trillion (US\$ 15 billion), effective in the first quarter of this year, and will reduce corporate income tax by 3 per cent, effective from April 1. In addition, the lowest yen value in five years, and the relaxed monetary policy should encourage greater export and private investment. It is expected that the growth rate of the Japanese economy will rise from 0.3 per cent in 1997 to 1.1 per cent in 1998.



Within ASEAN and the Asian newly industrialized economies, the volatility of the exchange rates continues to post as a major problem facing the region, and it is still difficult to predict when stability will once again prevail. The year 1998 should be a period of economic restructuring, enhancing financial and fiscal discipline. Economic growth of this group of countries is expected to slacken. The inflationary rate will be high, but the current account deficit will shrink due to stringent measures of the IMF, from which many countries are now receiving assistance.

The Thai economy in 1998 is expected to contract by 2 per cent due to the fact that the currency crisis has become a common problem for almost all countries in this region. As a result, reviving the economy and solving financial problems have become increasingly more difficult and will apparently take longer time than expected. In the case of Thailand, although most short-term foreign debts have been rolled over, the uncertainty regarding inflows and outflows of funds is still an important problem which requires Thailand to resort to high interest rate policy and to step up the restructuring process of its financial institution system to

meet the more stringent international standards and lay a strong foundation for future growth. This, of course, puts pressure on the interest rate, which hovers on a high level while liquidity dries up. As a consequence, the rehabilitation of businesses has proved to be very difficult.

It is expected that in 1998, private sector investment will contract and private consumption expenditure will remain almost static. Meanwhile investment and consumption expenditure of the government sector will decline sharply due to a very restrictive fiscal policy prescribed by the IMF. Revenue collections are likely to be billions of baht below the target. As a result the only way to meet this target is to slash government expenditure drastically. Thus, according to the latest figure (December 1997), the expenditure budget of fiscal 1998 has been axed to a mere Baht 800 billion, 13.5 per cent less than the 1997 fiscal budget. A breakdown shows a cut of 33.0 per cent in capital expenditure and 1.1 per cent in government consumption. Apart from this, investment expenditures of state enterprises judged to be not urgent will also face the axe. Only the undertaking of on-going projects will be allowed. This drop in domestic demand has resulted in numerous lay-offs. It is expected that unemployment in 1998 will reach 2 million, or 5.5 per cent of the labour force. In the meantime, however, the weakened purchasing power has helped to ease off pressure on prices as entrepreneurs are not able to pass on all of the impact on prices from the baht depreciation, nor the rise in cost of production to consumers to maintain their profits. Be that as it may, as it is expected that the adjustment in prices of utilities will be in line with increases in production cost, the inflation rate is therefore expected to be 8-9 per cent, slightly up on the previous year.

Externally, as the ASEAN members and the newly industrialized economies of Asia, which account for a third of Thai exports are all confronting the same problem of financial crisis, Thai exports to these markets are thus likely to suffer some set back. Meanwhile, advantages in the export trade resulting from the weakening of the baht have not been as expected. Should the value of the baht in 1998 averages Baht 45 per 1 US\$, the total export value in the year is expected to expand by 48 per cent (in US\$'s terms, the increase would be about 3.1 per cent only). On the other hand, growth in import value is likely to remain low (in US\$'s terms, there would be a decrease of 3.1 per cent). As a result, the trade balance will be a surplus for the first time in the Thai economic history, amounting to 0.8 per cent of GDP, while the current account balance will be a surplus of 1.3 per cent of GDP. However, the depreciation of the baht will increase the burden of foreign debts, rising from 15.2 per cent of the total export value in 1997 to 18.8 per cent in 1998.

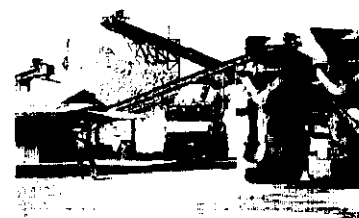
Agriculture. Its growth rate is expected to fall short of that in the preceding year. This is because of the El Nino phenomenon, which has resulted in nationwide drought since mid-1997 and is expected to prolong till the rainy season of 1998. Dry season crops may be expected to be affected, since irrigation water in reservoirs is not sufficient for all cultivation area. However, production of many major food producing countries is also affected by this natural phenomenon. This is likely to lead to higher prices for food products in the world market.

For livestock and fishery, it is anticipated that exports of processed food products should gain in importance. Exporters ought therefore to give serious attention to cleanliness and safety of the products. The U.S. has been employing the Hazard Analysis Critical Control Point (HACCP) system since the end of 1997 on imports of marine food.

Manufacturing. It is expected that manufacturing output will be down from the previous year by 1.4 per cent due to bearish economy, an increasingly severe liquidity shortage problem and the closure of loss ridden enterprises. However manufacturing of many export products continue to expand such as textiles, ready-made garments, computers, integrated circuits, printed circuits, electrical generators etc. Apart from this, many manufacturers will effect changes to their marketing strategies, emphasizing production for export to compensate for contracted sales in the domestic market.

The Ministry of Industry has, moreover, drawn up a long-term 5-year plan to alter the industrial structure of the country. To finance this, it has obtained loans from the World Bank and the Asian Development Bank. Target industries for this programme include textiles, garments, vehicle parts, electrical and electronic parts, and foodstuffs, covering 7,550 industrial plants. Skill development will be provided for 100,000 workers. As part of the programme, plans also call for moving of labour-intensive industries to the regions, changes in production technology and machinery, moving and systematically solving polluted industries while promoting pollution-reduction technology and strengthening small and medium-sized industries in the regions and rural areas, etc.

Construction. This sector is expected to suffer a decline of 23.9 per cent. Private construction is likely to continue on the downward trend due to a lack of liquidity and a heavy debt burden. Progress in solving problems of the operators who were clients of the 56 financial institutions ordered to close down is limited. Time is needed to separate good debts from bad ones and for the establishment the good bank to handle business of continued financing the 'good debtors' to enable them to complete their projects. This could turn some good debts into bad ones. Meanwhile the government still has no clear cut measures to deal with the 'bad debtors'. Besides, the operators who borrowed from abroad or issued debt instruments overseas will suffer more from the much depreciated value of the baht. The purchasing power of the people will concurrently be adversely affected by lay-offs and salary reductions. It is therefore expected that many more real estate businesses will close down, and the remaining ones will limit their operations to only on-going projects.



As for the public projects concessioned to the private sector, there will only be continuation of work on those already in progress. Newly-launched projects will be few as the government has pared down a big chunk of investment budget.

Investment. Private sector investment may be expected to continue falling from 1997. Although the BOI has been trying since the end of 1997 to attract more investment, the economy on the way down likely to sap confidence for investment in new projects or for expansion of existing ones. Apart from this, production capacities of many industries are already in surplus.

It is anticipated that a main thrust of future investment in Thailand will be more toward augmenting agro-industries and other small and medium-sized industries. The BOI will moreover promote these investment undertakings, especially those with export potential, and will assist local investors by furnishing them with required information and data to expand investment in the provinces. Apart from this, it will also provide opportunity to existing operators who are interested in expanding export-oriented projects if they are feasible.

As for government investment, capital expenditure in fiscal 1998 has been trimmed down to Baht 256.7 billion, a reduction of 33.0 per cent from prior fiscal year.

Prices. Rises in production costs on account of the baht's weakness towards the end of last year will continue in 1998. Thus, inflationary pressure will persist in 1998 until the stability of the baht improves. Nonetheless, economic bearishness and the erosion of the public's purchasing power will help rein in price increases. Moreover, this year the Ministry of Commerce has changed the base year of the Consumer Price Index from 1990 to 1994. The increase of the CPI is accordingly estimated to be around 8-9 per cent.

External Financial Position. As the value of ASEAN's and South Korea's currencies all fell sharply towards end-1997, the benefit that should have accrued to Thai exports due to a weakening baht has been diluted accordingly. Apart from this, Thai exports to these countries facing a financial crisis may yet turn sluggish. As a consequence, the baht value of exports may rise by about 48.0 per cent in 1998 (or merely 3.1 per cent in the US\$'s terms). Imports are expected to grow by 39 per cent (a drop of 3.1 per cent in US\$'s terms) in line with the economic downturn. The trade balance is expected to be in surplus for the first time by Baht 44.0 billion. This year interest payments on foreign loans will be considerably higher because of the depreciation in the baht value and the lowered credit rating of the country. Consequently, the surplus in the services and unrequited transfers balances will be lower than in 1997. However, the current account balance will be in surplus by Baht 65.2 billion.

Outflows of short-term capital and repayments as per swap obligations are still an onerous problem for the balance of payments on 1998. However, Thailand is under obligation to maintain international reserves at US\$ 23-25 billion in 1998, as per IMF conditions. Accordingly, the Thai government is mulling the raising of the foreign loan ceiling of the government sector in fiscal 1998 from US\$ 4 billion to US\$ 9 billion.

Public finance. The fact that revenue collection in the previous fiscal year fell short of actual expenditure calls for strict fiscal discipline in 1998. Accordingly, budgetary expenditure in the current fiscal year has been revised downward 3 times to finally settle at a much reduced Baht 800 billion, a reduction of Baht 182 billion from the originally planned amount. Broken down, the cut in capital expenditure was Baht 124 billion and that in current expenditure Baht 58 billion. Transportation and communications suffered the biggest cut of Baht 62 billion. Apart from this the government has become extra stringent on its consideration of investment projects with binding obligations continuing into the following year or years.

Financial Sector. Liquidity of the financial system in 1998 will depend on inflows of foreign capital fund, which in turn will be contingent upon the ability to solve the financial problem of this region. This can be done through effective tackling of the financial institution problem along with economic and financial restructuring, strong enforcing of stringent financial and fiscal measures, a satisfactory increase in exports and successful conclusion of negotiations on rolling over of private sector debts.

The termination of the two-tier currency market by the Bank of Thailand at end-January will help boost the confidence in the baht. Financial assistance from multilateral institutions such as the ADB, the Japanese OECF as well as the World Bank will indirectly help stabilize the exchange rate as well. However, the economy is expected to contract by 2 per cent in 1998 in the face of the economic and financial turmoils. As a result, the interest rate will remain at a high level and liquidity shortage continue, while it will be necessary for the authorities concerned to exercise great caution in implementing the restrictive measures. The requirement for commercial banks and finance and securities companies that still remain open to step up recapitalization, together with the stringent condition on income recognition on substandard loans, and sharp increase on commercial banks' contribution to the Financial Institution Development Fund as a guarantee for deposits and lenders will further dry up liquidity in the system.

Trends of commercial bank deposits in 1998 : Bank deposits in the year are expected to expand by 7.5 - 11.0 per cent. This is because of the economic downturn, prompting the government and private sectors to exercise greater care in their expenditure. Disposable income will be weak due to rising unemployment, higher tax burden, and falling real wages. In addition, capital loss due to declining prices of stocks, bonds and land will hit the networth of most income earners. However, income from tourism and the hosting of the Asian Games may help to boost liquidity in the final quarter of 1998.

Trends of commercial bank credits in 1998 : it is expected that bank credits in 1998 will grow by only 2.5 - 5.4 per cent. Factors which will help to boost credits include compounding of interest, transforming of foreign currency debts into Baht, and expansion of the export trade. Most banks will opt to support businesses which earn foreign exchange. Besides, there will be financial assistance from the World Bank and the ADB and also from the Japanese government for restructuring the export industries and to boost the availability of financial resources for exporters.


The negative factors which will hamper expansion of commercial bank credits in 1998 include the axing of Baht 200,000 million in the expenditure budget. As a result of this there will hardly be new government investment projects. The maintenance of the interest rate at a high level will further increase pressure on the asset quality of financial institutions. The stringent measure which prohibits banks to recognize as income interest accrued from loans with interest in arrears of more than 6 months, and the stringent requirement on reserves for non-performing loans to achieve international standards in year 2000 are factors which will compel commercial banks to become very selective on lending. This will prompt them to allocate their limited resources to the most productive sectors.

Damage to the economy in 1997 and the following years is indeed an expensive lesson for Thailand. The problems of severe liquidity shortage in the financial system, the debt ridden private sector, and the necessity to comply with the obligations imposed by the IMF for the survival of the nation have all negatively affected ways of conducting businesses and ways of life of the people in the entire country. Thailand lost its freedom in making economic decisions while a considerable number of businesses have to be offered for sale at cheap prices to foreigners. Unemployment becomes increasingly rampant and people become poorer. In fact the whole country was nearly in a state of bankruptcy. It is indeed a very expensive lesson for all Thais. This lesson will have to be recorded in the history of the Thai nation. Everyone must adjust and improve and makes use of this landmark episode to reorient and improve to achieve a more wholesome and more sustainable development in the years to come.




BANK OPERATIONS

In 1997, the world economy expanded satisfactorily, with the economies of leading industrialized countries, viz., the USA, the UK and Germany providing the impetus for growth. World trade grew while unemployment and inflation improved. In contrast, the economies of Japan and other East Asian countries, which had posted strong growth for many years on end, showed signs of difficulty and problems. They were affected by weakness of the financial sector. In addition, many countries, namely Thailand, Indonesia, Malaysia, the Philippines and South Korea, suffered strong attacks on their currencies from hedge funds. This sent the exchange rates of these currencies gyrating wildly. The currencies collapsed, with their value plunging, turning out to be the worst economic and financial crisis Asia ever faces in decades.



On the part of the Thai economy, signs of mounting perils began to be increasingly evident since the last quarter of 1996. This was when the export sector, which used to grow at an average annual rate of over 20 per cent, dropped precipitously. The real estate sector, which used to expand swiftly in the wake of the launching of financial liberalization in 1992, went into the economic doldrums with a rising oversupply. Financial institutions, which had extended credits generously to the real estate sector, found themselves in the quicksand of poor quality debts. The stock market, meanwhile, turned increasingly bearish and savings were in short supply. All these problems led finally to a temporary suspension of 58 finance companies faced with the problem of severe illiquidity. This churned up storm in the money and capital markets, impacting production, consumption and investment on the whole.



The country's financial market tightened drastically as had never happened before due to a steady outflow of foreign funds and lack of confidence in the stability of Baht. This sends the interest rate sky high. The baht was under attack time and again, with the Bank of Thailand dipping into the country's international reserves to shore up the baht each time. However, in the end on July 2, 1997 it cut loose the baht, allowing it to float. Thereafter, the baht weakened rapidly while the country's debt burden mounted sharply. Finally, the authorities had to request financial assistance from the International Monetary Fund. At the same time, the difficulties facing finance companies spread and the authorities had to order

56 finance companies and finance and securities companies to cease operations permanently so as to regain the confidence of overseas and local investors. However, the action exacerbated the liquidity situation in the financial system, which deteriorated to the crisis level.

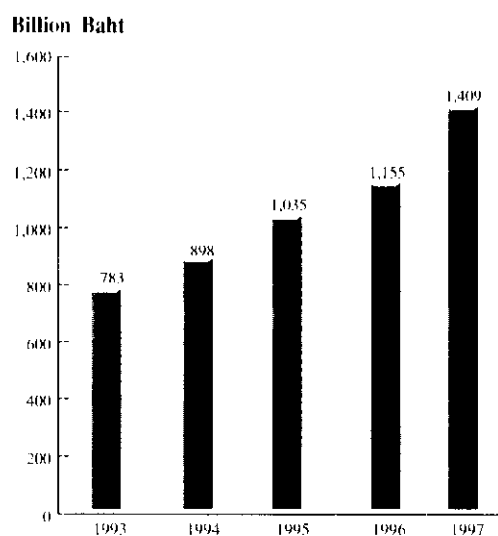
In order to alleviate the illiquidity problem in the money market and to reduce instability of the foreign exchange rate, the Bank of Thailand announced the reduction of the ratio for the maintenance of liquid assets from 7 per cent to 6 per cent. The period for holding foreign exchange by exporters was shortened from 180 days to 120 days. In addition, the ceiling on fixed deposit interest rates was reset, so as to lessen price competition. The new calculation used the average deposit interest rate of 5 large commercial banks as a weekly benchmark rate plus 3 per cent. As for the interest rate on loans for general customers, this is based on the MLR, using the formula MLR plus 4 per cent.

The authorities were fully aware of the importance of the financial institutions still in operation. They were like arteries providing liquidity that nourished the country's economic system. In consequence, plans were mapped out to strengthen their security. At the same time, steps were taken to solve problems and rehabilitate the Thai financial system urgently. This was carried out through the enactment of 6 emergency decrees, the major ones of which were the Emergency Decree for Establishing the Financial Sector Restructuring Authority and the Emergency Decree for Establishing the Asset Management Corporation. Both these organizations are independent. The former has comprehensive authority for supervising restructuring of finance companies which were ordered to cease operations. The latter is, meanwhile, given the duty to participate in the auction to buy assets of finance companies, which FRA judges to be incapable of being rehabilitated. These will, then, be managed efficiently and resold.

In the past year, commercial bank operations faced grave difficulty, having to make adjustments in order to be in keeping with increasingly stringent rules and regulations passed out by the authorities. These included the requirement for financial institutions to set aside reserves for sub-standard assets at 15 per cent and the raising of capital fund to provide cushion for the damage caused by assets which tends to deteriorate in quality. These factors put pressure on banks to extend credits with greater caution. Thus, growth of credits was low. Apart from this, the hiking of value added tax from 7 per cent to 10 per cent reduces public's consumption as well as investment of businesses. Then, in the second half of the year the baht weakened more than expected. This prompted the authorities to fix interest rates at a high level to maintain stability of the local currency and in keeping with the conditions laid down by the IMF, dealing an additional blow to the operation of Thai commercial banks.

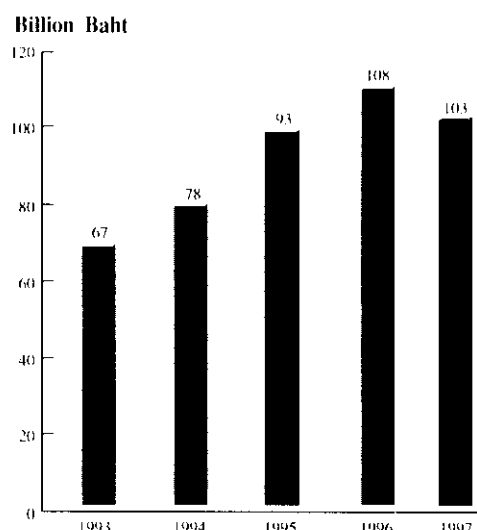
As a financial institution with a more than 20 per cent market share in the country, it was unavoidable that Bangkok Bank Public Company Limited was also engulfed by the tall waves lashing the country's economy. However, the Bank's management has long since had a policy of emphasizing quality of various aspects of operations rather than expansion of business volume. It also implemented a policy of thrift stringently and actively and that of operating with emphasis on flexibility of resource utilization to achieve maximum benefits. These three factors constituted a major cause enabling Bangkok Bank to weather the storm buffeting all aspects of the economy.

Total Assets*



*Bangkok Bank (excluding subsidiaries)

Shareholders' Equity*



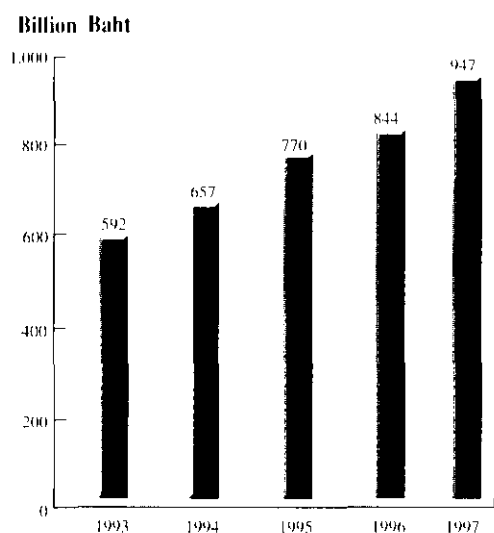
*Bangkok Bank (excluding subsidiaries)

Under a highly unfavourable environment as described, Bangkok Bank recorded operational results that may be regarded as satisfactory. Total assets of the Bank (including those of its wholly own subsidiaries) at end-1997 totalled Baht 1,416,435.0 million, up Baht 254,837.3 million or 21.9 per cent. Deposits (excluding inter-bank and money market items) amounted to Baht 952,149.9 million. Credits (also excluding inter-bank and money market items), were Baht 1,022,971.5 million. With an economic recession in progress, the Bank had to be extra careful, giving serious considerations particularly to stability and long-term security as the key factor for conducting business operations. In consequence, for this annual accounting period the Bank set aside reserves for doubtful accounts many times higher than in the previous annual accounting period. This affected its profits, reducing them sharply. Thus, in 1997 net profits amounted to Baht 4,213.9 million, a decline of 79.8 per cent. Net profit per share was Baht 4.21, much lower than Baht 20.78 per share in the previous year.

Operating Fund

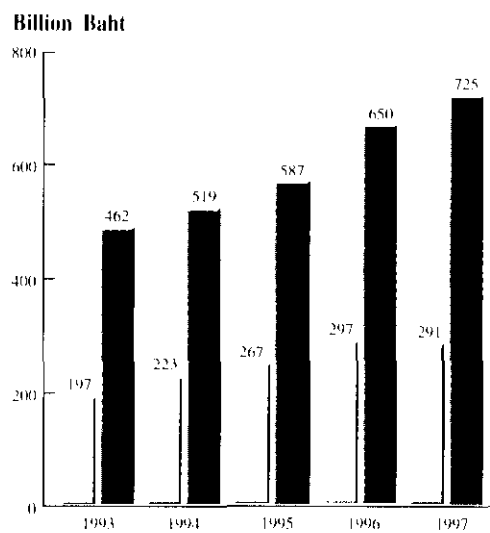
Operating fund of Bangkok Bank and its subsidiaries at end-1997 amounted to Baht 1,353,374.1 million, an increase of Baht 247,761.4 million or 22.4 per cent over the previous year. Deposits totalled Baht 952,149.9 million, accounting for 70.4 per cent of the operating fund. Inter-bank and money market items amounted to Baht 216,735.1 million, accounting for 16.0 per cent. Borrowings amounted to Baht 80,684.5 million, making up 6.0 per cent. The Bank's shareholders' equity totalled Baht 103,804.6 million, equivalent to 7.7 per cent of the operating fund. The Bank's shares at end-1997, numbered 1,001,495,694.

Deposits*



*Bangkok Bank (excluding subsidiaries)

— Bills Receivable* ■ Loans and Overdrafts*



*Bangkok Bank (excluding subsidiaries)

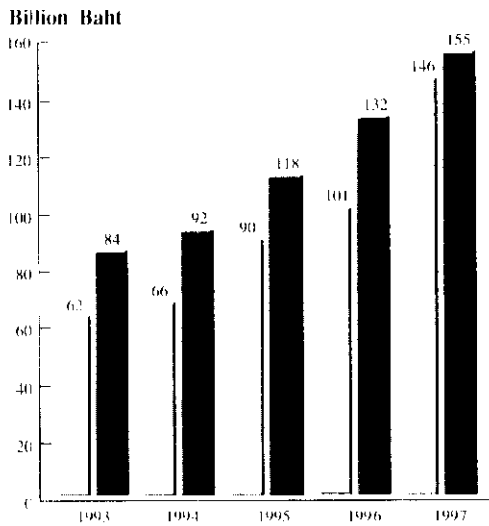
Deposits and Liquid Assets

Subsequent to the problem of instability in the finance company sector, which led to a permanent close-down of 56 finance and securities companies, considerable deposits were transferred from finance companies and small commercial banks to large commercial banks due to depositors' greater trust in larger banking institutions. Moreover, the Bank itself implemented a policy of active deposit mobilization on an on-going basis. Deposits thus expanded at a higher rate. At end-1997, deposits at the Bank and its subsidiaries total Baht 952,149.9 million, of which Baht 946,547.8 million was specifically those of Bangkok Bank (not including inter-bank and money market items). This, when adjusted with the same base, increased from the previous year by Baht 142,250.3 million or 17.7 per cent. Deposit accounts numbered 11,604,437.

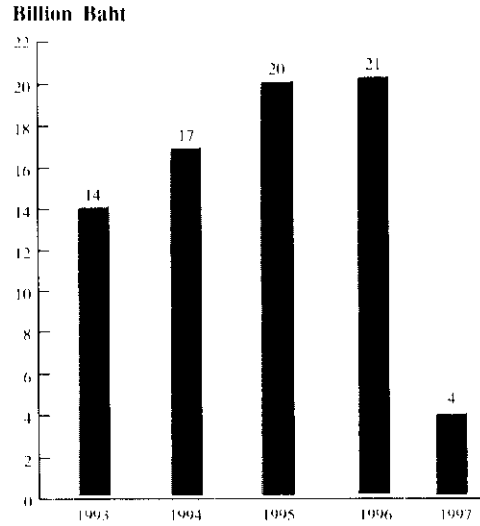
The Bank continued to promote long-term savings. After the successful launching of the Khwan Bualuang Deposit service, the Bank promoted contractual savings, beginning with Sin Matthaya Sab Thawee deposits. This is a fixed deposit service of equal monthly deposit amounts. Its maturity is 1-2 years. The interest rate on this special-type deposit is between 0.75-1.00 per cent higher than that on normal fixed deposits, and the interest itself is tax-exempted. The service corresponds well with the government's drive to stimulate domestic savings. Apart from this, the Bank has been entrusted to manage employees' provident funds of several organizations, such as, the Bank for Agriculture and Agricultural Cooperatives, the Airport Authority of Thailand, Sony Co. Ltd., and Sakura Bank, with a combined total value of Baht 3,239 million.

Expenses* Revenue*

Net Profit*



*Bangkok Bank (excluding subsidiaries)



*Bangkok Bank (excluding subsidiaries)

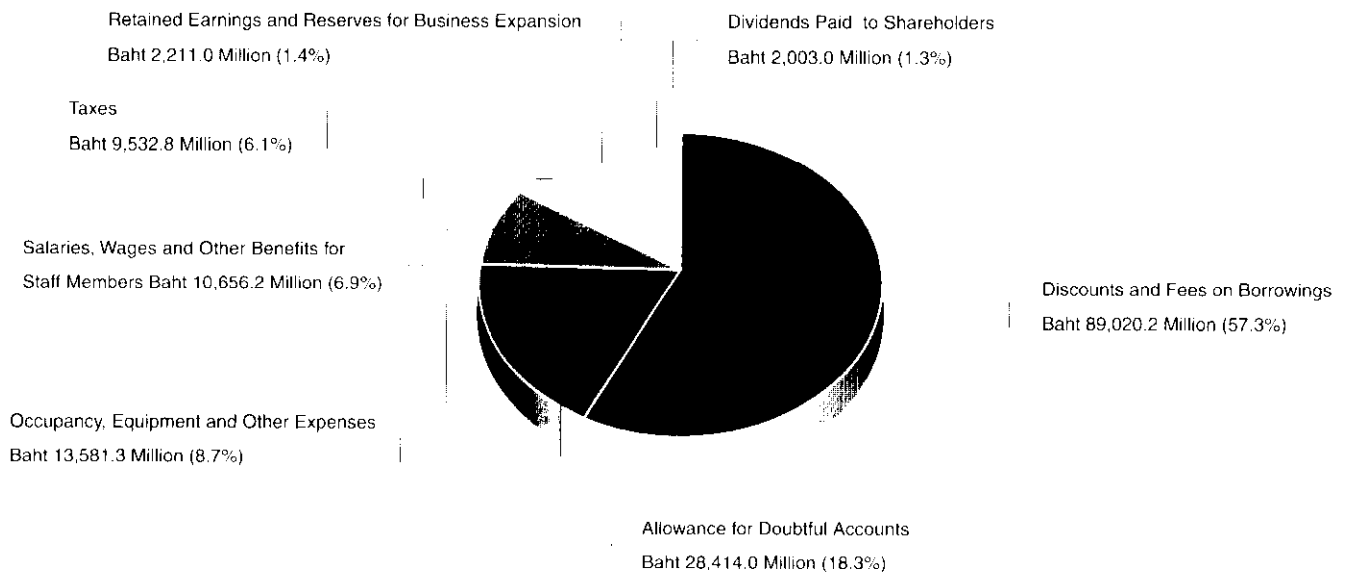
On the interest rate front, those on deposits were adjusted upwards several times during the year due to tight liquidity in the financial system, coupled with more intensified competition among banks. At year's end, the rate on 3-month fixed deposits hovered on the 10-11.5 per cent level, compared with 8.75-9.75 per cent at end of 1996.

The Bank's liquid assets at end-1997 totalled Baht 174,383.5 million, comprising Baht 16,376.9 million in cash, Baht 106,800.0 million in inter-bank and money market items, and Baht 51,206.6 million in Thai government securities. The ratio of liquid assets to deposits was 17.4 per cent, some 8.9 per cent higher than at end of the previous year.

Investment

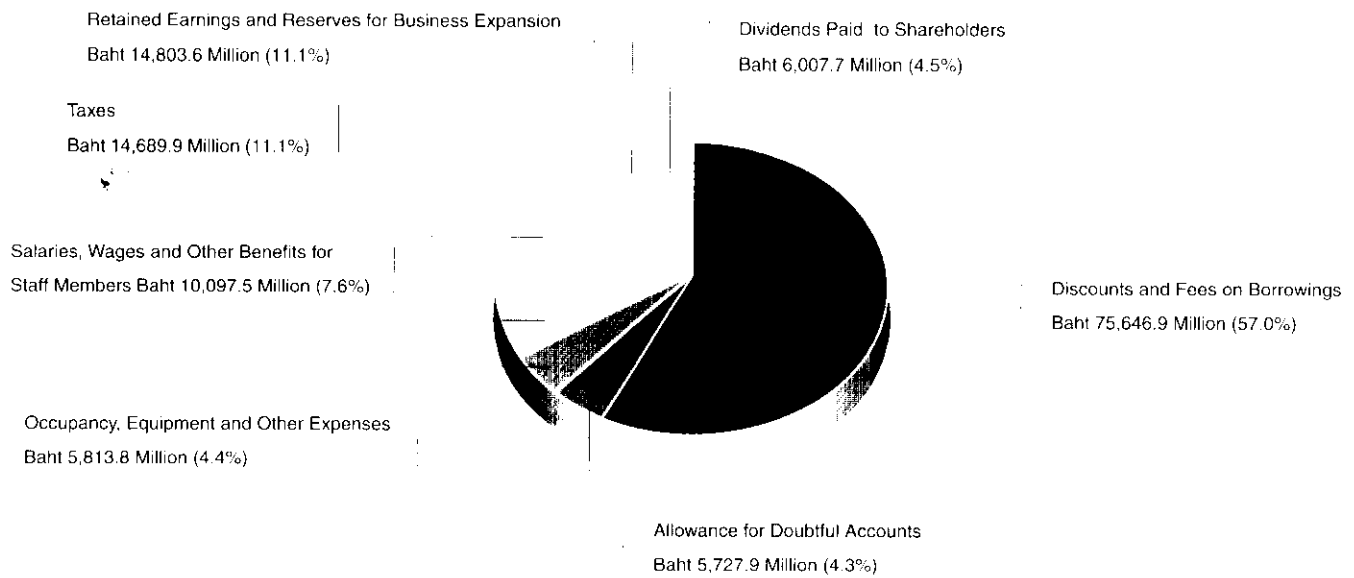
The economic and financial crises, which were severe and worsened rapidly pushed the domestic economy into the doldrums. Apart from this, businesses were also affected by the floatation of the baht. Meanwhile, the increase in VAT from 7 per cent to 10 per cent dampened economic activities. Moreover, the Bank of Thailand also amended its regulations on the classification of assets and on reserves for NPLs, and became more stringent on banks' credit card, prompting commercial banks to be more cautious about their lendings. As a consequence, expansion of credits slackened.

At end-1997, net outstanding credits of the Bank and its subsidiaries, totalled Baht 1,022,971.5 million. Of this amount, credits of Bangkok Bank, (not including inter-bank and money market items) totalled Baht 1,016,470.7 million. Using the same base, the increase



1997

Operating Income (Bangkok Bank and Subsidiaries) Baht 155,418.5 Million (100%)



1996

Operating Income (Bangkok Bank and Subsidiaries) Baht 132,787.3 Million (100%)

over the previous year was Baht 116,675.6 million or 13.0 per cent. These comprised Baht 131,414.9 million of BIBF credit, an increase of 66.5 per cent (the weakened baht translated into a higher value of outstanding foreign debt when converted into baht), Baht 594,069.5 million in loans and overdrafts, an increase of Baht 43,487.9 million or 7.9 per cent over the previous year, and Baht 290,986.3 million in bills discounted, an increase of Baht 20,722.5 million or 7.7 per cent. Rural credits at year's end were Baht 174,741.0 million which was some Baht 23,279.2 million or 15.3 per cent higher than the target set by the Bank of Thailand. Interest rates were increased several times during the year, with the MOR, MLR and MRR being raised from 12.75-13.25 per cent to 13.75-15.75 per cent.

The Bank is well aware that in operating a financial institution today, it must exercise great care and pay special attention to asset quality, as this is a factor of paramount importance, which can affect the stability of the organization. This being the case, the Bank has outlined measures for improving its risk assets management in keeping with the prevailing situation. An early warning system will also be set up. Moreover, it is in the process of creating standards for risk assessment and credit classification, inspection and monitoring of risks and forming a team of experts for management of substandard assets. When the aforementioned steps are realized, the Bank will certainly better be able to maintain the quality of its assets under an environment of greater uncertainty.



Benefits to the Public and the State

The Bank continued to expand its revenue base, particularly that for fee-based income. In 1997, the bank was entrusted to underwrite state enterprise bonds, including those of the Bank for Agriculture and Agricultural Cooperatives, the Petroleum Authority of Thailand, the Government Housing Bank and the Expressway and Rapid Transit Authority of Thailand. The Bank thus played a role in national economic and social development, while capturing a large market share in the underwriting business.



In 1997, the Bank and its subsidiaries's operating income totalled Baht 155,418.5 million, an increase of Baht 22,631.3 million, or 17.0 per cent, while operating expenses totalled Baht 146,754.6 million, up Baht 45,098.5 million or 44.4 per cent. Most expenses were incurred from the Bank's operations as per the following details:



The Bank's operating income totalled Baht 154,583.5 million, rising by Baht 22,381.9 million or 16.9 per cent. Major sources of revenue were interest and discounts amounting to Baht 127,032.9 million, an increase of Baht 14,840.3 million or 13.2 per cent, as a result of increasing interest rate and credits. Income on interest and discounts accounted for 82.2 per cent of the total. Interest and dividends from investment rose by 9.6 per cent, while income from other sources increased by 44.8 per cent. Profits from foreign exchange transactions rose 1.9 times due to the fall and instability of the baht in the second half of the year. For fees and service charges, receipts decreased by 0.9 per cent, in line with the sluggish economy.

Operating expenses totalled Baht 146,076.5 million, an increase of Baht 44,941.8 million, or 44.4 per cent. Major expenses were interest on deposits amounting to Baht 70,002.5 million, which rose by Baht 2,956.1 million or 4.4 per cent, and accounting for 45.3 per cent of total income. Interest and discounts on borrowings from overseas sources and the Bank of Thailand totalled Baht 17,583.0 million, an increase of Baht 9,952.7 million or 1.3 times. An increase of these interest and discounts resulted from the expansion of deposits and credits, coupled with the high level of interest rates. Moreover, the slump in the securities market caused the Bank to lose Baht 5,325.9 million on securities sales and mark to market in 1997, compared to Baht 89.8 million in the previous year. Furthermore, a high provision

for possible loan losses, made according to the Bank's policy of emphasizing its long-term stability, led to an increase in reserves against possible loan losses from Baht 5,704.6 million to Baht 28,368.2 million, a 4-fold increase, and accounting for 18.4 per cent of total income, compared to 4.3 per cent of the previous year. Contribution to the Financial Institutions Development Fund in 1997 rose due to changes in rules and regulations to Baht 1,826.6 million, an increase of Baht 1,145.2 million, or 1.7 times.

In 1997, the Bank opened another 20 domestic branches, 3 in the Bangkok Metropolitan area and 17 in the provinces. At end-1997, the Bank's branch network comprised 541 branch offices, of which 519 branches were domestic and twenty-two overseas, plus another 3 representative offices in Beijing, Chengdu and Yangon. The Bank closed its Hamburg Branch on December 31, 1997.

At end-1997, staff numbered 25,000, a decrease of 1,218 or 4.6 per cent. Benefits to the staff totalled Baht 10,566.2 million, an increase of 5.3 per cent, and accounted for 6.8 per cent of total income.

The Bank and its subsidiaries' profits before tax totalled Baht 8,663.9 million, down 72.2 per cent, equivalent to Baht 8.65 per share against Baht 31.09 per share in the previous year. (Specifically for Bangkok Bank, its profits before tax accounted for Baht 8,507.0 million, a decrease of 72.6 per cent, equivalent to Baht 8.49 per share against Baht 31.03 per share in the previous year).

The Bank and its subsidiaries paid a total of Baht 9,532.8 million in taxes to the government, down 35.1 per cent, an equivalent of 6.2 per cent of total income. This comprised Baht 4,450.0 million in corporate income tax, a decrease of 56.9 per cent, and Baht 5,082.8 million in specific business tax and stamp duty, an increase of 16.3 per cent. Net profit totalled Baht 4,213.9 million, down 79.8 per cent, an equivalent of Baht 4.21 per share, compared with Baht 20.78 per share in the previous year. This shrinkage of profits reduced average returns on shareholder's equity to 3.98 per cent, compared with 20.70 per cent in the previous year.

Improving the Efficiency of Operations

In view of the prevailing economic difficulty, the operating results of the bank are widely and positively recognized both locally and abroad. The Bank has risen, according to the Banker magazine, in world rankings, in terms of 1st tier capital, from No.121 to 109, and to No.13 among Asian banks outside Japan. Among banks in ASEAN, Bangkok Bank continues to hold first place in terms of total assets as at September 1997, according to the Asia Week magazine. Furthermore, Bangkok Bank is the only bank from ASEAN countries which is placed among the top 50 of Asia, rising from No. 53 to No.48. Locally according to Money and Banking magazine, Bangkok Bank's image is the best among Thai commercial banks. Apart from this, Mr. Chartsiri Sophonpanich, President of the Bank, has been named among the world's 50 leading young financial executives by Euromoney magazine.

The Bank continues to make every effort to improve the efficiency of its services to all its customers, with regard to both its personnel and technology. Emphasis is placed on training its staff to ensure that customers are satisfied, and a marketing strategy to enlarge its deposit base. Moreover, a campaign has been launched for bank staff to pay personal visits to customers throughout the country. This is aimed as a way to improve their knowledge of the customers. Moreover, the bank encourages its staff members to seek

further education by providing scholarships to those who wish to study at the masters level both locally and abroad, and at the bachelor level in Thailand. Scholarships under the AFS scheme are also provided for children of staff members.

On the technology front, the Bank has expanded its ATM terminals so that now it has the largest ATM network in ASEAN. This year has also seen the introduction of a new service, i.e. deposit customers in the capital area who need to change their passbooks, do not have to go to the branch where they opened their account, but can also do so at 6 'new look' branches. With regard to self service, which is becoming more popular, the Bank has introduced its Bualuang Easy Touch project — a machine for handling non-cash financial items. Regarding the Bualuang phone service, more features have been added. These include the service for mutual fund unit holders to exchange the Bank's mutual fund units and to trade any open-ended mutual fund units at the buying or selling price on the same day. It is also now possible for customers to pay their water bill 24 hours a day through the Bank. Service has also been extended to providing exchange rates information in 9 currencies.

Regarding the internal systems of the Bank, these have been improved in order to handle the increased workload. They include the image technology system, which makes it possible to withdraw cheques from other branches and the development of the Bank's cheque processing centre to accommodate the automated cheque-clearing system of the Bank of Thailand. With regards to improving computer efficiency, the bank has constructed a new computer centre on Rama 3 Road, Bangkok, and has begun to install the local area network (LAN) system of the asynchronous transmission mode (ATM) type, which is able to transmit information extremely quickly - at 155-622 Mbit/second. Also, very shortly, 2 IBM latest computers, the S390/R25 model, will be installed. Each machine is capable of 120 Mips, which, when combined with the computers at the Silom Road Head Office, the combined power will reach 450 Mips. Both computer centres will operate simultaneously and will also function as back-up facilities to each other. Moreover, the Bank has installed other supplementary equipment, including an automated tape library and software. This is designed to improve staff efficiency at the centre. Connections between the two centres have also been set up which can reach transmission speeds of 34 Mbit/second. In making preparations for the year 2000, the Bank is in the process of improving all computer systems to accommodate future changes. It sets as a target to complete this task within the 3rd quarter of 1998.

Bangkok Bank's share in the credit card business has continued to increase throughout the year, as the Bank expands its cooperation with various organizations in issuing special cards. These include the Chulalongkorn University credit card in commemoration of the university's 80th anniversary. The Emporium credit card, and the Visa purchasing card, specifically for the staff of Esso Co. Ltd. for the purchase of goods from outlets designated by the company. The Bank also issued its own Bangkok Bank World Cup Master Credit Card in commemoration of the World Cup competition in 1998.

During this period of crisis, Bangkok Bank, apart from working with the government in rectifying economic problems in the country, is also encouraging its staff to be frugal. The management of the Bank strongly believes that with all parties in the Kingdom joining hands to pool resources together, we will overcome the present difficult situation, and the country will fully recover to its prosperous past.

Community Services

Bangkok Bank, throughout its many years, has always endeavoured to return some of its profits back to society in recognition of its place in, and support by the public. The bank has thus played a prominent role in community services and has concomitantly become a recipient of much benefit as a result of the people's goodwill. For decades, the bank has accordingly extended assistance in various areas, as follows.

Education : Bangkok Bank has provided scholarships for over 30 years to students studying at state educational institutions pursuing various courses at different levels. Moreover, the bank has continued to provide funding to schools for constructing buildings in outlying provincial areas, so that today, 24 schools in all the regions of the country have benefitted from the construction programme. Another important educational project involves extending support to university students to enable them to expand their outlook and gain more experience so that they will be able to meet the demands of the modern world with confidence.

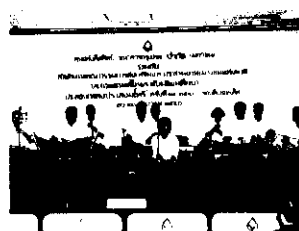
Religion : Although Bangkok Bank is a business organization, it seeks to involve itself in activities related to the various religions, because religion is what people depend on for peace of mind and spiritual consolation. The bank has participated in its yearly offering of religious robes to Buddhist monks during the annual robe-giving ceremony at royally sponsored temples throughout the country, and has provided assistance to monks and novices who are in Buddhist religious training.

Art and Culture : The bank has again undertaken projects which are intended to contribute to a better quality of life by supporting the arts, especially those valuable to Thailand. Bangkok Bank's Art Centre continues in its efforts to preserve and promote Thai art, which it has done for over 20 years.

Support of Agricultural Inventions : Bangkok Bank has cooperated with the Ministry of Science, Technology and the Environment to arrange an 'Inventors Day' since 1993. Inventions by researchers and inventors are submitted, the best of which receive prizes. This has resulted in many inventions, many of which, in the future, are expected to become commercialized. The bank provides support for these exhibitions by supplying prize money in the agricultural machinery invention category, used in the processing of agricultural products.

Blood donation : The bank has continued to cooperate with The Thai Red Cross Society in arranging blood donations, while also being responsible for mobilizing funds to transport blood donations by air to all parts of the country, another project of The Thai Red Cross.

Apart from the above, each year Bangkok Bank has played a part in various activities which are of real communal benefit. For instance, when communities experience hardship from natural calamities, the bank makes a strong effort to become involved in alleviating the effects on the local people. Moreover, the bank also assists in the field of public health, providing funds for constructing hospital buildings and mobilizing funds and other necessities to help the Thai Red Cross and local hospitals, as well as cooperating with the government and various agencies to rectify problems related to the environment on an on-going basis, particularly through the Bank's reforestation programme.



TEN-YEAR STATISTICAL SUMMARY
BANGKOK BANK (EXCLUDING SUBSIDIARIES)

For The Year (Baht Thousand)	1997	1996	1995	1994
Operating Income	154,583,459	132,201,596	118,205,918	91,697,12
Operating Expenses	146,076,490	101,134,662	89,544,001	65,657,18
Profit before Tax	8,506,969	31,066,934	28,661,917	26,039,94
Income Tax	4,450,000	10,320,000	8,960,000	8,680,00
Net Profit	4,056,969	20,746,934	19,701,917	17,359,94
At Year-End (Baht Thousand)				
Total Assets	1,408,618,771	1,155,109,053	1,035,447,886	898,373,47
Cash ¹	16,376,938	59,114,943	63,617,953	55,096,27
Securities	66,777,192	79,384,473	65,114,862	55,226,26
Bills Receivable ¹	290,986,326	296,715,961	266,542,169	222,542,74
Loans and Overdrafts ¹ (Net of provision for possible loan losses)	725,484,351	650,235,578	587,017,184	519,134,67
Premises and Equipment	31,090,459	26,880,425	24,206,560	22,791,40
Deposits ¹	946,547,760	843,682,491	770,422,642	657,282,06
Shareholders' Equity	103,294,193	107,535,902	92,953,939	78,173,06
Per Share (Baht)²				
Operating Income	154.36	132.03	118.10	91.0
Profit before Tax	8.49	31.03	28.63	26.0
Net Profit	4.05	20.72	19.68	17.0
Dividends ³	2.00	6.00	5.50	4.0
Book Value	103.14	107.40	92.84	78.0
Number of Staff	25,000	26,218	26,310	25,38
Number of Shareholders	17,826	17,830	18,646	19,50
Number of Branches	541	521	478	48

1 / From 1997, not including interbank and money market items.

2 / On May 4, 1992, the Bank split its share's par value from Baht 100 to Baht 10 each.

3 / Dividends paid for the whole year. Those for 1994 excluded a special interim dividend of Baht 2.00 per share.

1993	1992	1991	1990	1989	1988
83,747,816	75,884,369	77,270,633	59,940,894	42,081,689	31,854,367
62,399,031	59,669,274	66,361,122	52,281,524	37,881,841	28,726,762
21,348,785	16,215,095	10,909,511	7,659,370	4,199,848	3,127,605
7,445,000	5,675,000	3,655,000	2,970,000	1,725,000	1,285,000
13,903,785	10,540,095	7,254,511	4,689,370	2,474,848	1,842,605
782,870,385	666,008,672	595,803,563	520,600,821	413,205,923	350,844,859
43,851,511	33,769,038	36,426,745	43,829,981	34,384,136	29,654,220
41,198,739	34,839,894	35,201,282	37,427,156	35,004,704	33,488,303
196,589,376	182,693,163	162,106,034	122,456,244	96,696,317	80,570,391
462,052,748	389,626,890	336,061,327	295,672,201	229,480,157	190,770,806
21,413,515	7,568,231	6,798,112	4,628,889	3,897,420	3,798,358
591,534,303	498,753,886	448,333,572	399,837,226	326,095,527	270,084,310
66,845,880	45,335,307	37,695,212	26,854,601	19,056,754	18,021,906
83.75	75.88	876.66	862.68	701.36	574.04
21.35	16.22	123.77	110.24	70.00	56.36
13.90	10.54	82.30	67.49	41.25	33.21
3.70	3.10	28.00	26.00	24.00	23.00
66.85	45.34	376.95	346.06	317.61	300.37
24,689	24,035	23,642	22,270	20,838	20,040
25,194	24,445	30,438	31,067	30,866	32,012
427	414	405	367	358	356



REPORT OF THE AUDITORS

TO THE SHAREHOLDERS

BANGKOK BANK PUBLIC COMPANY LIMITED

We have examined the consolidated balance sheet as at December 31, 1997, the related consolidated statements of profit and loss, changes in shareholders' equity, retained earnings and cash flows for the year then ended of Bangkok Bank Public Company Limited and subsidiaries and have examined the balance sheet of Bangkok Bank Public Company Limited as at December 31, 1997, the related statements of profit and loss, changes in shareholders' equity retained earnings and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries and the financial statements of Bangkok Bank Public Company Limited present fairly the financial position as at December 31, 1997, and the results of operations, the changes in shareholders' equity and the cash flows for the year then ended of Bangkok Bank Public Company Limited and subsidiaries, and of Bangkok Bank Public Company Limited in conformity with generally accepted accounting principles and as described in Notes 2 and 3 to the financial statements, applied on a basis consistent with that of the preceding year.

Without qualifying our opinion, we draw attention to Notes 1,2,3 and 4.25 to the financial statements. The country's unstable economy has to a certain extent affected, and may continue to affect, the operations and the maintenance of the status of assets and liabilities of the commercial banking system.

As disclosed in Note 2.2 to the financial statements, the financial statements for the year ended December 31, 1996 are not presented for comparison due to changes in presentation of the financial statements in accordance with the Ministerial Regulation No 7. B.E. 2539 (1996) resulting in the classifications of certain items of assets, liabilities, revenues, expenses and notes to the financial statements for the year ended December 31, 1996 being inconsistent with those for the year ended December 31, 1997.



Toemsakdi Krishnamra

Certified Public Accountant

DELOITTE TOUCHE THOMATSU JAIYOS

BANGKOK

February 16, 1998

B A L A N C E S H E E T

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
ASSETS		
CASH	16,548,431,763	16,376,937,647
INTERBANK AND MONEY MARKET ITEMS (Note 4.2)		
Domestic items		
Interest bearing	62,900,698,760	62,900,698,760
Non - interest bearing	18,925,800,309	18,925,800,309
Foreign items		
Interest bearing	120,006,455,126	120,543,993,770
Non - interest bearing	3,771,940,550	2,896,228,392
Total interbank and money market items	205,604,894,745	205,266,721,231
SECURITIES PURCHASED UNDER RESALE		
AGREEMENTS (Note 4.3)	48,382,536,871	48,382,536,871
INVESTMENT IN SECURITIES (Notes 3.2, 4.4 and 4.19)		
Securities for trading	11,023,402,844	11,023,402,844
Securities for investment	59,911,730,452	59,332,470,089
Total investment in securities	70,935,133,296	70,355,872,933
Less Allowance for diminution in value of securities	(3,585,593,138)	(3,578,680,509)
Total investment in securities, net	67,349,540,158	66,777,192,424
LOANS AND ACCRUED INTEREST RECEIVABLES		
Loans (Notes 3.3 and 4.5)	1,081,084,642,498	1,074,396,075,261
Accrued interest receivables	10,253,139,495	10,210,299,322
Total loans and accrued interest receivables	1,091,337,781,993	1,084,606,374,583
Less Allowance for doubtful accounts (Notes 3.4 and 4.6)	(58,113,100,507)	(57,925,397,839)
Total loans and accrued interest receivables, net	1,033,224,681,486	1,026,680,976,744
PROPERTIES FORECLOSED (Note 3.5)	5,292,558,614	5,292,558,614
CUSTOMERS' LIABILITY UNDER ACCEPTANCES	3,568,943,677	3,568,943,677
PREMISES AND EQUIPMENT, NET (Notes 3.6 and 4.7)	31,223,385,564	31,090,458,537
OTHER ASSETS	5,240,006,814	5,182,444,991
TOTAL ASSETS	1,416,434,979,692	1,408,618,770,736
BAHT		

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

B A L A N C E S H E E T

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31,1997



	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
LIABILITIES AND SHAREHOLDERS' EQUITY		
DEPOSITS (Note 4.8)		
Deposits in Baht	867,210,112,392	867,210,112,392
Deposits in foreign currencies	84,939,807,702	79,337,647,811
Total deposits	952,149,920,094	946,547,760,203
INTERBANK AND MONEY MARKET ITEMS (Note 4.9)		
Domestic items		
Interest bearing	39,810,772,169	39,810,772,169
Non - interest bearing	1,383,938,976	1,381,020,892
Foreign items		
Interest bearing	173,477,553,405	172,288,112,144
Non - interest bearing	2,062,820,827	2,052,848,978
Total interbank and money market items	216,735,085,377	215,532,754,183
LIABILITY PAYABLE ON DEMAND	3,889,464,709	3,823,918,736
SECURITIES SOLD UNDER REPURCHASE		
AGREEMENTS (Note 4.10)	169,065,000	169,065,000
BORROWINGS (Notes 4.11, 4.12, 4.13 and 4.14)		
Long - term borrowings	80,684,479,052	80,684,479,052
Total borrowings	80,684,479,052	80,684,479,052
BANK'S LIABILITY UNDER ACCEPTANCES	3,568,943,677	3,568,943,677
INTEREST PAYABLE	18,851,228,665	18,600,348,808
OTHER LIABILITIES	36,582,154,256	36,397,307,655
TOTAL LIABILITIES	1,312,630,340,830	1,305,324,577,314

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

B A L A N C E S H E E T

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 4.16)		
Authorized share capital		
2,000,000,000 ordinary shares of Baht 10.00 each	20,000,000,000	20,000,000,000
Issued and paid-up share capital		
1,001,495,694 ordinary shares of Baht 10.00 each, fully paid	10,014,956,940	10,014,956,940
PREMIUM ON SHARE CAPITAL	11,146,738,452	11,146,738,452
UNREALIZED INCREMENT PER LAND APPRAISAL (Note 3.6)	5,940,633,430	5,940,633,430
UNREALIZED INCREMENT PER BANK PREMISES		
APPRAISAL (Note 3.6)	4,089,807,636	4,089,807,636
RETAINED EARNINGS		
Appropriated		
Legal reserve (Note 4.17)	11,882,221,286	11,544,800,000
Other reserve	68,266,975,948	68,266,975,948
Unappropriated (deficit)	(4,380,407,879)	(4,521,057,866)
ADD FOREIGN EXCHANGE ADJUSTMENT	32,374,167	-
LESS UNREALIZED LOSS ON SECURITIES FOR		
INVESTMENT (Note 3.2.4)	(3,188,661,118)	(3,188,661,118)
TOTAL SHAREHOLDERS' EQUITY - NET	103,804,638,862	103,294,193,422
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	BAHT 1,416,434,979,692	1,408,618,770,736
OFF-BALANCE SHEET ITEMS - CONTINGENCIES (Note 4.18)		
AVAL TO BILLS AND GUARANTEES OF LOANS	BAHT 77,200,358,457	84,856,617,257
LIABILITY UNDER UNMATURED IMPORT BILLS	BAHT 32,903,591,498	32,846,832,405
LETTERS OF CREDIT	BAHT 36,852,996,534	36,499,649,892
OTHER CONTINGENCIES	BAHT 836,402,457,022	838,787,012,608
<i>Notes to the financial statements form an integral part of these statements</i>		
		
(Mr. Chartsiri Sophonpanich) President	(Mr. Deja Tulananda) Senior Executive Vice President	

STATEMENT OF PROFIT AND LOSS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
INTEREST AND DIVIDEND INCOME		
Interest on loans	110,508,504,963	109,829,525,350
Interest on interbank and money market items	17,212,849,670	17,203,393,965
Interest on government and state enterprise securities	3,993,496,468	3,993,496,468
Interest on other securities	1,972,380,744	1,983,398,527
Total interest and dividend income	133,687,231,845	133,009,814,310
INTEREST EXPENSES		
Interest on deposits	70,436,000,829	70,002,521,785
Interest on interbank and money market items	14,132,595,296	14,127,526,767
Interest on long-term borrowings	3,455,455,803	3,455,455,803
Total interest expenses	88,024,051,928	87,585,504,355
NET INTEREST AND DIVIDEND INCOME	45,663,179,917	45,424,309,955
BAD DEBT AND DOUBTFUL ACCOUNTS	28,413,969,774	28,368,191,836
NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBT AND DOUBTFUL ACCOUNTS	17,249,210,143	17,056,118,119
NON-INTEREST INCOME		
Fees and service income		
Acceptances, aval and guarantees	740,721,999	740,721,999
Others	9,511,875,365	9,464,603,830
Gains on exchange	10,467,661,399	10,418,470,494
Gains on sales of debt instruments	702,506,929	702,506,929
Other income	308,488,442	247,341,432
Total non-interest income	21,731,254,134	21,573,644,684

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

STATEMENT OF PROFIT AND LOSS (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
NON-INTEREST EXPENSES		
Personnel expenses	10,625,822,781	10,535,720,574
Premises and equipment expenses	3,214,017,182	3,204,028,271
Taxes and duties	5,082,823,505	5,003,084,406
Fees and service expenses	996,188,111	994,125,078
Directors' remuneration	30,400,000	30,400,000
Loss on sales of securities	5,325,908,163	5,325,908,163
Other expenses	5,041,382,394	5,029,527,621
Total non-interest expenses	30,316,542,136	30,122,794,113
INCOME BEFORE INCOME TAX	8,663,922,141	8,506,968,690
INCOME TAX EXPENSES	4,450,000,000	4,450,000,000
NET INCOME	BAHT 4,213,922,141	4,056,968,690
NET INCOME PER SHARE	BAHT 4.21	4.05

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
ORDINARY SHARE CAPITAL		
Beginning balance	10,012,758,680	10,012,758,680
Additions	2,198,260	2,198,260
Ending balance	10,014,956,940	10,014,956,940
PREMIUM ON SHARE CAPITAL		
Beginning balance	11,098,376,712	11,098,376,712
Additions	48,361,740	48,361,740
Ending balance	11,146,738,452	11,146,738,452
UNREALIZED INCREMENT PER LAND APPRAISAL		
Beginning balance	5,940,633,430	5,940,633,430
Ending balance	5,940,633,430	5,940,633,430
UNREALIZED INCREMENT PER PREMISES APPRAISAL		
Beginning balance	4,242,905,591	4,242,905,591
Deductions	(153,097,955)	(153,097,955)
Ending balance	4,089,807,636	4,089,807,636

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
RETAINED EARNINGS		
Appropriated		
LEGAL RESERVE		
Beginning balance	10,700,124,217	10,544,800,000
Additions	1,182,097,069	1,000,000,000
Ending balance	11,882,221,286	11,544,800,000
OTHER RESERVE		
Beginning balance	55,141,975,948	55,141,975,948
Additions	13,125,000,000	13,125,000,000
Ending balance	68,266,975,948	68,266,975,948
Unappropriated		
Beginning balance	10,720,245,519	10,554,451,914
Additions	4,213,922,141	4,056,968,690
Deductions	(19,314,575,539)	(19,132,478,470)
Ending balance	(4,380,407,879)	(4,521,057,866)
FOREIGN EXCHANGE ADJUSTMENT		
Beginning balance	778,739	-
Additions	31,595,428	-
Ending balance	32,374,167	-
UNREALIZED LOSS ON SECURITIES FOR INVESTMENT		
Beginning balance	-	-
Additions	(3,188,661,118)	(3,188,661,118)
Ending balance	(3,188,661,118)	(3,188,661,118)
TOTAL	BAHT	103,804,638,862
		103,294,193,422

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

STATEMENT OF RETAINED EARNINGS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
UNAPPROPRIATED RETAINED EARNINGS		
Beginning	10,720,245,519	10,554,451,914
Additions:		
Net profit	4,213,922,141	4,056,968,690
Deductions:		
Appropriation for last year:		
Statutory reserve	(682,097,069)	(500,000,000)
Other reserve	(7,000,000,000)	(7,000,000,000)
Dividends	(3,004,487,082)	(3,004,487,082)
Appropriation during the year:		
Statutory reserve	(500,000,000)	(500,000,000)
Other reserve	(6,125,000,000)	(6,125,000,000)
Interim dividends	(2,002,991,388)	(2,002,991,388)
Total unappropriated retained earnings (deficit)	(4,380,407,879)	(4,521,057,866)
APPROPRIATED RETAINED EARNINGS		
Legal reserve	11,882,221,286	11,544,800,000
Other reserve	68,266,975,948	68,266,975,948
Total appropriated retained earnings	80,149,197,234	79,811,775,948
TOTAL RETAINED EARNINGS	BAHT 75,768,789,355	75,290,718,082

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

STATEMENT OF CASH FLOWS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	4,213,922,141	4,056,968,690
Items to reconcile net income to net cash flows		
from operations		
Depreciation and amortization expenses	1,704,569,005	1,694,460,655
Bad debt and doubtful accounts	28,413,969,774	28,368,191,836
(Gains) losses on exchange	3,499,424,725	3,499,424,725
(Gains) losses of debt instruments	34,839,260	34,839,260
(Gains) losses of securities written off	706,451,432	706,451,432
Accrued interest receivable and dividend		
(increase) decrease	(4,604,343,894)	(4,675,169,449)
Interest receivable - other (increase) decrease	135,130,467	135,130,467
Interest payable increase (decrease)	4,846,091,927	4,866,559,138
Accrued other expenses increase (decrease)	591,507,191	583,728,783
Income from operations before changes in		
operating assets and liabilities	39,541,562,028	39,270,585,537
Operating assets (increase) decrease		
Negotiable certificates of deposit	(569,861,545)	(569,861,545)
Securities purchased under resale agreements	(35,476,003,842)	(35,476,003,842)
Investment in securities for trading	2,657,901,348	2,657,901,348
Deposits, loans and Interbank and money market items	(256,633,062,827)	(255,540,171,504)
Properties foreclosed	(39,331,130)	(39,331,130)
Other assets	1,447,111,241	1,481,764,519

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

STATEMENT OF CASH FLOWS (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Operating liabilities increase (decrease)		
Deposits, borrowings and Interbank and money market items	211,834,037,997	211,045,693,614
Demand liabilities	919,943,735	1,040,844,921
Negotiable certificates of deposit	(13,779,121,012)	(14,143,642,377)
Securities sold under repurchase agreements	169,065,000	169,065,000
Other liabilities	46,268,212,163	46,116,923,356
Net cash provided (used) by operating activities	(43,201,108,872)	(43,256,817,640)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in securities for investment (increase) decrease	5,659,632,890	5,873,461,491
Purchase of premises and equipment	(6,199,183,102)	(6,151,789,329)
Proceeds from sales of premises and equipment	94,197,167	94,197,167
Net cash provided (used) by investing activities	(445,353,045)	(184,130,671)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash from issue of unsecured subordinated debt	7,722,000,000	7,722,000,000
Dividends paid	(5,007,478,470)	(5,007,478,470)
Net cash provided (used) by financing activities	2,714,521,530	2,714,521,530
Net increase (decrease) in cash and cash equivalents	(1,390,378,359)	(1,455,841,244)
Cash and cash equivalents as at January 1, 1997	17,938,810,122	17,832,778,891
Cash and cash equivalents as at December 31, 1997 BAHT	16,548,431,763	16,376,937,647
<i>Notes to the financial statements form an integral part of these statements</i>		

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 1997

1. ECONOMIC TURMOIL AND THE OPERATIONS OF THE BANK.

Many Asia Pacific countries, including Thailand are experiencing severe economic difficulties relating to currency devaluations, volatile stock markets, and slowdown in growth. The country's unstable economy has to a certain extent affected, and may continue to affect the operations and the maintenance of status of assets and liabilities of the commercial banking system.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE BANK'S FINANCIAL STATEMENTS

2.1 The consolidated financial statements and the Bank's financial statements for the year ended December 31, 1997 are presented in accordance with the requirements of the Ministerial Regulation No. 7 B.E. 2539 (1996) under the Public Limited Companies Act B.F. 2535 (1992) dated October 25, 1996, regarding the form of balance sheet and profit and loss statement for public limited companies, effective as from the accounting period starting on January 1, 1997, the Bank's financial statements account for its investment in subsidiaries and associated companies by the cost method (see note 3.2.5), and are in accordance with the procedures, policy and notifications of The Bank of Thailand relating to the financial statements of commercial banks.

2.2 The financial statements for the year ended December 31, 1996 are not presented for comparison because the information for the classification is not consistent with the financial statements for the year ended December 31, 1997, summarized as follows:

2.2.1 Balance sheet

Interbank and money market items (Assets)
 Investment in securities
 Loans and accrued interest receivables
 Interbank and money market items (Liabilities)

2.2.2 Statement of profit and loss

Interest and dividend income
 Interest on loans
 Interest on interbank and money market items
 Interest expenses
 Interest on deposit
 Interest on interbank and money market items
 Non-interest expenses
 Directors' remuneration

The financial statements for the year ended December 31, 1996, classified such items differently from the financial statements for the year ended December 31, 1997, in addition the components of each classification also differ.

2.2.3 Notes to the financial statements

Information for disclosures in the notes to financial statements for the year ended December 31, 1997 differs from those in the financial statements for the year ended December 31, 1996, summarized as follows:

- Details of balance sheet items, i.e. interbank and money market items, for both assets and liabilities, and investment in securities, have been changed to conform to the new classifications and there are additional information.
- Details of loans and accrued interest receivables have been classified by product, maturity, currency and customer's residence and business type.
- Details of deposits have been classified by product, maturity, currency and customer's residence.
- The financial position and the results of operation for domestic and foreign operations disclose more information of assets used in operation, liabilities and types of income and in addition certain significant expenses are disclosed.

2.3 The consolidated financial statements include the accounts of all branches of the Bank and two wholly-owned subsidiaries (one subsidiary's financial statements have been audited, the other's were unaudited) after eliminating material inter-company transactions and balances.

The financial statements of the subsidiaries which are consolidated are translated into Baht at the current rates as determined by the Bank of Thailand at the end of the year.

2.4 The Bank's financial statements include the accounts of all branches of the Bank but exclude the financial statements of foreign financial institutions whose shares are more than 50 percent owned by the Bank and carried at cost in the book, the financial position and the results of operations of which are shown in note 4.4.4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 Assets and liabilities in foreign currencies are converted into Baht at the rates of exchange prevailing at the transaction dates. Balances of assets and liabilities in foreign currencies and forward exchange contracts at the end of the year are converted at the current rates, as determined by the Bank of Thailand.

All foreign exchange gains or losses are taken up in the statement of profit and loss for the year.

- 3.2 Investments which are debt instruments are stated at the lower of aggregate cost or aggregate market value in accordance with the Bank of Thailand's Notification dated October 3, 1995, regarding the accounting for investments in debt instruments. Under the Notification, where aggregate market value is lower than aggregate cost, in case of debt instruments held for trading, the resultant loss is to be recognized in the statement of profit and loss, and in case of debt instruments held for investment, such a loss is to be shown as a deduction from the shareholders' equity, except for a permanent decline in the aggregate market value, in which case it is recognized in the statement of profit and loss.

3.2.1 The market value of debt instruments is calculated as follows :

For debt instruments of government sector, the monthly auction value of the Bank of Thailand bonds and state enterprise bonds guaranteed by the government is used. If there is no such auction value, the Bank's yield curve for debt instruments of government sector will be used, as per the Bank of Thailand's guideline. In case of state enterprise bonds without government guarantee, an appropriate risk premium will be adjusted.

For other domestic debt instruments, in case of bonds traded in the Bond Dealers' Club (BDC), the price on the last business day of the year is used. For instruments not traded in the BDC, the Bank's yield curve for debt instruments of government sector will be used, with an appropriate risk premium.

For foreign debt instruments, the value quoted by reliable international financial institutions will be used.

3.2.2 Investments in listed securities are stated at the lower of aggregate cost or aggregate market value (being the closing price at The Stock Exchange of Thailand at close of the last business day of the year).

3.2.3 Investments in other securities except investments in debt instruments and listed securities are stated at the lower of cost or estimated net realizable value.

3.2.4 In the consolidated financial statements and the Bank's financial statements for the year ended December 31, 1997, the unrealized loss from securities for investment was the result of the aggregate market value of debt instruments for investment being temporarily lower than the aggregate cost.

3.2.5 In the consolidated financial statements, investments in associated companies are stated at cost and in the Bank's financial statements, investments in associated companies and subsidiary companies are stated at cost as they are not deemed to have any material effect on the financial position or result of operations of the Bank.

- 3.3 Overdrafts are stated at the drawn amounts including interest. Other loans are stated at the principal amounts.

- 3.4 Debts which are determined to be irrecoverable are written off in the period in which the decision is taken. In addition, a provision has been made for possible loan losses in respect of doubtful collection, by comparing the domestic bad debts written off and provisions over the past 5 years with the 5-year average of total domestic loans as a reference, and provision based on the rules and guidelines set by the Bank of Thailand.

Bad debts recovered are recorded as an increase in such allowance.

Allowance for doubtful accounts is determined in accordance with Bank's past bad debt experience, loan portfolio trends, specific loan reviews, estimated value of collateral, current economic and business conditions and other relevant factors. However, if future economic and business conditions differ substantially from the assumptions used by the Bank in making such assessment, the Bank may need to make additional allowance as appropriate.

- 3.5 Properties foreclosed consist of immovable properties which are stated at the lower of cost or market value at the date of acquisition.

Gains or losses on such properties are recognized at the date of disposal.

- 3.6 In 1993, land and buildings were professionally appraised according to guidelines laid down by the Bank of Thailand. The increment resulting from the appraisal, approved by the Bank of Thailand was recorded in the accounts as unrealized increment per land and premises appraisal and shown as shareholders' equity. Depreciation for the premises appraisal increase was deducted from the unrealized increment per premises appraisal account.

Land, premises and equipment are stated at cost. Leasehold property is stated at cost less amortization. Depreciation and amortization are calculated by the straight-line method, based on the estimated useful lives of the assets, as follows:

Premises	20	years
Equipment	5	years
Leasehold property	2-30	years

Assets in foreign countries are depreciated at the legal rates applicable in each locality of between 1-28 years.

- 3.7 On June 27, 1990, the Bank registered the provident fund for its staff in accordance with the Provident Fund Act B.E. 2530 (1987).

For overseas branches there are provident funds in accordance with each country's legal requirement and any withdrawal is made in compliance therewith.

- 3.8 The Bank recognizes interest and discounts on loans as income on an accrual basis, except for interest which is accrued over 6 months and the collateral is considered to be lower than the obligations, and interest which is accrued over 1 year and the collateral covers the obligations, such interest is recognized when received.

From September, 1997, the Bank changed its accounting for recognition of interest income and discounts on loans to an accrual basis except for interest on loans which is accrued over 6 months, such interest is recognized when received.

The change has no significant effect on the operations of the Bank.

Interest expenses is recognized on an accrual basis

3.9 Interest on securities recognized as income on an accrual basis. Dividend income is recognized on a cash basis. Gains or losses on sales, or changes in the market value of securities, are computed by the specific identification method and included in other income or other expenses, as the case may be

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

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

3.12 Net profit per share is computed on the basis of average number of ordinary shares outstanding, weighted according to time and amount paid.

The Bank has issued convertible bonds which the bondholders have the right to convert into ordinary shares (Notes 4.13 and 4.14)

As at December 31, 1997, had all bondholders exercised their conversion rights, the difference between fully diluted and primary earnings per share would not be significant.

3.13 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the Bank to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities

4. ADDITIONAL INFORMATION

4.1 Supplemental disclosures of cash flow information

4.1.1 Cash paid for interest and income tax is as follows:

		CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Interest	Baht	83,177,960,001	82,718,945,217
Income tax	Baht	10,622,989,166	10,622,989,166

4.1.2 Non-cash items are as follows:

4.1.2.1 Conversion of subordinated convertible bonds into ordinary shares

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Ordinary shares	2,198,260	2,198,260
Premium on share capital	48,361,740	48,361,740
Conversion amount	Baht 50,560,000	50,560,000

4.1.2.2 In the consolidated financial statements and the Bank's financial statements, allowance for diminution in value of securities for investment of Baht 3,188,661,118 was set up and shown as a deduction from shareholders' equity.

4.2 Interbank and money market items

Interbank and money market items consist of the following:

4.2.1 Domestic items

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Demand	Time	Total	Demand	Time	Total
Bank of Thailand and Financial Institutions						
Development Fund	18,738,926,096	14,297,553,889	33,036,479,985	18,738,926,096	14,297,553,889	33,036,479,985
Commercial banks	186,319,230	3,729,314,503	3,915,633,733	186,319,230	3,729,314,503	3,915,633,733
Other banks	14,498,660	-	14,498,660	14,498,660	-	14,498,660
Finance companies,						
Finance and securities companies, Securities companies and Credit						
Finance companies	332,094,150	14,931,190,506	15,263,284,656	332,094,150	14,931,190,506	15,263,284,656
Other financial institutions	1,686,100,947	27,910,501,088	29,596,602,035	1,686,100,947	27,910,501,088	29,596,602,035
	Baht 20,957,939,083	60,868,559,986	81,826,499,069	20,957,939,083	60,868,559,986	81,826,499,069

4.2.2 Foreign items

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	Demand	Time	Total	Demand	Time	Total
USD	17,946,026,269	90,746,356,327	108,692,382,596	17,976,486,444	90,986,856,586	108,963,343,030
YEN	319,228,215	2,363,450,881	2,682,679,096	319,228,215	3,325,319,774	3,644,547,989
DM	243,278,435	475,368,296	718,646,731	243,278,435	475,368,296	718,646,731
Others	2,377,678,480	9,307,008,773	11,684,687,253	1,233,156,763	8,880,527,649	10,113,684,412
	20,886,211,399	102,892,184,277	123,778,395,676	19,772,149,857	103,668,072,305	123,440,222,162
Baht	41,844,150,482	163,760,744,263	205,604,894,745	40,730,088,940	164,536,632,291	205,266,721,231

The Bank has loans to financial institutions which were closed down by the order of the Ministry of Finance on December 8, 1997, amounting to Baht 1,833,627,293. Part of such loans is under consideration to change to NCD of Krung Thai Bank Public Company Limited, amounting to Baht 1,822,958,800 or the Bank will take other procedures for a quick recovery of the amount. The Bank maintains its claim to protection by the Government in accordance with an announcement by the Ministry of Finance and Bank of Thailand re. Measures to give additional confidence to the financial institution system, dated August 5, 1997. If the Bank exchanged its claim for the NCD, such NCDs bear interest at 2% p.a.

The Bank has made an allowance for the related doubtful accounts in the caption of loans and accrued interest receivables.

4.3 Securities purchased under resale agreements

Securities purchased under resale agreements consists of the following:

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	Bank of Thailand repurchase market	Other repurchase markets	Total	Bank of Thailand repurchase market	Other repurchase markets	Total
Government bonds and						
Bank of Thailand bonds	48,000,000,000	-	48,000,000,000	48,000,000,000	-	48,000,000,000
State enterprise securities	-	236,758,920	236,758,920	-	236,758,920	236,758,920
Domestic other securities	-	159,523,047	159,523,047	-	159,523,047	159,523,047
	48,000,000,000	396,281,967	48,396,281,967	48,000,000,000	396,281,967	48,396,281,967
Less allowance for diminution in value						
of securities	-	(13,745,096)	(13,745,096)	-	(13,745,096)	(13,745,096)
Baht	48,000,000,000	382,536,871	48,382,536,871	48,000,000,000	382,536,871	48,382,536,871

4.4 Investment in securities

Investment in securities consists of the following:

4.4.1 Securities for trading

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Cost/Book value Baht	Market value Baht	Cost/Book value Baht	Market value Baht
Debt instruments				
Government and state enterprise securities		8,456,494,875	8,459,355,532	8,459,355,532
Corporate debt instruments		2,566,907,969	2,542,953,148	2,542,953,148
		11,023,402,844	11,002,308,680	11,002,308,680
Less Allowance for diminution in value of securities		(21,094,164)	(21,094,164)	(21,094,164)
		11,002,308,680	11,002,308,680	11,002,308,680
Equities		-	-	-
		11,002,308,680	11,002,308,680	11,002,308,680

1.4.2 Securities for investment

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Cost/Book	Market	Cost/Book	Market
	value	value	value	value
	Baht	Baht	Baht	Baht
Debt instruments				
Government and state				
enterprise securities	33,992,204,744	30,931,097,339	33,992,204,744	30,931,097,339
Corporate debt instruments	2,346,326,787	1,948,677,341	2,346,326,787	1,948,677,341
Foreign debt instruments	10,016,168,524	9,910,759,319	8,994,635,634	8,904,984,795
	46,354,700,055	42,790,533,999	45,333,167,165	41,784,759,475
Less: Allowance for diminution in value of securities	(3,540,669,532)		(3,540,669,532)	
	42,814,030,523	42,790,533,999	41,792,497,633	41,784,759,475
Equities				
Listed securities	3,330,038,800	3,755,662,206	3,330,038,800	3,755,662,206
O.T.C. Market securities	9,200,000	340,000	9,200,000	340,000
Foreign securities	2,894,874,733	5,583,235,414	3,337,147,260	5,555,220,911
Others	7,322,916,864	7,438,825,112	7,322,916,864	7,438,825,112
	13,557,030,397	16,778,062,732	13,989,302,924	16,750,048,229
Less: Allowance for diminution in value of securities	(123,829,442)		(16,916,813)	
	13,533,200,955	16,778,062,732	13,982,386,111	16,750,048,229
	56,347,231,478	59,568,596,731	55,774,883,744	58,534,807,704

The Bank has investments amounting to Baht 657,928,763, debentures amounting to Baht 15,000,000 and warrants amounting to Baht 26,022,675 issued by financial institutions which have been closed down per the order of the Ministry of Finance dated December 8, 1997. Such investment has been written off as December 31, 1997.

1.4.3 Investments in companies:

With investment of 20% or more of the paid-up capital consists of the following.

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	% of		% of	
	holding	Amount	holding	Amount
BBL (Cayman) Limited	-	-	100.00%	2,046,500
Bangkok Bank Berhad	-	-	100.00%	475,451,340
PT BBL Dharmala Finance	22.50%	329,265,000	22.50%	329,265,000
BBL Asset Management Co., Ltd.	25.00%	25,000,000	25.00%	25,000,000
Bangkok Sakura Leasing Co., Ltd.	25.88%	15,850,755	25.88%	15,850,755
American Express (Thai) Co., Ltd.	22.50%	4,500,000	22.50%	4,500,000
Bangkok Sakura Software Service Co., Ltd.	39.00%	7,800,000	39.00%	7,800,000
Ong Asia Limited	24.50%	220,917,771	24.50%	220,917,771
Processing Center Co., Ltd.	30.00%	2,999,700	30.00%	2,999,700
WTA (Thailand) Co., Ltd.	24.90%	6,225	24.90%	6,225
MC Private Equity Partners Asia Limited	30.00%	158,826,793	30.00%	158,826,793
MC Private Equity Management Limited	30.00%	756,900	30.00%	756,900
Thai Filament Finishing Co., Ltd.	46.85%	91,050,000	46.85%	91,050,000
Thai Polymer Textile Co., Ltd.	45.42%	182,880,000	45.42%	182,880,000
Thai Taffeta Textile Co., Ltd.	41.78%	30,000,000	41.78%	30,000,000
Smart Loyalty (Thailand) Co., Ltd.	33.33%	1,000,000	33.33%	1,000,000
	Baht	1,070,853,144		1,548,350,984

With investment of less than 20% of the paid-up capital according to industry group, consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK S FINANCIAL STATEMENTS
Manufacturing	4,460,829,305	4,460,829,305
Construction	212,759,010	212,759,010
Commercial	233,371,958	233,371,958
Banking and finance	1,751,917,891	1,723,666,164
Real estate	314,654,696	314,654,696
Utilities	2,700,708	2,700,708
Services	2,775,546,640	2,775,485,683
	Baht 9,751,780,208	9,723,467,524

4.4.4 The financial position and the results of operations of BBL (Cayman) Limited, summarized from the audited financial statements, and those of Bangkok Bank Berhad, summarized from the unaudited financial statements, are as follows:

BBL (CAYMAN) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 1997

ASSETS		
Interbank and money market items		8,896,955,407
Other assets		29,444,675
Total assets	Baht	8,926,400,082
LIABILITIES AND SHAREHOLDERS' EQUITY		
Interbank and money market items		8,704,717,329
Other liabilities		159,324,310
Shareholders' equity		62,358,443
Total liabilities and shareholders' equity	Baht	8,926,400,082
OFF-BALANCE SHEET ITEMS-CONTINGENCIES		
Other contingencies	Baht	13,629,674,658

BBL (CAYMAN) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 1997

Interest income	674,912,132
Total income	674,912,132
Interest expenses	613,972,612
Other expenses	3,305,777
Total expenses	617,278,389
Net income	Baht 57,633,743

BANGKOK BANK BERHAD
BALANCE SHEET
AS AT DECEMBER 31, 1997

"UNAUDITED"

ASSETS		
Cash		171,494,115
Interbank and money market items		1,633,481,558
Investment in securities		1,049,845,573
Loans and accrued interest receivables (Net of allowance for doubtful accounts)		6,543,704,743
Premises and equipment, net		132,927,027
Other assets		71,583,492
Total assets	Baht	9,603,036,508

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits		5,602,159,891
Interbank and money market items		2,615,795,105
Liability payable on demand		65,545,973
Other liabilities		275,443,344
Shareholders' equity		1,044,092,195
Total liabilities and shareholders' equity	Baht	9,603,036,508

OFF-BALANCE SHEET ITEMS-CONTINGENCIES

Liability under unmatured import bills	Baht	61,535,198
Letters of credit	Baht	353,415,251
Other contingencies	Baht	3,056,724,451

BANGKOK BANK BERHAD

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1997

"UNAUDITED"

Interest and dividend income		706,443,020
Other income		94,230,380
Total income		800,673,400
Interest expenses		474,198,371
Other expenses		149,483,888
Income tax expenses		71,560,656
Total expenses		695,242,915
Net income	Baht	105,430,485

4.5 LOANS

4.5.1 Classified by product

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Overdrafts	176,881,685,378	175,170,969,232
Loans	611,245,261,083	608,238,779,613
Bills	292,957,696,037	290,986,326,416
	Baht 1,081,084,642,498	1,074,396,075,261

4.5.2 Classified by maturity

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Up to 1 year	685,242,768,347	679,344,595,210
Over 1 year	395,841,874,151	395,051,480,051
	Baht 1,081,084,642,498	1,074,396,075,261

4.5.3 Classified by currency and customer's residence

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	787,150,087,739	111,703,725	787,261,791,464	787,150,087,739	111,703,725	787,261,791,464
USD	147,095,314,988	88,418,456,654	235,513,771,642	147,095,314,988	88,351,875,247	235,447,190,235
Others	19,996,188,201	38,312,891,191	58,309,079,392	19,996,188,201	31,690,905,361	51,687,093,562
Baht	954,241,590,928	126,843,051,570	1,081,084,642,498	954,241,590,928	120,154,484,333	1,074,396,075,261

4.5.4 Classified by business type

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Agriculture and mining	33,772,769,601	33,736,500,502
Manufacturing and commercial	620,772,285,057	620,772,285,057
Real estate and construction	151,282,988,050	150,680,064,703
Utilities and services	115,580,958,349	115,132,943,947
Housing loans	98,127,835,141	96,719,815,333
Others	61,547,806,300	57,354,465,719
	Baht 1,081,084,642,498	1,074,396,075,261

Due to the downturn economic environment of the real estate and construction industry, those who engage in such businesses are facing difficulty in managing their cash which may affect their ability to repay the loans to the Bank. Nevertheless, real estate and construction loans are collateralized by land, building, and construction in progress, appraised by the Bank

4.6 Allowance for doubtful accounts

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Balance brought forward	30,073,243,546	29,946,887,879
Add: Bad debt and doubtful accounts	28,413,969,774	28,368,191,836
Bad debt recovered	198,538,613	198,538,613
Others	2,467,749,111	2,448,006,861
Less: Bad debt written off	(3,040,400,537)	(3,036,227,350)
Balance carried forward	Baht 58,113,100,507	57,925,397,839

Non-performing loans are classified under the Bank of Thailand's regulations: substandard, doubtful and non-collectible. The classified loans which are determined based on the Bank of Thailand examination reports and the Bank's most recent internal audit reports amounted to Baht 180,572 million.

4.7 Premises and equipment

Premises and equipment consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Land		
Cost	7,221,734,349	7,212,778,298
Appraisal increase (In 1993)	5,940,633,430	5,940,633,430
Premises		
Cost	6,517,227,881	6,409,771,648
Appraisal increase (In 1993)	4,894,982,000	4,894,982,000
Equipment	11,533,090,362	11,470,258,638
Leasehold (net)	4,017,211,461	4,017,211,461
Others	2,616,813,120	2,571,620,822
	42,741,692,603	42,517,256,297
Less: Accumulated depreciation-cost	(10,713,132,675)	(10,621,623,396)
Accumulated depreciation-appraisal increase	(805,174,364)	(805,174,364)
	Baht 31,223,385,564	31,090,458,537

4.8 Deposits

4.8.1 Classified by product

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Demand	24,545,212,669	23,865,219,530
Saving	194,223,226,946	194,157,015,937

Fixed		
Less than 6 months	594,678,478,522	591,486,249,637
6 months - less than 1 year	36,512,109,618	36,395,887,234
1 year and over	93,717,964,229	92,534,881,120
Negotiable certificates of deposit	8,473,028,110	8,108,506,745
	Baht	952,149,920,094
		946,547,760,203

4.8.2 Classified by maturity

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Up to 1 year	949,882,186,039	944,325,600,101
Over 1 year	2,267,734,055	2,222,160,102
	Baht	952,149,920,094
		946,547,760,203

4.8.3 Classified by currency and customer's residence

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	852,907,589,670	14,324,366,248	867,231,955,918	852,907,589,670	14,324,366,248	867,231,955,918
USD	13,553,886,270	39,492,385,227	53,046,271,497	13,534,378,406	39,482,353,730	53,016,732,136
Others	2,122,203,007	29,749,489,672	31,871,692,679	2,080,157,528	24,218,914,621	26,299,072,149
Baht	868,583,678,947	83,566,241,147	952,149,920,094	868,522,125,604	78,025,634,599	946,547,760,203

4.9 Interbank and money market items

Interbank and money market items consist of the following:

4.9.1 Domestic items

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Demand	Time	Total	Demand	Time	Total
Bank of Thailand and Financial Institutions						
Development Fund	254,985	4,532,666,241	4,532,921,226	254,985	4,532,666,241	4,532,921,226
Commercial banks	433,715,336	95,494,000	529,209,336	430,797,252	95,494,000	526,291,252
Other banks	1,625,700,154	10,584,955,773	12,210,655,927	1,625,700,154	10,584,955,773	12,210,655,927
Finance companies, Finance and securities companies, Securities companies and Credit Foncier companies	2,058,510,641	9,286,998,550	11,345,509,191	2,058,510,641	9,286,998,550	11,345,509,191
Other financial institutions	1,925,948,865	10,650,466,600	12,576,415,465	1,925,948,865	10,650,466,600	12,576,415,465
	6,044,129,981	35,150,581,164	41,194,711,145	6,041,211,897	35,150,581,164	41,191,793,061

4.9.2 Foreign items

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Domestic	Time	Total	Domestic	Time	Total
USD	356,748,852	118,464,028,040	118,820,776,892	362,590,545	125,340,758,939	125,703,349,484
YEN	55,256,349	31,323,303,771	31,378,560,120	56,133,879	25,476,334,405	25,532,468,284
DM	120,539,568	634,559,632	755,099,200	123,917,667	634,559,632	758,477,299
Others	2,966,268,030	21,619,669,990	24,585,938,020	2,956,003,712	19,390,662,343	22,346,666,055
	3,498,812,799	172,041,561,433	175,540,374,232	3,498,645,803	170,842,315,319	174,340,961,122
Baht	9,542,942,780	207,192,142,597	216,735,085,377	9,539,857,700	205,992,896,483	215,532,754,183

4.10 Securities sold under repurchase agreements

Securities sold under repurchase agreements consist of the following.

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Bank of Thailand	Other repurchase	Total	Bank of Thailand	Other repurchase	Total
	repurchase market	markets		repurchase market	markets	
Foreign securities	-	169,065,000	169,065,000	-	169,065,000	169,065,000
	Baht	169,065,000	169,065,000	-	169,065,000	169,065,000

4.11 Borrowings

4.11.1 Borrowings by types of securities and sources:

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Bonds	1,880,760,984	1,880,760,984
Unsecured subordinated debt	35,461,604,925	35,461,604,925
Subordinated convertible bonds	9,767,989,760	9,767,989,760
Convertible bonds	16,548,748,965	16,548,748,965
Floating rate notes	17,025,374,418	17,025,374,418
	Baht	80,684,479,052

4.11.2 Borrowings by types of securities, currency, maturity and interest rate

CONSOLIDATED FINANCIAL STATEMENTS					
Types	Currency	Maturity	Interest rate	Amount	
Bonds	ATS	1999	5.125%	1,880,760,984	
Unsecured subordinated debt	USD	2005-2027	7.25%-8.375%	35,461,604,925	
Subordinated convertible bonds	THB	2004	3.25%	9,767,989,760	
Convertible bonds	USD	2006	1.50%	16,548,748,965	
Floating rate notes	USD	1998-2001	3M/6M LIBOR + 0.40%-0.45%	17,025,374,418	
				Baht	80,684,479,052

THE BANK'S FINANCIAL STATEMENTS					
Types	Currency	Maturity	Interest rate	Amount	
Bonds	ATS	1999	5.125%	1,880,760,984	
Unsecured subordinated debt	USD	2005-2027	7.25%-8.375%	35,461,604,925	
Subordinated convertible bonds	THB	2004	3.25%	9,767,989,760	
Convertible bonds	USD	2006	1.50%	16,548,748,965	
Floating rate notes	USD	1998-2001	3M/6M LIBOR + 0.40%-0.45%	17,025,374,418	
				Baht	80,684,479,052

4.12 Unsecured subordinated debt

On March 29, 1995, the shareholders passed a resolution for the Bank to issue and offer unsecured subordinated debt for sale to foreign and/or domestic markets in the amount of Baht 15,000 million or its equivalent in other currencies with a maturity of not exceeding 30 years, with the Board of Directors being authorized to proceed with the issue.

On June 22, 1995, the Board of Directors passed a resolution for the Bank to issue and offer unsecured subordinated debt. Subsequently, on September 18, 1995, the Bank issued US\$ 300 million of unsecured subordinated debt for sale to foreign investors with a coupon of 7.25% p.a. and a maturity of 10 years.

On December 21, 1995, the Board of Directors passed a resolution for the Bank to issue and offer unsecured subordinated debt for sale to foreign and/or domestic markets in the amount of up to Baht 7,400 million or its equivalent in other currencies with a maturity of not exceeding 30 years. The Executive Board has been given the discretionary power to determine the interest rate, pricing, redemption date, including the procedures and details relating to the offering and allotment of the subordinated debt as deemed appropriate when the approval has been received from the relevant government agencies.

On March 25, 1996, the Bank issued US\$ 150 million of unsecured subordinated debt for sale to foreign investors with a coupon of 8.25% p.a. and a maturity of 20 years.

On April 2, 1996, the shareholders passed a resolution for the Bank to issue and offer unsecured subordinated debt for sale to foreign and/or domestic markets in the amount of up to US\$ 400 million or its equivalent in other currencies with a maturity of not exceeding 30 years, with the Board of Directors being authorized to proceed with the issue.

On August 27, 1996, the Board of Directors passed a resolution for the Bank to issue and offer unsecured subordinated debt for sale to foreign and/or domestic markets in the amount of up to US\$ 400 million or its equivalent in other currencies with maturity within 30 years, with the Executive Board being authorized to proceed with the issue.

On January 21, 1997, the Bank issued US\$ 300 million of unsecured subordinated debt for sale to foreign investors with a coupon of 8.375% p.a. and a maturity of 30 years.

4.13 Subordinated convertible bonds

On January 13, 1994, the shareholders passed a resolution for the Bank to issue and offer subordinated convertible bonds for sale to foreign investors in the amount of up to US\$ 500 million with the redemption period and conversion period within 10 years. The shareholders also resolved to reserve 60 million ordinary shares of Baht 10.00 par value, totalling Baht 600 million from the capital increase of Baht 10,000 million (1,000 million shares), unissued, previously authorized by the special resolution of the shareholders, for the conversion right of the holders of subordinated convertible bonds.

On March 3, 1994, the Bank issued US\$ 400 million of subordinated convertible bonds, equivalent to approximately Baht 10,112 million. Such bonds have a coupon of 3.25% p.a. The holders have the conversion right at Baht 230 per share at the rate of Baht 25.28 : US\$ 1.00 and the Bank has the option for redemption and conversion right before maturity. The bondholders have the right to convert the bonds into ordinary shares as from May 24, 1994.

4.14 Convertible bonds

On April 2, 1996, the shareholders passed a resolution for the Bank to issue and offer subordinated convertible bonds and/or convertible bonds for sale to foreign and/or domestic markets in the amount of up to US\$ 400 million or its equivalent in other currencies with maturity within 10 years. The shareholders also resolved to reserve 50 million ordinary shares of Baht 10.00 par value per share, totalling Baht 500 million, from the capital increase and unissued, previously authorized by the special resolution of the shareholders, for the conversion right of the holders of such bonds, with the Board of Directors being authorized to proceed with the issue.

On June 17, 1996, the Board of Directors passed a resolution for the Bank to issue and offer subordinated convertible bonds or convertible bonds, subsequently, on August 7, 1996, the Bank issued US\$ 350 million of convertible bonds with a coupon of 1.50% p.a. and a conversion price of Baht 270 per share with a fixed exchange rate on conversion of Baht 25.28 : US\$ 1.00. The bonds have a maturity of 10 years but will be mandatorily redeemed at a premium at the end of year 5, subject to the terms and conditions as contained in the Offering Circular. The bondholders have the right to convert the bond into ordinary shares from September 16, 1996.

4.15 Bonds and warrants representing the right to purchase bonds

On March 26, 1997, the shareholders passed the following resolutions:

4.15.1 To issue and offer bonds, which include subordinated bonds, unsubordinated bonds, perpetual bonds and/or convertible bonds, both subordinated convertible bonds and/or unsubordinated convertible bonds (together the Bonds) in an amount not exceeding US\$ 1,500 million, or its equivalent in other currencies, to be offered and sold in foreign and/or domestic markets. The Bank may issue different types of Bonds simultaneously and/or issue the Bonds periodically. The subordinated bonds excluding the perpetual bonds shall have a maturity of not exceeding 100 years. The unsubordinated bonds excluding the perpetual bonds shall have a maturity of not exceeding 50 years. The subordinated convertible bonds and/or unsubordinated convertible bonds shall have a maturity of not exceeding 10 years and with an amount of not exceeding US\$ 500 million or its equivalent in other currencies. The Bank may be given the right to redeem the Bonds prior to their maturity and/or the Bondholders may be given the right to call the Bank to redeem the Bonds prior to their maturity, in accordance with the condition of each issue of the Bonds, with the Board of Directors being authorized to proceed with the issue.

4.15.2 To reserve 75 million ordinary shares of Baht 10.00 par value, totalling Baht 750 million, for the conversion right of the holders of subordinated convertible bonds and/or convertible bonds.

4.15.3 To issue warrants representing the right to purchase the Bonds, with a maturity of not exceeding 5 years to be offered and sold in foreign and/or domestic markets, and to issue the whole or the part of the Bonds, as approved by the shareholders in 4.15.1, for accommodating the exercise of the right of the holders of such warrants, with the Board of Directors being authorized to proceed with the issue.

4.15.4 To issue bonds which include subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding US\$ 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity, in accordance with the condition of the Bonds, with the Board of Directors being authorized to proceed with the issue.

On August 28, 1997, the Board of Directors passed a resolution to give the authority to the Executive Board to consider and make decision, in respect of regulations, conditions and other details for the issued and offering of the bonds which the shareholders have approved on March 26, 1997.

4.16 Share capital

In January 1997, issued and paid-up capital increased from the conversion of subordinated convertible bonds by Baht 2,198,260, thus making the issued and paid-up capital of Baht 10,014,956,940. The Bank registered the increase in issued and paid-up capital with the Department of Commercial Registration on January 15, 1997.

Capital fund		
Tier 1 capital		
Issued and paid-up share capital and premium on share capital		21,161,695,392
Legal reserve		11,544,800,000
Other reserve		68,266,975,948
Net income after appropriation		47,737,722
		101,021,209,062
Tier 2 capital		
Unrealized increment per land appraisal		4,158,443,604
Unrealized increment per bank premises appraisal		2,044,903,818
Long term subordinated debt instruments		
Subordinated convertible bonds	9,767,989,760	
Unsecured subordinated debt	19,042,084,036	28,810,074,396
		35,013,421,818
		Baht 136,034,630,880

4.17 Statutory reserve

Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund until the reserve fund reaches an amount of not less than 25% of the registered capital. The Bank has fully complied with such reserve requirements.

4.18 Contingencies

	CONSOLIDATED FINANCIAL STATEMENTS		
	Baht	Foreign	Total
	Currencies		
Avals to bills	5,756,462,658	3,553,575,363	9,310,038,021
Guarantees of loans	2,088,422,138	65,801,898,298	67,890,320,436
Other guarantees	63,726,934,397	31,825,202,642	95,552,137,039
Customers' liabilities under unmatured bills issued under letters of credit	2,423,686,649	30,479,904,849	32,903,591,498
Letters of credit	1,119,820,464	35,733,176,070	36,852,996,534
Forward foreign exchange contracts			
Bought	13,598,152,645	232,453,332,631	246,051,485,276
Sold	6,512,975,569	303,024,589,767	309,537,565,336
Currency swaps	9,922,723,139	27,768,385,251	37,691,108,390
Interest rate swaps	-	31,813,119,781	31,813,119,781
Amount of unused bank overdraft	97,265,166,645	7,949,458,918	105,214,625,563
Others	165,752,030	10,376,663,607	10,542,415,637
	Baht 202,580,096,334	780,779,307,177	983,359,403,511

	THE BANK'S FINANCIAL STATEMENTS		
	Baht	Foreign	Total
	Currencies		
Avals to bills	5,756,462,658	3,553,575,363	9,310,038,021
Guarantees of loans	2,088,422,138	65,801,898,298	67,890,320,436
Guarantees on behalf of subsidiary companies	-	7,656,258,800	7,656,258,800
Guarantees on exchange rate of subsidiary companies	-	6,814,837,329	6,814,837,329
Other guarantees	63,726,934,397	30,176,228,136	93,903,162,533
Customers' liabilities under unmatured bills issued under letters of credit	2,423,686,649	30,423,145,756	32,846,832,405
Letters of credit	1,119,820,464	35,379,829,428	36,499,649,892
Forward foreign exchange contracts			
Bought	13,598,152,645	231,646,231,549	245,244,384,194
Sold	6,512,975,569	302,423,940,904	308,936,916,473
Currency swaps	9,922,723,139	27,768,385,251	37,691,108,390
Interest rate swaps	-	31,813,119,781	31,813,119,781
Amount of unused bank overdraft	97,265,166,645	6,575,901,626	103,841,068,271
Others	165,752,030	10,376,663,607	10,542,415,637
	Baht 202,580,096,334	790,410,015,828	992,990,112,162

in the Bank's financial statements, guarantees on behalf of subsidiary companies are for amounts which have been placed with the Bank and reflected in the Bank's balance sheet as liabilities.

4.19 Properties used as collateral

Government securities and securities guaranteed by the Government having face value of Baht 4,844,294,000 on December 31, 1997, are deposited as cover for loans from, and the Bank promissory notes in favour of, the Bank of Thailand and for other commitments with government agencies and state enterprises and for securities sold under repurchase agreements.

4.20 Related-party transactions

Loans and obligations to certain officers from the level of departmental manager upwards, and the companies in which they and/or the Bank, or the Bank's directors, have 10% or more beneficial ownership are as follows:

		CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Loans			
Balance as at December 31, 1997	Baht	23,222,741,875	24,131,691,875
Average balance at the end of the month	Baht	18,704,369,758	19,358,708,337
Obligations			
Balance as at December 31, 1997	Baht	1,054,111,342	8,710,370,142
Average balance at the end of the month	Baht	978,916,461	8,068,781,528

A portion of the Bank's business is represented by transactions with its related companies and the financial statements reflect the effect of these transactions on the basis determined by the companies concerned.

In the consolidated financial statements, balances between the Bank and the related companies, whose shares are more than 20 percent owned by the Bank, consisted mainly of the following:

INVESTMENT

	Type of Business	Share capital Baht	Holding %	Investment (Cost method) Baht
ASSOCIATED COMPANY				
PT. BBL Dharmala				
Finance	FINANCE	975,600,000	22.50%	329,265,000
BBL Asset Management Co., Ltd.	FINANCE	100,000,000	25.00%	25,000,000
Bangkok Sakula Leasing Co., Ltd.	LEASING	60,000,000	25.88%	15,850,755
American Express (Thai) Co., Ltd.	SERVICE	20,000,000	22.50%	4,500,000
Bangkok Sakura Software Service Co., Ltd.	SERVICE	20,000,000	39.00%	7,800,000
Ong Asia Limited	JOINT VENTURE	901,820,888	24.50%	220,917,771
Processing Center Co., Ltd.	SERVICE	10,000,000	30.00%	2,999,700
WTA (THAILAND) Co., Ltd.	SERVICE	25,000	24.90%	6,225
MC Private Equity Partner Asia Limited	JOINT VENTURE	4,724,700,000	30.00%	158,826,793
MC Private Equity Management Limited	FUND	2,523,000	30.00%	756,900
Thai Filament Finishing Co., Ltd.	TEXTILE	194,352,400	46.85%	91,050,000
Thai Polymer Textile Co., Ltd.	TEXTILE	402,607,000	45.42%	182,880,000
Thai Taffeta Textile Co., Ltd.	TEXTILE	71,800,000	41.78%	30,000,000
Smart Loyalty (Thailand) Co., Ltd.	SERVICE	3,000,000	33.33%	1,000,000

LOANS**Amount****Baht****ASSOCIATED COMPANY**

P.T. BBL Dharmala Finance	188,988,000
Bangkok Sakura Leasing Co., Ltd.	495,000,000
American Express (Thai) Co., Ltd.	166,881,531
Thai Filament Finishing Co., Ltd.	310,108,392
Thai Taffeta Textile Co., Ltd.	324,325,413
Smart Loyalty (Thailand) Co., Ltd.	10,000,000

In the consolidated financial statements, balances between the Bank and the related companies whose shares are owned between 10 to 20 percent by the Bank consisted mainly of the following.

LOANS**Amount****Baht**

Asia Lamp Industry Co., Ltd.	886,117
Bangkok Arts and Crafts public Co., Ltd.	51,539,269
Bangkok Central Leasing Co., Ltd.	10,000,000
Bangkok Polyethylene Co., Ltd.	956,090,292
Bangkok Water Resource Co., Ltd.	1,261,494,900
Chiva - Som International Health Resorts Co., Ltd.	355,000,000
Electrical Lamp Manufacturers Thailand Co., Ltd.	463,203
HMC Polymers Co., Ltd.	2,222,437,282
Rhone Meneux (Thailand) Ltd.	2,856,755
Rhone - Poulenc Chemicals (Thailand) Ltd.	3,676,338
Seacon Development Co., Ltd.	419,626,997
Shin Ho Paper (Thailand) Co., Ltd.	1,404,363,457
Thai Alphas Co., Ltd.	12,377
United Industry Development Co., Ltd.	62,807
United Silo & Service Co., Ltd.	5,292,843

CONTINGENCY**Amount****Baht**

Bangkok Polyethylene Co., Ltd.	343,198,463
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In the Bank's financial statements, balances between the Bank and the related companies, whose shares are more than 20 percent owned by the Bank, consisted mainly of the following

INVESTMENT

Type of Business	Share capital Baht	Holding %	Investment (Cost method) Baht
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SUBSIDIARY COMPANY

BBL (Cayman) Limited	FINANCE	2,046,500	100.00%	2,046,500
Bangkok Bank Berhad	FINANCE	475,451,340	100.00%	475,451,340

ASSOCIATED COMPANY

P.T. BBL Dharmala Finance	FINANCE	975,600,000	22.50%	329,265,000
BBL Asset Management Co., Ltd.	FINANCE	100,000,000	25.00%	25,000,000
Bangkok Sakura Leasing Co., Ltd.	LEASING	60,000,000	25.88%	15,850,755
American Express (Thai) Co., Ltd.	SERVICE	20,000,000	22.50%	4,500,000
Bangkok Sakura Software Service Co., Ltd.	SERVICE	20,000,000	39.00%	7,800,000
Ong Asia Limited	JOINT VENTURE	901,820,888	24.50%	220,917,771
Processing Center Co., Ltd.	SERVICE	10,000,000	30.00%	2,999,700
WTA (THAILAND) Co., Ltd.	SERVICE	25,000	24.90%	6,225

MC Private Equity Partner Asia Limited	JOINT VENTURE	4,724,700,000	30.00%	158,826,793
MC Private Equity Management Limited	FUND	2,523,000	30.00%	756,900
Thai Filament Finishing Co., Ltd.	TEXTILE	194,352,400	46.85%	91,050,000
Thai Polymer Textile Co., Ltd.	TEXTILE	402,607,000	45.42%	182,880,000
Thai Taffeta Textile Co., Ltd.	TEXTILE	71,800,000	41.78%	30,000,000
Smart Loyalty (Thailand) Co., Ltd.	SERVICE	3,000,000	33.33%	1,000,000

LOANS

Amount

Baht

SUBSIDIARY COMPANY

BBL (CAYMAN) LIMITED	908,950,000
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ASSOCIATED COMPANY

P.T BBL Dharmala Finance	188,988,000
Bangkok Sakura Leasing Co., Ltd.	495,000,000
American Express (Thai) Co., Ltd.	166,881,531
Thai Filament Finishing Co., Ltd.	310,108,392
Thai Taffeta Textile Co., Ltd.	324,325,413
Smart Loyalty (Thailand) Co., Ltd.	10,000,000

CONTINGENCY

Amount

Baht

SUBSIDIARY COMPANY

BBL (CAYMAN) LIMITED	7,656,258,800
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In the Bank's financial statements, balances between the Bank and the related companies whose shares are owned from 10 to 20 percent by the Bank consisted mainly of the following:

LOANS

Amount

Baht

Asia Lamp Industry Co., Ltd.	886,117
Bangkok Arts and Crafts public Co., Ltd.	51,539,269
Bangkok Central Leasing Co., Ltd.	10,000,000
Bangkok Polyethylene Co., Ltd.	956,090,292
Bangkok Water Resource Co., Ltd.	1,261,494,900
Chiva - Som International Health Resorts Co., Ltd.	355,000,000
Electrical Lamp Manufacturers Thailand Co., Ltd.	463,103
HMC Polymers Co., Ltd.	2,222,437,182
Rhone Merieux (Thailand) Ltd.	2,856,755
Rhone - Poulenc Chemicals (Thailand) Ltd.	3,676,138
Seacon Development Co., Ltd.	419,626,097
Shin Ho Paper (Thailand) Co., Ltd.	1,404,363,457
Thai Aliphatics Co., Ltd.	12,577
United Industry Development Co., Ltd.	62,907
United Silo & Service Co., Ltd.	5,292,643

CONTINGENCY

Amount

Baht

Bangkok Polyethylene Co., Ltd.	343,198,463
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4.21 Other benefits to directors and executives

The Bank has not extended monetary or non-monetary benefit to the directors and executives from departmental manager level upwards, inclusive of equivalent position, except for normal benefit to the directors and executives.

4.22 Long-term leases

Type of lease	Period	Remaining rental expenses	Remaining rental expenses
Land and/or building			
-	1998-2007	128,243,561	128,243,561
-	2008-2017	329,227,559	329,227,559
-	2018-2026	31,514,907	31,514,907
		Baht	Baht
		488,986,027	488,986,027

4.23 The change in Thailand's exchange rate system

The change in Thailand's exchange rate system as specified in the Notification of the Ministry of Finance dated July 2, 1997 has not caused any negative impacts on the Bank, since the Bank follows the prudent asset and liability management policy in managing its foreign currencies. Specifically, the Bank funds its foreign currency assets by using the same currency offshore borrowings, where interest rates are floated on the same basis. If needs are in other currencies, the Bank will use swaps so that the interest rate and exchange risks can be properly hedged. Under this policy, the Bank strictly complies with the Bank of Thailand's rules and regulations.

Nevertheless, this Notification directly affects customers who have foreign currency liabilities, which were not hedged. When the value of Baht is weakened, these customers may be exposed to higher risks, which in turn may affect their ability to repay the loans to the Bank.

4.24 The financial position and the results of operation by domestic and foreign operations

4.24.1 The financial position

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	operations	operations	operations	operations	operations	operations
	Baht	Baht	Baht	Baht	Baht	Baht
ASSETS						
Total assets	1,151,511,550,652	264,923,429,040	1,416,434,979,692	1,152,034,384,075	256,584,386,661	1,408,618,770,736
Interbank and money market items	84,271,764,403	121,333,130,342	205,604,894,745	84,273,633,642	120,993,087,589	205,266,721,231
Loans	950,975,858,240	130,108,784,258	1,081,084,642,498	950,975,858,240	123,420,217,021	1,074,396,075,261
Investment	55,887,968,804	11,461,571,354	67,349,540,158	56,365,466,644	10,411,725,780	66,777,192,424
LIABILITIES						
Deposits	867,447,041,688	84,702,878,406	952,149,920,094	867,447,041,688	79,100,718,515	946,547,760,203
Interbank and money market items	42,503,372,453	174,231,712,924	216,735,085,377	43,510,887,894	172,021,866,289	215,532,754,183
Borrowings	-	80,684,479,052	80,684,479,052	-	80,684,479,052	80,684,479,052
CONTINGENCIES	705,416,245,316	277,943,158,195	983,359,403,511	705,421,090,030	287,569,022,132	992,990,112,162

4.24.2 The results of operation

	CONSOLIDATED FINANCIAL STATEMENTS			
	Domestic	Foreign	Elimination	Total
	operations	operations		
	Baht	Baht	Baht	Baht
Interest and dividend income	121,973,626,626	28,153,909,538	(16,440,304,319)	133,687,231,845
Interest expenses	(80,490,855,380)	(23,973,500,867)	16,440,304,319	(88,024,051,928)
Net interest income	41,482,771,246	4,180,408,671	-	45,663,179,917
Bad debt and doubtful accounts	(26,711,893,187)	(1,702,076,587)	-	(28,413,969,774)
Non-interest income	18,509,841,865	3,254,534,566	(33,122,297)	21,731,254,134
Non-interest expenses	(25,938,459,707)	(4,411,204,726)	33,122,297	(30,316,542,136)
Income before income tax	7,342,260,217	1,321,661,924	-	8,663,922,141
	THE BANK'S FINANCIAL STATEMENTS			
	Domestic	Foreign	Elimination	Total
	operations	operations		
	Baht	Baht	Baht	Baht
Interest and dividend income	121,973,626,626	26,711,637,717	(15,675,450,033)	133,009,814,310
Interest expenses	(80,490,855,380)	(22,770,099,006)	15,675,450,033	(87,585,504,355)
Net interest income	41,482,771,246	3,941,538,709	-	45,424,309,955
Bad debt and doubtful accounts	(26,711,893,187)	(1,656,298,649)	-	(28,368,191,836)
Non-interest income	18,509,841,865	3,096,925,116	(33,122,297)	21,573,644,684
Non-interest expenses	(25,938,459,707)	(4,217,456,703)	33,122,297	(30,122,794,113)
Income before income tax	7,342,260,217	1,164,708,473	-	8,506,968,690

4.25 Regulatory requirements

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

Quantitative measures established by the Bank of Thailand to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of total capital and Tier 1 capital (as defined by the regulations) to risk-weighted assets (as defined by the regulations). The Bank believes that as at December 31, 1997, the Bank satisfies all capital adequacy requirements to which it is subject.

4.26 Fair value of financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of the Bank's underlying financial assets and liabilities can be determined by calculating the present value of the expected cash flows associated with the financial assets and liabilities.

Financial Assets

The Bank's financial assets, other than investments in debt securities, consist of cash (1.31%), interbank and money market items (16.44%) and loans (82.25%).

The Bank uses different methodologies for determining the fair value. The methodology used is dependant upon the characteristics of the financial instrument and the financial market in which it operates. Financial instruments that have standard terms and conditions and trade on an active and liquid market, such as investments in securities, have their fair value determined by the quoted market price (Note 4.4).

In other circumstances, the fair value is ordinarily derived from quoted market rates such as interest rates and foreign exchange rates, which are then subsequently incorporated into generally accepted pricing models, based on discounted cash flow theory, to determine the fair value. The Bank considers that carrying amount for the remaining classifications (that is, cash, interbank and money market items and loans) to approximate the fair value as the financial instruments are either predominantly subject to regular interest rate repricing such as MLR and MOR or fixed, are of a short term nature.

Financial Liabilities

The Bank's major financial liability classifications are deposits (76.17%), interbank and money market items (17.34%) and borrowings (6.49%). The Bank considers that the carrying amount for deposits and interbank and money market items will approximate the fair value for the same reasons described above under Financial Assets (notes 4.8.1 and 4.8.2).

The Bank's borrowings as described in note 4.11 are for a fixed term at a fixed rate. Accordingly, the fair value would be expected to diverge from the face value to reflect the movement in interest rates. The exception is the FRN which has been issued at a floating rate.

Forward foreign exchange

The forward foreign exchange contracts bought and sold are mainly not more than 180 days. The principal currency is US Dollar (note 4.18).

**PROPOSED APPROPRIATION
OF PROFIT FOR THE YEAR 1997**

The Bank earned from its operation during the first half of 1997 a net profit after tax of Baht 8,625,764,277.53. When added to retained earnings of Baht 49,964,832.19 brought forward from the previous period, total profit available for appropriation was Baht 8,675,729,109.72.

The Board of Directors has already distributed the said profit as follows :-

	Baht
1. Interim Dividend Paid on August 28, 1997 (1,001,495,694 shares @ Baht 2.00)	2,002,991,388.00
2. Statutory Reserve	500,000,000.00
3. Other Reserve	6,125,000,000.00
4. Retained Earnings Carried Forward	47,737,721.72

For the second half of 1997, the Bank incurred a net loss (after adding back the corporate income tax) of Baht 4,568,795,587.24. With the retained earnings of Baht 47,737,721.72 brought forward from the previous period, the Bank registered a total loss of Baht 4,521,057,865.52. Thus, the Board of Directors resolved that no dividend be paid and the amount of Baht 5,000,000,000.00 appropriated as other reserve in the previous period be transferred to the retained earnings to compensate for the loss in the second half of 1997. Therefore, the retained earnings to be carried forward amount to Baht 478,942,134.48.

In compliance with the Bank's Articles of Association, the Board of Directors has duly submitted the proposed appropriation of loss for the second half of 1997 for approval.

BANGKOK BANK PUBLIC COMPANY LIMITED
INVESTMENT IN COMPANIES AT 10%
OR MORE OF PAID-UP CAPITAL AS AT DECEMBER 31,1997

NO.	COMPANY	TYPE OF BUSINESS	TYPE OF SHARES	NO. OF SHARES HELD	% OF COMPANY'S PAID-UP CAPITAL
1.	BANGKOK BANK BERHAD 105, Jalan Tun H.S.Lee 50000 Kuala Lumpur Malaysia. Tel.(Dir.) 03-201-7959, (Gen) 03-232-4555 Fax. 03-238-8569	BANK	ORDINARY	48,500,002	100.00
2.	BBL (CAYMAN) LIMITED. Cayman International Building, P.O.Box 309, George Town, Grand Cayman, Cayman Island.	FINANCIAL	ORDINARY	100,000	100.00
3.	THAI FILAMENT FINISHING CO., LTD. 57 Moo 10 Soi Watsriwaree-Noi, Bangna-Trad Rd.(km.18) Bangplee, Samutprakarn. 10540 Tel. 337-1267-75 , Fax. 337-1222	GARMENT	ORDINARY	9,105,000	46.85
4.	THAI POLYMER TEXTILE CO., LTD. 59 Moo 10 Soi Watsriwaree-Noi, Bangna-Trad Rd.(km.18) Bangplee, Samutprakarn. 10540 Tel. 337-1267-75 , Fax. 337-1522	GARMENT	ORDINARY	18,288,000	45.42
5.	THAI TAFFETA TEXTILE CO., LTD. 58 Moo 10 Soi Watsriwaree-Noi, Bangna-Trad Rd.(km.18) Bangplee, Samutprakarn. 10540 Tel. 337-1267-75 , Fax. 337-1522	GARMENT	ORDINARY	3,000,000	41.78
6.	BANGKOK SAKURA SOFTWARE SERVICE CO., LTD. 11 Q House Building Sathorn 19th Floor South Sathorn Rd, Tungmahamek Bangkok. 10120 Tel. 679-1878-80 Fax.	SERVICES	ORDINARY	78,000	39.00
7.	SMART LOYALTY (THAILAND) CO., LTD. 8th Floor Lake Rachada Office Complex 193/31 Rachadapisek Rd, Klongtoey Bangkok. 10110 Tel. 661-8909 Ext.14	SERVICES	ORDINARY	100,000	33.33
8.	MC. PRIVATE EQUITY PARTNERS ASIA LIMITED. Maples And Calder, P.O.Box 309 ,Ugland House, South Church Street, George Town, Grand Cayman, Cayman Island, British West Indies. Tel. 65-338-5778 Fax. 65-338-2823	INVESTMENT	ORDINARY PREFERENCE	2,400 53,103	} 30.00
9.	MC. PRIVATE EQUITY MANAGEMENT LIMITED Maples And Calder, P.O.Box 309 ,Ugland House, South Church Street, George Town, Grand Cayman, Cayman Island, British West Indies. Tel. 65-338-5778 Fax. 65-338-2823	SERVICES	ORDINARY	30,000	
10.	PROCESSING CENTER CO., LTD. Thai Farmers Bank Building (4th Floor), 142 Silom Road, BKK. 10500 Tel:237-6330-4 Fax. 237-6340	SERVICES	ORDINARY	29,997	30.00
11.	BANGKOK SAKURA LEASING CO., LTD. 19th Floor, Sathorn City Tower 175 South Sathorn Rd, BKK. 10120 Tel.679-6161 Fax. 679-6160	LEASING	ORDINARY	258,750	25.88
12.	BBL ASSET MANAGEMENT CO., LTD. Suite 1701, 17th Floor, Bangkok Bank Building 333 Silom Road, Bangkok 10500, Thailand. Tel.231-4955 Fax. 231-4884-5	FINANCIAL	ORDINARY	250,000	25.00
13.	WTA (THAILAND) LIMITED 313 C.P Tower Silom Road, Silom Bangrak BKK.10500 Tel.636-2000	SERVICES	ORDINARY	249	24.90
14.	ONG ASIA LIMITED 76 Shenton Way # 06-00 Ong-Building Singapore 0207 Tel. 223-9466 Fax. 222-2417	INVESTMENT	ORDINARY PREFERENCE	7,840,209 1,016	} 24.50
15.	AMERICAN EXPRESS (THAI) CO., LTD. 388 S.P Building Phaholyothin Road Bangkok 10400 Thailand. Tel. 273-0044 Fax. 273-0261	SERVICES	ORDINARY	45,000	

NO.	COMPANY	TYPE OF BUSINESS	TYPE OF SHARES	NO. OF SHARES HELD	% OF COMPANY'S PAID-UP CAPITAL
16.	PT. BBL DHARMALA FINANCE Bangkok Bank Building 6th-8th Floors JL. M.H. Thamrin No.3 Jakarta 10110 Tel.(021) 360-1223, 385-4410 Fax.(021) 345-3944,345-6190	FINANCIAL	ORDINARY	20,250,000	22.50
17.	THAI FOODS INTERNATIONAL CO.,LTD. 18 Moo 5 Suchart-Patana Rd, Tambol Banglen Amphur Banglen Amphur Banglen Nakornpathom Province Tel.(034) 391-016-9 Fax. (034) 391-020	CHEMICAL	ORDINARY	500,000	12.50
18.	SMALL INDUSTRY CREDIT GUARANTEE CORPORATION Chan Isara Tower Building II, 18th Floor 2922/243 Phatburi Rd. Bangkok, Bangkok 10310 Tel. 308-2741-8 Fax. 308-2479	SERVICES	ORDINARY	476,600	11.92
19.	THAI OBAYASHI CORP. LTD. 16th Floor, Thai Obayashi Bldg., Rajdamri 161 Rajdamri Rd., Bangkok 10330, Thailand Tel.252-5200 Fax.252-5381	CON- STRUCTION	ORDINARY	2,000	10.00
20.	BANGKOK FIRST TOKAI CO., LTD. 25th Floor, C.P. Tower Bldg. 313 Silom Road, Bangkok 10500 Tel.231-0946-51 Fax. 231-0955	FINANCIAL	ORDINARY	150,000	10.00
21.	BANGKOK POLYETHYLENE PUBLIC CO., LTD. Sathorn City Tower 21/1th Floor, 175 South Sathorn Road, Bangkok 10120 Tel. 679-6363 (16 Lines) Fax.679-6355-6	CHEMICAL	ORDINARY	17,000,000	10.00
22.	THAI ALIPHATICS CO., LTD. 3195/16 Rama IV Road, Klongtoey Bangkok 10110 Tel.262-4291,262-4979 Fax.262-4802-4	CHEMICAL	PREFERENCE	40,000	10.00
23.	RAYONG OLEFINS CO., LTD. 1 Siam Cement Road, Bangsue, Bangkok 10800 Tel.586-2513-4 Fax.910-3117	CHEMICAL	ORDINARY	4,500,000	10.00
24.	ZEON CHEMICALS (THAILAND) COMPANY LIMITED 13/1th Floor, Sathorn City Tower 175 South Sathorn Road, Bangkok 10120 Tel. 679-5342-3 Fax.679-5344	CHEMICAL	ORDINARY	17,500	10.00
25.	ASPAC CO., LTD. 717 Sukhumvit Road, Soi 55 (Thonglor) Bangkok. 10110 Tel.381-2050 Fax.381-2570	COMMERCE	ORDINARY	26,000	10.00
26.	RHONE-POULENC CHEMICALS (THAILAND) LTD, 3195/8 Vibulthani Tower I 3rd Floor, Rama IV Road Klongtoey, Bangkok. 10110 Tel.661-3322 Fax.661-3316-7	COMMERCE	PREFERENCE	100	10.00
27.	RHONE MERIEUX (THAILAND) LTD. 3195/8 Vibulthani I 3rd Floor, Rama IV Road, Kwang Klongtan Klongtoey, Bangkok. 10110 Tel.661-3377 Fax.661-3379	COMMERCE	PREFERENCE	1,000	10.00
28.	MATSUSHITA ELECTRIC WORKS SALES (THAILAND) CO., LTD. 18th Floor, Silom Complex Building 191 Silom Road Bangrak Bangkok 10500 Tel.231-3663-7 Fax.231-3668	COMMERCE	ORDINARY	40,000	10.00
29.	ANEW CORPORATION LTD. Anew Building 23 Soi Charoen Nakorn 14, Charoen Nakorn Road, Klongtongsa, Klongsan, Bangkok 10600 Tel.861-1555 Fax. 861-1545	SERVICES	ORDINARY	500,000	10.00
30.	ASIA LAMP INDUSTRY CO., LTD. 390/6-8 Sukumvit Road, Bangkok 10110 Tel. 258-0210-5	ELECTRIC	ORDINARY	700,000	10.00
31.	ELECTRICAL LAMP MANUFACTURERS THAILAND LTD. 60/14 Moo 11 Bangna-Trad Road km.13 Prakanong, Bangkok 10260 Tel. 398-3695, 3993260-9 Fax. 399-2417	ELECTRIC	PREFERENCE	2,000	10.00

NO.	COMPANY	TYPE OF BUSINESS	TYPE OF SHARES	NO. OF SHARES HELD	% OF COMPANY'S PAID-UP CAPITAL
32.	CHIVA-SOM INTERNATIONAL HEALTH RESORTS CO., LTD. 10th Fl., Modern Town Bldg, 87 Sukumvit 63, Bangkok 10110 Tel. 381-4459-60 Fax. 381-5852	SERVICES	ORDINARY	750,000	10.00
33.	UNI - MEDIA CO., LTD. 1828 Sukumvit Road, Prakanong, Bangkok 10250 Tel. 311-5111	INVESTMENT	ORDINARY	4,000,000	10.00
34.	BANGKOK CENTRAL LEASING CO., LTD. 18th Fl. Sethiwan Tower 139 Pan Road, Silom, Bangrak Bangkok 10500 Tel. 268-6640 Fax. 237-4492	LEASING	ORDINARY	60,000	10.00
35.	TOYOTA LEASING (THAILAND) CO., LTD. 888 Ploenchit Tower 18th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 263-0731-42 Fax. 263-0743	LEASING	ORDINARY	40,000	10.00
36.	ASSET PLUS SECURITIES CO., LTD. 27th Floor, Lake Rajada Building 193/111-115 New Rajadapisek Road, Klongtoey Bangkok 10110 Tel. 661-9999, 264-0666 Fax. 661-9988	FINANCIAL	ORDINARY	5,400,000	10.00
37.	BANGKOK ARTS AND CRAFTS PUBLIC CO., LTD. 213/10 Asoke Towers Bldg. Sukumvit 21 Bangkok 10110 Tel. 259-7142-5 Fax. 260-0237	APPLIANCE	ORDINARY	500,000	10.00
38.	PASTEUR MERIEUX CONNAUGHT THAILAND LTD. 3195/9 Vibulthani Tower I, 4th Floor Rama 4 Road, Klongton, Klongtoey Bangkok 10110 Tel. 661-3366 Fax. 661-3373	MEDICAL SUPPLIES	ORDINARY	1,000	10.00
39.	SECURITY PRINTERS LTD. 9/9 Soi Pipat Silom Road Silom Bangrak, Bangkok 10500	PRINTING	ORDINARY	1,000	10.00
40.	THANATHEP PRINTING CO., LTD. 111 Ladprao km.9 Bangkapi, Bangkok 10240 Tel. 3775074-6 Fax. 377-6289	PRINTING	ORDINARY	10,000	10.00
41.	BANGKOK BANKERS INSTITUTE LTD. 101 Ratchadamnoen Rd. Phanakorn Bangkok	SERVICES	ORDINARY	200	10.00
42.	H & Q (THAILAND) LTD. Suite 1207, 12th Floor, Sathorn City Tower 175 South Sathorn Road Tel. 679-6312, Fax. 679-6316	INVESTMENT	ORDINARY	5,000	10.00
43.	THAI NUSA DEVELOPMENT CO., LTD. Rojana Industrial Park 1/61 Moo.5 Khanham Sub-Dist, Uthai Dist, Ayuthaya Tel. (035) 330-221-5 Fax. (035) 330-230	INVESTMENT	ORDINARY	1,800,000	10.00
44.	SINN BUALUANG PUBLIC CO., LTD. 9/1 Suapa Road Pomrab Bangkok 10110 Tel. 628-1400 Fax. 223-1953	SERVICES	ORDINARY	10,000,000	10.00
45.	BANGKOK SUMIGIN CONSULTING CO., LTD. 952 Ramaland Building 11th Floor, Rama 4 Suriwong Bangrak Bangkok	SERVICES	ORDINARY	2,000	10.00
46.	ASIAN CAPITAL MANAGEMENT LIMITED 153/3 4th Floor, Golden Pavilion Building Rajklamri Road, Patumwan Bangkok	SERVICES	ORDINARY	24,000	10.00
47.	GAMMA DEVELOPMENT CO., LTD. 19 Sunthornkosa Rd. Klong Toey Bangkok 10500 Tel. 249-0451 Fax. 249-3869	REAL ESTATE	ORDINARY	1,000	10.00

NO.	COMPANY	TYPE OF BUSINESS	TYPE OF SHARES	NO. OF SHARES HELD	% OF COMPANY'S PAID-UP CAPITAL
48.	SEACON DEVELOPMENT CO.,LTD. 904 Srinakarin Rd. Nongbon, Prawet, Bangkok 10260 Tel. 721-8888 Fax. 721-9444	REAL ESTATE	ORDINARY	574,000	10.00
49.	UNITED INDUSTRY DEVELOPMENT CO.,LTD. 3195/27 Rama 4 Rd. Klong Toey District Bangkok 10110 Tel. 262-4000 Fax 262-4831, 262-4829	REAL ESTATE	PREFERENCE	10,000	10.00
50.	THAKSIN FINANCE CO.,LTD. 9/2 Cheeuthit Road, Hatyai, Songkhla Tel (074)354-760 Fax (074) 233-275	FINANCIAL	ORDINARY PREFERENCE	120,000 80,000	10.00
51.	HMC. POLYMERS CO.,LTD. Sathorn City Tower, 20th Floor 175 South Sathorn Bangkok 10120 Tel. 679-6388-9 Fax. 679-6380	CHEMICAL	ORDINARY PREFERENCE	700,000 1,100,000	10.00
52.	BANGKOK WATER RESOURCE CO.,LTD. 6th Floor Asia Sermkij Tower 49 Soi Pipat, Silom Rd. Bangrak Bangkok 10500 Tel. 231-5989-91 Fax. 231-5993	REAL ESTATE	ORDINARY PREFERENCE	1,000,000 300,000	10.00
53.	SHIN HO PAPER (THAILAND) CO.,LTD 10 th Floor Vibul Thani Tower I 3195/15 Rama 4 Rd. Klongtoey Bangkok Tel. 661-3486-92 Fax. 661-3485	PULP AND PAPER	ORDINARY	1,275,000	10.00
54.	UNITED SILO AND SERVICE CO.,LTD. United Flour Mill Building, 9th Floor, 177 Rajawongse Road Bangkok 10110 Tel. 226-0680 . 226-6120-29 FAX. 224-5670	SERVICES	ORDINARY	200,000	10.00
55.	AAC CAPITAL FUND LIMITED. Maples And Calder P.O.Box 309, George Town, Grand Cayman Cayman Islands, British West Indies	INVESTMENT	ORDINARY	1,000	10.00
56.	ASIA TRADERS INSURANCE CORPORATION 16/F Worldwide House, 19 Des Voeux Road Central Hongkong. G.P.O.Box : 9729 Hongkong Tel. (852) 28677988 Fax. (852) 28100218	INSURANCE	ORDINARY	150,000	10.00
57.	CAPMAC ASIA LTD. Clarendon House, 2 Church Street, Hamilton, Bermuda HM11 Tel. (441) 295-1422 Fax.(441) 292-4720	FINANCE	PREFERENCE	34,000	10.00
58.	TUAS TECHNOLOGY PARK PTE LTD. 14 Scotts Road #06-01 Far East Pizsa, Singapore 228213 Tel. 235-2411 Fax. 235-3316	REAL ESTATE	ORDINARY	10,000	10.00
59.	TUAS HI-TECH PARK PTE LTD. 14 Scotts Road #06-01 Far East Pizsa, Singapore 228213 Tel. 235-2411 Fax. 235-3316	REAL ESTATE	ORDINARY	10,000	10.00
60.	BBL NOMINEES (H.K.) LTD. 28 Des Voeux Road, Central Tel. (852) 28016688 Fax. (852) 28105679	BROKER	ORDINARY	1	10.00
61.	SIAM UNION CONTAINER CO., LTD. RUNGSAENG BLD. 4TH FL. 1199/1 BANGNA-TRAD RD. KM 2 1/2 BANGNA PHRAKANONG BANGKOK 10260 TEL. 3990102-4 FAX. 399-3315	SERVICES	ORDINARY	19,998	10.00

**REMUNERATION AND BENEFITS IN-KIND RECEIVED BY
THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS IN 1997**

BOARD OF DIRECTORS		TOTAL (BAHT)
1. Prasit	Kanchanawat	2,000,000
2. Arsa	Sarasin	1,300,000
3. Chatri	Sophonpanich	1,000,000
4. Damrong	Krishnamara	1,000,000
5. Pitti	Sithi-Amnuai	1,000,000
6. Chartsiri	Sophonpanich	1,000,000
7. Vira	Ramyarupa*	1,120,000
8. Piya	Sivayathorn	1,000,000
9. Chote	Sophonpanich	1,000,000
10. Charn	Sophonpanich	1,000,000
11. Pipat	Tantipatpong	1,000,000
12. Yongsak	Kanathanavanich	1,000,000
13. Amorn	Chandarasomboon	1,000,000
14. Kittit	Damnernchanvanich	1,000,000
15. Damri	Darakananda	1,000,000
16. Deja	Tulananda	1,000,000
17. Thamnoon	Laukaikul	1,000,000
18. Kosit	Panpiemras	750,000
19. Staporn	Kavitanon	1,000,000
20. Vichit	Suraphongchai	1,000,000
21. Phornthep	Phornprapha**	850,000
22. Thaworn	Phornprapha	150,000

* Director and Secretary to the Board of Directors

** Replacing Thaworn Phornprapha on April 22, 1997

Remuneration

1. Remuneration to the Board of Directors Baht 22.2 million.
2. Remuneration to Executive Officers Baht 553.2 million.
3. Remuneration to Top 15 Executive Officers Baht 152.5 million.

Benefits in-kind None

CHANGE IN SHAREHOLDINGS OF THE BOARD OF DIRECTORS

AS AT END -1996 AND END-1997

BOARD OF DIRECTORS		AS AT END-1996	AS AT END-1997	CHANGE
1. Prasit	Kanchanawat	51,000	51,000	-
2. Arsa	Sarasin	1,330	1,330	-
3. Chatri	Sophonpanich	6,594,478	5,294,478	-1,300,000
4. Damrong	Krishnamara	211,360	211,360	-
5. Piti	Sithi-Amnuai	135,520	135,520	-
6. Chartsiri	Sophonpanich	1,420,940	1,420,940	-
7. Vira	Ramyarupa	423,410	284,860	-138,550
8. Piya	Sivayathorn	44,890	44,890	-
9. Chote	Sophonpanich	214,600	129,530	-85,070
10. Charn	Sophonpanich	355,910*	355,910	-
11. Pipat	Tantipipatpong	15,910	15,910	-
12. Yongsak	Kanathanavanich	567,460	567,460	-
13. Amorn	Chandarasomboon	9,150	9,150	-
14. Kitti	Damnerchanvanich	-	-	-
15. Damri	Darakananda	77,500	77,500	-
16. Deja	Tulananda	71,270	71,270	-
17. Thamnoon	Laukaikul	25,950	25,950	-
18. Kosit	Panpiemras	-	-	-
19. Staporn	Kavitanon	-	-	-
20. Vichit	Suraphongchai	248,280	107,780	-140,500
21. Phornthep	Phornprapha	-	-	-

* An error in Annual Report 1996

ORGANIZATION CHART

EXECUTIVE CHAIRMAN DIVISION

BANK PROPERTY DEPARTMENT
METROPOLITAN LOAN RECOVERY DEPARTMENT
PROVINCIAL LOAN RECOVERY DEPARTMENT
LEGAL DEPARTMENT
OFFICE OF THE CHAIRMAN OF
THE BOARD OF DIRECTORS
OFFICE OF THE EXECUTIVE BOARD CHAIRMAN
BUSINESS INVESTMENT DEPARTMENT
CUSTOMER RELATIONS DEPARTMENT
BUSINESS SERVICES DEPARTMENT

AUDIT AND CONTROL DIVISION

SUPERVISION AND CONTROL DEPARTMENT
AUDIT DEPARTMENT

CREDIT POLICY AND REVIEW BUREAU

OFFICE OF THE PRESIDENT

PRIVATE BANKING DIVISION

ADMINISTRATION AND OPERATION DEPARTMENT
CONSULTING AND ADVISORY SERVICES
DEPARTMENT

METROPOLITAN BANKING OPERATIONS

OFFICE OF THE CHAIRMAN-
METROPOLITAN BANKING OPERATIONS
METROPOLITAN BRANCH ADMINISTRATION DEPARTMENT
CREDIT DOCUMENT OPERATING DEPARTMENT

**METROPOLITAN WHOLESALE
BANKING GROUP**
WHOLESALE BANKING DIVISION

**METROPOLITAN COMMERCIAL
BANKING GROUP**
COMMERCIAL BANKING DIVISION

METROPOLITAN RETAIL BANKING GROUP
CONSUMER LOAN CENTER
CHEQUE PROCESSING CENTER
H.O. OFFICE
REGIONAL-METROPOLITAN AREA 1-7

PROVINCIAL BANKING OPERATIONS

PROVINCIAL BRANCH ADMINISTRATION DEPARTMENT

**PROVINCIAL WHOLESALE
BANKING GROUP**
WHOLESALE BANKING DIVISION

**PROVINCIAL COMMERCIAL
BANKING GROUP**
COMMERCIAL BANKING DIVISION

PROVINCIAL RETAIL BANKING GROUP
AGRICULTURAL CREDITS DEPARTMENT
REGIONAL-PROVINCIAL AREA 1-10

BOARD OF DIRECTORS

EXECUTIVE BOARD

SUPERVISORY BOARD

PRESIDENT

POLICY FORMULATION DIVISION

RESEARCH DEPARTMENT
CORPORATE PLANS DEPARTMENT
BUDGET DEPARTMENT
MARKETING POLICY DEPARTMENT
PUBLIC RELATIONS DEPARTMENT

CREDIT CARD DIVISION

CREDIT CARD MARKETING DEPARTMENT
CREDIT CARD OPERATIONS DEPARTMENT

INVESTMENT BANKING OPERATIONS

PROVIDENT FUND MANAGEMENT DEPARTMENT

MERCHANT BANKING DIVISION

PROJECT DEPARTMENT
CORPORATE FINANCE DEPARTMENT
UTILITIES SERVICES DEPARTMENT

CURRENCY DIVISION

FOREIGN EXCHANGE TRADING DEPARTMENT
RESERVE AND LIQUIDITY MANAGEMENT DEPARTMENT

INTERNATIONAL BANKING OPERATIONS

INTERNATIONAL BRANCH DIVISION

INTERNATIONAL BRANCH CREDIT DEPARTMENT
INTERNATIONAL BRANCH ADMINISTRATION DEPARTMENT
INTERNATIONAL BANKING FACILITY DEPARTMENT

INTERNATIONAL FINANCIAL INSTITUTION ACTIVITIES DIVISION

CORRESPONDENT BANKING DEPARTMENT

SUPPORT SERVICE OPERATIONS

FINANCIAL INFORMATION SERVICE DIVISION

ACCOUNTING DEPARTMENT
COSTING AND FINANCIAL STATEMENT DEPARTMENT

OPERATION DIVISION

IMPORT SERVICE DEPARTMENT
EXPORT SERVICE DEPARTMENT
FOREIGN REMITTANCES DEPARTMENT
FOREIGN EXCHANGE DEPARTMENT
DOMESTIC COLLECTION DEPARTMENT
CASH DEPARTMENT

GENERAL SERVICE DIVISION

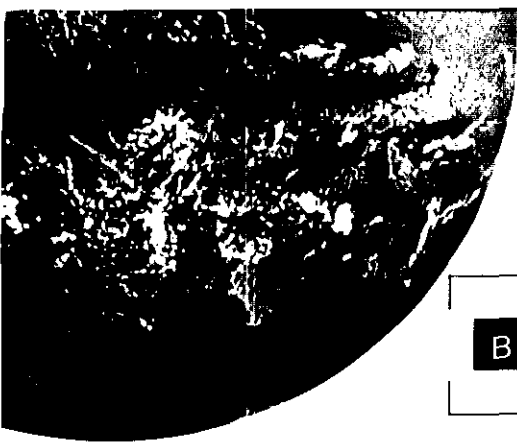
BANK PREMISES DEPARTMENT
GENERAL AFFAIRS DEPARTMENT

PERSONNEL DIVISION

PERSONNEL DEPARTMENT
TRAINING DEPARTMENT

TECHNOLOGY DIVISION

INFORMATION PROCESSING DEPARTMENT
SYSTEM DEVELOPMENT DEPARTMENT



BOARD OF DIRECTORS



Sitting (from left)

1. **Yongsak Kanathanavanich**
Chairman
Laemthong Corporation Group of Companies
2. **Pipat Tantipatpong**
Chairman
Pornpat Development Company Limited
3. **Arsa Sarasin**
Vice Chairman
Bangkok Bank Public Company Limited
4. **Prasit Kanchanawat**
Chairman
Bangkok Bank Public Company Limited

5. **Chatri Sophonpanich**
Executive Chairman
Bangkok Bank Public Company Limited
6. **Staporn Kavitanon**
Secretary General
Board of Investment
7. **Kitti Damnernchanvanich**
President
Soon Hua Seng Group



Standing (from left)

1. Vichit Surapongchai

Director

Bangkok Bank Public Company Limited

2. Amorn Chandarasomboon

Executive Director

Bangkok Bank Public Company Limited

3. Charn Sophonpanich

Executive Director

Bangkok Bank Public Company Limited

4. Vira Ramyarupa

Executive Director

Bangkok Bank Public Company Limited

5. Chatsiri Sophonpanich

President

Bangkok Bank Public Company Limited

6. Thamnoon Laukaikul

Senior Executive Vice President

Bangkok Bank Public Company Limited

7. Piti Sithi-Amnuai

Executive Vice Chairman

Bangkok Bank Public Company Limited

8. Piya Sivayathorn

Former Executive Director

Bangkok Bank Public Company Limited

9. Damrong Krishnamara

Executive Vice Chairman

Bangkok Bank Public Company Limited

10. Deja Tulananda

Senior Executive Vice President

Bangkok Bank Public Company Limited

11. Chote Sophonpanich

Executive Chairman

Green Spot (Thailand) Limited

12. Kosit Panpiemras

Executive Director

Bangkok Bank Public Company Limited

13. Phornthep Phornprapha

President

Siam Motors Group of Companies

14. Damri Darakananda

Executive Chairman

Saha-Union Corporation Limited

T O P E X E C U T I V E S

Chatri Sophonpanich
Executive Chairman



Damrong Krishnamara
Executive Vice Chairman



Piti Sithi-Amnuai
Executive Vice Chairman



Chartsiri Sophonpanich
President



Vira Ramyarupa

Executive Director



Charn Sophonpanich

Executive Director



Amorn Chandarasomboon

Executive Director



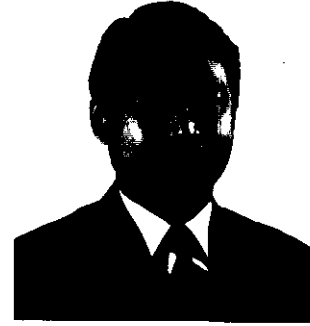
Kosit Panpiemras

Executive Director



Deja Tulananda

Senior Executive Vice President



Thamnoon Laukaikul

Senior Executive Vice President



Teera Aphaiwongse

Senior Executive Vice President



Suvarn Thansathit

Senior Executive Vice President



Prasong Uthaisangchai

Senior Executive Vice President



Charoen Chinalai
Group Executive Vice President



Chansak Fuangfu
Group Executive Vice President



Rangsan Wongphayak
Group Executive Vice President



Sathit Uthaisri
Group Executive Vice President



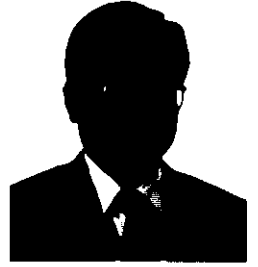
Chana Kanchanawat
Group Executive Vice President



Ubol Somprasong
Executive Vice President



Nimit Nontapunthawat
Executive Vice President



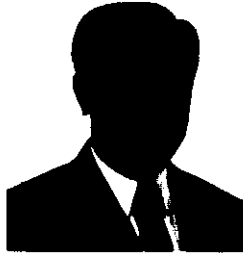
Komkai Rodloytuk
Executive Vice President



Chavalit Sankhavadhana
Executive Vice President



Subin Sinchai
Executive Vice President



Achriyar Pattanawong
Executive Vice President



Ruangchai Siriworakul
Executive Vice President



Sangsawang Mallikamas
Executive Vice President



Pramote Pasuwat
Executive Vice President



Ladavan Tanatanit
Executive Vice President



Apichart Ramyarupa
Executive Vice President



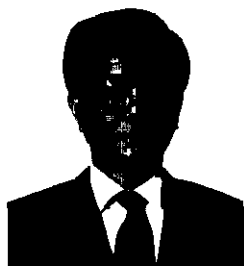
Sumalee Wangprakobsook
Executive Vice President



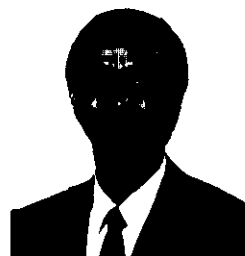
Anuja Avilasakul
Executive Vice President



Chotivid Chayavadhanangkur
Executive Vice President



Boonsong Bunyasanand
Executive Vice President



Seri Seriwathanopas
Executive Vice President



Suthisak Lohsawat
Executive Vice President



NAMES AND EXPERIENCES OF TOP EXECUTIVES

Prasit Kanchanawat

Chairman of the Board of Directors

Executive Board Adviser

- Member of Parliament
- Senator
- Minister of Commerce
- Minister of Justice
- Deputy Prime Minister
- Speaker of the House of Representatives
- President of Parliament
- President of the Foundation for Rural Education
- President of the Foundation for Medicine and Public Health

Chatri Sophonpanich

Executive Chairman

- President, Thailand - U.S. Business Council
- Director, International Monetary Council
- Member of Executive Management Committee, Association of Development and Industrial Banks of Asia (ADIBA)
- Chairman, Bangkok Entertainment PCL.
- Chairman for the Fund Raising for the Construction of Princess Maha Chakri Sirindhorn Building, Srinakharinwirot University

Danrong Krishnamara

Executive Vice Chairman

- Executive Vice President - Control
- Senior Executive Vice President
- Director for the Domestic Banking Group
- Managing Director

Piti Sithi-Amnuai

Executive Vice Chairman

- Executive Vice President
- Director for the Head Office and Metropolitan Branch Activities
- Senior Executive Vice President

Chartsiri Sophonpanich

President

- Executive Vice President in Charge, Treasury & Marketing Division
- Senior Executive Vice President
- Member of the Board, Airports Authority of Thailand
- Chairman of the Fund Raising Sub-committee of the Thai Red-Cross Society
- A Committee Member with expertise in Money and Banking, Faculty of Commerce and Accounting, Thammasat University
- Member of The Board, International Foundation For Human Resource Development

Vira Ramyarupa

Executive Director

- Executive Vice President - Domestic Banking Group
- Senior Executive Vice President - Administration
- Member of Parliament
- Senator

Charn Sophonpanich

Executive Director

- Senior Vice President & Manager, Planning, Systems and Research Department
- Chairman of the Board of Directors, Compunet Corporation Ltd.

Amorn Chandarasomboon

Executive Director

- Secretary-General, Office of the Council of State
- Senator

Koalt Panpiemras

Executive Director

- Deputy Secretary-General, National Economic and Social Development Board
- Minister of Agriculture and Cooperatives
- Minister of Industry
- Minister of Finance

Deja Tulananda

Senior Executive Vice President

Chairman, Metropolitan Banking Operations

- Executive Vice President in charge, Head Office and Metropolitan Branch Activities
- Chairman of the Metropolitan Branch Group

Thamnoon Laukikul

Senior Executive Vice President

Chairman, Provincial Banking Operations

- Executive Vice President in Charge, Provincial Branch Activities
- Chairman of the Provincial Branch Group

Teera Aphaiwongse

Senior Executive Vice President

- Executive Vice President in Charge, Technology, Credit Card and Financial Information Service Divisions

Suvarn Thansathit

Senior Executive Vice President

Director for Metropolitan Retail Banking Group and in charge (acting) of Metropolitan Branch Credit Group

- Executive Vice President
- Director for Provincial Branch Group
- Director for Metropolitan Branch Group
- Group Executive Vice President

Prasong Uthaisangchai

Senior Executive Vice President, International Banking Operations

- Executive Vice President International Banking Group
- Group Executive Vice President

Charoen Chinalai

Group Executive Vice President, International Financial

Institution Activities Division

- Executive Vice President, International Financial Institution Activities Division
- Special Adviser, Manila Branch

Chansak Fuangfu

Group Executive Vice President

Metropolitan Wholesale Banking Group

- Senior Vice President in Charge, Corporate Lending Group III
- Executive Vice President in Charge, Agro-Industries Lending Group and Multinational Corporate Banking

Rangsan Wongphayak

Group Executive Vice President, Audit and Control Division

- Senior Vice President & Manager, Audit Department
- Executive Vice President, Audit and Control Division

Sathit Uthaisri

Group Executive Vice President, Executive Chairman Division

- Executive Vice President, Administration Division
- Executive Vice President, Executive Chairman Division

Chana Kanchanawat

Group Executive Vice President, Light Industries Lending Group

- Senior Vice President, Corporate Lending Group I
- Executive Vice President, Light Industries Lending Group

Ubol Somprasong (Mrs.)

Executive Vice President, Executive Chairman Division

- Senior Vice President, Loan Recovery and Law Division

Komkai Rodloytuk (Mrs.)

Executive Vice President, Executive Chairman Division

- Senior Vice President, Personnel Division

Subin Sinchai

Executive Vice President

Director for Provincial Wholesale Banking Group

- Assistant Director for Provincial Branch Banking Group
- Executive Vice President, Provincial Wholesale Banking Group

Ruangchai Siriworakul

Executive Vice President, Executive Chairman Division

- Senior Vice President, Executive Chairman Division

Pramote Pasuwat

Executive Vice President

Director for Provincial Retail Banking Group

- Senior Vice President, Audit Division
- Executive Vice President, Audit Division

Nimit Nontapunthawat

Executive Vice President, Policy Division

- Senior Vice President & Manager, Research Department

Chavallit Sankhavadhana

Executive Vice President

Director for Provincial Commercial Banking Group

- Executive Vice President Assistant Director for Provincial Wholesale Banking Group

Achriyar Pattanawong (Mrs.)

Executive Vice President

Director for Metropolitan Commercial Banking Group

- Senior Vice President, Corporate Lending Group II
- Executive Vice President, Corporate Lending Group II

Sangsawang Mallikamas (Mrs.)

Executive Vice President

Domestic Conglomerate Lending Group I

- Senior Vice President, Corporate Lending Group I

Ladavan Tanatanit (Mrs.)

Executive Vice President, Real Estate Lending Group

- Senior Vice President, Corporate Lending Group II

Sumalee Wangprakobsook (Miss)

Executive Vice President, Operation Division

- Senior Vice President, Operation Division

Chotivid Chayavadhanangkur

Executive Vice President, Technology Division

- Senior Vice President & Manager, System Development Department

Suthisak Lohsawat

Executive Vice President in Charge

Heavy Industries Lending Group

- Senior Vice President in Charge, Heavy Industries Lending Group

Apichart Ramyarupa

Executive Vice President

Assistant Director for Provincial Wholesale Banking Group and Manager (Acting) of Public Relations Department

- Senior Vice President & Manager, Office of the President

Anuja Avilasakul

Executive Vice President in Charge, Treasury Division

- Senior Vice President in Charge, Treasury Division

Boonsong Bunyasaranand

Executive Vice President & Manager

Foreign Exchange Trading Department

- Senior Vice President & Manager, Foreign Exchange Trading Department

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

CHAIRMAN OF THE BOARD AND EXECUTIVE BOARD ADVISER

Prasit Kanchanawat

VICE CHAIRMAN

Arsa Sarasin

Directors :

Chatri Sophonpanich
Damrong Krishnamara
Piti Sithi-Amnuai
Chartsiri Sophonpanich
Vira Ramyarupa
Piya Sivayathorn
Chote Sophonpanich
Charn Sophonpanich
Papat Tantipatpong
Yongsak Kanathnanavanich
Amorn Chandarasomboon
Kitti Damnernchanvanich
Damin Darakinanda
Deja Tulananda
Thamnoon Laukaikul
Kosit Panpimras
Staporn Kavitanon
Vichit Surapongchai
Phornthep Phornprapha

ADVISERS TO THE EXECUTIVE

BOARD

Prasit Kanchanawat
Staporn Kavitanon
Vichit Surapongchai

CHAIRMAN OF THE EXECUTIVE

BOARD

Chatri Sophonpanich

Vice Chairmen :

Damrong Krishnamara
Piti Sithi-Amnuai

Directors :

Amorn Chandarasomboon
Charn Sophonpanich
Chartsiri Sophonpanich
Deja Tulananda
Kosit Panpimras
Thamnoon Laukaikul
Vira Ramyarupa

PRESIDENT

Chartsiri Sophonpanich

INVESTMENT BANKING OPERATIONS

Senior Vice Presidents :

Khanit Khongthanasarat
Yaowadee Nakhata (Mrs.)

PROVIDENT FUND MANAGEMENT DEPARTMENT

-

TREASURY DIVISION

Executive Vice President in Charge :

Anuja Avilasakul

Senior Vice President :

Chonticha Chitrapom (Miss)

Vice President & Expert in Accounting

Structure :

Sauwaluck Meesilpa (Mrs.)

FOREIGN EXCHANGE TRADING DEPARTMENT

Executive Vice President & Manager :

Boonsong Bunyasaranand

Vice Presidents & Managers :

Manop Tamrungratanakitkarn
Sasard Theerarajanawong

FUND & LIQUIDITY MANAGEMENT DEPARTMENT

-

MERCHANT BANKING DIVISION

PROJECT DEPARTMENT

-

CORPORATE FINANCE

DEPARTMENT

-

SECURITIES SERVICES

DEPARTMENT

Vice President & Manager (Acting) :

Bordin Unakul

INTERNATIONAL BANKING

OPERATIONS

Senior Executive Vice President :

Prasong Uthaisangchai

Group Executive Vice President :

Charoen Chinalai

Senior Vice President :

Phallobh Sopilpongstorn

INTERNATIONAL BRANCH DIVISION

Senior Executive Vice President in

Charge :

Prasong Uthaisangchai

INTERNATIONAL BRANCH CREDIT

DEPARTMENT

-

INTERNATIONAL BRANCH

ADMINISTRATION DEPARTMENT

Senior Vice President & Manager

(Acting) :

Phallobh Sopilpongstorn

INTERNATIONAL BANKING FACILITY

DEPARTMENT

Vice President & Manager (Acting) :

Pornnit Dunnvatanachit (Mrs.)

INTERNATIONAL FINANCIAL

INSTITUTION ACTIVITIES DIVISION

Group Executive Vice President in

Charge :

Charoen Chinalai

CORRESPONDENT BANKING

DEPARTMENT

Senior Vice President & Manager :

Wallapa Klinpratoom (Mrs.)

METROPOLITAN BANKING

OPERATIONS

Senior Executive Vice President &

Chairman :

Deja Tulananda

OFFICE OF THE CHAIRMAN

Senior Vice President :

Ruchanee Nopmuang (Mrs.)

METROPOLITAN BRANCH

ADMINISTRATION DEPARTMENT

Vice President & Manager :

Khemaphat Visudharomni

CREDIT DOCUMENT OPERATING

DEPARTMENT

-

METROPOLITAN WHOLESALE

BANKING GROUP

Group Executive Vice President &

Director (Acting) :

Chansak Fuangfu

LIGHT INDUSTRIES LENDING GROUP

Group Executive Vice President in

Charge :

Chana Kanchanawat

HEAVY INDUSTRIES LENDING GROUP

Executive Vice President in Charge :

Suthisak Lchsawat

REAL ESTATE LENDING GROUP

Executive Vice President in Charge :

Ladavan Tanatanit (Mrs.)

DOMESTIC CONGLOMERATE LENDING GROUP I

Executive Vice President in Charge :

Sangawang Mallikamas (Mrs.)

DOMESTIC CONGLOMERATE

LENDING GROUP II

Executive Vice President in Charge :

Seri Senwathanophas

Senior Vice President :

Manusin Kanchanachaya

SERVICES AND DOMESTIC TRADING

LENDING GROUP AND TRADING

LENDING GROUP

Senior Vice President in Charge :

Thira Tayangaron

CORPORATE LENDING GROUP I

Senior Vice President in Charge :

Vira Suravilas

CORPORATE LENDING GROUP II

Senior Vice President in Charge :

Pornthep Ongsaranakom

MULTINATIONAL CORPORATE

BANKING

Senior Vice Presidents :

Prasit Mokarakorn

Vongthip Chumpani (Mrs.)

METROPOLITAN COMMERCIAL

BANKING GROUP

Executive Vice President & Director :

Achriyar Pattanawong (Mrs.)

Senior Vice Presidents :

Surapong Winyawonk

Taweetchai Amornprasertsri

METROPOLITAN RETAIL BANKING GROUP
Senior Executive Vice President & Director :
 Suvarn Thansathit

METROPOLITAN BRANCH CREDIT GROUP
Senior Executive Vice President in Charge (Acting) :
 Suvarn Thansathit

CHEQUE PROCESSING CENTER
Vice President & Manager :
 Suwat Limpodom

CONSUMER LOAN CENTER
Vice President & Manager :
 Riam Chantarangkul (Mrs.)

METROPOLITAN BRANCH ADMINISTRATION ACTIVITIES
Vice President in Charge :
 M.C. Mongkolchaleam Yugala

H.O. OFFICE
Senior Vice President & General Manager :
 Ayuth Krishnamara
Vice President & Manager :
 Dusdee Bunnag

FIRST REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Suthin Kritlayapongphun

SECOND REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Varaporn Tubswan (Mrs.)

THIRD REGIONAL - METROPOLITAN AREA
Senior Vice President & Manager :
 Boontiva Israsena Na Ayudhaya (Mrs.)

FOURTH REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Wansuda Thanasaranart (Mrs.)

FIFTH REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Ratana Supakavanich (Mrs.)

SIXTH REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Saowanee Sripat (Mrs.)

SEVENTH REGIONAL - METROPOLITAN AREA
Vice President & Manager :
 Vichai Trepetch

PROVINCIAL BANKING OPERATIONS
Senior Executive Vice President & Chairman :
 Thamnoon Laukaikul
Senior Vice Presidents :
 Praphund Sujantpanich
 Manoon Laohavanich

PROVINCIAL BRANCH ADMINISTRATION DEPARTMENT
Vice President & Manager :
 Asa Sirphuthicharkul

PROVINCIAL WHOLESALE BANKING GROUP
Executive Vice President & Director :
 Subin Sinchai
Executive Vice President & Assistant Director :
 Apichart Ramyarupa
Senior Vice Presidents :
 Sa-Ad Kamlang
 Surapol Sukamongkol

PROVINCIAL COMMERCIAL BANKING GROUP
Executive Vice President & Director :
 Chavalit Sankhavadhana

AGRICULTURAL CREDITS DEPARTMENT
Senior Vice President & Manager :
 Suthon Kanjanaporn

PROVINCIAL RETAIL BANKING GROUP
Executive Vice President & Director :
 Pramote Pasuwat

PROVINCIAL BRANCH SUPPORTING GROUP
 -

NORTHERN REGIONAL I - PROVINCIAL AREA
Vice President & Manager :
 Wichian Methawath

NORTHERN REGIONAL II - PROVINCIAL AREA
Vice President & Manager :
 Damrongsak Kouythong

CENTRAL REGIONAL I - PROVINCIAL AREA
Vice President & Manager :
 Rattanachai Waravinyapong

CENTRAL REGIONAL II - PROVINCIAL AREA
Senior Vice President & Manager :
 Phaiboon Sornamphon

CENTRAL REGIONAL III - PROVINCIAL AREA
Vice President & Manager :
 Thawitafana Vipulyasekha

CENTRAL REGIONAL IV - PROVINCIAL AREA
Vice President & Manager :
 Chirawat Khananukhro

NORTHEASTERN REGIONAL I - PROVINCIAL AREA
Vice President & Manager :
 Anek Amornkiat

NORTHEASTERN REGIONAL II - PROVINCIAL AREA
Vice President & Manager :
 Apiratana Kanchanomai

SOUTHERN REGIONAL I - PROVINCIAL AREA
Senior Vice President & Manager :
 Chaisak Charavetwanit

SOUTHERN REGIONAL II - PROVINCIAL AREA
Vice President & Manager :
 Sumet Chirametatorn

SUPPORT SERVICE OPERATIONS FINANCIAL INFORMATION SERVICE DIVISION
Senior Vice President in Charge :
 Chartchai Sirussamee

ACCOUNTING DEPARTMENT
Senior Vice President & Manager :
 Prasert Wangratanapranee

COSTING AND FINANCIAL STATEMENT DEPARTMENT
Senior Vice President & Manager :
 Somchai Pongadulyasook

OPERATION DIVISION
Executive Vice President in Charge :
 Sumalee Wangprakobsook (Miss)

IMPORT SERVICE DEPARTMENT
Senior Vice President & Manager :
 Vanaporn Covavisaruch (Miss)

EXPORT SERVICE DEPARTMENT
Vice President & Manager :
 Charat Udomnit

FOREIGN REMITTANCES DEPARTMENT
Vice President & Manager :
 Srisavari Jayanama

FOREIGN EXCHANGE DEPARTMENT
Executive Vice President & Manager (Acting) :
 Sumalee Wangprakobsook (Miss)

DOMESTIC COLLECTION DEPARTMENT
Vice President & Manager :
 Asanee Chunhagasikarn

CASH DEPARTMENT
Vice President & Manager :
 Kate Mangkalodom

GENERAL SERVICE DIVISION BANK PREMISES DEPARTMENT
Senior Vice President & Manager :
 Suthanyah Vichitranothda

GENERAL AFFAIRS DEPARTMENT
Senior Vice President & Manager :
 Taveepong Senivong Na Ayudhaya

PERSONNEL DIVISION
Executive Vice President in Charge :
 Komkai Rodloytuk (Mrs.)

PERSONNEL DEPARTMENT
Senior Vice President & Manager :
 Tosak Chongkeutrakul

TRAINING DEPARTMENT

Vice President & Manager :

Swaporn Thapanasut (Mrs.)

TECHNOLOGY DIVISION

Senior Executive Vice President :

Teera Aphaiwongse

Executive Vice President in Charge :

Chotivud Chiravadhanangkur

Vice President & Manager :

Pipat Eamsirangkoon

SYSTEM DEVELOPMENT

DEPARTMENT

Executive Vice President & Manager

(Acting) :

Chotivud Chiravadhanangkur

Senior Vice Presidents & Managers :

Kajornvul Tayanukorn

Suteera Sriabulya (Miss)

Vice President & Expert in Computer :

Oranuj Kanjanpong (Mrs.)

INFORMATION PROCESSING

DEPARTMENT

-

CREDIT CARD DIVISION

Senior Vice President in Charge :

Krip Rojanastien

Vice President & Manager :

Bonrat Kositanunt (Mrs.)

CREDIT CARD MARKETING

DEPARTMENT

-

CREDIT CARD OPERATIONS

DEPARTMENT

Vice President & Manager :

Sumeth Thipayarata

PRIVATE BANKING DIVISION

Vice President in Charge :

Bordin Unakul

ADMINISTRATION AND OPERATIONS

DEPARTMENT

-

CONSULTING AND ADVISORY

SERVICES DEPARTMENT

-

POLICY FORMULATION DIVISION

RESEARCH DEPARTMENT

Executive Vice President & Manager :

Nimit Nontapunthawat

CORPORATE PLANNING

DEPARTMENT

-

BUDGET DEPARTMENT

Senior Vice President & Manager :

Somchai Poonakasem

MARKETING POLICY DEPARTMENT

Vice President & Manager :

Vites Techangam

PUBLIC RELATIONS DEPARTMENT

Executive Vice President & Manager

(Acting) :

Apichart Rainyarupa

OFFICE OF THE PRESIDENT

Senior Vice President & Manager :

Kulathida Sivayathorn (Mrs.)

Senior Vice President & Manager :

Piyada Sucharitkul (Miss)

Vice Presidents & Managers :

Prachuab In-Odd

Phannarai Piyachinwan (Miss)

Vice President & MIS Project Manager :

Piyapan Tayanithi

EXECUTIVE CHAIRMAN DIVISION

Group Executive Vice President :

Sathit Uthaisri

Executive Vice Presidents :

Komkar Hodloytuk (Mrs.)

Ruangchai Siriworakul

Ubol Somprasong (Mrs.)

Senior Vice President & Manager :

Sandee Kanchanachaya (Mrs.)

Senior Vice President :

Pansak Leelawankulsiri

BANK PROPERTY DEPARTMENT

Vice President & Manager :

Suthichin Na Lumpoon (Mrs.)

METROPOLITAN LOAN

RECOVERY DEPARTMENT

Senior Vice President & Manager :

Sorasakdi Simanontapinya

PROVINCIAL LOAN RECOVERY

DEPARTMENT

Senior Vice President & Manager :

Suchali Limpodom

LEGAL DEPARTMENT

Vice President & Manager :

Songkram Sakulphramana

OFFICE OF THE CHAIRMAN

Vice President & Manager :

Surapol Monkanbhai

OFFICE OF THE EXECUTIVE

CHAIRMAN

Senior Vice President :

Steve Bennett

BUSINESS INVESTMENT

DEPARTMENT

-

CHINESE RELATIONS DEPARTMENT

Vice President & Manager :

Pichai Komolvitayathorn

EXECUTIVE SERVICE DEPARTMENT

Vice President & Manager :

Suralai Panikabutr (Mrs.)

AUDIT AND CONTROL DIVISION

Group Executive Vice President in

Charge :

Rangsan Wongphayak

Senior Vice President :

Soonthorn Petch-Eam

SUPERVISION AND CONTROL

DEPARTMENT

Vice President & Manager :

Pornthep Kidsanayotin

AUDIT DEPARTMENT

Senior Vice President & Manager :

Soempong Pitakwatchara

CREDIT POLICY AND REVIEW

BUREAU

-

L I S T O F B R A N C H E S

HEAD OFFICE

333 Silom Road, Bangkok, Thailand
 PO Box 95 BMC, Bangkok 10500
 Tel. : 231-4333
 Telex : 82638 BK BANK TH
 82670 BK BANK TH
 82906 BK BANK TH
 72011 BK BANK TH

OVERSEAS BRANCHES

KINGDOM OF CAMBODIA

PHNOM PENH BRANCH

26 Norodom Boulevard, Phnom Penh
 (P.O. Box 106)
 Tel. : (855-23) 723-598,
 724-998, 725-398
 Fax. : (855-23) 426-593
 Telex : (0807) 16193 BBL PNH VA

PEOPLE'S REPUBLIC OF CHINA

SHANGHAI BRANCH

Bangkok Bank Building
 7 Zhongshan East Road-1
 Shanghai 200002
 Tel. : (86-21) 6323-3788, 6321-9119
 Fax. : (86-21) 6323-5400, 6321-9300
 Telex : (085) 33328 BBPSH CN
 : 33388 BBPSH CN
 Swift : BKKB CN SH

SHANTOU BRANCH

Jinsha East Road
 Yingbin Square
 Shantou SEZ., Guangdong
 Tel. : (86-754) 816-6180, 816-6179
 Fax. : (86-754) 816-6194, 816-6190
 Telex : (085) 454125-BKBST CN
 Swift : BKKB CN SH SAW

XIAMEN BRANCH

Ground Floor, Jian Yeh Building
 28 Hubin North Road
 Xiamen 361012, Fujian
 Tel. : (86-592) 511-8133
 Fax. : (86-592) 511-8932
 Telex : (085) 93008 BKBXM CN

BEIJING REPRESENTATIVE OFFICE

Suite 2126 China World Tower
 1, Jianguomenwai Avenue
 Beijing 100004
 Tel. : (86-10) 6505-5526
 Fax. : (86-10) 6505-5528
 Telex : (085) 222246 BJBBL

CHENGDU REPRESENTATIVE OFFICE

1st Floor, Room No.102
 Chengdu People's Bank of China
 Building
 No.23, Section 4, Ren Min Nan
 Avenue
 Chengdu 610041, Sichuan
 Tel. : (86-28) 521-8205
 Fax. : (86-28) 521-8206

HONG KONG

HONG KONG MAIN OFFICE

Bangkok Bank Building
 28 Des Voeux Road, Central
 Tel. : (85-2) 2801-6688
 Fax. : (85-2) 2810-5679
 Telex : (0802) 73679 BBANK HX
 Swift : BKKB HK HH

OVERSEAS TREASURY CENTRE

9/F., Bangkok Bank Building
 28 Des Voeux Road, Central
 Tel. : (85-2) 2801-6688
 Fax. : (85-2) 287-7910
 Telex : (0802) 73679 BBANK HX
 Swift : BKKB HK HH

CENTRAL DISTRICT BRANCH

Bangkok Bank Building
 28 Des Voeux Road, Central
 Tel. : (85-2) 2801-6688
 Fax. : (85-2) 2845-1805

WESTERN BRANCH

Bangkok Bank Building
 18 Bonham Strand, West
 Tel. : (85-2) 2851-1888
 Fax. : (85-2) 2850-6069

KOWLOON BRANCH

Bangkok Bank Building
 490-492, Nathan Road, Kowloon
 Tel. : (85-2) 2300-1888
 Fax. : (85-2) 2780-5896

INDONESIA

JAKARTA BRANCH

Jalan M.H. Thamrin No. 3
 Jakarta 10110
 Tel. : (62-21) 231-1008, 380-8065
 Fax. : (62-21) 385-3881, 231-0070
 Telex : (073) 42762, 46193
 BK BANK IA
 Swift : BKKB ID JA

JAKARTA KOTA SUB-BRANCH

Jalan Kali Besar Barat 37, Jakarta
 Tel. : (62-21) 677-311-2, 670-271-5
 674-099

JAPAN

TOKYO BRANCH

Bangkok Bank Building
 8-10, Nishi-Shimbashi
 2-Chome, Minato-ku, Tokyo 105-0003
 (C.P.O. Box 1602 Tokyo)
 Tel. : (81-3) 3503-3333
 Fax. : (81-3) 3502-6420
 Telex : (072)24373 BANKOKBK
 Swift : BKKB JP JT

OSAKA BRANCH

Bangkok Bank Building
 9-16, Kyutaromachi 1-Chome
 Chuo-ku, Osaka 541
 Tel. : (81-6) 263-7100, 263-6283
 Fax. : (81-6) 263-6286
 Telex : (072) 63667 BANKOKBK
 Swift : BKKB JP JT OSA

LAO PEOPLE'S DEMOCRATIC REPUBLIC VIENTIANE BRANCH

38/13-15, Hatsadee Road, Vientiane
 (P.O.Box 5400, Vientiane)
 Tel. : (856-21) 213-560, 213-562
 Fax. : (856-21) 213-561
 Telex : (0804) 4399 BBLVTE LS

UNION OF MYANMAR

YANGON REPRESENTATIVE OFFICE

471, Pyay Road, Kamayut
 Township, Yangon
 Tel. : (95-1) 524-978, 527-224
 Fax. : (95-1) 527-280

REPUBLIC OF THE PHILIPPINES

MANILA BRANCH

25th Floor, Far East Bank Center
 Sen. Gil J. Puyat Avenue, Makati City,
 Metro Manila
 Tel. : (63-2) 891-4024-30
 Fax. : (63-2) 891-4035-37
 Telex : (075) 62897 BBL MNL PN
 Swift : BKKB PH MM

REPUBLIC OF SINGAPORE SINGAPORE BRANCH

Bangkok Bank Building
 180 Cecil Street, Singapore 069546
 (P.O. Box 941, Singapore 901841)
 Tel. : (65) 221-9400
 223-8741, 229-7400
 Fax. : (65) 225-5852
 Telex : (087) 21359, 25639
 BK BANK RS
 Swift : BKKB SG SG

TAIWAN

TAIPEI BRANCH

121, Sung Chiang Road, Taipei 10429,
 Taiwan (P.O. Box 22419 Taipei,
 Taiwan)
 Tel. : (886-2) 2507-3275
 Fax. : (886-2) 2506-4625
 Telex : (0769) 11289 BANKOKBK
 Swift : BKKB TW TP

KAOHSIUNG SUB-BRANCH

Floor 1-2, Asia Pacific Commercial
 Building, 63 Wu Fu 3rd Road
 Kaohsiung, Taiwan
 Tel. : (886-7) 271-0000, 271-5188
 Fax. : (886-7) 271-3730, 271-3731
 Telex : (0769) 11289 BANKOKBK
 Swift : BKKB TW T1 OTK

TAICHUNG SUB-BRANCH

9F-1, Lin-Ding Summit Building
 345, Taichung Kang Road,
 Section 1, Taichung, Taiwan
 Tel. : (886-4) 326-9623
 Fax. : (886-4) 323-3685
 Telex : (0769) 11289 BANKOKBK
 Swift : BKKB TW T1 OTH

UNITED KINGDOM

LONDON BRANCH

61 St. Mary Axe, London EC3A 8BY
 Tel. : (44-171) 929-4422
 Fax. : (44-171) 283-3988
 Telex : (051) 8812448 BKBANK G
 Swift : BKKB GB 2L

UNITED STATES OF AMERICA

NEW YORK BRANCH

29 Broadway, 20th Floor,
 New York, NY 10006
 Tel. : (1-212) 422-8200
 Fax. : (1-212) 422-0728
 Telex : (023) 175459 BKBK UT
 Swift : BKKB US 33

LOS ANGELES BRANCH

801 South Figueroa Street, Suit 1600
 Los Angeles, California
 90017-5556
 Tel. : (1-213) 488-9170
 Fax. : (1-213) 629-1863
 Telex : (023) 188-448 BANKOKBK
 Swift : BKKB US 6L

THE SOCIALIST REPUBLIC OF VIETNAM
HO CHI MINH CITY BRANCH

Harbour View Tower
35 Nguyen Hue Street.
District 1, Ho Chi Minh City
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Telex : (084) 30359 BKBANK MA
Swift : BKKB MY KL

METROPOLITAN BRANCHES

Anusawari Chaisamoraphum
Asok-Din Daeng
Bang Bon
Bang Chak
Bang Kapi
Bang Khae
Bang Khen
Bang Khru (Phra Pradaeng)
Bang Khun Non
Bang Khun Thian
Bangkok Airport
Bangkok Noi
Bang Kruai
Bang Lamphu
Bang Na
Bang Phlat
Bang Phli
Bang Pho
Bang Sue
Bang Yai
Bang Yikhan
Bukkhalo
Chan Road Saphan 5
Charoen Phat
Charoen Phon
Chokchai 4-Lat Phrao
Din Daeng Road
Ha Yaek Pakkret
Hua Lamphong
Hua Mak
Huai Khwang
Inthamara
Intharak
Jewelry Trade Center
July 22nd. Circle
Khae Lai
Khlong Chan
Khlong Dan
Khlong Luang Pathumthani
Khlong San
Khlong Tan
Khlong Toei
King Kaew Road
Kluai Nam Thai
Ko Pho Office
Lak Si
Lak Si Plaza
Lat Krabang
Lat Phrao
Lat Phrao Soi 44
Lat Phrao Soi 99
Lumphini
Mahanak
Metro Trade Centre
Minburi
Muang Thong Chaeng Watthana
Nana Nua
New Phetchaburi Road
Nong Chok

Nong Khaem
Nonthaburi
*On Nuch Soi 16
*Oriental
Pak Khlogn Talat
Phahurat
*Phasi Charoen
Phathanakan
Phlapphachai Branch Office
Phloen Chit
Phra Khanong
Phra Pin Klao
Phra Pradaeng
*Phra Pradaeng
Prachachun
*Pracha Utit Road
Pradiphat
Pratunam
Puchao Samingphrai
Rama II-K.M.7
Rama IX Road
Ram Inthra
*Ram Inthra K.M.10
*Ramkhamhaeng
Rangsit
Ratburana
Rattanathibet Road
Ratchada-Lat Phrao Road
Ratchada-Sathupradit Intersection
Ratchada-Tha Phra
Ratchathewi
Ratchawat
Ratchawithi
Ratchawong
Sai Luat Road
*Samakki Road Prachaniwet
Sampheng
Samrong
Samut Prakan
Sam Yaek Fai Chai
Samyot
Saphan Khao
Saphan Loeng
Saphan Mai-Don Muang
Saphan Phan Fa
Sathon
Sathupradit
Seacon Square
Sena Nikom
Siam Square
Silom
Sinakharin-Samrong Nua
Si Phraya
*Si Yaek Bangna
Si Yan
Soi Ari
*Song Pra Pha Road
Suan Chatuchak
Suan Phlu
Suan Sayam

Sukhaphiban 1 Road K.M.8
Sukhaphiban 3 Road Buengkum
Sukhumvit 43
Suksawat Road
Sunthornkosa
Surawong
Taksin
Talat Noi
Talat Phlu
Talat Si Mum Muang
Taling Chan
Tanao Road
Tha Phra
Tha Tian
*The Mall Bang Kapi
The Mall Bang Khae
Thepharak
Trok Chan
Thonburi
Thonglor Road
Uruphong
Vanit Building
Viphavadi Rangsit
Visutkasat
Vorachak
Wongsawang
Yannawa

PROVINCIAL BRANCHES

Amnat Charoen
Amnat Charoen (Pathum Ratchawongsa)
Ang Thong
Ang Thong (Wiset Chaichan)
Buriram
Buriram (Ban Kruat)
Buriram (Lam Plaimat)
Buriram (Nang Rong)
Buriram (Pakham)
Buriram (Satuk)
Chachoengsao
*Chachoengsao (Ban Pho)
Chachoengsao (Bang Khla)
Chachoengsao (Bang Nam Prieo)
Chachoengsao (Bang Pakong)
*Chachoengsao (Bang Wua)
Chachoengsao (Phanom Sarakham)
Chachoengsao (Thanon Chumpon)
Chainat
Chainat (Han Kha)
Chainat (Phonangdam)
Chaiyaphum
Chaiyaphum (Chatturat)
Chaiyaphum (Ha Yaek Non Hai)
Chaiyaphum (Nong Bua Daeng)
Chanthaburi
Chanthaburi (Khlung)
Chanthaburi (Ma-Kham)
Chanthaburi (Na Yai Am)
Chanthaburi (Soi Dao)

Chanthaburi (Tha Chalaep Road)	Kalasin (Somdet)	*Nakhon Ratchasima (Cho Ho)	Phayao
Chanthaburi (Tha Mai)	Kamphaengphet	Nakhon Ratchasima (Chokchai)	Phayao (Chiang Muan)
*Chiang Mai (Bo Sang)	*Kamphaengphet	Nakhon Ratchasima	Phayao (Chiang Kham)
Chiang Mai (Chang Khlan)	(Khanu Worakabsaburi)	(Chomsurang Yat)	*Phayao (Dok Kham Tai)
Chiang Mai (Chom Thong)	*Kamphaengphet (Nakhon Chum)	Nakhon Ratchasima (Chum	Phayao (Mae Chai)
Chiang Mai (Doi Saket)	Kamphaengphet (Salokbat)	Phuang)	Phetchabun
Chiang Mai (Fang)	*Kamphaengphet (Tha Makhua)	Nakhon Ratchasima	Phetchabun (Lom Sak)
Chiang Mai (Hang Dong)	Kanchanaburi	(Dan Khun Thot)	Phetchabun (Sap Samo Thot)
Chiang Mai (Hot)	Kanchanaburi (Tha Muang)	Nakhon Ratchasima (Hua Thale)	Phetchabun (Srithep)
Chiang Mai (Kad Suan Kaew)	Kanchanaburi (Tha Rua)	Nakhon Ratchasima	Phetchaburi
*Chiang Mai (Kuang Sing)	Khon Kaen	(Mitrphap Road)	Phetchaburi (Cha Am)
Chiang Mai (Mae Ai)	Khon Kaen (Ban Phai)	Nakhon Ratchasima (Non Thai)	Phetchaburi (Khao Wang)
Chiang Mai (Mae Jo)	Khon Kaen (Chumphae)	Nakhon Ratchasima (Pak Chong)	Phetchaburi (Tha Yang)
Chiang Mai (Mae Rim)	Khon Kaen (Khao Suan Kwang)	Nakhon Ratchasima (Pak Tongchai)	Phichit
Chiang Mai (Muang Samut Road)	Khon Kaen (Kra Nuan)	Nakhon Ratchasima (Phimai)	Phichit (Taphan Hin)
Chiang Mai (Pratu Chang Phuak)	Khon Kaen (Mancha Khiri)	Nakhon Ratchasima (Sikhiu)	Phichit (Bang Mun Nak)
Chiang Mai (Pratu Chiang Mai)	Khon Kaen (Muang Phon)	*Nakhon Ratchasima (Sung Noen)	Phitsanulok
Chiang Mai (Sa Moeng)	Khon Kaen (Na Muang Road)	Nakhon Sawan	Phitsanulok (Bang Krathum)
Chiang Mai (San Kamphaeng)	Khon Kaen (Prachasamoson Road)	Nakhon Sawan (Chum Saeng)	Phitsanulok (Ha Yaek Khok Matum)
Chiang Mai (San Pa Khoi)	Krabi	Nakhon Sawan (Lat Yao)	*Phitsanulok (Naresuan Road)
Chiang Mai (San Pa Thong)	Krabi (Ao Luk)	*Nakhon Sawan (Matulee Road)	*Phitsanulok (Singha Wat Road)
Chiang Mai (Saraphi)	*Krabi (Nua Klong)	Nakhon Sawan (Nong Bua)	Phitsanulok (Wang Thong)
Chiang Mai (Si Nakhon Phing)	Lampang	Nakhon Sawan (Phayuha Khiri)	Phra Nakhon Si Ayutthaya
Chiang Mai (Suthep Road)	Lampang (Chat Chai)	Nakhon Sawan (Sawanwithi Road)	Phra Nakhon Si Ayutthaya
Chiang Mai (Talat Mae Malai)	Lampang (Ko Kha)	Nakhon Sawan (Takhli)	(Nakhon Luang)
Chiang Mai (Tha Phae)	Lampang (Muang Pan)	Nakhon Si Thammarat	Phra Nakhon Si Ayutthaya
Chiang Rai	Lampang (Sop Tui)	Nakhon Si Thammarat (Hua Sai)	(Pratunam Phra In)
Chiang Rai	Lampang (Thoen)	Nakhon Si Thammarat	Phra Nakhon Si Ayutthaya
(Ha Yaek Phokhun Mengrai)	Lamphun	(Karom Road)	(Rotchana)
Chiang Rai (Mae Chan)	Lamphun (Ban Thi)	Nakhon Si Thammarat (Na Bon)	Phra Nakhon Si Ayutthaya (Sena)
*Chiang Rai (Mae Khachan)	*Lamphun (Umong)	Nakhon Si Thammarat	Phra Nakhon Si Ayutthaya
Chiang Rai (Mae Sai)	Loei	(Pak Phanang)	(Talat Chaoprom)
Chiang Rai (Mae Saruai)	Loei (Wang Saphung)	*Nakhon Si Thammarat	Phra Nakhon Si Ayutthaya (Tha Rua)
Chiang Rai (Phan)	Lopburi	(Phattanakan Road)	Phra Nakhon Si Ayutthaya
Chonburi	Lopburi (Ban Mi)	Nakhon Si Thammarat (Ron Phibun)	(Wang Noi)
Chonburi (Ao Udom)	Lopburi (Khok Samrong)	Nakhon Si Thammarat (Sichon)	Phrae
Chonburi (Ban Bung)	Lopburi (Lam Narai)	Nakhon Si Thammarat	Phrae (Den Chai)
Chonburi (Bang Lamung)	Lopburi (Sa Kaeo)	(Thung Song)	Phrae (Wang Chin)
Chonburi (Bang Pla Soi)	Mae Hong Son	Nan	Phuket
*Chonburi (Khlom Tamru)	Maha Sarakham	Narathiwat	Phuket (Pa Tong)
Chonburi (Muang Pattaya)	Maha Sarakham (Chiang Yun)	Narathiwat (Sungai Kolok)	*Phuket (Thalang)
Chonburi (Noen Teng)	Maha Sarakham (Kantharawichai)	Narathiwat (Sungai Padi)	Phuket (Thep Kasatri Road)
Chonburi (Nong Mon)	Mukdahan	Narathiwat (Waeng)	Prachinburi
Chonburi (Phan Thong)	Nakhon Nayok	Nong Bua Lamphu	Prachinburi (Kabin Buri)
Chonburi (Phanat Nikhom)	Nakhon Pathom	Nong Khai	Prachuap Khiri Khan
*Chonburi (Phra Tamnak Road)	Nakhon Pathom (Bang Len)	*Nong Khai (Mitrphab Road)	Prachuap Khiri Khan
*Chonburi (Ratprasong Road)	Nakhon Pathom (Budhamonton)	Nong Khai (Phon Phisai)	(Bang Saphan)
Chonburi (Sattahip)	Nakhon Pathom (Don Tum)	Nonthaburi (Bang Bua Thong)	Prachuap Khiri Khan
Chonburi (Si Racha)	Nakhon Pathom (Kamphaeng Saen)	Pathum Thani	(Bang Saphan Noi)
Chonburi (Suan Utsahakam	*Nakhon Pathom (Nakhon Chaisi)	Pathum Thani (Nava Nakhon)	Prachuap Khiri Khan (Hua Hin)
Sahaphatthanaphibul)	Nakhon Pathom (Om-Yai)	Pathum Thani (Noppawong)	*Prachuap Khiri Khan (Khlom Wan)
Chumphon	Nakhon Pathom (Sam Phran)	Pattani	*Prachuap Khiri Khan
Chumphon (Lang Suan)	Nakhon Pathom (Songphon Road)	Pattani (Khok Pho)	(Pak Nam Pran)
Chumphon (Mab Amrit)	Nakhon Phanom	*Pattani (Nong Chik)	Prachuap Khiri Khan (Pran Buri)
Chumphon (Pak Nam Chumphon)	Nakhon Phanom (Ban Phaeng)	Phang-Nga	Prachuap Khiri Khan (Thap Sakae)
Chumphon (Sawi)	Nakhon Ratchasima	Phang-Nga (Khok Kloi)	Ranong
Chumphon (Si Yaek Patomphon)	Nakhon Ratchasima	Phang-Nga (Thai Muang)	Ranong (Kapoe)
Chumphon (Tha Sae)	(Atsadang Road)	Phang-Nga (Yan Yao)	*Ranong (Saphan Pla)
Kalasin	Nakhon Ratchasima (Bua Yai)	Phatthalung	Ratchaburi
Kalasin (Khao Wong)	Nakhon Ratchasima (Chakarot)	Phatthalung (Khuan Khanun)	Ratchaburi (Ban Pong)

Ratchaburi (Chombung)	*Songkhla (Kho Hong)	Uttaradit
Ratchaburi (Damnoen Saduak)	Songkhla (Muang Mai)	*Uttaradit (Boromma-at Road)
*Ratchaburi (Nong Pho)	Songkhla (Na Thawi)	Uttaradit (Phichai)
Ratchaburi (Photharam)	Songkhla (Padang Besar)	Uttaradit (Thong Saen Khan)
Ratchaburi	Songkhla (Ranot)	Yala
(Sam Yaek Wang Manao)	Songkhla (Rattaphum)	Yala (Betong)
Ratchaburi (Si Suriyawong Road)	Songkhla (Saba Yoi)	Yasothon
Ratchaburi (Wat Phleng)	Songkhla (Sadao)	Yasothon (Pa Tiu)
Rayong	Songkhla (Si Phuvanat Road)	
Rayong (Ban Chang)	Sukhothai	Note : * = Sub-branches
Rayong (Ban Phe)	Sukhothai (Sawankhalok)	
Rayong (Choeng Noen)	Sukhothai (Si Satchanalai)	
Rayong (Klaeng)	Sukhothai (Thung Saliam)	
Rayong (Maptaphut)	Suphanburi	
Rayong (Nikhom Phatthana)	Suphanburi (Sam Chuk)	
Roi Et	Suphanburi (Si Prachan)	
Roi Et (Kaset Wisai)	Suphanburi (Suan Taeng)	
*Roi Et (Ratchakan Damnoen Road)	Suphanburi (U-Thong)	
Sakaeo	Surat Thani	
Sakaeo (Aranya Prathet)	Surat Thani (Chon Kasem Road)	
Sakon Nakhon	Surat Thani (Don Sak)	
Sakon Nakhon (Ban Muang)	Surat Thani (Ko Samui)	
Sakon Nakhon (Phang Khon)	Surat Thani (Phra Saeng)	
Sakon Nakhon (Sawang Daen Din)	Surat Thani (Phunphin)	
Sakon Nakhon (Waritchaphum)	*Surat Thani (Talad Makhom Tia)	
Samut Sakhon	Surat Thani (Tha Chana)	
Samut Sakhon (Ban Phaeo)	Surat Thani (Wiang Sa)	
Samut Sakhon (Krathum Baen)	Surin	
Samut Sakhon	Surin (Kap Choeng)	
(Lak Sam Ban Phaeo)	Surin (Lamduan)	
Samut Sakhon (Om Noi)	Surin (Prasat)	
Samut Sakhon (Setthakit Road)	Surin (Sikhoraphum)	
Samut Sakhon (Tha Chalom)	Tak	
Samut Songkhram	Tak (Mae Sot)	
Samut Songkhram (Amphawa)	Trang	
Samut Songkhram (Bang Khonthi)	Trang (Huai Yot)	
Saraburi	Trang (Kantang)	
Saraburi (Kaeng Khoi)	Trang (Na Yong)	
Saraburi (Nong Kae)	Trang (Palian)	
*Saraburi (Nong Saeng)	* Trang (Rama VI Road)	
Saraburi (Phra-Phutthabat)	Trat	
Saraburi (Sutbanthat Road)	Trat (Khao Saming)	
Satun	Trat (Khleng Yai)	
Satun (La Ngu)	Ubon Ratchathani	
*Satun (Thung Wa)	Ubon Ratchathani (Det Udom)	
Singburi	Ubon Ratchathani (Khemarat)	
Singburi (In Buri)	Ubon Ratchathani (Kilo Sun)	
Si Sa Ket	Ubon Ratchathani (Nam Yun)	
Si Sa Ket (Kanthararom)	Ubon Ratchathani (Sapphasit Road)	
Si Sa Ket (Khukhan)	Ubon Ratchathani	
Si Sa Ket (Rasi Salai)	(Trakan Phutphon)	
Si Sa Ket (Kantharalak)	Ubon Ratchathani (Warin Chamrap)	
Si Sa Ket (Yang Chum Noi)	Udon Thani	
Songkhla	Udon Thani (Kumphawapi)	
Songkhla (Chana)	Udon Thani (Nong Han)	
Songkhla (Hat Yai)	Udon Thani (Phosi Road)	
Songkhla (Hat Yai Nai)	Udon Thani (Pracharaksa)	
Songkhla (Hat Yai Yan Phetkasem)	Uthai Thani	
Songkhla	Uthai Thani (Nong Chang)	
(Ha Yaek Saphan Tinsulanonda)		

1. References

a) Share registrar

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Bangkok 10300 Tel. 263-3851

b) Bond-holders' representatives

- Convertible subordinated debentures

Citicorp Trustee Co., Ltd.
Citibank House
336 Strand
London WC 2R 1HB

- Convertible debentures

The Bank of New York
101 Barclay Street
New York NY 10286

c) Auditors

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Certified Public Accountant
Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
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d) Legal advisers

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Mr. Amnuay Intuputi
Manuthep Office Tel. 230-2729

2. Major shareholders as at 12 September 1997

No.	Name	No. of shares	% of total
1.	Thailand Securities Depository Co., Ltd. for Depositors	52,521,125	5.24
2.	Bangkok Insurance Public Company Limited	39,944,030	3.99
3.	Peregrine Capital (Thailand) Ltd.	39,541,412	3.95
4.	Ministry of Finance	34,134,380	3.41
5.	Thai Investment and Securities Public Company Limited	31,061,920	3.10
6.	Asia Sermkij Co., Ltd.	28,981,910	2.89
7.	Littledown Nominees Limited	26,707,645	2.67
8.	Bangkok First Investment and Trust Public Company Limited	26,515,744	2.65
9.	State Street Bank & Trust Company, Boston	24,336,312	2.43
10.	Mondalay Pioneer (Siam) Co., Ltd.	23,749,000	2.37

3. Debentures

Type of debentures	Due date	Million US\$	Credit rating (Moody's / S&P's)
Convertible subordinated debenture	3 March 2004	386.392	-
Convertible debenture	7 August 2006	350	-
Unsecured subordinated debenture	15 September 2005	300	Ba 1/BB+
Unsecured subordinated debenture	15 March 2016	150	Ba 1/BB+
Unsecured subordinated debenture	15 March 2027	300	Ba 1/BB+

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BANGKOK BANK PUBLIC COMPANY LIMITED

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