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Thai Farmers Bank
Public Company Limited

THAILAND

Report & Balance Sheet

as at December 31, 1997

Front Cover Painting

Title : Abstract (Boat)

Artist : Sawasdi Tantisuk

Technique : Oil

Image Size : 76 x 97 cm.

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Contents

Selected Financial Data

December 31, 1997

Data from Financial Statements

	Million Baht
Total assets	795,385
Total liabilities	738,577
Shareholders' equity	56,808
Interest and dividend income	80,173
Net interest income	27,814
Non-interest income	9,505
Total income	89,678
Net income	801

Financial Ratios

	Percentage
Return on total income	0.89
Return on average shareholders' equity	1.25
Return on average assets	0.11
Earnings per share (Baht)	1.00
Dividend per share (Baht)	3.00
Book value per share (Baht)	71.01

Report of The Board of Directors

Report of The Board of Directors

To Our Shareholders,

was a particularly difficult period for the Thai economy which experienced a significant decline in the growth rate. This was due to a contraction in domestic consumption expenditures, low investment both in the public and private sectors and a slowdown in the manufacturing sector. Export growth registered a slight improvement, but was not strong enough to revitalize the economy, which encountered further setbacks during the second half of 1997. Inflation was on the rise while the baht value fell unchecked. Liquidity in the banking system dried up with the unabated outflow of capital. Commercial banks had to intensify deposit mobilization in an attempt to shore up liquidity which consequently drove up interest rates and, in turn, the cost of funds.

The depressed economy had a severe impact on the performance of the commercial banking system. The Thai Farmers Bank's operations were also adversely affected by the economic slump. As at 31 December, 1997, the Bank recorded total assets of 795,385 million baht, deposits of 588,414 million baht, loans of 609,495 million baht and a net profit of 801 million baht.

Branch Network *Domestic Branches* As of the 31 December, 1997, Thai Farmers Bank's domestic branch network consisted of 527 branches --154 in the Bangkok Metropolitan area and 373 up-country. There were 22 Currency Exchange Service Offices -- 8 in the Bangkok Metropolitan area and 14 up-country. In addition, there were 16 International Trade Centres --10 in the Bangkok Metropolitan area and 6 up-country.

Overseas Branches On December 31, 1997, the Bank had 13 overseas offices consisting of 9 full branches and 4 representative offices. On March 20, 1997, the Bank opened the Jakarta Representative Office to provide services and facilities for ASEAN business groups with a high volume of trade and investment in Thailand. In the initial stage, one of the Jakarta offices's function was to compile and analyse Indonesian investment prospects and economic data to provide investment consultancy to Thai and foreign investors and investment consultancy on Thailand to Indonesian investors as well. In addition, the representative office would establish business connections with Indonesian financial, trade and business organizations instrumental to future business relations between Thailand and Indonesia.

After over 20 years of operation in continental Europe following the establishment of the Thai Farmers Bank Hamburg Branch, principally to provide international banking services for its customers and to source funds for the Head Office, advanced information technology systems had reached the point where real-time inter-office business communications, as well as service transactions anywhere in Europe could be made effectively from any single location. Therefore, the Bank closed down the Hamburg Branch and consolidated the entire European operation at the London

Branch office. This move was in line with the Bank's master plan to maximise customer service efficiency. On December 30, 1997, the Bank also closed down the Hanoi and Yangon Representative Offices. These two offices' operations had previously been confined merely to supplying business and economic information for potential investors of the two countries, with no opportunity to earn regular revenue. However, with the current economic problems in Thailand, there are no immediate signs of new investment activities in these two countries.

Personnel and Human Resources Development

As of the 31 December, 1997, the Bank had 15,370 employees, of which 4,939 employees were stationed at the Bank's headquarters, 4,805 employees in the Bangkok clearing zone branches, 5,472 employees in the provinces and 154 employees overseas.

The Bank's on-going human resources development programme was divided into three categories providing in house learning and self-study programmes, as well as funding for further study domestically and abroad.

The in-house learning programmes were usually held at the Thai Farmers Bank Learning Centre: Bang Pakong, the Bank's headquarters, the Phahon Yothin office and through the Mobile Education Curriculum System. The extensive programmes that covered 9 fields with 104 courses which included two new fields, Credit Management and Business Activities, was well received by the 12,556 Bank employees enrolled in these courses over the year.

There were four types of self-study programmes:

- The Knowledge Warehouse System, where employees learn via study aids in the library such as video tapes, audio tapes and CD-ROMs across a range of professional and academic subjects.
- The National Technological University (Satellite) and
- The Distance Learning System Programmes both focused on acquiring the latest management, marketing and information technology knowledge from lecturers and experts directly via satellite from 48 leading universities in the United States.
- The Multimedia Learning Curriculum offered banking-related English and Chinese language courses on computer software and CD ROMs. In 1997, 5,429 employees enrolled in this programme.
- The Bank also organised a seminar, *"Strive for Quality with Wisdom and Determination"*, for upper management employees to underscore the importance of improving the quality of work at all levels within their responsibility. At the seminar, the participants discussed methods of quantitative evaluations of the quality of the performance.

Over the course of the year, Thai Farmers Bank offered 40 scholarships to qualified Bank employees and the public to encourage higher learning, enhance performance in the Bank and to benefit society in general. Nine scholarships were awarded to those pursuing a master's degree abroad, while twelve scholars were supported in their master's degree programmes in Thailand. Ten scholarship award recipients furthered their banking expertise by studying at the Thai Institute of Banking and Finance of the Thai Bankers' Association. There were 5 grants for those who went to the United States to study English and another 4 funds for training in England.

Organisational Development

In 1997, the Bank created two new departments, Customer Relations and Fixed Asset Management Departments, thereby increasing the number of departments in the organisation

to 32. The Customer Relations Department serves as a centre to receive clients inquiries, handle complaints and engage in problem-solving directly by telephone, in addition to disseminating information about the Bank's products. In creating this department, the Bank hopes to provide greater convenience and satisfaction for its clients. The Fixed Asset Management Department handles and monitors the use of the Bank's fixed assets. This department is also responsible for maintaining a strong database and keeping abreast of new rules and guidelines regarding the management of the Bank's assets.

To support the Bank's policy and marketing strategy formulation within this competitive environment, the Bank restructured six departments responsible for product development. The six departments are the Foreign Exchange and Remittance Department, International Trade Department, Credit Card Department, Consumer Loans Department, Credit and Collateral Control Department and the Cash and Payment Department. The Bank also changed the names of some departments to better reflect their current responsibilities. There were three such cases: the Personal and Small Business Loans Administration Department became the Consumer Loans Department; the Domestic Banking Department was changed to the Cash and Payment Department; and the Overseas Branch Administration and Correspondent Relations Department is now the International Branch Administration and Global Financial Institution Department.

Debentures Trading and Underwriting In 1997, the Bank's activities in trading and underwriting bonds of the private and public sectors amounted to 22.3 billion baht, comprised of 5.3 billion baht's worth of private sector bonds and a total of 17 billion baht state enterprise bond transactions. The Bank organised several bill of exchange auctions that raised 1.52 billion baht on behalf of leading private sector corporations. The Bank served as the financial advisor to a number of large corporations, such as Italian-Thai Development's bid for the construction of the electric sky-train project worth 25 billion baht. The Bank was appointed by One Asset Management Co. Ltd. to provide supervisory and custody services for its 1 billion baht One Fixed Income Automatic Redemption Fund (ONE-FAR) open-mutual fund.

The Bank was appointed administrative manager of 30 new provident funds' membership accounts in 1997, up from 7 funds the previous year. The size of the 37 funds combined was approximately 12 billion baht, with coverage for 82,230 members. The Bank was also nominated as the lead trustee in several corporations, and is responsible for handling loan collateral worth 30 billion baht.

Project Financing Thai Farmers Bank provided financial support for several large-scale projects in 1997, which included 4 large electricity generating projects that were granted loans totalling 4,328 million baht. The seven major deals of the year are outlined below:

Thai Cogeneration Co. Ltd. and M.T.P. Cogeneration Co. Ltd.

These two companies initiated a project that would generate 470 megawatts of electricity and 360 tonnes of steam per hour. The project would be located at the Mab Ta Phut Industrial Estate in Rayong. 300 megawatts of the electricity produced would be sold to the Electricity Generating Authority of Thailand (EGAT) over 25 years. The remaining 170 megawatts of electricity and steam will be sold to factories in the Mab Ta Phut industrial estate. Total investments in this project reached 23 billion baht, with the Bank lending 1.6 billion baht.

Rojana Power Co. Ltd.

This power generating project at the Rojana Industrial Park in Ayuttaya will produce 121 megawatts of electricity and 20 tonnes of steam per hour. EGAT has signed a contract to purchase 90 megawatts of the electricity over a period of 25 years. The surplus electricity and steam will be sold to factories in the industrial park. Thai Farmers Bank alone financed 1,148 million baht of this 3,815 million baht loan package.

Saha-Cogeneration (Chonburi) Co. Ltd.

The project size is comparable to that of Rojana Power, with a productive capacity of 122 megawatts of electricity and 20 tonnes of steam per hour. The project is set in the Saha Pattana-Sri Racha Industrial Park, Sri Racha District, Chonburi. Again EGAT will be, for 25 years, the primary purchaser of up to 90 megawatts of electricity. The remaining 32 megawatts of electricity and all the steam will be delivered to Saha Pattana Inter-Holdings Plc. The energy will then be re-sold to the tenants of the industrial park. The total loan package came to 3,581 million baht, of which Thai Farmers Bank granted 930 million baht.

Samut Prakarn Cogeneration Co. Ltd.

EGAT signed a contract to purchase 90 megawatts of electricity over a period of 25 years, the exact same terms as that of Saha-Cogeneration Co., from this 120 megawatt electricity generating project which has the standard 20 tonnes of steam per hour as a by-product. The excess energy will be supplied to the industrial factories in the Bang Poo Industrial Estate, Samut Prakarn where the project is established. The Bank financed 650 million baht of this 3,417 million baht project.

The 13th Asian Games Sports Centre Construction Project

The Bank approved a loan of 1,265 million baht as part of the 3,059 million baht construction project that was successfully bid by Italian-Thai Development Co. Ltd. The Sports Centre is located on the Rangsit campus of Thammasat University in Pathum Thani province. The Sports Centre is scheduled for completion in August 1998 in order to allow government officials to fully prepare the facilities in time for the upcoming 13th Asian Games to be hosted by Thailand between the 6-20 December, 1998.

The Eastern Seaboard Industrial Estate, Rayong Co. Ltd.

Thai Farmers Bank granted loans worth 1,520 million baht for the first phase of the Eastern Seaboard Industrial Estate project in Rayong, which was completed successfully. The second phase will also be partially financed by another 550 million baht loan from the Bank. Two well-known investors in the estate's first phase are Ford Motors (Thailand) Co. Ltd. and General Motors (Thailand) Co. Ltd. It is expected that the two foreign automotive giants in the estate will play a major role in promoting the estate's potential as another automotive hub in Thailand.

Export Packing Credits Programme

The Bank provided financial support in the form of 1.2 billion baht's worth of packing credits to important agriculture-related businesses such as rice, flour and sugar. The Bank also promoted exports by lending 400 million baht to sugar producers in Nakorn Sawan and Uttaradit. Two other examples are animal feed mills that received 245 million baht loans and corrugated cardboard box producers that borrowed 150 million baht.

Besides the aforementioned major project financing schemes, the Bank paid particular attention to manufacturers and service providers responsive to domestic and international markets' demand, in compliance with government policies. Credit was also extended to small-and medium-sized businesses, individuals and homeowners.

Social Contributions Thai Farmers Bank recognizes its responsibility and duty in assisting the development of society. With this objective in mind, the Bank chose to nurture and support society through religion, the arts, education and athletics with the cooperation of the public sector, local businesses and the general public.

The Royal Kathin Ceremony On the 25 October 1997, the Bank organised the annual Royal Kathin Ceremony, held at Wat Sawettachatworawiharn, a Royal Temple in Klong Sam District, Bangkok. The Bank raised donations of 8.81 million baht from the Board of Directors, Bank employees, clients and the general public who wished to make merit at this auspicious event. The fund was divided into two parts, whereby 2.11 million baht was used to renovate the temple grounds and the remaining 6.70 million baht donated to various social charities.

Thai Farmers Bank has sponsored the annual Royal Kathin annual fund raising event every year since 1969 in order to allow Bank employees across the country to make religious merit and participate in charitable activities together.

The Contemporary Arts Competition of 1997 The annual Contemporary Arts Competition was held by Thai Farmers Bank in conjunction with the Department of Fine Arts and the International Arts Association of Thailand on the 28 September, 1997. The event seeks to encourage and support fine arts with the aim of raising the standards of Thai artists to international levels. The competition generated a positive response from 157 artists who submitted 282 fine entries. There were two Grand Prizes. The first award went to Mr. Anupong Kachacheewa for the print, "To Be Born, 6/97." The second award was given to Mr. Adirek Lohakun for his sculpture, "Part, Hypothesis." The two artists received a cash award of 120,000 baht, a medal, a certificate of excellence and an additional 150,000 baht grant each to study at the Royal College of Art in England for one month. There were another 10 finalist awards, with every finalist receiving a certificate, a medal and 60,000 baht in cash. The Bank presented the awards on the 24 November, 1997. The exhibition of these artworks was held between the 25 November, 1997 - 20 February, 1998 in the Exhibition Hall on the third floor of the Bank's headquarters, Rat Burana Road.

Scholarships The Bank is aware that education is a significant stepping stone for the future of Thai youths. Therefore, over the past 29 years the Bank has provided annual scholarships at a nationwide level to financially-deprived students who have good academic standing and exemplary personal conduct. In 1997, the Bank granted 1,264 scholarships worth 2,761,800 baht. There were 136 scholarships that funded students in Bangkok and the vicinities, while 1,121 more students in the provinces received scholarships as well. One scholarship was awarded to a Master's Degree candidate and another 6 recipients received funding for their theses.

Sports The Bank continued to emphasise the importance of sports although the economic downturn has forced the Bank to set tighter budgets and allocate the funds more efficiently. Despite these constraints, the Bank's athletic teams achieved commendable success in different sporting events. Some of the year's highlights are as follows. The Thai Farmers Bank football team won the Panasonic Queen's Cup for the third consecutive year and the Queen's Cup for the fourth consecutive year. The basketball team swept the top awards in Thailand in almost all age groups. The youth teams of below-17 years old and

not over-20 years garnered top honours, as did the 3 girls' basketball Division B teams in age groups below-15 years, 17 years and 19 years old. The women's team also emerged victorious in a competition organised by the Department of Social Welfare in Bangkok. The volleyball team covered themselves in glory, with both the women's Division A and B teams gaining top prizes, while both the boy's and girl's youth volleyball teams won the Her Royal Highness Princess Maha Chakri Sirindhorn Cups, an admirable historical first for the Bank. Besides these numerous successes, the badminton team bagged four awards at the 3rd Merlin Pattaya Championship and six trophies at the 8th Poom Pui Championship.

Awards and Accolades

Top Bank in Thailand and the Region

The Bank received the annual "Award For Excellence 1997" for being the best domestic commercial bank from *Euromoney*. The results were announced in the July 1997 edition, after an intensive survey of the top financial institutions around the world. There were three reasons why the judges voted for the Bank: the Bank had the lowest real estate sector exposure relative to total loans among the top six Thai commercial banks; the Bank displayed a remarkable ability in adjusting its strategy to meet the problems that battered the commercial banking sector; and lastly, the speed and efficiency with which the bank expanded the Personal Banking business--thus boosting the profit margin dramatically--despite changes in the work process and modernisation of all branch offices that have been completed just recently.

Two Top Awards from Visa International

Visa International bestowed a top award on the Thai Farmers Bank for being the first bank in the Asia-Pacific region to complete its Visa Interlink debit card application and issuance development plans, as well as the top prize in marketing, on the basis of membership growth rates. The Bank has operated the Visa Interlink Debit Card system, with card issuance facilities and broad retailer acceptance, since 1996. The card can be used to purchase merchandise and withdraw cash domestically and abroad. The Bank expects the debit card to become more popular on account of its convenience and its growing numbers of users. As part of Visa International's plan to promote the use of its credit cards throughout the world begun during the first half of 1996, the corporation became one of the Olympic Games' key sponsors. Among the 14 financial institutions that participated in the programme in Thailand, the Thai Farmers Bank held the record for issuing the most credit cards.

Excellent Service Development Award

The Bank was presented with "The Asian Banking Digest Award 1997" by *The Asian Banking Digest*, a well-known financial periodical covering issues within the Asia-Pacific Rim. The award was presented with the acknowledgement of The Asian Bankers Association and The Association of Development Financing Institute in Asia and the Pacific. The committee evaluated the nominees on the basis of excellence over a range of fields. Thai Farmers Bank was the sole winner for Thailand in 1997. The categories that most impressed the judges were the Bank's continual product development and innovative service and the programme of restructuring of five areas in the Bank, namely:

- *the quality of service at branch offices*
- *the creation of foreign business centres*
- *loan approval procedures*
- *auditing and solving non-performing loans problems*
- *increasing the efficacy of cash payment and cash transfer processes*

All these changes were accomplished most satisfactorily simultaneously with branch office renovations that combined a modern decor with the appropriate supporting technology. These improvements were accomplished so clients can complete their transactions comfortably and conveniently within a shorter time frame.

Top Corporate User of Information Technology in SEA The Bank was ranked the top corporate user of information technology systems in Southeast Asia in the special 1997 edition of *MIS South East Asia*, a magazine that covers issues about information systems management in Asia. Of the top 1,000 leading corporations in Southeast Asia listed, Thai Farmers Bank was ranked the top institution. The Bank led the way with the incorporation of 18,000 personal computers in its re-engineering programme. In the past, there was an average of approximately 5 or 6 personal computers in each branch office, but now the figure has more than tripled to 20 computers per office. The Bank developed supporting information systems by setting up a Data Warehouse System, Lotus Notes and electronic mail systems.

Top Fund Raiser in Thailand In the June 1997 issue, *Asiamoney* voted Thai Farmers Bank the outstanding commercial bank fund sourcer. *Asiamoney*, one of the leading publications for finance and investment issues in Asia, gave the Bank this premier ranking after interviewing 26 corporations in Thailand.

The successes that the Bank achieved, despite the deteriorating economy, were due in great measure to the cooperation, knowledge, wisdom and ability of every Bank employee, along with the firm and unceasing support of our shareholders, clients and the general public. The Board of Directors would like to hereby take the opportunity to express our gratitude to all our benefactors.

(Banyong Lamsam)
Chairman

(Banthoon Lamsam)
President

The Thai Economy in 1997 and Prospects for 1998

The Thai Economy in 1997 and Prospects for 1998

Thailand's Economic Situation in 1997

Thai economy experienced a dramatic slowdown in 1997. Growth rates across the economy dropped precipitously over that of the previous year, reflecting the declining private and public consumption and investment rates. The weakened private and public purchasing power due to income reductions was particularly acute for manual labourers and white-collar workers who were laid-off, while employees who retained their jobs faced cuts in salaries and bonuses. In more severe cases, many businesses were forced to close down during the course of the year. The stock market's dismal performance during the year was yet another manifestation of the economic downturn, while the increasingly conservative fiscal and monetary policies implemented by the government further constrained national spending levels.

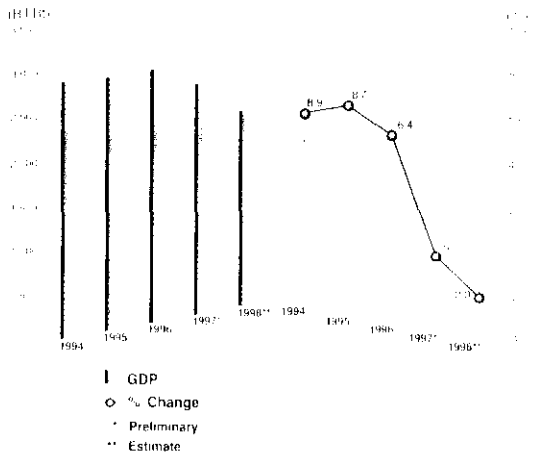
Exports during the first half of the year grew at a mere 3.4 percent. During the second half of the year, the exports growth rate recorded a phenomenal 52.4 percent leap after the currency was floated on July 2, 1997, thereby boosting the year's overall exports growth rate to 28.2 percent. However, after converting the baht export values to US dollars, 1997's exports growth figure was a sobering 3.2 percent. This unusually low figure illustrates the precarious position that Thai exports occupy in the world market. Therefore, it is necessary for the entire nation to galvanise its cooperative efforts to ensure that exports grow at more sustainable rates, because Thailand has no better alternative capable of pulling the country through the current economic crisis.

The productive sector growth rates were low across all fields. The hardest hit was the industrial sector. Compared to the spectacular 9-12 percent growth rates shown over the past five years, the growth rate in 1997 nearly halved to 6 percent during the first half of the year and declined by 8 percent (year-on-year) during the second half. The construction industry was in the doldrums as a result of the severe slump in the real estate market and deep budget cuts for public infrastructure projects. The agricultural sector fortunately had growth rates that remained positive throughout the year for most major crops. Some examples are the 6 percent increase in the production of the second season rice crop. The first crop of rice attracted good world prices due to high demand, but production was limited by problems with the rice strains and insufficient paddy land. Rubber production also performed remarkably well under the government's rubber promotion programme, with ample local supply to meet the world market's demands. On the other hand, cassava production decreased because of low crop prices during the previous crop season.

Some key economic indicators, such as inflation rates and the current account deficit, showed some signs of improvement during

the first half of 1997. But the situation began to deteriorate by the latter half of the year with inflation rates rising simultaneously with the weakening of the baht and continuing capital outflows. The worrying scenario was compounded for most of the year by climbing public sector deficits, which fortunately revealed signs of a promising reversal during the fourth quarter such as lower balance of trade and current account deficits. The last four months of the year recorded a $2.5 billion current account surplus that successfully managed to lower the $5.9 billion deficit accumulated over the preceding eight months to a more modest $3.4 billion current account deficit for the entire year. This figure, equivalent to 2.1 percent of the GDP, is markedly less than the $14 billion deficit (7.9 percent of the GDP) recorded in 1996.

Gross Domestic Product
(1988 Price)

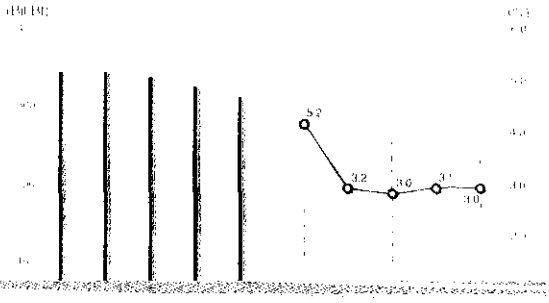


The Agricultural Sector

In 1997, nearly all the agricultural crops performed relatively well compared to 1996. Rice crops were rewarded with good world prices, though the production volume was less than optimal due to limited cropland and a drought that hit the rice growing regions during the sowing season. These two factors affected the production of jasmine rice particularly badly, a result of the government's promotion of planting good quality strains. However, cassava production suffered a steep 15 percent drop due to the low crop price last year and a prolonged drought in the Central and Northern crop growing regions. Maize production in 1997 experienced a fate similar to that of cassava, as did the production of sugar cane, which sank by 14 percent because of a drought in the major crop regions.

Livestock production revived surprisingly rapidly in 1997 compared to last year's lacklustre performance. Poultry exports boomed, especially frozen whole chicken and chicken products, with an upsurge in demand for frozen chicken in Europe because exports from China were halted due to their inability to meet international standards. Swine and pork production continued to grow steadily under favourable prices over the last two years. The fisheries industry, however, was unable to increase production, because even though the shrimp epidemic had largely blown over, shrimp farmers believe that the epidemic has not been fully eradicated. Deep-sea fishing declined as Indonesian authorities have become increasingly strict in monitoring their waters and have reduced the number of concessions to Thai fishing fleets. The logging industry's growth rates dropped over last year's production. Operators were hampered by insufficient natural resources due to the private sector's promotion of reforestation. Consequently, the industry resorted to continuous importation of raw material, though, on the whole, the demand for imported timber has been checked by the dearth of activity in the construction industry.

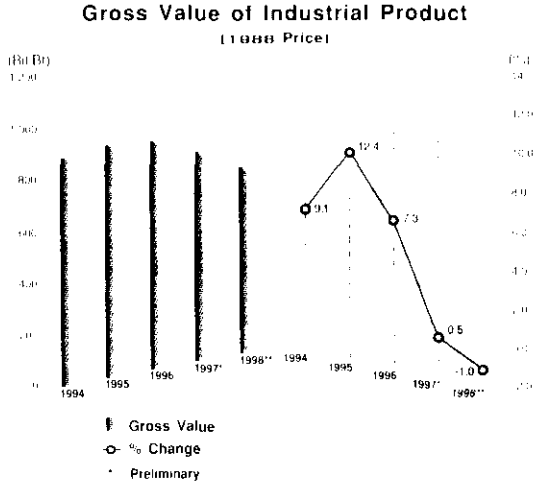
Gross Value of Agricultural Product
(1988 Price)



The Industrial Sector The industrial sector's growth in 1997 was stunted by the economic crisis. Growth rates between 1991-1995 stood around 9-12 percent, but slumped to 7.5 percent in 1996. The performance in 1997 was even worse. During the first half of the year growth rates decreased 6 percent and slid by another 8 percent over the second half. The sector's performance was affected by the poor exports growth rates in the first half of 1997 that carried over from the previous year. The drastic decline in consumption by private and public sectors came at the wrong time since manufacturers had overstocked inventories accumulated over the past 2-3 years of overproduction in line with optimistic expectations of high domestic demand in 1996 and 1997. Besides facing problems in clearing their stocks, many industrial companies suffered from a severe liquidity squeeze. The depreciation of the baht caused the cost of imported raw and intermediate stage materials and capital imports to rise to prohibitive levels, as well as the price of oil. The government's efforts to raise revenue by raising the value-added tax and excise and customs taxes for some imports inadvertently pushed up the costs of production. Unfortunately, higher prices hurt domestic sales.

The domestic market for a number of important products shrunk. Automobile sales, for instance, dropped by 38 percent over the 26 percent decline in 1996. Construction material sales fell by 20 percent and electronic consumer goods sales decreased by 15-25 percent. The sales of alcoholic beverages declined between 5-15 percent and the non-alcoholic beverages' sales reduced as well, by approximately 5-10 percent.

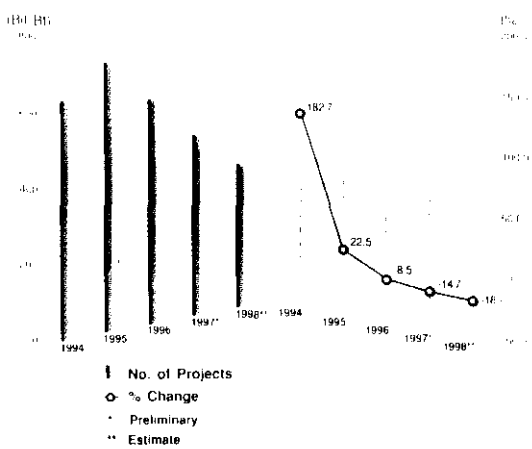
Gross Value of Industrial Product
(1988 Price)



Private Investment The private investment index revealed a sharp fall in 1997 to a mere 1.2 percent growth rate compared to the 6.9 percent increase in 1996 and 13.6 percent in 1995. The unusually low 1997 growth average was a result of a 4.1 percent index increase during the first half of the year and a 1.8 percent drop during the latter half. The waning investment climate is evident from the value and number of projects planned for the year. In 1997, there were 970 projects submitted for approval that had a total value of 460 billion baht. This reflected reductions of 18.7 and 44.8 percent respectively from the figures in 1996. The actual number of projects that were completed and operating in 1997 came to 470 valued at 264 billion baht, or a decrease of 22.8 and 15.3 percent respectively compared to 1996.

Cutbacks in private investment were caused by the economic slump that affected exports growth and domestic spending. Higher costs of raw material imports because of the weak baht, high domestic interest rates and the financial system's liquidity crunch, all contributed to increasing numbers of sub-standard loans that caused foreign and domestic financial institutions to curb the number of loans extended to Thai businesses.

Number of Projects Submitted for Promotion



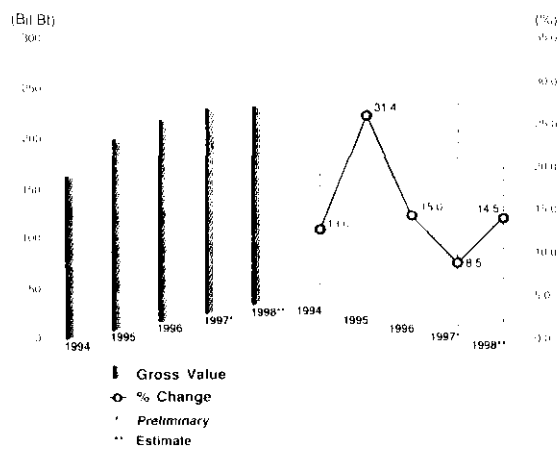
The Real Estates Sector The real estate and property development sector had been doing rather poorly for a number of years, but the sector has taken a

particularly severe battering over the past two years, and the worst blow seems to have occurred in 1997. The negative elements in the environment that dragged the sector down were an oversupply in the market, rising costs of production, climbing interest rates, the financial market liquidity squeeze exacerbated by the closure of the 56 finance companies, lower consumer demand because of lower purchasing power, the floating of the currency on the 2 July and the 3 percent increase in the value-added tax from 7 percent to 10 percent. In addition to these problems, the industry faced a severe shortage of working capital since financial institutions became wary of lending to businesses in this sector while demand has softened with the contraction of mortgage loans in the system.

The floating of the baht was one of the most significant factors that affected major industry players because the depreciation raised the value of their short-term foreign currency loans due at the end of 1997 by more than 50 percent. The higher value-added tax was an additional burden levied on top of rising raw materials' prices. The high domestic interest rates hurt debtors that borrowed locally. These investors in turn faced a market where domestic demand was fast disappearing. All these factors together severely crippled the real estate sector, that had featured among the fastest growing industries during Thailand's economic boom.

The Tourism Industry Growth rates in the tourism industry posted a marginal 0.8 percent rise with the arrival of 7.25 million tourists. This figure is in stark contrast to the Tourism Authority of Thailand's (TAT) target of a 7 percent growth. The revenue generated amounted to 238 billion baht or an 8.5 percent increase, despite the tremendous depreciation of the baht. The difference between expectations and reality is largely due to the simultaneous currency depreciation in Thailand's neighbouring countries. Although the prices of some Thai products and services increased because of domestic inflation, the primary reason for the target shortfall was the intensified competition from Thailand's neighbouring countries. The region's economic turmoil proved to be a strong incentive for the countries to promote tourism as a means of boosting their foreign currency earnings. At the same time, the economic contraction resulted in a sharp drop in the number of Asian tourists coming to Thailand. The economic slowdown in Europe also affected the number of inward-bound European tourists. Nonetheless, most tourists were cited as according a high priority to the quality of the country's natural scenery and environment. Given such a wide choice within Asia, tourists prefer to travel to countries that have low crime rates. Consequently, most tourists passed over Malaysia, Korea and Taiwan, while turning to Japan, Hong Kong and China instead. Tourists from the United States and Europe as a group have not expanded much over the year, while positive tourist inflows from Oceania and the Middle East was insufficient in stimulating growth in Thailand.

Tourism Revenue



International Trade The international trade figures rose considerably over the figures in 1996 as a result of the weak value of the baht. Exports growth in baht terms increased 3.4 percent year-on-year over the first half of 1997 and shot up a remarkable 52.4 percent during the second half of the year. The entire year's exports growth rate for 1997 was worth 1,810,300 million baht or 28.2 percent

higher than the figure recorded in 1996. However, the export figures calculated in dollar terms were not all that rosy, with only a 3.2 percent improvement in 1997 over 1996. This figure reveals the potential difficulties that the Thai exports sector might face in the international market in its attempt to pull the nation out of the present economic slump. This task is by no means an easy one since Thailand's neighbouring countries are also in the midst of severe economic problems, that resemble our own. Indeed, the region's currency and economic problems have limited Thailand's comparative price advantage, which existed under a currency float system, in international trade transactions.

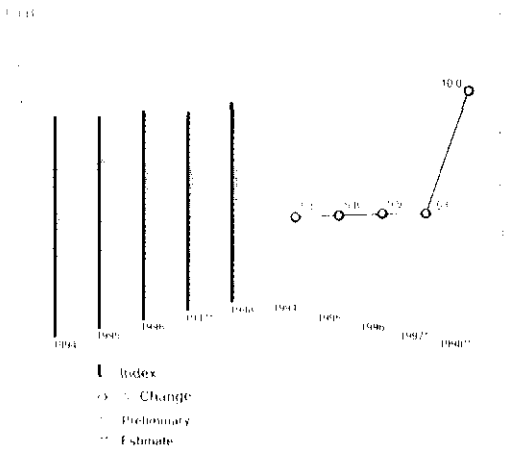
Total imports in 1997 came to 1,944,800 million baht, increasing 6.1 percent from 1996. In dollar terms, however, the value fell by 9.3 percent. Petroleum imports rose by 12.1 percent, of which crude oil imports accounted for 27.2 percent due to the baht's depreciation. However, refined oil imports dropped by 62.4 percent as a result of a higher production capacity in domestic refineries. Capital goods imports grew by a mere 6 percent due to declining investments, while consumer imports sank by 4.2 percent as a result of greater thriftiness among consumers. The most significant change was seen in the importation of vehicles and transportation equipment which slid by 45.6 percent, paralleling the shrinking of the domestic automobiles industry.

Improvements in exports and a reduction of imports have helped contain the balance of payments deficit to 134,500 million baht, compared to the 420,725 million baht deficit in 1996. The difference is equivalent to a 68 percent decrease in the deficit. Between September-December 1997, the monthly balance of payments account recorded 4 consecutive surpluses. The positive change shrank the current account deficit from an average 8 percent of the GDP between 1995 and 1996 to a mere 2.1 percent of the GDP in 1997.

Inflation After the announcement of the flotation of the baht on July 2, 1997, inflation rates have climbed steadily. A clear indication of the trend was seen in the Consumer Price Index, which moved narrowly between 4.3-4.6 percent between January and June 1997, before shifting up to hover between 4.9-7.7 percent over the remaining six months of the year. The average inflation rate over the second half of the year reached a high of 6.8 percent compared to the 4.3 percent level during the same period in 1996.

In 1997, the average inflation rate of 5.6 percent was lower than the 5.9 percent yearly average recorded in 1996. This outcome was rather surprising in light of the fact that oil prices increased by 34.8 percent between July-December 1997 and caused general price levels to rise across the board. However, the reduction of purchasing power of prudent domestic consumers in a market with over capacity worldwide helped ease the inflationary pressure on the economy.

National Consumers Price Index



Monetary System The financial system's liquidity level fluctuated wildly in accordance with both inward and outward capital flows. The pool of liquidity in the market was markedly lower than that of last year due to the lack of confidence in the exchange rate system. Yet, after the government's announcement of the end to the fixed

exchange rate mechanism on Pre 2 July, 1997, the liquidity crunch worsened because capital outflows continued unabated. The primary cause of the loss of confidence was the fear of a collapse of the financial system throughout the second half of the year sparked by the government's temporary suspension of 58 finance companies. The finance companies were suspended in two batches. There were 16 firms in the first batch that were suspended from operations in June, followed by another 42 firms in August. The final announcement of these firms' fate on the 8 December was that 56 companies had to be permanently shut down. This move effectively wiped out half the financial firms in the system.

Problems associated with the severe currency volatility gradually spread across almost all Southeast Asian economies and caused varying levels of currency depreciation. The International Monetary Fund (IMF) came to Thailand's assistance with a credit package upon the country's request in August 1997, but could not reverse the loss of confidence that plunged the value of the baht from an average of 30.27 baht/dollar in July to 45.29 baht/dollar by December. Due to the tight liquidity condition and in an attempt to support the value of the baht, the Bank of Thailand raised interest rates in the entire system via the repurchase market. Consequently, the short term money market interest rates (interbank interest rates) surged unhindered to 24-25 percent by the end of December, up from the tight 15-18 percent rates during October and November, and the high 20-21 percent level seen at the beginning of December.

Fiscal Condition For the first time after 9 years of comfortably high fiscal surpluses, the government experienced a cash deficit of 31,147 million baht in 1997. Even during the 1996 fiscal year when the economy already exhibited signs of slowing down, there was still a surplus of 104,273 million baht. The deficit in 1997 resulted from an unexpected tax revenue shortfall. Compared to 1996, when revenue collection increased by 11.8 percent (year on year), the government managed to collect only 844,247 million baht in 1997, which was less than taxes worth 850,177 million baht collected in 1996.

Government expenditures expanded by 18.5 percent year-on-year in the 1997 fiscal year to 888,482 million baht compared to expenses of 750,000 million baht in 1996. This increase was equivalent to a 16.6 percent year-on-year growth.

Though conditions of the 1997 budget were admittedly poor throughout the year, the pressure intensified during the first three months of the 1998 fiscal year (October - December 1997) because there was already a cash deficit of 26,750 million baht. This deficit, considered large relative to Pre 31,147 million baht deficit recorded over the entire 1997 fiscal year, alarmed the government because one of the conditions stipulated by the IMF for loan eligibility was that the annual budget deficit should not exceed 37 billion baht.

Foreign Debts Servicing foreign debt payments was undoubtedly the greatest problem for many corporations, including industrial giants as well as smaller firms, across many sectors in 1997. This was not difficult to imagine since the value of the baht sank below expectations. During the first half of Pre year, the average (fixed) exchange rate was 25.88 baht to the dollar. The rate weakened to 30.27 baht/dollar in July and even further through the remaining months of the year to average 45.29 baht/dollar by December 1997. One reason why the exchange rate softened beyond the economic fundamentals at the time was due to the unhealthy financial structure of the over-leveraged economy. Short-term corporate and commercial bank foreign loan payments due at the end of 1997 amounted to a staggering $39 billion. Despite the government and the private sector's successful negotiations for short-term (3 - 6 months) debt rollovers, it is expected that the situation will come to a head between 1998 - 1999. The ensuing problem will not be easy to deal with, unless provisions are steadily accumulated,

since the total interest payments due will have increased considerably by then.

According to the Bank of Thailand, the total outstanding foreign loans that Thailand owed, as of the end of December 1997, was as high as $91.7 billion, with private sector debts comprising $66.8 billion (72.8 percent) and the public sector accounting for the remaining $24.9 billion (27.2 percent).

Thailand's Economic Prospects in 1998

The economic growth prospects in 1998 are expected to be even worse than those experienced during 1997 due to the number of businesses that were forced to shut down, the tight liquidity and high loan defaults. The after-effects of the permanent closure of the 56 finance companies will continue to persist. At the same time, the burgeoning private sector non-performing loans resulting from chronic loan payment defaults in the financial system are expected to tighten money market liquidity. All these elements will inevitably hurt the performance of all finance companies and commercial banks, sparing no institution, even the fortunate few that manage to remain solvent.

The economic trends for major business sectors can be summarized as follows:

The Agricultural Sector The agricultural sector is expected to enjoy a two-fold boost from the depreciation of the currency and higher world prices from the El Nino's destruction of several major world crop growers' production capacity. Rice exports are expected to increase for the second consecutive year by shooting up to 50 billion baht with exports of 5.3 million tonnes. Fresh and frozen shrimp exports are expected to rise by 30 percent and haul in 63 billion baht. Canned food products are targeted to add another 62 billion baht with a 35 percent growth rate. Chicken meat and chicken product exports can be expected to increase by 18 percent to 36 billion baht. Canned fruit and fruit products are expected to contribute 19 billion baht to overall growth in exports, with a 30 percent increase.

The Industrial Sector The industrial sector growth is anticipated to diminish slightly from the effects of rising costs of imported raw materials, intermediate stage inputs and capital goods, as a result of the weak exchange rate. The increasingly widespread erosion of domestic consumers' purchasing power and a shift towards thriftier consumption habits are expected to affect several industries, such as automobiles, motorcycles, electric and electronic consumer durables, construction materials, and all types of alcoholic beverages including beer and wine. On the other hand, industries that are expected to fare well during the economic downturn are those producing basic necessities like food and clothing.

Private Investment Private investment growth will drop drastically since investors have not shown any signs of confidence in the way the economic and financial crises are being handled. The number of project proposals submitted to the Board of Investment of Thailand for promotional privileges is projected to reduce by over 100 billion baht from 460 billion baht in 1997 to approximately 350 billion baht in 1998. There is also likely to be a structural shift in the mode of investment, with a move towards more small- and medium-sized companies, particularly in the agricultural, agro-industrial, textiles and electric and electronic components industries. Large corporations will alter their investment strategies by slowing the rate of investment or even cancelling large projects due to financing problems. In addition, many large industrial projects that require considerable funding would also deter the entry of new investors. The areas that will probably be most affected by the economic slump are the petrochemicals, steel and automobile industries because of market saturation.

The Real Estate Sector The real estate sector will continue to deteriorate due to a lack of positive factors. The high interest rates policy will still be in place since the financial system will continue to have a liquidity shortage stemming from the closure of the 56 finance companies and limited funds circulating among commercial banks. In addition to project financing problems, the rising costs of construction materials are expected to coincide with lower demand. Many completed real estate projects are in surplus and will have to be sold off at 50 percent discounts. Circumstances reflective of a market oversupply have effectively shut off plans for new projects. The only solution for operators in the sector in 1998 is to manage their debt service schedule by reducing their liabilities as fast as possible, even though losses will inevitably be incurred from selling some projects at steep discounts. In addition, all new projects should be terminated to conserve working capital for tougher times ahead.

Tourism Industry The government adjusted its growth target in 1998 to 7.72 million tourists and is predicted to generate revenues of 272,361 million baht. In 1999, the number of tourists should rise to 8.28 million and bring in approximately 309,672 million baht. However, 1998 is expected to have relatively low growth rates, even though it is the first year of the two year "Amazing Thailand 1998-1999" tourism promotion programme, due to intensified competition within the region. The programme itself has funding problems since the portion of the budget allocated to the promotion of tourism was cut. In addition, the private sector has suffered from the liquidity squeeze and financial losses from low market demand. The worsening conditions were so severe that many companies had to close down. Nevertheless, there are hopes that the 13th Asian Games towards the end of the year will help attract more tourists than forecasted for the year.

The Monetary System The money system in 1998 will still remain vulnerable from the repeated blows that struck the economy in 1997. The limited liquidity in the system will severely constrain finance companies' and commercial banks' loan growth prospects. Nonetheless, commercial banks and finance companies will probably not face undue pressure to lend since the economic environment in 1998 is likely to remain hostile to new investments projects. Financial institutions will have to be cautious in managing their debtors' interest and principal payment schedules in order to minimise the proportion of sub-standard loans in their books. Another effect of low market liquidity is the scramble for deposits among small- and medium-sized commercial banks, which will probably lead to repeated interest rate hikes, as witnessed in 1997.

Fiscal Condition The government has cut its budget for the 1998 fiscal year three times, down by 182 billion baht from an initial allocation of 982 billion baht. The current 800 billion baht budget is equivalent to a 13.5 percent reduction from the 925 billion baht budget in 1997. The successive cuts were in response to the agreement signed with the IMF that there would be a budget surplus at the end of the year equal to 1 percent of the GDP (69.8 billion baht). To meet this condition, the Revenue Department has to collect taxes totalling at least 869.8 billion baht.

The possibility of the government instituting a fourth budget cut are highly improbable since the previous cuts have been deep and broad across all departments. In fact, the funds for public investment have been slashed to a mere 32.1 percent of the total budget. The fastest short-term solution in order to meet the IMF conditions is to cancel or postpone all new concession projects that are of relatively minor importance, non-productive, require considerable amounts of foreign funding, or are projects that are either partly complete or do not fall within the objectives of the 8th National

Economic and Social Development Plan. Caution must be exercised in this strategy, since misjudged cancellations of some projects could worsen the investment environment and hurt future plans to stimulate economic investment.

The Foreign Debt Burden The foreign debt burden will still be one of the largest and most unwieldy obstacle blocking Thailand's path towards economic recovery. The debt burden looming over the country's monetary and fiscal stability has yet to show signs of substantial improvement since the loans have been continuously rolled over. In 1998, total outstanding foreign debts are expected to decline by 6.3 percent to $85.9 billion from the $91.7 billion outstanding loan in 1997. The private sector debt portion is $54.2 billion while the public sector's share is worth $31.7 billion. These constantly compounding debts make it imperative for the country to export more goods and services. However, the revenue generated from these two sources will probably be too low to offset the nation's debts, especially since the debt service ratio is predicted to rise from approximately 11 percent between 1994-1996, to 15.2 percent and 18.8 percent in 1997 and 1998 respectively.

Report of the Auditor

To the Shareholders of Thai Farmers Bank Public Company Limited:

We have examined the balance sheet of Thai Farmers Bank Public Company Limited as at June 30, 1997, and the related statements of income, changes in shareholders' equity, retained earnings and cash flows for the half-year period 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 financial statements referred to above present fairly the financial position of Thai Farmers Bank Public Company Limited at June 30, 1997, and the results of its operations, the changes in its shareholders' equity, retained earnings, and its cash flows in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change, with which we concur, in the method of accounting for taxation as described in Note 3.18 to financial statements.

(Nirand Lilamethwat)
Certified Public Accountant

KPMG
Peat Marwick Suthee Limited
Bangkok, July 22, 1997

Balance Sheet

As at December 31, 1997

	Baht
Assets	
Cash	9,149,388,796.51
Interbank and money market items (Note 3.1)	
Domestic items	
Interest bearing	2,952,875,927.86
Non-interest bearing	13,605,902,010.31
Foreign items	
Interest bearing	28,370,643,397.02
Non-interest bearing	606,539,174.20
Total interbank and money market items	**45,535,960,509.39**
Securities purchased under resale agreements (Note 3.2)	19,590,876,574.16
Investment in securities (Notes 2.5, 3.3 and 3.14)	
Securities for trading	3,869,747,825.25
Securities for investment	38,060,222,049.42
Total investment in securities	**41,929,969,874.67**
Less Allowance for diminution in value of securities	(3,057,243,445.61)
Investment in securities - net	**38,872,726,429.06**
Loans and accrued interest receivables	
Loans (Notes 2.3 and 3.4)	563,272,038,137.36
Accrued interest receivables	7,439,239,622.04
Total loans and accrued interest receivables	**570,711,277,759.40**
Less Allowance for doubtful accounts (Notes 2.4 and 3.5)	(11,947,923,562.94)
Loans and accrued interest receivables - net	**558,763,354,196.46**
Properties foreclosed (Note 2.9)	1,406,384,360.68
Customers' liability under acceptances	2,035,086,693.20
Premises and equipment - net (Notes 2.7 and 3.6)	20,077,942,077.31
Inter-office accounts	3,944,528,615.20
Deferred income tax (Notes 2.8 and 3.18)	2,027,596,049.89
Other assets	2,133,288,726.78
Total Assets	**703,537,133,028.64**

Notes to financial statements form an integral part of these statements

Baht

Liabilities and Shareholders' Equity

Deposits (Note 3.7)	
Deposits in Baht	495,075,138,603.41
Deposits in foreign currencies	4,211,428,632.16
Total deposits	**499,286,567,235.57**
Interbank and money market items (Note 3.8)	
Domestic items	
Interest bearing	12,164,954,304.94
Non-interest bearing	589,047,662.30
Foreign items	
Interest bearing	92,341,187,413.67
Non-interest bearing	242,608,141.58
Total interbank and money market items	**105,337,797,522.49**
Liability payable on demand	2,919,325,008.99
Borrowings	
Long-term borrowings (Notes 3.9 and 3.10)	12,608,492,727.08
Bank's liability under acceptances	2,035,086,693.20
Accrued interest payables	8,101,734,335.94
Other liabilities	8,799,069,128.05
Total liabilities	**639,088,072,651.32**
Shareholders' equity	
Share capital	
Authorized share capital	
1,000,000,000 ordinary shares, Baht 10 par value	10,000,000,000.00
Issued and paid-up share capital	
800,000,000 ordinary shares, Baht 10 par value	8,000,000,000.00
Warrants and premium on warrants (Note 3.10)	5,520,432,919.21
Premium on share capital	8,384,662,057.49
Surplus on fixed assets revaluation (Notes 2.7 and 3.11)	3,963,063,400.00
Retained earnings	
Appropriated	
Legal reserve	800,000,000.00
Other reserves	26,675,300,000.00
Unappropriated	12,796,461,010.51
Less Unrealized loss on securities for investment (Note 2.5)	(1,690,859,009.89)
Total shareholders' equity	**64,449,060,377.32**
Total Liabilities and Shareholders' Equity	**703,537,133,028.64**
Off balance sheet items - contingencies (Note 3.13)	
Aval to bills and guarantees of loans	22,175,211,669.88
Liability under unmatured import bills	8,139,213,802.32
Letter of credit	12,614,841,345.57
Other contingencies	278,912,754,994.61

(Banthoon Lamsam)
President

(Dr. Piengchai Pookakupt)
First Senior Vice President

Statement of Income

Half Year Ended June 30, 1997

	Baht
Interest and dividend income (Note 2.1)	
Loans	32,503,333,117.87
Interbank and money market items	1,643,197,257.99
Government securities and state enterprise securities	1,402,821,121.00
Other securities	455,854,011.74
Total interest and dividend income	**36,005,205,508.60**
Interest expenses (Note 2.2)	
Deposits	17,791,223,627.82
Interbank and money market items	3,969,357,696.77
Long-term borrowings	581,329,703.38
Total interest expenses	**22,341,911,027.97**
Net income from interest	**13,663,294,480.63**
Bad debt and doubtful accounts (Note 2.4)	**2,100,925,409.49**
Net income from interest after bad debt and doubtful accounts	**11,562,369,071.14**
Non-interest income	
Fees and service income	
Acceptances, aval and guarantees	445,886,640.07
Others	2,086,065,963.06
Gain on exchanges (Note 2.6)	726,374,681.74
Penalty charge on returned clearing cheques	100,359,790.02
Gain on bills	82,521,503.22
Other income	207,149,730.78
Total non-interest income	**3,648,358,308.89**
Non-interest expenses	
Personnel expenses	3,225,226,920.02
Premises and equipment expenses	1,494,980,625.04
Taxes and duties	1,215,137,021.77
Fees and service expenses	198,386,632.71
Directors' remuneration	21,570,284.92
Loss on diminution in value of securities (Note 2.5)	1,177,496,954.84
Other expenses	963,919,988.46
Total non-interest expenses	**8,296,718,427.76**
Net income before income tax	**6,914,008,952.27**
Income tax expenses (Notes 2.8 and 3.18)	**1,910,450,100.00**
Net Income	**5,003,558,852.27**
Earnings per share (Note 2.11)	**6.25**

Notes to financial statements form an integral part of these statements

Statement of Changes in Shareholders' Equity

Half Year Ended June 30, 1997

	Baht
Share capital: ordinary shares	
Beginning balance	8,000,000,000.00
Additions	-
Ending balance	8,000,000,000.00
Warrants and premium on warrants	
Beginning balance	5,500,000,000.00
Additions	20,432,919.21
Ending balance	5,520,432,919.21
Premium on share capital	
Beginning balance	8,384,662,057.49
Additions	-
Ending balance	8,384,662,057.49
Surplus on fixed assets revaluation	
Beginning balance	3,981,885,900.00
Deductions	(18,822,500.00)
Ending balance	3,963,063,400.00
Retained earnings	
Appropriated	
Legal reserve	
Beginning balance	800,000,000.00
Additions	-
Ending balance	800,000,000.00
Other reserves	
Beginning balance	25,460,048,245.51
Additions	5,000,000,000.00
Deductions	(3,784,748,245.51)
Ending balance	26,675,300,000.00
Unappropriated	
Beginning balance	10,148,986,739.69
Additions	
Adjustment for the cumulative effect of the change of accounting method for prior years until December 31, 1996 (Note 3.18)	1,259,167,173.04
Net income for the period	5,003,558,852.27
Transfer from other reserves	3,784,748,245.51
Deductions	
Dividends	(2,400,000,000.00)
Transfer to other reserves	(5,000,000,000.00)
Ending Balance	12,796,461,010.51
Unrealized loss on securities for investment	
Beginning balance	(147,518,333.54)
Additions	(1,543,340,676.35)
Ending balance	(1,690,859,009.89)
Total Shareholders' Equity	**64,449,060,377.32**

Notes to financial statements form an integral part of these statements

Statement of Retained Earnings

Half Year Ended June 30, 1997

	Baht
Unappropriated retained earnings	
Beginning balance	10,148,986,739.69
Add Adjustment for the cumulative effect of the change of accounting method for prior years until December 31, 1996 (Note 3.18)	1,259,167,173.04
Beginning balance after adjustment	11,408,153,912.73
Less Appropriations of earnings for prior period	
Dividend	(2,400,000,000.00)
Transfer to other reserves	(5,000,000,000.00)
Net income for the period	5,003,558,852.27
Add Transfer from other reserves	3,784,748,245.51
Total unappropriated retained earnings	**12,796,461,010.51**
Appropriated retained earnings	
Legal reserve	800,000,000.00
Other reserves	26,675,300,000.00
Total appropriated retained earnings	**27,475,300,000.00**
Total Retained Earnings	**40,271,761,010.51**

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

Statement of Cash Flows

Half Year Ended June 30, 1997

	Baht
Cash flows from operating activities	
Net income	5,003,558,852.27
Add (Less) Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	868,183,388.99
Bad debt and doubtful accounts	2,100,925,409.49
Loss on diminution in value of securities	1,177,496,954.84
Gain on disposal of premises and equipment	(8,385,727.02)
Increase in accrued interest receivables	(174,380,369.15)
Increase in other accrued income	(48,171,736.98)
Increase in accrued interest expenses	1,053,153,342.43
Decrease in other accrued expenses	(57,582,780.70)
Increase in other reserves	59,915,916.30
Net income from operations before the changes of operating assets and liabilities	9,974,713,250.47
(Increase) Decrease in operating assets	
Deposits, loans and interbank and money market items	(39,954,522,108.20)
Securities purchased under resale agreements	(19,590,876,574.16)
Investment in securities for trading	2,024,995,067.48
Properties foreclosed	(290,973,480.12)
Other assets	(4,269,211,379.38)
Increase (Decrease) in operating liabilities	
Deposits, borrowings and interbank and money market items	52,545,431,467.60
Liabilities payable on demand	375,417,057.72
Other liabilities	1,484,327,726.49
Net cash provided by operating activities	**2,299,301,017.90**
Cash flows from investing activities	
Increase in investment in securities for investment	(770,174,735.13)
Purchases of premises and equipment net of proceeds from sales	(1,221,418,556.37)
Net cash used in investing activities	**(1,991,593,291.50)**
Cash flows from financing activities	
Proceeds from premium on warrants	20,432,919.21
Payment of dividend	(2,400,000,000.00)
Net cash used in financing activities	**(2,379,567,080.79)**
Net decrease in cash	**(2,071,859,354.39)**
Cash at beginning of period	**11,221,248,150.90**
Cash at End of Period	**9,149,388,796.51**
Supplementary disclosures of cash flows information:	
Cash paid during the year	
Interest expenses	21,288,757,685.54
Income tax	2,718,603,613.99

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

Notes to Financial Statements

June 30, 1997

1. Basis of Financial Statements Presentation

1.1 The financial statements are prepared in compliance with the announcements of the Bank of Thailand dated January 23, 1997 prescribing forms of balance sheet and profit and loss account of commercial banks as prescribed in the Commerce Ministerial Regulation No. 7 (B.E. 2539) issued under the Public Company Act B.E. 2535.

1.2 The financial statements are prepared to include the accounts of all branches, domestic and overseas, but not include the accounts of other companies of which over 50% of their paid up capital are held by the Bank. The financial position of overseas finance companies as at June 30, 1997 and the financial position and results of operations of domestic companies for the six-month period ended June 30, 1997 which are not audited or reviewed are presented as supplemental information in the accompanying Note 3.3 to the financial statements.

The financial statements for the half-year period ended June 30, 1997 include the accounts of the Bank's International Banking Facility which was approved by the Ministry of Finance on March 2, 1993 and started operations on March 25, 1993. The interoffice transactions have been eliminated.

2. Summary of Significant Accounting Policies

2.1 Recognition of interest income

Interest and discount income on loans are recognized on the accrual basis, except in cases of interest payments in arrears for more than six months or the amount due in excess of collateral, the cash basis is adopted.

2.2 Recognition of interest expenses

Interest expenses on deposits and borrowings are recognized on the accrual basis.

2.3 Loans

Loans under overdraft agreements are shown inclusive of interest accrued, while only principal amounts are shown for other loans. Unearned discounts are included in other liabilities.

2.4 Allowance for doubtful accounts

Allowance for doubtful accounts is based on the Bank's analyses of each loan and appraisal of the financial standing of each borrower, taking into consideration the Bank's experience in the loan risk and collateral value and the Bank of Thailand regulations.

Allowance for doubtful accounts is charged to expenses in each accounting period.

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

2.5 Investment in securities

Investments in equity securities and debt instruments for trading are stated at the lower of aggregate cost or market price. Unrealized losses, in case of lower market price, are reflected in the statement of income.

Investments in securities for investment are stated at the lower of aggregate cost or market price for listed equity securities, at cost net of provision for permanent decline in value of investment for other equity securities and at the lower of aggregate amortized cost or market price for debt instruments. Premiums or discounts on debt instruments are amortized by the straight-line method over the lives of the related bonds. Unrealized losses in case of lower market price, are shown under shareholders' equity. Losses from permanent decline in value of investment are reflected in the statement of income.

Market prices of Government bonds are based on latest bid prices, otherwise the Thai Farmers Bank Risk Free Yield Curve is used. Corporate bills of exchange are valued using Government bond yield adjusted by risk factor of the issuer, while corporate debentures are valued using closing prices of Bond Dealers' Club, otherwise the Thai Farmers Bank Risk Free Yield Curve adjusted by appropriate risk factor is used. All valuation guidelines and procedures have been

submitted to and accepted by the Bank of Thailand.

Investments in subsidiary and associated companies are accounted for on the cost method, rather than the equity method as approved by the Stock Exchange of Thailand in its letter dated April 25, 1994 on the ground that such investments do not materially affect the Bank's financial position and results of operations.

Interest income on investments is recognized on the accrual basis.

Dividends are recognized as income when received.

Gain or loss on sales of securities is recognized upon disposal.

2.6 Translation of foreign currencies

Assets and liabilities in foreign currencies are translated into Baht at the rates of exchange prevailing on the dates of transactions. Assets and liabilities in foreign currencies at the end of the period are translated into Baht at the rates of exchange fixed by the Exchange Equalization Fund on that date. Gain or loss from translation is included in the revenues and expenses for the period.

For forward exchange contracts, the difference between forward rate as agreed upon and spot rate at the date of contracts is amortized to operations over the period of the contracts.

2.7 Depreciation and amortization

Land is stated at revalued cost. Buildings are stated at revalued cost less accumulated depreciation while revaluation surplus of land and buildings is shown as a component of shareholders' equity.

Equipment is stated at cost less accumulated depreciation. Leasehold improvements and leasehold are stated at cost less accumulated amortization.

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

Depreciation of the revalued incremental cost of buildings is computed by the straight-line method over their remaining useful lives out of a total useful life of 50 years, as assessed by the appraisal company and approved by the Bank of Thailand.

Depreciation on equipment is computed by the straight-line method on the acquisition cost at the rate permitted by law.

Leasehold improvements and leasehold are amortized over the lease terms by the straight-line method.

2.8 Deferred income tax

The Bank recognizes the income tax effect of transactions in the period in which they enter into the determination of net income, regardless of when they are recognized for tax purposes. Accordingly, the income tax applicable to expenses which are not currently deductible for income tax purposes was set up as a deferred income tax in the balance sheet. This will be allocated to future periods when the expenses provided for are actually incurred and considered deductible for income tax purposes.

2.9 Properties foreclosed

Properties foreclosed represent immovable assets stated at acquired cost.

Gain or loss on properties foreclosed is recorded as other income or expenses upon disposal.

2.10 Staff retirement fund

Staff members are entitled to retirement pay upon termination of employment subject to length of service and other conditions. It is the management policy to provide for the fund at the rate of 1.25% of annual salary.

2.11 Earnings per share

Earnings per share as shown in the financial statements representing primary earnings per share is computed by using the weighted average number of shares outstanding during each period.

Dilution that could result from the exercise of warrants is not material. Accordingly, fully diluted earnings per share is not presented.

3. Supplementary Information

3.1 Interbank and money market items

Interbank and money market items as at June 30, 1997 consisted of:

1. Domestic

(Million Baht)

	At Call	Term	Total
The Bank of Thailand and Fund for the Rehabilitation and Development of Financial Institutions	13,205.3	-	13,205.3
Commercial banks	400.2	1,172.3	1,572.5
Other banks	17.1	-	17.1
Finance, finance and securities, securities and credit foncier companies	451.7	1,239.0	1,690.7
Other financial institutions	69.5	3.7	73.2
Total Domestic	**14,143.8**	**2,415.0**	**16,558.8**

2. Foreign

(Million Baht)

	At Call	Term	Total
US Dollar	6,984.5	20,385.5	27,370.0
Japanese Yen	143.6	-	143.6
German Mark	235.6	231.1	466.7
Other currencies	240.8	756.1	996.9
Total Foreign	**7,604.5**	**21,372.7**	**28,977.2**
Total Domestic and Foreign	**21,748.3**	**23,787.7**	**45,536.0**

3.2 Securities purchased under resale agreements

Securities purchased under resale agreements as at June 30, 1997 consisted of:

(Million Baht)

	Bank of Thailand Repurchase Market	Other Repurchase Market	Total
Government Bonds and Fund for the Rehabilitation and Development of Financial Institutions Bonds	16,575.0	-	16,575.0
State enterprise securities	2,425.0	-	2,425.0
Other domestic securities	-	590.9	590.9
Total	**19,000.0**	**590.9**	**19,590.9**

3.3 Investment in securities

Investment in securities as at June 30, 1997 consisted of :

		(Million Baht)
	Cost Value/ Book Value	**Market Value**
1. Securities for trading		
1.1 Debt instruments		
1.1.1 Government and state enterprise securities	1,266.8	1,279.5
1.1.2 Private debt instruments	1,549.0	1,372.0
1.1.3 Other debt instruments	948.5	948.5
Total	3,764.3	3,600.0
Less Allowance for diminution in value	(164.3)	-
Debt instruments - net	3,600.0	3,600.0
1.2 Equity securities		
1.2.1 Listed securities	105.5	51.7
Less Allowance for diminution in value	(53.8)	-
Equity securities - net	51.7	51.7
Total Securities for Trading - Net	**3,651.7**	**3,651.7**
2. Securities for investment		
2.1 Debt instruments		
2.1.1 Government and state enterprise securities	24,509.4	24,315.9
2.1.2 Private debt instruments	2,210.9	1,941.7
2.1.3 Foreign debt instruments	1,954.4	1,944.8
2.1.4 Other debt instruments	471.9	471.9
Total	29,146.6	28,674.3
Less Allowance for diminution in value	(472.3)	-
Debt instruments - net	28,674.3	28,674.3
2.2 Equity securities		
2.2.1 Listed securities	5,846.6	3,554.8
2.2.2 Foreign securities	497.8	497.8
2.2.3 Other securities	2,569.2	2,494.1
Total	8,913.6	6,546.7
Less Allowance for diminution in value	(2,366.9)	-
Equity securities - net	6,546.7	6,546.7
Total Securities for Investment - Net	**35,221.0**	**35,221.0**

Investments of 20% or more of shares in other companies at June 30, 1997 are as follows:

	% Shareholding	*(Million Baht)* Amount
Thai Farmers International Finance Ltd.	100.00%	0.1
Thai Farmers International (Cayman) Ltd.	100.00%	0.2
Thai Farmers Research Center Co., Ltd.	99.99%	2.5
Progress Appraisal Co., Ltd.	99.84%	5.0
Progress Software Co., Ltd.	50.00%	5.0
Thanakorn Vegetable Oil Products Co., Ltd.	49.00%	147.0
Business Venture Promotion Co., Ltd.	32.50%	39.0
Processing Center Co., Ltd.	30.00%	3.0
Thai Farmers Assets Management Co., Ltd.	28.61%	52.4
Total		**254.2**

Investments of less than 20% of shares in other companies at June 30, 1997 are as follow:

	(Million Baht) Amount
Manufacturing	1,544.5
Commercing	169.3
Banks and financial institutions	5,377.4
Others	1,669.5
Total	**8,760.7**

Financial position and results of operations of other companies in which the Bank holds more than 50% of shares are set forth below:

Balance Sheet

as at June 30, 1997

(Unaudited and Unreviewed)

(Thousand Baht)

	Thai Farmers International Finance Limited	Thai Farmers International (Cayman) Limited
Assets		
Cash and deposits at banks	33	258
Loans	-	5,712,485
Total Assets	**33**	**5,712,743**
Liabilities and Shareholders' Equity		
Borrowings	-	5,712,485
Shareholders' equity	33	258
Total Liabilities and Shareholders' Equity	**33**	**5,712,743**

Thai Farmers Research Center Company Limited

Balance Sheet

as at June 30, 1997

(Unaudited and Unreviewed)

(Thousand Baht)

Assets	
Current assets	
Other current assets	9,356
Equipment-net	4,948
Other assets	56
Total Assets	**14,360**
Liabilities and Shareholders' Equity	
Current liabilities	
Other current liabilities	1,753
Shareholders' equity	12,607
Total Liabilities and Shareholders' Equity	**14,360**

Thai Farmers Research Center Company Limited

Statement of Income

Half Year Ended June 30, 1997

(Unaudited and Unreviewed)

	(Thousand Baht Except Loss per share)
Revenues	25,374
Expenses	25,420
Net Loss	**(46)**
Loss per share (Baht)	**(0.46)**

Progress Appraisal Company Limited

Balance Sheet

as at June 30, 1997

(Unaudited and Unreviewed)

	(Thousand Baht)
Assets	
Current assets	
Other current assets	5,613
Equipment-net	642
Other assets	90
Total Assets	**6,345**
Liabilities and Shareholders' Equity	
Current liabilities	
Other current liabilities	861
Shareholders' equity	5,484
Total Liabilities and Shareholders' Equity	**6,345**

Progress Appraisal Company Limited

Statement of Income

Half Year Ended June 30, 1997

(Unaudited and Unreviewed)

	(Thousand Baht Except Earnings per share)
Revenues	8,207
Expenses	7,722
Net Income	**485**
Earnings per share (Baht)	**96.90**

3.4 Loans

Loans as at June 30, 1997 are classified as follows:

1. Classified by type of loans

	(Million Baht)
Overdrafts	202,162.8
Loans	256,815.7
Bills	102,903.4
Others	1,390.1
Total	**563,272.0**

2. Classified by maturity of contracts

	(Million Baht)
Within 1 year	383,048.9
Over 1 year	180,223.1
Total	**563,272.0**

3. Classified by currencies and residency of debtors

(Million Baht)

	Domestic	**Foreign**	**Total**
Baht	529,215.4	18.6	529,234.0
US Dollar	26,868.0	3,787.9	30,655.9
Other currencies	102.0	3,280.1	3,382.1
Total	**556,185.4**	**7,086.6**	**563,272.0**

4. Classified by type of business

	(Million Baht)
Agricultural and mining	19,140.8
Manufacturing and commerce	323,783.8
Property development and construction	68,425.8
Infrastructure and services	60,056.6
Housing loans	66,439.0
Others	25,426.0
Total	**563,272.0**

3.5 Allowance for doubtful accounts

The movement of the allowance for doubtful accounts during the period are as follows:

	(Million Baht)
Balance at beginning of the period	9,888.5
Provision during the period	2,100.9
Bad debt recovered	3.1
Bad debt written off	(38.6)
Others	(6.0)
Balance at End of the Period	**11,947.9**

The Bank has doubtful and substandard loans according to the latest audit report of the Bank of Thailand amounting to Baht 41,434.0 million, part of which are non-performing loans.

3.6 Premises and equipment

Premises and equipment as at June 30, 1997 are summarized as follows:

	(Million Baht)
Land	
Cost	2,496.5
Revalued cost	3,110.5
Buildings	
Cost	7,743.9
Revalued cost	938.8
Equipment	9,900.6
Leasehold and leasehold improvement (net)	728.0
Others	948.3
Total	**25,866.6**
Less Accumulated depreciation - cost	(5,702.5)
Accumulated depreciation - revalued cost	(86.2)
Premises and Equipment - Net	**20,077.9**

Revaluations of land were assessed by using government appraisal prices and revaluations of buildings were assessed by an appraisal company. The land and building revaluations were approved by the Bank of Thailand in its letters dated March 16, 1993 and April 5, 1994.

The increases in revaluation cost of land and buildings, net of accumulated depreciation, are presented as surplus on fixed assets revaluation as described in Notes 2.7 and 3.11 to the financial statements.

3.7 Deposits

Deposits as at June 30, 1997 are classified as follows:

1. Classified by type of deposits

	(Million Baht)
Current	16,640.2
Savings	129,992.6
Term	
- Within 6 months	313,751.4
- 6 months not over 1 year	4,727.0
- 1 year and over 1 year	34,170.8
Certificate of Deposit	4.6
Total	**499,286.6**

2. Classified by maturity of contracts

	(Million Baht)
Within 1 year	496,233.3
Over 1 year	3,053.3
Total	**499,286.6**

3. Classified by currencies and residency of depositors

			(Million Baht)
	Domestic	**Foreign**	**Total**
Baht	494,834.8	311.1	495,145.9
US Dollar	1,039.2	972.5	2,011.7
Other currencies	69.1	2,059.9	2,129.0
Total	**495,943.1**	**3,343.5**	**499,286.6**

3.8 Interbank and money market items:

Interbank and money market items as at June 30, 1997 consisted of:

1. Domestic

			(Million Baht)
	At Call	**Term**	**Total**
The Bank of Thailand and Fund for the Rehabilitation and Development of Financial Institutions	1,300.5	-	1,300.5
Commercial banks	244.8	1.1	245.9
Other banks	3,464.0	300.0	3,764.0
Finance, finance and securities, securities and credit foncier companies	1,244.2	257.8	1,502.0
Other financial institutions	2,071.5	3,870.1	5,941.6
Total Domestic	**8,325.0**	**4,429.0**	**12,754.0**

2. Foreign

(Million Baht)

	At Call	Term	Total
US Dollar	533.9	48,760.3	49,294.2
Japanese Yen	44.6	823.3	867.9
German Mark	31.3	1,498.9	1,530.2
Other currencies	576.0	40,315.5	40,891.5
Total Foreign	**1,185.8**	**91,398.0**	**92,583.8**
Total Domestic and Foreign	**9,510.8**	**95,827.0**	**105,337.8**

3.9 Long-term borrowings

Long-term borrowings as at June 30, 1997 consisted of:

(Million Baht)

	Domestic	Foreign	Total
Subordinated debentures	7,500.0	5,108.5	12,608.5

3.10 Subordinated debentures and warrants

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

The above debentures were issued with 75 million warrants, having a five-year maturity, at a price of Baht 40 each totalling Baht 3,000 million. An investor buying one unit of debenture received 10 units of warrants, each of which can be exercised quarterly over their maturity for a Baht 10 par value ordinary share at a price of Baht 188 each. Later the exercised price was changed to Baht 181.692 as effective from August 5, 1996. The subscription period was during October 10-12, 1994. As at June 30, 1997 the warrants have not yet been exercised.

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

In addition, the second issuance of warrants of 100 million units having a six-year maturity, were offered to existing shareholders in the ratio of eight ordinary shares for each warrant, at a price of Baht 25 each totalling Baht 2,500 million. Each warrant can be exercised quarterly over their maturity for a Baht 10 par value ordinary share at a price of Baht 200 each. The subscription period was during September 4-12, 1996. As at June 30, 1997, the warrants have not yet been exercised.

3.11 Surplus on fixed assets revaluation

At June 30, 1997 the surplus on fixed assets revaluation in the amount of Baht 3,963.1 million, resulted from land revaluation in the amount of Baht 3,110.5 million as assessed by using Government appraisal prices and from building revaluation in the amount of Baht 852.6 million (net of accumulated depreciation of Baht 86.2 million), as assessed by the appraisal company. The land and building revaluations were approved by the Bank of Thailand in its letters dated March 16, 1993 and April 5, 1994 respectively.

Depreciation of the revalued incremental cost of buildings was charged to revaluation surplus shown as a component of shareholders' equity.

3.12 Capital requirements

The bank's capital, maintained in ratio to risk assets, as required by the Bank of Thailand, at June 30, 1997 consisted of:

	(Million Baht)
Tier 1 capital	57,173.3
Tier 2 capital	13,612.8
Total	**70,786.1**

3.13 Commitments

Commitments as at June 30, 1997 consisted of:

			(Million Baht)
	Baht	**Foreign Currency**	**Total**
Aval of bills	3,457.6	-	3,457.6
Letters of indemnity - borrowings	242.1	18,475.5	18,717.6
Other letters of guarantee	29,378.7	10,598.2	39,976.9
Letters of credit	303.3	12,311.6	12,614.9
Exchange rate agreements			
Purchase agreements	-	57,221.8	57,221.8
Sale agreements	-	87,194.1	87,194.1
Interest rate agreements	-	-	-
Purchase agreements	-	2,168.2	2,168.2
Sale agreements	-	1,000.6	1,000.6
Unused credit line of overdraft	84,101.3	-	84,101.3
Others	7,277.0	8,112.0	15,389.0
Total	**124,760.0**	**197,082.0**	**321,842.0**

3.14 Assets pledged as collateral

Assets pledged as collateral as at June 30, 1997 consisted of:

	(Million Baht)
	Amount
Government bonds were pledged as collateral for	
Metropolitan Electricity Authority	25.3

3.15 Related party transactions

Loans and commitments made to executive officers and to business entities that the Bank, its directors or executive officers, hold 10% or more of paid up capital are summarized as follows:

(Million Baht)

	End of period	Average
Loans		
1. Executive officers	18.1	19.2
2. Business entities that the Bank, its directors or executive officers, hold 10% or more of paid up capital	1,064.8	1,178.5
Total	**1,082.9**	**1,197.7**
Commitments		
1. Executive officers	-	-
2. Business entities that the Bank, its directors or executive officers, hold 10% or more of paid up capital	6,341.3	6,255.3
Total	**6,341.3**	**6,255.3**

3.16 Directors' and executive benefits

The Bank has not paid other benefits to directors and executive except for the benefits that were normally paid such as salary and executive bonuses, directors' fees and directors' bonuses.

3.17 Long-term lease agreements

The Company has entered into land/building lease agreements for branch office and vehicle lease agreements. Periods of leases range from 2 years to 30 years. At June 30, 1997 the Company was committed to pay future rentals amounting to approximately Baht 685.7 million.

3.18 Change of accounting method

As from January 1, 1997 the Bank changed its tax accounting method from the taxes payable method to the deferral method in order that the income tax expenses presented in the income statement is related with net income in accordance with the matching principle. The effects of this change are that deferred income tax as at June 30, 1997 increased in the approximately amount of Baht 2,027.6 million and net income for the half-year period ended June 30, 1997 increased in the approximately amount of Baht 768.4 million, and earnings per share increased in the amount of Baht 0.96 per share. The cumulative effect of the change of accounting method for prior years until December 31, 1996 in the approximately amount of Baht 1,259.2 million are presented as an adjustment to retained earnings at January 1, 1997 in conformity with International Accounting Standard No.12.

3.19 The financial position and results of the Bank's operations separated by domestic and overseas business for the half-year period ended June 30, 1997 are summarized as follows:

1. Financial position separated by type of business

(Million Baht)

	Domestic Business	Overseas Business	Total
Total assets	604,272.6	99,264.5	703,537.1
Interbank and money market items	26,689.5	18,846.5	45,536.0
Loans	555,586.5	7,685.5	563,272.0
Investments in securities	36,927.9	1,944.8	38,872.7
Deposits	496,359.8	2,926.8	499,286.6
Interbank and money market items	18,595.2	86,742.6	105,337.8
Borrowings	7,500.0	5,108.5	12,608.5
Commitments	297,625.2	24,216.8	321,842.0

2. Results of operations separated by type of business

(Million Baht)

	Domestic Business	Overseas Business	Total
Interest and dividend income	31,994.4	4,010.8	36,005.2
Interest expenses	18,589.1	3,752.8	22,341.9
Net income from interest	13,405.3	258.0	13,663.3
Non-interest income	3,568.0	80.3	3,648.3
Non-interest expenses	10,208.2	189.4	10,397.6
Net income before income tax	6,765.1	148.9	6,914.0

3.20 Subsequent event

According to the Notification of the Ministry of Finance Re : Adjustment of the Foreign Exchange System dated July 2, 1997, the foreign exchange system has been changed into managed float, under which Baht valuation will be changed according to foreign currency market.

Any commercial bank having the spot and forward foreign exchange positions in surplus as at June 30, 1997 has to sell to the Bank of Thailand within the end of August 1997 the said foreign exchange in the net surplus only the amount which generated profits as a result of the adjustment of the exchange control system pursuant to the Notification of the Ministry of Finance Re: Adjustment of the Foreign Exchange System dated July 2, 1997.

Report of the Auditor

To the Shareholders of Thai Farmers Bank Public Company Limited:

We have examined the balance sheet of Thai Farmers Bank Public Company Limited as at December 31, 1997, and the related statements of income, 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.

Without qualifying our opinion, we draw attention to Note 1.4 to the financial statements. The operations of the Bank have been affected and will continue to be affected for the foreseeable future by the economic conditions in Thailand and the Asia Pacific Region in general. The ultimate effect that these uncertainties will have on the entity's business cannot presently be determined.

As described in Note 1.3 to financial statements, the financial statements for the year ended December 31, 1996 were not presented for comparison, because available information could not be grouped in the format prescribed by the Commerce Ministerial Regulation No. 7 (B.E. 2539).

In our opinion, the financial statements referred to above present fairly the financial position of Thai Farmers Bank Public Company Limited at December 31, 1997, and the results of its operations, the changes in its shareholders' equity, retained earnings, and its cash flows in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change, with which we concur, in the method of accounting for taxation as described in Note 3.19 to financial statements.

(Nirand Lilamethwat)
Certified Public Accountant

KPMG
Peat Marwick Suthee Limited
Bangkok, January 23, 1998

Balance Sheet

as at December 31, 1997

	Baht
Assets	
Cash	10,226,886,624.16
Interbank and money market items (Note 3.1)	
Domestic items	
Interest bearing	21,924,297,450.18
Non-interest bearing	11,235,487,873.06
Foreign items	
Interest bearing	47,522,356,446.07
Non-interest bearing	922,908,496.87
Total interbank and money market items	**81,605,050,266.18**
Securities purchased under resale agreements (Note 3.2)	39,033,917,780.08
Investment in securities (Notes 2.5, 3.3 and 3.15)	
Securities for trading	953,146,890.29
Securities for investment	44,208,130,387.12
Total investment in securities	**45,161,277,277.41**
Less Allowance for diminution in value of securities	(5,917,598,194.83)
Investment in securities - net	**39,243,679,082.58**
Loans and accrued interest receivables	
Loans (Notes 2.3 and 3.4)	609,494,897,641.37
Accrued interest receivables	7,818,316,837.68
Total loans and accrued interest receivables	**617,313,214,479.05**
Less Allowance for doubtful accounts (Notes 2.4 and 3.5)	(26,717,108,803.70)
Loans and accrued interest receivables - net	**590,596,105,675.35**
Properties foreclosed (Note 2.9)	1,457,863,382.05
Customers' liability under acceptances	2,287,708,100.33
Premises and equipment - net (Notes 2.7 and 3.6)	20,452,030,318.67
Inter office accounts	4,146,227,687.56
Deferred income tax (Notes 2.8 and 3.19)	2,283,696,288.82
Other assets	4,052,026,947.19
Total Assets	**795,385,192,152.97**

Notes to financial statements form an integral part of these statements

Liabilities and Shareholders' Equity	Baht
Deposits (Note 3.7)	
Deposits in Baht	580,690,515,318.00
Deposits in foreign currencies	7,723,207,717.62
Total deposits	**588,413,723,035.62**
Interbank and money market items (Note 3.8)	
Domestic items	
Interest bearing	16,036,075,634.70
Non-interest bearing	1,757,859,025.69
Foreign items	
Interest bearing	88,925,211,735.62
Non-interest bearing	184,354,822.09
Total interbank and money market items	**106,903,501,218.10**
Liability payable on demand	2,988,239,734.76
Securities sold under repurchase agreements (Note 3.9)	309,000,000.00
Borrowings	
Long term borrowings (Notes 3.10 and 3.11)	16,861,072,649.62
Bank's liability under acceptances	2,287,708,100.33
Accrued interest payables	10,531,141,483.17
Other liabilities	10,282,595,074.74
Total liabilities	**738,576,981,296.34**
Shareholders' equity	
Share capital	
Authorized share capital	
1,000,000,000 ordinary shares, Baht 10 par value	*10,000,000,000.00*
Issued and paid-up share capital	
800,000,000 ordinary shares, Baht 10 par value	8,000,000,000.00
Warrants and premium on warrants (Note 3.11)	5,520,432,919.21
Premium on share capital	8,384,662,057.49
Surplus on fixed assets revaluation (Notes 2.7 and 3.12)	3,949,843,400.00
Retained earnings	
Appropriated	
Legal reserve	800,000,000.00
Other reserves	29,278,858,852.27
Unappropriated	3,590,120,120.94
Less Unrealized loss on securities for investment (Note 2.5)	(2,715,706,493.28)
Total shareholders' equity	**56,808,210,856.63**
Total Liabilities and Shareholders' Equity	**795,385,192,152.97**
Off-balance sheet items - contingencies (Note 3.14)	
Aval to bills and guarantees of loans	37,757,840,250.51
Liability under unmatured import bills	12,942,426,721.69
Letter of credit	9,593,925,746.64
Other contingencies	315,608,439,520.42

(Banthoon Lamsam)
President

(Dr. Piengchai Pookakupt)
First Senior Vice President

Statement of Income

Half Year Ended December 31, 1997

	Baht
Interest and dividend income	
Loans	36,106,019,307.08
Interbank and money market items	6,622,522,278.43
Government securities and state enterprise securities	1,137,266,700.29
Other securities	302,404,338.71
Total interest and dividend income	**44,168,212,624.51**
Interest expenses	
Deposits	23,939,422,096.21
Interbank and money market items	5,312,078,230.60
Long-term borrowings	765,513,350.70
Total interest expenses	**30,017,013,677.51**
Net income from interest	**14,151,198,947.00**
Bad debt and doubtful accounts	**14,709,355,777.35**
Net income from interest after bad debt and doubtful accounts	**(558,156,830.35)**
Non-interest income	
Fees and service income	
Acceptances, aval and guarantees	442,249,635.85
Others	2,160,472,603.67
Gain on exchanges	3,051,672,626.51
Penalty charge on returned clearing cheques	109,930,618.97
Other income	224,736,783.79
Total non-interest income	**5,989,062,268.79**
Non-interest expenses	
Personnel expenses	3,283,031,492.66
Premises and equipment expenses	1,611,346,201.04
Taxes and duties	1,436,050,598.33
Fees and service expenses	278,290,436.69
Directors' remuneration	22,538,365.91
Loss on diminution in value of securities	1,896,034,921.31
Other expenses	2,787,220,254.25
Total non-interest expenses	**11,314,512,270.19**
Net loss before income tax	**(5,883,606,831.75)**
Income tax expenses	**1,680,824,794.45**
Net Loss	**(4,202,782,037.30)**
Loss per share	**(5.25)**

Statement of Changes in Shareholders' Equity

Half Year Ended December 31, 1997

	Baht
Share capital : ordinary shares	
Beginning balance	8,000,000,000.00
Additions	-
Ending balance	8,000,000,000.00
Warrants and premium on warrants	
Beginning balance	5,520,432,919.21
Additions	-
Ending balance	5,520,432,919.21
Premium on share capital	
Beginning balance	8,384,662,057.49
Additions	-
Ending balance	8,384,662,057.49
Surplus on fixed assets revaluation	
Beginning balance	3,963,063,400.00
Deductions	(13,220,000.00)
Ending balance	3,949,843,400.00
Retained earnings	
Appropriated	
Legal reserve	
Beginning balance	800,000,000.00
Additions	-
Ending balance	800,000,000.00
Other reserves	
Beginning balance	26,675,300,000.00
Additions	2,603,558,852.27
Ending balance	29,278,858,852.27
Unappropriated	
Beginning balance	12,796,461,010.51
Deductions	
Net loss for the period	(4,202,782,037.30)
Dividend	(2,400,000,000.00)
Transfer to other reserves	(2,603,558,852.27)
Ending balance	3,590,120,120.94
Unrealized loss on securities for investment	
Beginning balance	(1,690,859,009.89)
Additions	(1,024,847,483.39)
Ending balance	(2,715,706,493.28)
Total Shareholders' Equity	**56,808,210,856.63**

Statement of Retained Earnings

Half Year Ended December 31, 1997

	Baht
Unappropriated retained earnings	
Beginning balance	12,796,461,010.51
Less Appropriations of earnings for prior period	
Dividend	(2,400,000,000.00)
Transfer to other reserves	(2,603,558,852.27)
Net loss for the period	(4,202,782,037.30)
Total unappropriated retained earnings	**3,590,120,120.94**
Appropriated retained earnings	
Legal reserve	800,000,000.00
Other reserves	29,278,858,852.27
Total appropriated retained earnings	**30,078,858,852.27**
Total Retained Earnings	**33,668,978,973.21**

Statement of Cash Flows

Half Year Ended December 31, 1997

	Baht
Cash flows from operating activities	
Net income (loss)	(4,202,782,037.30)
Add (Less) Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	903,318,843.16
Bad debt and doubtful accounts	14,709,355,777.35
Loss on diminution in value of securities	1,896,034,921.31
Loss on disposal of premises and equipment	7,923,564.98
Loss on exchanges and amortization of discount on debentures	4,252,579,922.54
Increase in accrued interest receivables	(379,077,215.64)
Increase in other accrued income	(292,962,385.96)
Increase in accrued interest payables	2,429,407,147.23
Decrease in other accrued expenses	(2,386,820,167.00)
Increase in other reserves	720,231,557.14
Net income from operations before the changes of operating assets and liabilities	17,657,209,927.81
(Increase) Decrease in operating assets	
Deposits, loans and interbank and money market items	(82,232,119,797.39)
Securities purchased under resale agreements	(19,443,041,205.92)
Investment in securities for trading	2,916,600,934.96
Properties foreclosed	(51,479,021.37)
Other assets	(2,083,575,145.74)
Increase (Decrease) in operating liabilities	
Deposits, borrowings and interbank and money market items	90,692,859,495.66
Liabilities payable on demand	68,914,725.77
Securities sold under repurchase agreements	309,000,000.00
Other liabilities	3,150,114,556.55
Net cash provided by operating activities	**10,984,484,470.33**
Cash flows from investing activities	
Increase in investment in securities for investment	(6,208,435,993.18)
Purchases of premises and equipment net of proceeds from sales	(1,298,550,649.50)
Net cash used in investing activities	**(7,506,986,642.68)**
Cash flows from financing activities	
Payment of dividend	(2,400,000,000.00)
Net cash used in financing activities	**(2,400,000,000.00)**
Net increase in cash	**1,077,497,827.65**
Cash at beginning of period	**9,149,388,796.51**
Cash at End of Period	**10,226,886,624.16**
Supplemental disclosures of cash flows information	
Cash paid during the period	
Interest expenses	27,587,606,530.28
Income tax	2,524,570,426.09

Statement of Income

Year Ended December 31, 1997

	Baht
Interest and dividend income (Note 2.1)	
Loans	68,607,679,828.23
Interbank and money market items	8,456,293,372.36
Government securities and state enterprise securities	2,335,751,927.96
Other securities	773,693,004.56
Total interest and dividend income	**80,173,418,133.11**
Interest expenses (Note 2.2)	
Deposits	41,730,645,724.03
Interbank and money market items	9,281,435,927.37
Long-term borrowings	1,346,843,054.08
Total interest expenses	**52,358,924,705.48**
Net income from interest	**27,814,493,427.63**
Bad debt and doubtful accounts (Note 2.4)	**16,810,281,186.84**
Net income from interest after bad debt and doubtful accounts	**11,004,212,240.79**
Non-interest income	
Fees and service income	
Acceptances, aval and guarantees	888,136,275.92
Others	4,246,207,794.78
Gain on exchanges (Note 2.6)	3,778,047,308.25
Penalty charge on returned clearing cheques	210,290,408.99
Other income	382,016,868.49
Total non-interest income	**9,504,698,656.43**
Non-interest expenses	
Personnel expenses	6,508,258,412.68
Premises and equipment expenses	3,106,326,826.08
Taxes and duties	2,651,187,620.10
Fees and service expenses	476,346,297.45
Directors' remuneration	44,108,650.83
Loss on diminution in value of securities (Note 2.5)	3,073,531,876.15
Other expenses	3,618,749,093.41
Total non-interest expenses	**19,478,508,776.70**
Net income before income tax	**1,030,402,120.52**
Income tax expenses (Notes 2.8 and 3.19)	**229,625,305.55**
Net Income	**800,776,814.97**
Earnings per share (Note 2.11)	**1.00**

Notes to financial statements form an integral part of these statements

Statement of Changes in Shareholders' Equity

Year Ended December 31, 1997

	Baht
Share capital: ordinary shares	
Beginning balance	8,000,000,000.00
Additions	-
Ending balance	8,000,000,000.00
Warrants and premium on warrants	
Beginning balance	5,500,000,000.00
Additions	20,432,919.21
Ending balance	5,520,432,919.21
Premium on share capital	
Beginning balance	8,384,662,057.49
Additions	-
Ending balance	8,384,662,057.49
Surplus on fixed assets revaluation	
Beginning balance	3,981,885,900.00
Deductions	(32,042,500.00)
Ending balance	3,949,843,400.00
Retained earnings	
Appropriated	
Legal reserve	
Beginning balance	800,000,000.00
Additions	-
Ending balance	800,000,000.00
Other reserves	
Beginning balance	25,460,048,245.51
Additions	7,603,558,852.27
Deductions	(3,784,748,245.51)
Ending balance	29,278,858,852.27
Unappropriated	
Beginning balance	10,148,986,739.69
Additions	
Adjustment for the cumulative effect of the change of accounting method for prior years until December 31, 1996 (Note 3.19)	1,259,167,173.04
Net income for the year	800,776,814.97
Transfer from other reserves	3,784,748,245.51
Deductions	
Dividends	(4,800,000,000.00)
Transfer to other reserves	(7,603,558,852.27)
Ending balance	3,590,120,120.94
Unrealized loss on securities for investment	
Beginning balance	(147,518,333.54)
Additions	(2,568,188,159.74)
Ending balance	(2,715,706,493.28)
Total Shareholders' Equity	**56,808,210,856.63**

Notes to financial statements form an integral part of these statements

Statement of Retained Earnings

Year Ended December 31, 1997

	Baht
Unappropriated retained earnings	
Beginning balance	10,148,986,739.69
Add Adjustment for the cumulative effect of the change of accounting method for prior years until December 31, 1996 (Note 3.19)	1,259,167,173.04
Beginning balance after adjustment	11,408,153,912.73
Less Appropriations of earnings for prior year	
Dividend	(2,400,000,000.00)
Transfer to other reserves	(5,000,000,000.00)
Add Transfer from other reserves	3,784,748,245.51
Net income for the year	800,776,814.97
Less Dividend	(2,400,000,000.00)
Transfer to other reserves	(2,603,558,852.27)
Total unappropriated retained earnings	**3,590,120,120.94**
Appropriated retained earnings	
Legal reserve	800,000,000.00
Other reserves	29,278,858,852.27
Total appropriated retained earnings	**30,078,858,852.27**
Total Retained Earnings	**33,668,978,973.21**

Notes to financial statements form an integral part of these statements

Statement of Cash Flows

Year Ended December 31, 1997

	Baht
Cash Flows from operating activities	
Net income	800,776,814.97
Add (Less) Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	1,771,502,232.15
Bad debt and doubtful accounts	16,810,281,186.84
Loss on diminution in value of securities	3,073,531,876.15
Gain on disposal of premises and equipment	(462,162.04)
Loss on exchanges and amortization of discount on debentures	4,289,518,730.02
Increase in accrued interest receivables	(553,457,584.79)
Increase in other accrued income	(341,134,122.94)
Increase in accrued interest payables	3,482,560,489.66
Decrease in other accrued expenses	(2,444,402,947.70)
Increase in other reserves	780,147,473.44
Net income from operations before the changes of operating assets and liabilities	27,668,861,985.76
(Increase) Decrease in operating assets	
Deposits, loans and interbank and money market items	(122,186,641,905.59)
Securities purchased under resale agreements	(39,033,917,780.08)
Investment in securities for trading	4,941,595,992.44
Properties foreclosed	(342,452,501.49)
Other assets	(6,352,786,525.12)
Increase (Decrease) in operating liabilities	
Deposits, borrowings and interbank and money market items	143,238,290,963.26
Liabilities payable on demand	444,331,783.49
Securities sold under repurchase agreements	309,000,000.00
Other liabilities	4,597,503,475.56
Net cash provided by operating activities	**13,283,785,488.23**
Cash flows from investing activities	
Increase in investment in securities for investment	(6,978,610,728.31)
Purchases of premises and equipment net of proceeds from sales	(2,519,969,205.87)
Net cash used in investing activities	**(9,498,579,934.18)**
Cash flows from financing activities	
Proceeds from premium on warrants	20,432,919.21
Payment of dividend	(4,800,000,000.00)
Net cash used in financing activities	**(4,779,567,080.79)**
Net decrease in cash	**(994,361,526.74)**
Cash at beginning of year	**11,221,248,150.90**
Cash at End of Year	**10,226,886,624.16**
Supplemental disclosures of cash flows information	
Cash paid during the year	
Interest expenses	48,876,364,215.82
Income tax	5,243,174,040.08

Notes to financial statements form an integral part of these statements

Notes to Financial Statements

December 31, 1997

1. Basis of Financial Statements Presentation and Economic Environment

1.1 The financial statements are prepared in compliance with the announcements of the Bank of Thailand dated January 23,1997 prescribing forms of balance sheet and profit and loss account of commercial banks as prescribed in the Commerce Ministerial Regulation No. 7 (B.E. 2539) issued under the Public Company Act B.E. 2535.

1.2 The financial statements include the accounts of all branches, domestic and overseas, and of the Bank's International Banking Facility which was approved by the Ministry of Finance on March 2, 1993 and started operations on March 25, 1993. The interoffice transactions have been eliminated. The financial statements exclude the accounts of other companies of which over 50% of their paid up capital are held by the Bank. The financial position of overseas finance companies as at December 31, 1997 and the financial position and results of operations of domestic companies for the year ended December 31, 1997 that are not audited or reviewed are presented as supplemental information in the accompanying Note 3.3.1 to the financial statements.

1.3 The financial statements for the year ended December 31, 1996 were not presented for comparision, because available information could not be grouped in the format prescribed by the Commerce Ministerial Regulation No. 7 (B.E. 2539) as approved by the Bank of Thailand, the Office of the Securities and Exchange Commission, the Ministry of Commerce and the Stock Exchange of Thailand.

1.4 In 1997, certain Asia Pacific countries, including Thailand, are experiencing economic difficulties relating to currency devaluation and slowdown in growth. Accordingly, the Thai government sought assistance from the International Monetary Fund to alleviate the economic crisis and improve the economy over time. The financial statements reflect the assessment of the possible impact of this economic situation on the financial position of the Bank. In addition, the ultimate effect on the entity's business of these uncertainties cannot presently be determined.

2. Summary of Significant Accounting Policies

2.1 Recognition of interest income

Interest and discount income on loans are recognized on the accrual basis, except in cases of interest payments in arrears for more than six months, regardless of whether the loans are covered by collaterals, the cash basis is adopted.

2.2 Recognition of interest expenses

Interest expenses on deposits and borrowings are recognized on the accrual basis.

2.3 Loans

Loans represent only principal amounts, except in cases of loans under overdraft agreements. Unearned discounts received in advance are included in other liabilities and recognized on the accrual basis.

2.4 Allowance for doubtful accounts

Allowance for doubtful accounts is determined based on the Bank of Thailand regulations and the Bank's analyses of each loan and appraisal of the financial standing of each borrower, taking into consideration the Bank's experience with loan risk and collateral value.

Provision for doubtful accounts is charged to expenses in each accounting period.

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

2.5 Investment in securities

Securities held for trading purposes are stated at the lower of aggregate cost or market price. Unrealized losses, in case of lower market price, are reflected in the statement of income.

Securities held for investment purposes are stated at the lower of aggregate cost or market price for listed equity securities, at cost net of provision for permanent decline in value of investment for other equity securities and at the lower of aggregate amortized cost or market price for debt instruments. Premiums and discounts on

debt instruments are amortized by the straight line method over the term of the related bonds. Unrealized losses in case of lower market price, are shown under shareholders' equity. Losses from permanent decline in value of investment are reflected in the statement of income.

Market prices for Government bonds are based on latest bid prices if available, otherwise the Thai Farmers Bank Risk Free Yield Curve is used. Short-term private debt instruments are valued using Government bond yield adjusted by a risk factor of the issuer, while long-term private debt instruments are valued using closing prices of Bond Dealers' Club if available, otherwise the Thai Farmers Bank Risk Free Yield Curve adjusted by appropriate risk factor is used. All valuation guidelines and procedures have been submitted to and accepted by the Bank of Thailand.

Investments in subsidiary and associated companies are accounted for under the cost method, according to the Bank of Thailand announcement dated February 15, 1995. Disclosure is made of the net effects on the financial statements as supplementary information in Note 3.3.2 to financial statements had the investments in subsidiary and associated companies been accounted for under the equity method.

Interest income on investments is recognized on the accrual basis. Dividends are recognized as income when received. Gain or loss on sales of securities is recognized upon disposal.

2.6 Translation of foreign currencies

Assets, liabilities in foreign currencies and forward exchange contracts are translated into Baht at the rates of exchange prevailing on the dates of transactions. Assets, liabilities in foreign currencies and forward exchange contracts at the end of the year are translated into Baht at the reference rates announced by the Bank of Thailand on that date. Exchange gain or loss on translation and on transactions in foreign currencies are included in the revenues and expenses for the year.

For forward exchange contracts, the difference between the forward rate as agreed upon and the spot rate at the date of the forward exchange contracts is amortized to operations over the period of the contracts.

The Bank has a policy for risk management of assets and liabilities in foreign currencies of using appropriate hedging tools in matching assets and liabilities to minimize the risk from foreign currency positions and interest rates.

2.7 Depreciation and amortization

Land is stated at revalued cost. Buildings are stated at revalued cost less accumulated depreciation while revaluation surplus of land and buildings is shown as a component of shareholders' equity.

Equipment is stated at cost less accumulated depreciation. Leasehold improvements and leasehold are stated at cost less accumulated amortization.

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

Depreciation of the revalued incremental cost of buildings is computed by the straight-line method over their remaining useful lives out of a total useful live of 50 years, as assessed by the appraisal company and approved by the Bank of Thailand.

Depreciation on equipment is computed by the straight-line method on the acquisition cost at the rate permitted by law.

Leasehold improvements and leasehold are amortized over the lease terms by the straight-line method.

2.8 Deferred income tax

The Bank recognizes the income tax effect of transactions in the period in which they enter into the determination of net income, regardless of when they are recognized for tax purposes. Accordingly, the income tax benefit applicable to expenses which are not currently deductible for income tax purposes was set up as a deferred income tax asset in the balance sheet. This will be allocated to future periods when the expenses provided for are considered deductible for income tax purposes.

2.9 Properties foreclosed

Properties foreclosed represent immovable assets stated at cost not in excess of market value at the acquisition date.

Gain or loss on properties foreclosed is recorded as other income or expenses upon disposal.

2.10 Staff retirement fund

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

2.11 Earnings per share

Earnings per share as shown in the financial statements representing primary earnings per share is computed by using the weighted average number of shares outstanding during each year.

Diluted earnings that could result from the exercise of warrants is higher than the primary earnings per share. Accordingly, fully diluted earnings per share is not presented.

3. Supplementary Information

3.1 Interbank and money market items

Interbank and money market items as at December 31, 1997 consisted of:

1. Domestic

(Million Baht)

	At Call	Term	Total
The Bank of Thailand and Fund for the Rehabilitation and Development of Financial Institutions	23,321.4	2,192.7	25,514.1
Commercial banks	199.5	1,937.9	2,137.4
Other banks	1,470.7	-	1,470.7
Finance, finance and securities, securities and credit foncier companies	1,810.2	922.6	2,732.8
Other financial institutions	130.9	1,173.9	1,304.8
Total Domestic	**26,932.7**	**6,227.1**	**33,159.8**

2. Foreign

(Million Baht)

	At Call	Term	Total
US Dollar	17,074.8	28,654.8	45,729.6
Japanese Yen	123.0	-	123.0
German Mark	385.2	129.3	514.5
Other currencies	822.0	1,256.2	2,078.2
Total Foreign	**18,405.0**	**30,040.3**	**48,445.3**
Total Domestic and Foreign	**45,337.7**	**36,267.4**	**81,605.1**

At December 31, 1997 the Bank had loans of Baht 2,165.4 million and accrued interest receivable of Baht 56.1 million totalling Baht 2,221.5 million, due from domestic financial institutions that were closed on December 8, 1997 since their rehabilitation plans were not approved by the Financial Sector Restructuring Authority. Full provision has been provided for these doubtful accounts and included in the allowance for doubtful accounts shown in loans and accrued interest receivable as required by the Bank of Thailand in its letter dated January 20, 1998.

3.2 Securities purchased under resale agreements

Securities purchased under resale agreements as at December 31, 1997 consisted of:

(Million Baht)

	Bank of Thailand Repurchase Market	Other Repurchase Market	Total
Government Bonds and Fund for the Rehabilitation and Development of Financial Institutions Bonds	33,058.3	-	33,058.3
State enterprise securities	416.7	-	416.7
Other domestic securities	-	5,558.9	5,558.9
Total	**33,475.0**	**5,558.9**	**39,033.9**

3.3 Investment in securities

3.3.1 Investment in securities as at December 31, 1997 consisted of :

(Million Baht)

	Cost Value/ Book Value	Market Value
1. Securities for trading		
1.1 Debt instruments		
1.1.1 Private debt instruments	952.5	497.3
Less Allowance for diminution in value	(455.2)	-
Debt instruments - net	497.3	497.3
1.2 Equity securities		
1.2.1 Listed securities	0.7	0.9
Total Securities for Trading - Net	**498.0**	**498.2**
2. Securities for investment		
2.1 Debt instruments		
2.1.1 Government and state enterprise securities	24,072.7	22,719.3
2.1.2 Private debt instruments	3,398.4	3,213.6
2.1.3 Foreign debt instruments	3,500.4	3,500.4
Total	30,971.5	29,433.3
Less Allowance for diminution in value	(1,538.2)	-
Debt instruments - net	29,433.3	29,433.3
2.2 Equity securities		
2.2.1 Listed securities	3,482.1	1,843.5
2.2.2 Foreign securities	470.1	470.0
2.2.3 Other securities	9,284.4	6,998.9
Total	13,236.6	9,312.4
Less Allowance for diminution in value	(3,924.2)	-
Equity securities - net	9,312.4	9,312.4
Total Securities for Investment - Net	**38,745.7**	**38,745.7**

At December 31, 1997 the Bank had investments in debt instruments of Baht 397.4 million and equity securities of Baht 1,922.0 million issued by the financial institutions that were closed on December 8, 1997 since their rehabilitation plans were not approved by the Financial Sector Restructuring Authority. The Bank has provided an allowance for diminution in value of these investments for the entire amount which is reflected in the statement of income.

Investments of 20% or more of shares in other companies at December 31, 1997 are as follows:

	% Shareholding	*(Million Baht)* Amount
Thai Farmers International Finance Ltd.	100.00%	0.1
Thai Farmers International (Cayman) Ltd.	100.00%	0.2
Thai Farmers Research Center Co., Ltd.	99.99%	2.5
Progress Appraisal Co., Ltd.	99.84%	5.0
Progress Software Co., Ltd.	50.00%	5.0
Phatra Thanakit Public Co.,Ltd.	49.61%	5,921.4
Thanakorn Vegetable Oil Products Co., Ltd.	49.00%	147.0
Business Venture Promotion Co., Ltd.	32.50%	39.0
Processing Center Co., Ltd.	30.00%	3.0
Thai Farmers Assets Management Co., Ltd.	28.61%	52.4
Total		**6,175.6**

Investments of less than 20% of shares in other companies at December 31, 1997 are as follow:

	(Million Baht) **Amount**
Manufacturing	1,617.5
Commercing	108.7
Banks and financial institutions	3,727.9
Others	1,607.0
Total	**7,061.1**

Financial position and results of operations of other companies in which the Bank holds more than 50% of shares are set forth below:

Balance Sheet
as at December 31, 1997
(Unaudited and Unreviewed)

(Thousand Baht)

	Thai Farmers International Finance Limited	Thai Farmers International (Cayman) Limited
Assets		
Cash and deposits at banks	61	472
Loans	-	4,724,700
Total Assets	**61**	**4,725,172**
Liabilities and Shareholders' Equity		
Borrowings	-	4,724,700
Shareholders' equity	61	472
Total Liabilities and Shareholders' Equity	**61**	**4,725,172**

Thai Farmers Research Center Company Limited
Balance Sheet
as at December 31, 1997
(Unaudited and Unreviewed)

(Thousand Baht)

Assets	
Current assets	
Other current assets	11,098
Equipment - net	5,259
Other assets	513
Total Assets	**16,870**
Liabilities and Shareholders' Equity	
Current liabilities	
Other current liabilities	1,107
Shareholders' equity	15,763
Total Liabilities and Shareholders' Equity	**16,870**

Thai Farmers Research Center Company Limited
Statement of Income
Year Ended December 31, 1997
(Unaudited and Unreviewed)

	(Thousand Baht Except Earnings per share)
Revenues	49,838
Expenses	
Other expenses	45,210
Income tax	1,518
Total expenses	46,728
Net Income	**3,110**
Earnings per share (Baht)	**31.10**

Progress Appraisal Company Limited
Balance Sheet
as at December 31, 1997
(Unaudited and Unreviewed)

	(Thousand Baht)
Assets	
Current assets	
Other current assets	1,143
Equipment - net	3,587
Other assets	251
Total Assets	**4,981**
Liabilities and Shareholders' Equity	
Current liabilities	
Other current liabilities	1,166
Shareholders' equity	3,815
Total Liabilities and Shareholders' Equity	**4,981**

Progress Appraisal Company Limited
Statement of Income
Period February 10, 1997 through December 31, 1997
(Unaudited and Unreviewed)

	(Thousand Baht Except Loss per Share)
Revenues	20,506
Expenses	21,691
Net Loss	**(1,185)**
Loss per share (Baht)	**(236.97)**

3.3.2 Investment in subsidiary and associated companies

At December 31, 1997, investment in subsidiary and associated companies that not listed are stated at cost. Investment in associated companies that are listed securities are stated at the lower of aggregate cost or market price. If the Bank presented investment in subsidiary and associated companies under the equity method using the unaudited and unreviewed financial information, the effects on the financial statements would be the following:

	(Million Baht)
Increase in net income	2.6
Increase in retained earnings at beginning of year	205.3
Decrease in shareholders' equity	(18.6)
Increase in investment in securities	189 3

3.4 Loans

Loans as at December 31, 1997 are classified as follows:

1. Classified by type of loans

	(Million Baht)
Overdrafts	200,975 3
Loans	285,968 9
Bills	120,611 1
Others	1,939.6
Total	**609,494.9**

2. Classified by maturity of contracts

	(Million Baht)
Within 1 year	392,616.2
Over 1 year	216,878.7
Total	**609,494.9**

3. Classified by currencies and residency of debtors

	Domestic	Foreign	Total
			(Million Baht)
Baht	535,218.1	126.9	535,345.0
US Dollar	63,051.0	6,006.9	69,057.9
Other currencies	3,839.4	1,252.6	5,092.0
Total	**602,108.5**	**7,386.4**	**609,494.9**

4. Classified by type of business

	(Million Baht)
Agricultural and mining	19,670.5
Manufacturing and commerce	361,166.7
Property development and construction	72,932.5
Infrastructure and services	64,011.4
Housing loans	68,431.5
Others	23,282.3
Total	**609,494.9**

3.5 Allowance for doubtful accounts

The movements of the allowance for doubtful accounts during the year are as follows:

	(Million Baht)
Balance at beginning of the year	9,888.6
Provision during the year	16,810.3
Bad debt recovered	16.8
Bad debt written off	(130.6)
Others	132.0
Balance at End of the Year	**26,717.1**

Non-performing loans represent loans for which interest or principal has been in arrears for more than six months from their due dates, in whole or in part, or in installments as specified in the agreement, or on date of call or demand for repayment whichever comes first, regardless of whether the loans are covered by collaterals or not. At December 31, 1997 the Bank has non-performing loans as defined above in the amount of Baht 103,213.8 million. In addition, the Bank has loans to the financial institutions that were closed on December 8, 1997 of Baht 2,165.4 million. Total non-performing loans of Baht 105,379.2 million account for 17.23% of total loans and loans to the closed financial institutions. Management believes the Bank has provided an adequate allowance for doubtful accounts as specified by the Bank of Thailand.

3.6 Premises and equipment

Premises and equipment as at December 31, 1997 are summarized as follows:

	(Million Baht)
Land	
Cost	2,789.6
Revalued cost	3,110.5
Buildings	
Cost	8,172.1
Revalued cost	938.6
Equipment	10,440.4
Leasehold and leasehold improvement (net)	785.9
Others	690.9
Total	**26,928.0**
Less Accumulated depreciation - cost	(6,376.7)
Accumulated depreciation - revalued cost	(99.3)
Premises and Equipment - Net	**20,452.0**

Revaluations of land were assessed by using government appraisal prices and revaluations of buildings were assessed by an appraisal company. The land and building revaluations were approved by the Bank of Thailand in its letters dated March 16, 1993 and April 5, 1994.

The increases in revaluation cost of land and buildings, net of accumulated depreciation, are presented as surplus on fixed assets revaluation as described in Notes 2.7 and 3.12 to the financial statements.

3.7 Deposits

Deposits as at December 31, 1997 are classified as follows:

1. Classified by type of deposits

	(Million Baht)
Current	13,274.6
Savings	134,463.4
Term	
- Within 6 months	395,997.6
- 6 months not over 1 year	10,973.0
- 1 year and over 1 year	33,700.3
Certificate of Deposit	4.8
Total	**588,413.7**

2. Classified by maturity of contracts

	(Million Baht)
Within 1 year	585,236.1
Over 1 year	3,177.6
Total	**588,413.7**

3. Classified by currencies and residency of depositors

			(Million Baht)
	Domestic	**Foreign**	**Total**
Baht	575,112.6	5,683.0	580,795.6
US Dollar	2,946.1	1,256.9	4,203.0
Other currencies	210.1	3,205.0	3,415.1
Total	**578,268.8**	**10,144.9**	**588,413.7**

3.8 Interbank and money market items:

Interbank and money market items as at December 31, 1997 consisted of:

1. Domestic

(Million Baht)

	At Call	Term	Total
The Bank of Thailand and Fund for the Rehabilitation and Development of Financial Institutions	1,007.6	-	1,007.6
Commercial banks	104.6	1.2	105.8
Other banks	4,809.7	600.0	5,409.7
Finance, finance and securities, securities and credit foncier companies	2,915.4	132.4	3,047.8
Other financial institutions	2,218.2	6,004.9	8,223.1
Total Domestic	**11,055.5**	**6,738.5**	**17,794.0**

2. Foreign

(Million Baht)

	At Call	Term	Total
US Dollar	1,231.5	63,160.4	64,391.9
Japanese Yen	-	683.8	683.8
German Mark	45.1	732.4	777.5
Other currencies	335.3	22,921.0	23,256.3
Total Foreign	**1,611.9**	**87,497.6**	**89,109.5**
Total Domestic and Foreign	**12,667.4**	**94,236.1**	**106,903.5**

3.9 Securities sold under repurchase agreements

Securities sold under repurchase agreements as at December 31, 1997 consisted of:

(Million Baht)

	Bank of Thailand Repurchase Market	Other Repurchase Market	Total
State enterprise securities	-	309.0	309.0

3.10 Long-term borrowings

Long-term borrowings as at December 31, 1997 consisted of:

(Million Baht)

	Domestic	Foreign	Total
Subordinated debentures	7,500.0	9,361.1	16,861.1

3.11 Subordinated debentures and warrants

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

The above debentures were issued with 75 million warrants, having a five-year maturity, at a price of Baht 40 each totalling Baht 3,000 million. An investor buying one unit of debenture received 10 units of warrants, each of which can be exercised quarterly over their maturity for a Baht 10 par value ordinary share at a price of Baht 188 each. Effective August 5, 1996 the exercised price was changed to Baht 181.692. The subscription period was during October 10-12, 1994. As at December 31, 1997 the warrants have not yet been exercised.

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

In addition, the second issuance of warrants of 100 million units having a six-year maturity, were offered to existing shareholders in the ratio of eight ordinary shares for each warrant, at a price of Baht 25 each totalling Baht 2,500 million. Each warrant can be exercised quarterly over their maturity for a Baht 10 par value ordinary share at a price of Baht 200 each. The subscription period was during September 4-12, 1996. As at December 31, 1997, the warrants have not yet been exercised.

3.12 Surplus on fixed assets revaluation

At December 31, 1997, the surplus on fixed assets revaluation in the amount of Baht 3,949.8 million resulted from land revaluation in the amount of Baht 3,110.5 million based on Government appraisal prices and from building revaluation in the amount of Baht 839.3 million (net of accumulated depreciation of Baht 99.3 million) as assessed by an appraisal company. The land and building revaluations were approved by the Bank of Thailand in its letters dated March 16, 1993 and April 5, 1994 respectively.

Depreciation of the revalued incremental cost of buildings was charged to revaluation surplus shown as a component of shareholders' equity.

3.13 Capital requirements

	(Million Baht)
Tier 1 capital	59,776.9
Tier 2 capital	12,106.2
Total	**71,883.1**

The Bank of Thailand announcement dated November 20, 1996 requires that banks registered in Thailand maintain a ratio of capital fund to assets and commitments of not less than 8.5% and that tier 1 capital must be not less than 6% of the said assets and commitments. At December 31, 1997, captial adequacy ratios maintained by the Bank are:

	Percentage
Total capital	11.58
Tier 1 capital	9.63

3.14 Commitments

Commitments as at December 31, 1997 consisted of:

(Million Baht)

	Baht	Foreign Currency	Total
Aval of bills	3,980.1	-	3,980.1
Letters of indemnity - borrowings	243.7	33,534.1	33,777.8
Other letters of guarantee	30,048.3	12,206.8	42,255.1
Letters of credit	205.6	9,388.3	9,593.9
Exchange rate agreements			
Purchase agreements	-	61,266.6	61,266.6
Sale agreements	-	106,287.7	106,287.7
Interest rate agreements			
Purchase agreements	-	2,543.2	2,543.2
Sale agreements	-	1,269.6	1,269.6
Unused credit line of overdraft	87,727.4	-	87,727.4
Others	14,367.0	12,834.2	27,201.2
Total	**136,572.1**	**239,330.5**	**375,902.6**

3.15 Assets pledged as collateral

Assets pledged as collateral as at December 31, 1997 consisted of:

(Million Baht)

	Amount
Government bonds were pledged as collateral for Metropolitan Electricity Authority	25.7

3.16 Related Party Transactions

3.16.1 Loans and commitments made to executive officers and to business entities that the Bank, its directors or executive officers, hold 10% or more of paid up capital are summarized as follows:

(Million Baht)

	End of period	Average
Loans		
1. Executive officers	18.3	19.4
2. Business entities that the Bank, its directors or executive officers,hold 10% or more of paid up capital	1,971.1	1,519.1
Total	**1,989.4**	**1,538.5**
Commitments		
1. Executive officers	-	-
2. Business entities that the Bank, its directors or executive officers, hold 10% or more of paid up capital	3,550.9	7,414.4
Total	**3,550.9**	**7,414.4**

3.16.2 Significant transactions occurred between the Bank and business entities that the Bank holds 20% or more of shares are summarized as follows :

(Million Baht)

Securities purchased under resale agreements	5,558.9
Loans	605.9
Deposits and borrowings	5,023.5
Income	105.1
Expenses	767.4
Commitments	2,711.2

3.17 Directors' and executive benefits

The Bank has not paid other benefits to directors and executives except the benefits that are normally paid such as salary and executive bonuses, directors' fees and directors' bonuses.

3.18 Long-term lease agreements

The Bank has entered into land/building lease agreements for branch office and vehicle lease agreements. Periods of leases range from 2 years to 30 years. At December 31, 1997, the Bank was committed to pay future rentals amounting to approximately Baht 928.2 million.

3.19 Change of accounting method

As from January 1, 1997, the Bank changed its accounting method for income taxes from the taxes payable method to the deferral method in order that the income tax expense presented in the income statement is related with net income in accordance with the matching principle. The effects of this change are that deferred income tax as at December 31, 1997 increased approximately Baht 2,283.7 million and net income for the year ended December 31, 1997 increased approximately Baht 1,024.5 million, and earnings per share increased Baht 1.28 per share. The cumulative effect of the change of accounting method for prior years until December 31, 1996 in the approximately amount of Baht 1,259.2 million is presented as an adjustment to retained earnings at January 1, 1997 in conformity with International Accounting Standard No.12.

3.20 The financial position and results of the bank's operations

The financial position and results of the Bank's operations separated by domestic and overseas business for the year ended December 31, 1997 are summarized as follows:

1. Financial position separated by type of business

(Million Baht)

	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Total assets	745,761.4	102,249.8	848,011.2	(52,626.0)	795,385.2
Interbank and money market items	50,380.6	31,224.5	81,605.1	-	81,605.1
Loans	599,220.7	10,274.2	609,494.9	-	609,494.9
Investments in securities-net	35,743.3	3,500.4	39,243.7	-	39,243.7
Deposits	584,303.2	4,110.5	588,413.7	-	588,413.7
Interbank and money market items	23,478.2	83,425.3	106,903.5	-	106,903.5
Borrowings	7,500.0	9,361.1	16,861.1	-	16,861.1
Commitments	353,641.2	22,261.4	375,902.6	-	375,902.6

2. Results of operations separated by type of business

(Million Baht)

	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Interest and dividend income	77,214.7	9,462.7	86,677.4	(6,504.0)	80,173.4
Interest expenses	50,022.1	8,840.8	58,862.9	(6,504.0)	52,358.9
Net income from interest	27,192.6	621.9	27,814.5	-	27,814.5
Non-interest income	9,177.2	338.2	9,515.4	(10.7)	9,504.7
Non-interest expenses	35,625.8	673.7	36,299.5	(10.7)	36,288.8
Net income before income tax	744.0	286.4	1,030.4	-	1,030.4

3.21 Classified assets

Classified assets as at December 31, 1997 consisted of:

	(Million Baht)
Substandard	96,876.2
Doubtful	21,360.7
Non-collectible	12.9
Total	**118,249.8**

Proposal for Profit Appropriation For the Year 1997

During the first half of 1997, the Bank earned a net profit after tax of Baht 5,003,558,852.27. When added to retained earnings of Baht 6,533,734,985.20 brought forward from the previous period, together with the adjustment for the cumulative effect of the change of accounting method for deferred income tax of Baht 1,259,167,173.04, the total profit available for appropriation was Baht 12,796,461,010.51.

The Board of Directors has already appropriated the said profit, not approved by the Shareholders' meeting as follows :

	Baht
Interim dividend (Baht 3.00 per share on 800,000,000 shares)	2,400,000,000.00
Other reserves in accordance with the Bank's Articles of Association	2,603,558,852.27
Retained earnings brought forward from December 31, 1996	6,533,734,985.20
The cumulative effect of the change of accounting method for deferred income tax	1,259,167,173.04
	12,796,461,010.51

In compliance with the Bank's Articles of Association, the Board of Directors has duly submitted for approval the interim dividend paid and proposed appropriation of profit for the first half of 1997.

For the second half of 1997 the Board of Directors proposed the following appropriation of profit :

	Baht
Retained earnings brought forward from December 31, 1996	6,533,734,985.20
Profit for the first half of 1997 after interim dividend brought forward for reappropriation	2,603,558,852.27
The cumulative effect of the change of accounting method for deferred income tax	1,259,167,173.04
Net loss for the second half of 1997	(4,202,782,037.30)
Total profit available for appropriation	6,193,678,973.21

No dividend paid for the second half of 1997

Total profit available for appropriation Baht 6,193,678,973.21 carried forward to the next period

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

Financial Summary

as at December 31

(Million Baht)

	1997*	1996	1995	1994	1993
Assets					
Cash and deposits at banks	**-**	24,656	23,639	24,813	33,947
Cash	**10,227**	-	-	-	-
Due from banks - interest bearing	**-**	944	716	3,950	6,811
Interbank and money market items	**81,605**	-	-	-	-
Securities purchased under resale agreements	**39,034**	-	170	1,335	-
Investment in securities	**39,243**	42,848	33,428	27,881	24,797
Loans (Less Allowance for doubtful accounts)	**582,778**	544,628	495,457	427,576	357,056
Accrued interest receivables	**7,818**	7,265	7,027	5,517	4,427
Properties foreclosed	**1,458**	1,115	1,017	976	844
Customers' liability under acceptances	**2,288**	2,287	2,618	2,019	2,326
Premises and equipment - net	**20,452**	19,735	16,782	13,184	10,276
Inter office accounts	**4,146**	-	-	-	-
Deferred income tax	**2,284**	-	-	-	-
Other assets	**4,052**	2,529	4,354	1,511	1,118
Total Assets	**795,385**	**646,007**	**585,208**	**508,762**	**441,602**
Liabilities and Shareholders' Equity					
Deposits	**588,414**	522,813	466,574	403,315	360,422
Due to banks - interest bearing	**-**	473	383	470	719
Interbank and money market items	**106,903**	-	-	-	-
Liability payable on demand	**2,988**	2,544	2,429	1,729	1,308
Securities sold under repurchase agreements	**309**	-	-	-	1,500
Borrowings	**16,861**	41,364	46,653	42,426	26,983
Bank's liability under acceptances	**2,288**	2,287	2,618	2,019	2,326
Accrued interest payable	**10,531**	-	-	-	-
Other liabilities	**10,283**	14,398	13,811	12,161	12,709
Total liabilities	**738,577**	**583,879**	**532,468**	**462,120**	**405,967**
Shareholders' Equity	**56,808**	62,128	52,740	46,642	35,635
Total Liabilities and Shareholders' Equity	**795,385**	**646,007**	**585,208**	**508,762**	**441,602**
Material commitments	**60,294**	40,135	40,539	41,359	36,910
Interest and dividend income	**80,173**	70,382	62,287	46,190	41,783
Interest expenses	**52,359**	43,979	38,269	25,927	26,410
Net income from interest	**27,814**	26,403	24,018	20,263	15,373
Bad debt and doubtful accounts	**16,810**	2,334	1,697	1,338	1,401
Non - interest income	**9,505**	6,851	7,276	6,051	5,799
Non - interest expenses	**19,479**	13,807	13,319	10,271	8,333
Net income before income tax	**1,030**	17,113	16,278	14,705	11,438
Income tax expenses	**230**	5,251	4,707	4,286	3,496
Net Income	**800**	**11,862**	**11,571**	**10,419**	**7,942**
Earnings per share (Baht)	**1.00**	**14.83**	**14.46**	**13.02**	**9.93**

** Financial statements of 1997 is presented in accordance with the Commerce Ministerial Regulation No.7 (B.E. 2539)*

Other Information

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

The following is a list of companies in which TFB, as of December 31, 1997 made investments in the form of stockholdings of 10 percent or more of the total number of stocks issued.

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Stocks Issued	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
1. THAI FARMERS INTERNATIONAL FINANCE LTD.	Hongkong	Financial Institution	10,000	10,000	100.00	Common Stock
Tel (852) 252-6881-5 Fax (852) 2868-4342						
2. THAI FARMERS INTERNATIONAL (CAYMAN) LTD	Cayman Islands	Financial Institution	10,000	10,000	100.00	Common Stock
Tel (809) 949-2001 Fax (809) 949-7097						
3. THAI FARMERS RESEARCH CENTER CO., LTD.	Bangkok	Services	100,000	99,990	99.99	Common Stock
Tel 273-1860-2 Fax 270-1235						
4. PROGRESS APPRAISAL CO., LTD	Bangkok	Services	5,000	4,992	99.84	Common Stock
Tel 273-3276 Fax 270-1052-3						
5. PROGRESS SOFTWARE CO., LTD.	Bangkok	Services	100,000	50,000	50.00	Common Stock
Tel 273-3829-30 Fax 270-1197						
6. PHATRA THANAKIT PUBLIC CO., LTD.	Bangkok	Financial Institution	509,637,313	252,826,500	49.61	Common Stock
Tel 265-1000, 693-2020 Fax 693-2525						
7. THANAKORN VEGETABLE OIL PRODUCTS CO., LTD.	Smut prakan	Agro-Industry	300,000	147,00	49.00	Common Stock
Tel 425-8930-7 Fax 425-8938						
8. BUSINESS VENTURE PROMOTION CO., LTD.	Bangkok	Joint Venture	12,000,000	3,900,000	32.50	Common Stock
Tel 655-2052-4 Fax 655-2055						
9. PROCESSING CENTER CO., LTD.	Bangkok	Services	100,000	30,000	30.00	Common Stock
Tel 237-6330-4 Fax 237-6340						
10. THAI FARMERS ASSET MANAGEMENT CO., LTD	Bangkok	Mutual Fund Management	20,000,000	5,722,222	28.61	Common Stock
Tel 639-2300 Fax 693-2320						
11. N.C ASSOCIATE CO., LTD.	Bangkok	Agro-Industry	100,000	19,300	19.30	Common Stock
Tel 661-5200 Fax 661-4136						
12. RURAL CAPITAL PARTNERS CO., LTD.	Bangkok	Joint Venture	1,000,000	175,000	17.50	Common Stock
Tel 661-5200 Fax 661-4136						
13 THAI CONTAINERS LTD.	Bangkok	Packaging	110,000	11,000	10.00	Common Stock
Tel 586-3333 Fax 586-4694						
14 K.P SUGAR CO., LTD.	Bangkok	Agro-Industry	10,000	1,000	10.00	Common Stock
Tel 470-2602-3 Fax 470-2649						
15. E.S. INDUSTRIES CO., LTD.	Pathum Thani	Textiles	1,100,000	110,000	10.00	Common Stock
Tel 516-9124-8 Fax 516-9202						
16. THAI CONTAINERS INDUSTRY CO., LTD	Bangkok	Packaging	160,000	16,000	10.00	Common Stock
Tel 586-3333 Fax 586-4694						
17. THAI CONTAINERS RATCHABURI (1989) CO., LTD.	Bangkok	Packaging	100,000	10,000	10.00	Common Stock
Tel 586-4444 Fax 586-4694						
18. ZIN SUAPAH CO., LTD.	Bangkok	Services	6,000	600	10.00	Common Stock
Tel 221-5895 Fax 224-4499						
19. UNITAS CO., LTD.	Bangkok	Joint Venture	100,000	10,000	10.00	Common Stock
Tel 249-0491 Fax 249-0503						
20. BANG PAKONG INDUSTRIAL PARK 1 CO., LTD.	Bangkok	Real Estate Development	25,000	2,500	10.00	Common Stock
Tel 319-2555-65 Fax 318-1096						
21. AMERICAN APPRAISAL (THAILAND) LTD.	Bangkok	Services	10,000	1,000	10.00	Common Stock
Tel 685-8403-15 Fax 675-8427-8						

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Stocks Issued	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
22. E.C. LEASING CO., LTD.	Bangkok	Leasing	10,000	1,000	10.00	Common Stock
Tel 664-1366 Fax 664-1367						
23. SIAM BROWN AND ROOT LTD.	Bangkok	Commerce	1,000	100	10.00	Common Stock
Tel 319 7988 90 Fax 319 3314						
24. MUANG THAI LIFE ASSURANCE CO., LTD	Bangkok	Insurance	300,000	30,000	10.00	Common Stock
Tel 274-9400, 276-1025 Fax 276 1997 8						
25. PATTANADHORN CO., LTD.	Bangkok	Joint Venture	1,000,000	100,000	10.00	Common Stock
Tel 249-0491 Fax 249-8393						
26. THAI FARMERS HELLER FACTORING CO., LTD.	Bangkok	Factoring	1,600,000	160,000	10.00	Common Stock
Tel 276 2030-2 Fax 275-5165						
27. SEACON DEVELOPMENT CO., LTD	Bangkok	Real Estate Development	5,740,000	574,000	10.00	Common Stock
Tel 721-8888 Fax 721-9444						
28. SIAM TECHNO CITY CO., LTD.	Bangkok	Real estate Development	10,000,000	1,000,000	10.00	Common Stock
Tel 235-0500-1 Fax 625-3011-12						
29. DKB LEASING (THAILAND) CO., LTD.	Bangkok	Leasing	60,000	6,000	10.00	Common Stock
Tel 266-6431-6 Fax 231 0448						
30. UMEDIA COMPANY LIMITED	Bangkok	Joint Venture	40,000,000	4,000,000	10.00	Common Stock
Tel 311-5111 Fax 331-5668						
31. DIRECT MARKETING SERVICES PUBLIC CO., LTD	Bangkok	Services	8,000,000	800,000	10.00	Common Stock
Tel 436-9000 Fax 436-9111						
32. K.T.M.S.G. CO., LTD	Bangkok	Agro Industry	4,500,000	450,000	10.00	Common Stock
Tel 224-3839 Fax 224-8031						
33. ADVANCE MICRO TECH CO., LTD.	Chon Buri	Electronics	600,000	60,000	10.00	Common Stock
Tel (038) 481 469 Fax (038) 481 469						
34. M GRAND HOTEL CO., LTD.	Bangkok	Hotel	100,000,000	10,000,000	10.00	Common Stock
Tel 271-3020-4 Fax 271-3025						
35. WEI POA CO., LTD	Hongkong	Agro-Industry	5,500,000	550,000	10.00	Common Stock
Tel 224 3839, 75 Fax 224 8031						
36. PEOPLES HEALTH CARE CO., LTD	Bangkok	Pharmacy	10,000,000	1,000,000	10.00	Common Stock
Tel 559-3306-9 Fax 559-3310						
37. SIAM FOODS PUBLIC CO., LTD	Bangkok	Agro-Industry	21,000,000	2,099,930	10.00	Common Stock
Tel 661-3440-7 Fax 661-3422-3						
38. PROGRESS INFORMATION CO., LTD	Bangkok	Business	1,000,000	100,000	10.00	Common Stock
Tel 273 3833 Fax 273 3839						
39. TELESAT CORPORATION CO., LTD	Bangkok	Telecommunications	30,000,000	3,000,000	10.00	Common Stock
Tel 682 6222 Fax 682 6306						
40. KINGHILL LTD	HongKong	Commerce	100,000,000	10,000,000	10.00	Common Stock
Tel 231 0620 Fax (852) 2525-7809						
41. ANEW CORPORATION LTD.	Bangkok	Business	5,000,000	500,000	10.00	Common Stock
Tel 439-4600 Fax 439-4616-7						
42. PROGRESS PLUS CO., LTD.	Bangkok	Commerce	230,000	23,000	10.00	Common Stock
Tel 658-1818 Fax 658-1819						
43. THE SOSUCO GROUP INDUSTRIES CO., LTD.	Bangkok	Sanitary Ware Industry	78,000,000	7,800,000	10.00	Common Stock
Tel 913-2156-62 Fax 568-9220						
44. INTERNATIONAL SOFTWARE FACTORY CO., LTD	Bangkok	Services	5,000,000	500,000	10.00	Common Stock
Tel 645 6203 10 Fax 645 0215 6						
45. THAI CONTAINER GROUP LTD.	Bangkok	Packaging	1,800,000	180,000	10.00	Common Stock
Tel 568 3333 Fax 586 4649						

Name, Office, Phone Numbers, Fax Numbers of the Persons Referred in the Annual Report

Registrar	*Ordinary Shares and Warrants*	: Thailand Securities Depository Company Limited For Depositors (Thai Securities - Holder Account) Sinthorn Building 3, 22nd Fl. 132 Wireless Road, Bangkok 10330 Phone : 263-3851 Fax : 263-3880
	TFB Subordinated Debentures due 2001	: Thai Farmers Bank Public Company Limited 1 Thai Farmers Lane, Ratburana Road, Bangkok 10140 Phone : 470-1122 , 470-1199 Fax : 470-1144
	TFB 8 1/4% Subordinated Bonds due 2016	: The Bank of New York, Corporate Trust Administration, 21st Floor West, 101 Barclay Street, New York, N.Y. 10286 Phone : (212) 815-5919 Fax : (212) 815-5915
Auditor		: Dr. Payom Singhasaneh CPA No. 18 Mr. Supot Singhasaneh CPA No. 2826 Mr. Nirand Lilamethwat CPA No. 2316 KPMG Peat Marwick Suthee 9th Fl, Sathorn Thani Tower II 92 North Sathorn Road, Bangkok 10500 Phone : 236-6161-4 Fax : 238-4751
Legal Adviser		: Mr. Samran Kalayanarooj Dhamasar Advocates & Solicitors Thai Farmers Bank Building, 17th Fl. 400/22 Phahonyothin Avenue, Bangkok 10400 Phone : 271-0214 Fax : 271-0555

Clarifications of the Audit Committee

None

Income Structure of Other Companies in which the Bank Holds More Than 20% of Shares

Year Ended December 31 , 1997

Thai Farmers International (Cayman) Limited

	(Thousand Baht)	(Percentage)
Interest income	663,373	99.9
Other income	349	0.1
Total	**663,722**	**100.0**

Thai Farmers Research Center Company Limited

	(Thousand Baht)	(Percentage)
Service and membership fees	49,838	100.0
Total	**49,838**	**100.0**

Progress Appraisal Company Limited

	(Thousand Baht)	(Percentage)
Appraisal fees	20,232	98.7
Other income	274	1.3
Total	**20,506**	**100.0**

Progress Software Company Limited

	(Thousand Baht)	(Percentage)
Software development fees	33,461	91.7
Consulting fees	2,399	6.6
Other income	647	1.8
Total	**36,507**	**100.0**

Phatra Thanakit Public Company Limited

	(Thousand Baht)	(Percentage)
Interest and dividend income	9,175,138	93.9
Non-interest income	595,661	6.1
Total	**9,770,799**	**100.0**

Thanakorn Vegetable Oil Products Company Limited

	(Thousand Baht)	(Percentage)
Sales	2,627,585	99.0
Other income	25,730	1.0
Total	**2,653,315**	**100.0**

Business Venture Promotion Company Limited

	(Thousand Baht)	(Percentage)
Consulting fees	2,889	35.1
Other income	5,331	64.9
Total	**8,220**	**100.0**

Processing Center Company Limited

	(Thousand Baht)	(Percentage)
Service fees	185,928	92.6
Other income	14,897	7.4
Total	**200,825**	**100.0**

Thai Farmers Assets Management Company Limited

	(Thousand Baht)	(Percentage)
Fee income	245,866	80.3
Other income	60,425	19.7
Total	**306,291**	**100.0**

In 1997 there is no change in business conduct, product and marketing in the Bank, its subsidiary and associated companies.

Shareholders and Management

The First Ten TFB Largest Shareholders

as of August 14, 1997

SHAREHOLDERS	NUMBER OF SHARES	%
1. Thailand Securities Depository Company Limited for Depositors (Thai Securities - Holder Account)	40,549,411	5.07
2. The Siam Cement Co., Ltd.	39,999,310	5.00
3. Peregrine Finance & Securities Limited	33,168,600	4.15
4. Chase Nominees Limited1	30,002,249	3.75
5. Littledown Nominees Limited	23,471,220	2.93
6. State Street Bank & Trust Company, Boston	22,842,777	2.86
7. Bureau of The Crown Property	20,400,000	2.55
8. Morgan Stanley Trust Company (MSTC)	13,576,710	1.70
9. Bangkok First Investment and Trust Public Company Limited	12,703,530	1.59
10. The Lamsam Estate Co., Ltd.	12,114,730	1.51

Executives of Thai Farmers Bank Public Company Limited

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
1. Mr. Banyong Lamsam	Chairman	Present Chairman, Singer Thailand Public Company Limited Chairman, Thai British Security Printings Public Company Limited Chairman, Sansiri Public Company Limited Chairman, Dole Thailand Limited Vice Chairman, Carlsberg Brewery (Thailand) Company Limited Director, Castrol (Thailand) Limited Director, Bangkok Inter-Continental Hotels Company Limited Director, Smitivej Public Company Limited Director, Rajdamri Hotel Public Company Limited Director, The Industrial Finance Corporation of Thailand Director, Com-Link Company Limited Director, Phatra Thanakit Public Company Limited Advisory Board of Pacific Rim Bankers Program, *University of Washington* 1992-Present Chairman, Thai Farmers Bank Public Company Limited 1976-1991 *President, Thai Farmers Bank Company Limited*	-
2. Pol. Gen. Pow Sarasin	Vice Chairman	Present Chairman, Thai Beverage Can Limited Chairman, Thai Daimaru Company Limited Chairman, Lake Wood Real Estate Company Limited Chairman, Lake Wood Country Club Company Limited Chairman, Quality Houses Public Company Limited Chairman, H.C.Starck (Thailand) Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		Chairman, Kimpan Lamitube Company Limited Chairman, Mitsubishi Elevator Asia Company Limited Chairman, JVK International Travel Limited Director, Samaggee Insurance Public Company Limited Director, Sammakorn Real Estate Public Company Limited Director, Siam Food Products Public Company Limited Director, Bangkok Agro-Industry Products Public Company Limited Director, Bangkok Produce Public Company Limited Director, Charoen Pokphand North Eastern Public Company Limited Director, Italian - Thai Development Public Company Limited Director, Italian - Thai Land Company Limited Director, Turn Key Construction Development Limited Director, Muang Thai Life Assurance Company Limited Director, Thai Copper Industries Company Limited 1992-Present Vice Chairman, Thai Farmers Bank Public Company Limited 1991-1992 Deputy Prime Minister and Minister of Ministry of Interior 1989-1991 Vice Chairman, Thai Farmers Bank Company Limited	
3. Mr. Narong Srisa-an	Director and Vice Chairman of the Executive Board	Present Chairman, Thanakorn Vegetable Oil Products Company Limited Chairman, Beer Thai (1991) Company Limited Chairman, Eastern Seaboard Industrial Estate (Rayong) Company Limited Chairman, N.B. Asset Company Limited Chairman, Prida Pramote Company Limited Vice Chairman, Universal Tobacco Company Limited Vice Chairman, Sura Maharas Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		Vice Chairman, Surathip Group of Companies Vice Chairman, Siam Food Products Public Company Limited Vice Chairman, Telecom Holding Company Limited Vice Chairman, Kinghill Company Limited Vice Chairman, Advance Agro Company Limited Director, Com-Link Company Limited Director, Theppawong International Company Limited Director, Phatra Thanakit Public Company Limited 1992 - Present Director and Vice Chairman of the Executive Board, Thai Farmers Bank Public Company Limited 1984 - 1991 Director and Senior Executive Vice President, Thai Farmers Bank Company Limited	
4. Mr. Chana Rungsang	Director and Vice Chairman of the Executive Board	Present Chairman, Praram 9 Hospital Company Limited Director, B. Grimm Engineering Systems Company Limited Director, Sikarin Public Company Limited Director, Russameepattana Real Estate Company Limited Director, M Group Real Estate Company Limited Director, Pattanarussamee Real Estate Company Limited 1992 - Present Director and Vice Chairman of the Executive Board, Thai Farmers Bank Public Company Limited 1986 - 1991 Director and Executive Vice President, Thai Farmers Bank Company Limited	-
5. Mr. Banthoon Lamsam	President	Present Chairman, Phatra Leasing Company Limited Vice Chairman, Phatra Real Estate Company Limited Director, Samitivej Public Company Limited	(450 000)

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		Director, Siam Tyre Public Company Limited Director, Siam Pulp & Paper Public Company Limited Director, Phatra Thanakit Public Company Limited 1992-Present Director and President, Thai Farmers Bank Public Company Limited 1991-1992 Executive Vice President, Thai Farmers Bank Company Limited	
6. Mr. Samran Kalayanaroj	Director and Legal Adviser	1983-Present Chairman of the Executive Board, Bangkok Glass Industry Company Limited 1978-Present Director and Legal Adviser, Thai Farmers Bank Public Company Limited 1955-Present Director and Legal Adviser, Boonrawd Brewery Company Limited	20,000
7. Mr. Kaorop Nutchanart	Senior Executive Vice President	Present Chairman, Processing Center Company Limited Director, Kajkamnoon Company Limited Director, Ek-Dhanabordi Company Limited Director, Com-Link Company Limited Director, Progress Software Company Limited Director, Phatra Thanakit Public Company Limited 1994-Present Director and Senior Executive Vice President, Thai Farmers Bank Public Company Limited 1992-1994 Director and Executive Vice President, Thai Farmers Bank Public Company Limited 1990-1992 Executive Vice President, Thai Farmers Bank Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
8. Mr. Pairote Lamsam	Director	Present Chairman, Castrol (Thailand) Company Limited Chairman, Loxley Trading Company Limited 1971-Present Director, Thai Farmers Bank Public Company Limited 1992-Present Chairman, Thai Telephone and Telecommunication Public Company Limited 1990-Present Chairman, Loxley Public Company Limited 1989-Present Chairman, Phatra Real Estate Company Limited 1969-Present Chairman, Siam Sanitary Ware Company Limited 1965-Present Chairman, Bangkok Milk Products Company Limited 1960-Present Managing Director, The Lamsam Estate Company Limited	(79,800)
9. Lt. Gen. Suprija Mokkhavesa	Director	Present Surgeon General Director, KCE Electronic Public Company Limited Director, Surawong Vejjakarn Polyclinic 1978-Present Director, Thai Farmers Bank Public Company Limited	-
10. Mr. Sukri Kaocharern	Independent Director	Present Chairman, Indo-Rama Textile (Thailand) Company Limited Chairman, Indo-Worth (Thailand) Company Limited Chairman, Nippon Pack (Thailand) Public Company Limited Director, Recycle (Thailand) Company Limited Director, Zafari World Public Company Limited Director, Premier Enterprises Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		Director, Jutha Maritime Public Company Limited Director, Institute for Management Education for Thailand Foundation 1981-Present Director, Thai Farmers Bank Public Company Limited 1990-Present Director Premier Global Corporation Company Limited 1990-Present Chairman of the Advisory Board, M.D.X. Public Company Limited 1979-Present Chairman, Thai Castor Oil Company Limited 1979-Present Chairman, Tawana (Ramada) Company Limited	
11. Mr. Chumpol Na Lamlieng	Director	Present President, The Siam Cement Public Company Limited Director, Navuti Company Limited Director, The Industrial Finance Corporation of Thailand Director, Dole (Thailand) Limited 1983-Present Director, Thai Farmers Bank Public Company Limited	-
12. M.R. Sarisdiguna Kitiyakara	Independent Director	Present Director, New Imperial Hotel Public Company Limited Director, Goodyear (Thailand) Public Company Limited Director, Thai British Security Printing Public Company Limited Director, Beta Mekong Fund Limited Director, Asian Marine Public Company Limited 1985-Present Director, Thai Farmers Bank Public Company Limited	(29,300)

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
13. M.R. Yongswasdi Kridakon	Director	Present Director, The Siam Cement Public Company Limited and The Siam Cement Group of Companies Director, Siam Commercial Life Insurance Public Company Limited Director, Tarakorn Credit Foncier Company Limited Director, Dusit Thani Hotel Public Company Limited Director, Rajdamri Hotel Public Company Limited Director, The United Cinema Company Limited Director, Sanesuratana Company Limited Director, Ladawal Palace Company Limited Director, Deves Insurance Public Company Limited Director, Bangkok Expressway Public Company Limited Director, Vichayut Company Limited Director, B.N.H.Medical Centre Company Limited Director, Siam Sindhorn Company Limited 1991-Present Director, Thai Farmers Bank Public Company Limited	-
14. Mr. Chaleo Yoovidhya	Director	Present Chairman, Red Bull Beverage Company Limited Chairman, T.C.Pharmaceutical Industry Company Limited 1992- Present Director, Thai Farmers Bank Public Company Limited	-
15. Mr. Somchai Bulsook	Director	Present President and Chief Executive Officer, Serm Suk Public Company Limited Director, Crown Seal Public Company Limited Director, Bangkok Glass Public Company Limited Director, The Thai Commercial Insurance Public Company Limited Director, The Bangkok Thonburi Insurance Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		Director, Ngow Hock Company Limited Adviser, Phatra Real Estate Company Limited 1993-Present Director, Thai Farmers Bank Public Company Limited	
16. Dr. Sumet Tantivejkul	Director	Present Director, Thai Farmers Bank Public Company Limited Secretary General, The Royal Development Projects Board Committee and Secretary-General, The Chaipattana Foundation Chairman, The Telephone Organization of Thailand	10
17. Mr. Sawai Yakardkanong	Executive Vice President	1991 Present Executive Vice President Thai Farmers Bank Public Company Limited	-
18. Mr. Poonpipat Aungungul	Executive Vice President	1993 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 First Senior Vice President Thai Farmers Bank Public Company Limited	-
19. Mr. Prasat Lamsam	Executive Vice President	1994 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 First Senior Vice President Thai Farmers Bank Public Company Limited	-
20. Mr. Sirivuthi Siamphakdee	Executive Vice President	1994 - Present Executive Vice President Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1990 - 1993 First Senior Vice President Thai Farmers Bank Public Company Limited	
21. Mr. Somboon Chinsawananon	Executive Vice President	1996 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1994 - 1995 First Senior Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 Senior Vice President Treasury Dept. Thai Farmers Bank Public Company Limited	(50,000)
22. Mrs.Tida Samalapa	Executive Vice President	Present Executive Vice President Thai Farmers Bank Public Company Limited 1994 - 1996 First Senior Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 Senior Vice President Executive Services Dept. Thai Farmers Bank Public Company Limited	(2,000)
23. Mr. Apichai Bunyakiat	Executive Vice President	Present Executive Vice President Thai Farmers Bank Public Company Limited 1994 - 1996 First Senior Vice President Thai Farmers Bank Public Company Limited 1992 - 1993 Senior Vice President Telecommunication Dept. Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
24. Mr. Virat Prasongthan	First Senior Vice President	1994 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1990 - 1993 Senior Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	-
25. Mr. Dharin Divari	First Senior Vice President	1994 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 Senior Vice President International Trade Dept. Thai Farmers Bank Public Company Limited	-
26. Mr. Preecha Oonchitti	First Senior Vice President	1994 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 Senior Vice President Credit and Collateral Control Dept. Thai Farmers Bank Public Company Limited	-
27. Mrs. Buranee Arunpairojana	First Senior Vice President	1994 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1991 - 1993 Senior Vice President Business Development Dept. Thai Farmers Bank Public Company Limited	-
28. Mr. Somkiat Suktheva	First Senior Vice President	1995 - Present First Senior Vice President Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1994 - 1995 Senior Vice President Credit Card Dept. Thai Farmers Bank Public Company Limited 1991 - 1994 Senior Vice President General Administration Dept. Thai Farmers Bank Public Company Limited	
29. Dr. Piengchai Pookakupt	First Senior Vice President	1995 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1993 - 1995 Senior Vice President Human Resource and Organization Development Dept. Thai Farmers Bank Public Company Limited	-
30. Mr. Boontuck Wungcharoen	First Senior Vice President	1995 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1993 - 1994 Senior Vice President Merchant Banking Dept. Thai Farmers Bank Public Company Limited 1992 - 1993 First Vice President Business Development Dept. Thai Farmers Bank Public Company Limited	(15,110)
31. Mr. Siripongs Kalayanarooj	First Senior Vice President	1995 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1994 - 1995 Senior Vice President International Branch Administration and Relation Dept. Thai Farmers Bank Public Company Limited	(5,000)

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1993 - 1994 Senior Vice President Executive Services Dept. Thai Farmers Bank Public Company Limited 1992 - 1993 Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	
32. Mr. Sawad Jiarathanakul	First Senior Vice President	1995 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1993 - 1995 Senior Vice President Treasury Dept. Thai Farmers Bank Public Company Limited 1993 - 1993 Vice President Treasury Dept. Thai Farmers Bank Public Company Limited	-
33. Mr. Tongchai Charoensit	First Senior Vice President	1997 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1995 - 1997 Senior Vice President Credit and Collateral Control Dept. Thai Farmers Bank Public Company Limited 1995 Vice President General Administration Dept. Thai Farmers Bank Public Company Limited 1994 - 1995 Vice President Telecommunication Dept. Thai Farmers Bank Public Company Limited	(4,000)

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
34. Mr. Pramoth Chaiamporn	First Senior Vice President	1997 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1996 - 1997 Senior Vice President Cash and Payment Dept. Thai Farmers Bank Public Company Limited 1995 Vice President Cash and Payment Dept. Thai Farmers Bank Public Company Limited 1993 - 1995 Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	-
35. M.L. Oratai Devakula	Senior Vice President (Class A) Financial Accounting Management Dept.	1991 - Present Senior Vice President Financial Accounting Management Dept. Thai Farmers Bank Public Company Limited	-
36. Mrs. Chalida Sirampuj	First Vice President (Class A) Credit Card Dept.	1995 - Present First Vice President Credit Card Dept. Thai Farmers Bank Public Company Limited 1994 - 1995 Vice President Credit Card Dept. Thai Farmers Bank Public Company Limited	-
37. Mr. Jirayorn Sangkasuwan	Senior Vice President (Class A) International Trade Dept. & Foreign Exchange and Remittance Dept.	1996 - Present Senior Vice President International Trade Dept. & Foreign Exchange and Remittance Dept. Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1996 First Vice President General Administration Dept. Thai Farmers Bank Public Company Limited 1995 Vice President General Administration Dept. Thai Farmers Bank Public Company Limited 1994 *Assistant Vice President* Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	
38. Mr. Weboon Seetthaporn	First Vice President (Class A) Legal Dept	1992 - Present First Vice President Legal Dept. Thai Farmers Bank Public Company Limited	-
39. Mr. Surapong Bumroongsook	First Vice President (Class A) Assets Improvement Dept.	1994 - Present First Vice President Assets Improvement Dept. Thai Farmers Bank Public Company Limited 1992 - 1994 Vice President Credit and Collateral Control Dept. Thai Farmers Bank Public Company Limited	-
40. Mr. Phongthawat Phuangkanok	First Vice President Information System Processing Dept.	1995 - Present First Vice President Information System Processing Dept. Thai Farmers Bank Public Company Limited *1992 - 1995* First Vice President Computer Dept. Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
41. Mrs. Chawiwan Varophas	Senior Vice President Financial Planning Dept.	1996 - Present Senior Vice President Financial Planning Dept. Thai Farmers Bank Public Company Limited 1994 - 1996 First Vice President Financial Planning Dept. Thai Farmers Bank Public Company Limited 1992 - 1994 First Vice President Internal Audit Dept. Thai Farmers Bank Public Company Limited	-
42. Mrs. Kanlaya Yaisawang	Senior Vice President Information System Engineering Dept.	Present Senior Vice President Information System Engineering Dept. Thai Farmers Bank Public Company Limited 1995 - 1996 First Vice President Information System Engineering Dept. Thai Farmers Bank Public Company Limited 1993 - 1994 First Vice President Computer Dept. Thai Farmers Bank Public Company Limited	-
43. Mr. Klaharn Tuntipochsopha	First Vice President Telecommunication Dept.	1993 - Present First Vice President Telecommunication Dept. Thai Farmers Bank Public Company Limited 1991 - 1993 Vice President Telecommunication Dept. Thai Farmers Bank Public Company Limited	

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
44. Mr. Hansa Susayan	First Vice President (Class A) Securities Services Dept.	1996 - Present First Vice President Securities Services Dept. Thai Farmers Bank Public Company Limited 1994 - 1996 Vice President Securities Services Dept. Thai Farmers Bank Public Company Limited	-
45. Mrs. Patcharin Vongsirideg	First Vice President (Class A) Marketing and Credit Management Dept.	1995 - Present First Vice President Marketing And Credit Management Dept. Thai Farmers Bank Public Company Limited 1993 - 1995 Vice President Marketing And Credit Management Dept. Thai Farmers Bank Public Company Limited 1993 - 1994 Vice President Business Development Dept. Thai Farmers Bank Public Company Limited	-
46. Mr. Jaroen Gobsuk	First Vice President (Class A) Executive Service Dept.	1995 - Present First Vice President Executive Services Dept. Thai Farmers Bank Public Company Limited 1984 - 1995 First Vice President General Administration Dept. Thai Farmers Bank Public Company Limited	
47. Mr. Dolapar Petpiroon	First Vice President Consumer Loans Dept.	1996 - Present First Vice President Consumer Loans Dept. Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1995 - 1996 Vice President Commercial and Construction Credit Dept. Thai Farmers Bank Public Company Limited 1994-1995 Assistant Vice President Commercial and Construction Credit Dept. Thai Farmers Bank Public Company Limited	
48. Mr. Somporn Sugunasil	Senior Vice President and Region Manager (Class A) Branch Business and Administration Dept.	1987 - Present Senior Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	-
49. Ms. Chantana Soi-Ampornkun	Senior Vice President (Class A) Treasury Dept.	Present Senior Vice President Treasury Dept. Thai Farmers Bank Public Company Limited 1993 - 1997 First Vice President Treasury Dept. Thai Farmers Bank Public Company Limited 1989 - 1993 Vice President Treasury Dept.	770
50. Mr. Narong Supradith	First Vice President (Class A) Cash and Payment Dept.	1997 - Present First Vice President Cash and Payment Dept. Thai Farmers Bank Public Company Limited 1995 - 1997 Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	-

NAME - LAST NAME	POSITION	EXPERIENCES	THE INCREASE OR DECREASE IN THE TFB SHARES HELD IN 1997
		1991 - 1995 Assistant Vice President Branch Business and Administration Dept. Thai Farmers Bank Public Company Limited	
51. Mr. Somkiat Sirichatchai	First Vice President (Class A) Investment Management Dept.	1997 - Present First Vice President Investment Management Dept. Thai Farmers Bank Public Company Limited 1996 - 1997 Vice President Investment Management Dept. Thai Farmers Bank Public Company Limited 1995 - 1996 Assistant Vice President Investment Management Dept. Thai Farmers Bank Public Company Limited	-

Note : There was no change in the number of debentures of The Thai Farmers Bank or of stocks or debentures of the subsidiaries held by TFB executives in 1997

Holdings of stocks and debentures of TFB directors in the bank and affiliated companies as of December 31, 1997, and remuneration from the bank during the accounting year 1997.

Mr. Banyong Lamsam received remuneration as a director amounting to Bt 3,586,000. He held 1,749,340 TFB stocks, a decrease of - shares during the accounting year, and 1 share of Thai Farmers Research Center Co., Ltd., a change of - share during the accounting year.

Pol. Gen. Pow Sarasin received remuneration as a director amounting to Bt 2,504,000. He held 32,350 TFB shares, a change of - shares during the accounting year.

Mr. Narong Srisa-an received remuneration as a director amounting to Bt 2,098,000. He held 266,350 TFB shares, a change of - shares during the accounting year, 15,000 TFB debentures, a change of - units during the accounting year, and 1 share of Thai Farmers Research Center Co., Ltd., a change of - share during the accounting year.

Mr. Chana Rungsang received remuneration as a director amounting to Bt 2,098,000. He held 2,120 TFB shares, a change of - shares during the accounting year, and 1 share of Thai Farmers Research Center Co., Ltd., a change of - share during the accounting year.

Mr. Banthoon Lamsam received remuneration as a director amounting to Bt 2,384,000. He held 50,000 TFB shares, a decrease of 450,000 shares during the accounting year; 500 TFB debentures, a change of - units during the accounting year and 1 share of Thai Farmers Research Center Co. Ltd., a change of - share during the accounting year.

Mr. Kaorop Nutchanart received remuneration as a director amounting to Bt 2,098,000. He held 6,000 TFB shares, a change of - shares during the accounting year; 3000 TFB debentures, a change of - units during the accounting year and 1 share of Thai Farmers Research Center, a change of - share during the accounting year.

Mr. Samran Kalayanarooj received remuneration as a director amounting to Bt 2,098,000. He held 54,480 TFB shares, an increase of 20,000 shares during the accounting year.

Mr. Pairote Lamsam received remuneration as a director amounting to Bt 1,526,000. He held 1,348,500 TFB shares, a decrease of 79,800 shares during the accounting year.

Lt. Gen. Suprija Mokkhavesa received remuneration as a director amounting to Bt 1,526,000. He held 223,250 TFB shares, a change of - shares during the accounting year and 1,000 TFB debentures, a change of - units during the accounting year.

Mr. Sukri Kaocharern received remuneration as a director amounting to Bt 1,526,000. He held 4,600 TFB shares, a change of - shares during the accounting year and 3,000 TFB debentures, a change of - units during the accounting year.

Mr. Chumpol Na Lamlieng received remuneration as director amounting to Bt 1,526,000. He held 18,850 TFB shares, a change of - shares during the accounting year.

M.R. Sarisdiguna Kitiyakara received remuneration as a director amounting to Bt 1,526,000. He held 15,000 TFB shares, a decrease of 29,300 shares during the accounting year and 5,000 TFB debentures, a change of - units during the accounting year.

M.R. Yongswasdi Kridakon received remuneration as a director amounting to Bt 1,526,000. He held 130 TFB shares, a change of - shares during the accounting year.

Mr. Chaleo Yoovidhya received remuneration as a director amounting to Bt 1,526,000. He held 110 TFB shares, a change of - shares during the accounting year.

Mr. Somchai Bulsook received remuneration as a director amounting to Bt 1,526,000. He held 133,870 TFB shares, a change of - shares during the accounting year.

Dr. Sumet Tantivejkul received remuneration as a director amounting to Bt 32,000. He held 10 TFB shares, an increase of 10 shares during the accounting year.

Remuneration for Executives

(1) Financial Remuneration

Remuneration for the TFB Board of Directors in the 1997 accounting period totaled Bt 29,106,000.

Salaries and bonuses for TFB executives in the 1997 accounting period totaled Bt 147,777,217.

Note : Seven TFB executives are also Board Members.

Salaries and bonuses for the top 15 executives totaled Bt 79,510,750.

(2) Other Remuneration

None

Persons with vested interest and cross over transactions

Cross over entries with persons with vested interest

None

Cross over entries between the Bank, subsidiaries and associate companies in cases where persons with vested interest hold greater than 5% of shares with voting rights in subsidiary(ies) or associated company(ies)

None

Reason and necessity of making new cross over entries in the past year

None

Comments of independent director(s) or specialists, on cross over entries

None

Comments of independent director(s) on the Bank's commitment to the terms and conditions stipulated in the prospectus of the Bank's public share offering.

The Bank followed all the conditions stated in the prospectus of the public offering of the first issuance of TFB subordinated debentures of 2001, together with the first issuance of warrants; and, likewise, the second issuance of warrants offered to existing shareholders, of which the pertinent financial information form and prospectus were respectively submitted to the Securities and Exchange Commission (SEC) on August 26, 1994 and May 30, 1996. The Bank and its financial counselor, Asset Plus Securities Co., Ltd. then assessed the impact on holders of the first issue warrants following the sale of the second issue warrants to existing shareholders, and concurred that the exercised price of the first issue warrant should be adjusted down from Bt 188 to Bt 181.692 per share, effective August 5, 1996. The Bank had announced the said warrant price adjustment in the 85th General Shareholders Meeting held on March 27, 1997.

Factors Affecting Investment Decisions

Legal Disputes

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

Management's Analysis

In 1997, the banking sector experienced unprecedented problems due to the plunging economy. The Bank of Thailand had imposed a stringent financial policy and implemented urgent measures to resolve the troubled financial institutes crisis to restore financial sector stability. Despite the adoption of the currency float system on July 2, 1997 and a subsequent request for assistance from the International Monetary Fund -- liquidity in the market continued to fall due to unchecked outflow of capital. Financial sector problems continued to intensify. All the while, currency crises and economic downturn in Asia continued to exert pressure on the baht.

The economic slump and the financial institute crisis in 1997 dealt a devastating blow to the commercial banking system leading to the worst ever liquidity problem. The Bank had swiftly formulated a contingency plan to cope with the volatile situation to minimize adverse effect on the Bank's operatiion. In our financial management, the Bank concentrated on mobilizing funds from domestic rather than foreign sources. Total domestic deposits amounted to 80 percent of the Bank's sources of funds. Foreign borrowings constituted only a minor portion of the Bank's capitalization. Prudent lending policy has helped the Bank avoid excessively tight liquidity problems.

In its assets management, although the quality of loans weakened in line with the economic slowdown, the Bank had focussed on full discretion in loan approval and close management of doubtful loans with appropriate provisioning for non performing loans.

The recession of 1997 was the major factor causing the recent sharp increase in non-performing loans and the high cost of funds, from high interest rates. As a result, the Bank registered a lower net income and lower shareholders dividends as compared to previous years, similar to all other commercial banks in the system.

Income from extraordinary items or non - banking transactions that altered the financial standing and performance of the Bank

None

Important changes that occurred after the last fiscal period and the potential effects on the financial standing and performance of the Bank

None

Effects from restructuring shareholders' equity in corporate subsidiaries

None

Board of Directors

Chairman

Banyong Lamsam

Vice Chairman

Pol. Gen. Pow Sarasin

Directors

Narong Srisa-an

Chana Rungsang

Banthoon Lamsam

Kaorop Nutchanart

Samran Kalayanarooj

Pairote Lamsam

Lt. Gen. Suprija Mokkhavesa

Sukri Kaocharern

Chumpol Na Lamlieng

M.R. Sarisdiguna Kitiyakara

M.R. Yongswasdi Kridakon

Chaleo Yoovidhya

Somchai Bulsook

Dr. Sumet Tantivejkul

Legal Adviser

Samran Kalayanarooj

Adviser to the Board of Directors

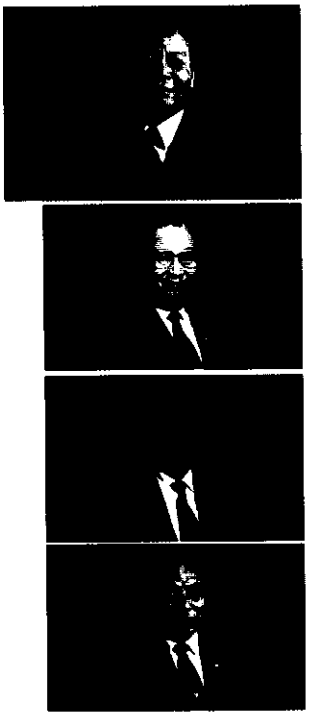
Pricha Lamsam

Secretary to the Board of Directors

Ms. Tida Samalapa

Assistant Secretary to the Board of Directors

Ms. Arasa Ampornpong



Board of Directors

Banyong Lamsam
Chairman

Pol. Gen. Pow Sarasin
Vice Chairman

Narong Srisa-an
Vice Chairman of The Executive Board

Chana Rungsang
Vice Chairman of The Executive Board

Banthoon Lamsam
President

Kaorop Nutchanart
Senior Executive Vice President

Samran Kalayanarooj
Director

Pairote Lamsam
Director

Board of Directors

Lt. Gen. Suprija Mokkhavesa
Director

Sukri Kaocharern
Director

Chumpol Na Lamlieng
Director

M.R. Sarisdiguna Kitiyakara
Director

M.R. Yongswasdi Kridakon
Director

Chaleo Yoovidhya
Director

Somchai Bulsook
Director

Dr. Sumet Tantivejkul
Director

Assistant Vice President

Prateep Tongvichit
Wasan Pongchawee
Chalermpol Anurugjaturonk
Ms. Waraporn Refkpungdee
Ms. Supakanya Chanthothai
Ms. Pochanida Wattanasang
Ms. Sudarat Charoenkla
Ms. Kanjana Rangsiyanon
Ms. Sumana Nipapantha
Ms. Kessara Kaewmanee
Thongchai Wannasilapa
Phadermsak Tangsriwong
Vanit Promprapant
Niphan Jantaraprapap

GENERAL ADMINISTRATION DEPARTMENT

First Vice President

Prasat Limpakarn
Sawai Kheawkao
Thamrong Nakornratanachai

Vice President

Chalard Supataranat
Vicha Phowvibul
Sommai Benjamasit
Paiboon Domrongsiri

Assistant Vice President

Somchai Leklai
Chalermkiat Rusamejant
Ms. Somsri Ratanataros
Charoen Chuchuen
Sathit Prongmake
Predee Sartpredee
Kamol Jakuprasert
Ms. Puntiwa Aumjerm
Vichai Winsut

INTERNAL AUDIT DEPARTMENT

Senior Vice President

Ms. Sumontip Otrakul

First Vice President

Boonsong Hempichitr
Amporn Liangthanasarn
Ms. Pranee Buranawatanachoke

Vice President

Chainarong Ukohosakun
Kraiwal Srisawasdi
Veerasakdi Farkmitra
Krisana Tesprasit
Sompong Sombatsanongkhun
Raphinpong Rapipan
Ms. Somboon Puengkeo

Assistant Vice President

Ms.Kanya Varanefra
Thongchai Panakitsuwan
Ms. Nattaya Puangchantpetch
Ms. Supaporn Makekrajang
Ms. Sunee Luckum
Ms. Piamsiri Tunsuwanna
Sommard Wongkhalaung
Ms. Areevun Leelanuntakit
Ms. Tasanee Kopwiriyakit
Ms. Urai Komes
Ms. Pensri Silpacha
Ms. Suorpun Nakosiri
Ms. Nitaya Leelanurak

TELECOMMUNICATION DEPARTMENT

First Vice President

Kiaharn Tuntipochsopha

Vice President

Surose Petchakick

Assistant Vice President

Piboon Pornprasit
Wachara Wittayapool

HUMAN RESOURCE MANAGEMENT DEPARTMENT

Senior Vice President

Ms. Aranee Sukhavanij
Thanawat Duang-Udom

Vice President

Prasit Aumsupan
Boonperm Prommool
Chaleaow Pipittnabun

Assistant Vice President

Verapongs Udomprasoetgul
Chavalit Cunprayoornswat
Songpol Nugoolchit
Ms. Wunnee Praputnitisarn
Ms. Chanthana Plianprayura
Sansern Arunthari
Santi Krabunanratana
Krit Suwantada
Ms. Chaweewan Srisanong
Somporn Leekumnerdthai
Wiwat Rumratana
Sirichai Mokarapinunt
Chukiat Hannarong
Somchai Thanasasawat
Witaya Amornbvornvong
Ms. Pussadee Arayasirikul
Ms. Manee Pattrametha
Dr. Anchalee Asavamongkolkul
Niporn Phanumes

CREDIT CARD DEPARTMENT

First Vice President

Vichai Pichaya
Ms. Chalida Sirampuj
Warawut Piyasachaboon

Vice President

Tiva Rattanasunthorn
Suwit Lertwichuhat
Pichet Triratanvanit

Assistant Vice President

Wichai Kiratiwichai
Ong-Ard Glinson
Vuddhikorn Vajiraprsutsopin
Pichai Sripuachareon
Somboon Jiwaramonaikul
Ms. Charunee Rucharkom
Ms. Archarawan Trakulboon
Ms. Waraphan Na-Ranong
Somchart Jirupunswadt
Somkiat Morya
Amorndej Amartayakul
Phaichayon Phirainthorn
Panya Sa-ngunpong
Chuchai Rupitiviriya
Anurak Patrakornkul
Ms. Anchalee Samsen
Ms. Siriluk Kuneephan
Ms. Wandee Nitikul
Somchai Pichitsurakij
Ms. Vipavee Srikwan

SECURITIES SERVICE DEPARTMENT

First Vice President

Hansa Susayan

Vice President

Ms. Saovaluk Lertvanichkijkul

Assistant Vice President

Veerachai Amornrat
Preecha Limkobpiboon
Vichien Chuenchomsaeng

MARKETING AND CREDIT MANAGEMENT DEPARTMENT

First Vice President

Ms. Patcharin Vongsiridej

Vice President

Ms. Kattiya Indaravijaya

Assistant Vice President

Ms. Passamon Vichitkamthorn
Ms. Sumonta Weerathawon

INVESTMENT MANAGEMENT DEPARTMENT

First Vice President

Somkiat Sirichatchai

Assistant Vice President

Ms. Somnor Theppattra
Ms. Krisna Visertsin

FOREIGN EXCHANGE AND REMITTANCE DEPARTMENT

Senior Vice President

Jirayon Sangkasuwan

Vice President

Ms. Tanawan Kriengsiri
Ms. Sawaleepirom Vitchapant
Worasakdi Chotikulsuwan
Suwat Charoenvijitchai

Assistant Vice President

Ms. Nitaya Sasivongbhakdi
Boonsom Thammanupatham
Ms. Jureerat Udomsinkul
Ms. Woraphan Sugunasil
Ms. Orapin Aungungul
Graisorn Ratanamanee

INFORMATION SYSTEM PROCESSING DEPARTMENT

First Vice President

Phongthawat Phuangkanok

Vice President

Phairoj Daengchuang
Dhiti Soyskul
Prida Saengsuwanlart
Bannop Nopaboon

Assistant Vice Prsident

Phaithun Suwannaphan
Songsak Thongvivat

HUMAN RESOURCE AND ORGANIZATION DEVELOPMENT DEPARTMENT

Vice President

Ms. Vorawan Gobsuk
Ms. Pranee Visitkijkarn
Ms. Yaovalak Traivichit
Worrawuthi Premprabha
Ms. Janjaree Buranavej

Assistant Vice President

Ms. Jantana Javananont
Ms. Sudaporn Maneesutham
Wiboon Wiwatsataya
Chaiyasit Koomdumrong
Ms. Sirporn Srethabutr
Phongsak Yamkeshorn
Pennung Chaiyachit
Kraireak Maitreewong
Somchai Tanboonpat

ASSETS IMPROVEMENT DEPARTMENT

First Vice President

Ms. Somvan Vathanavalun
Surapong Bumroongsuk
Vallop Trakulboon
Ms. Warunee Chamnansiphat

Vice President

Udom Manistitya
Chakrit Suvanattat
Vichai Maneeswank
Ms. Srirom Chanboonme
Ms. Mukda Soondarasingha

Region

REGION 1

Senior Vice President

Niwat Kruapat

Assistant Vice President

Paiboon Suuntreeyasat

REGION 2

Senior Vice President

Sahathep Chotinuchit

Assistant Vice President

Chou Penglai

REGION 3

Senior Vice President

Methee Pattarakornkul

REGION 4

First Vice President

Supol Kunprasert

Assistant Vice President

Vichai Shitangkoon

REGION 5

Senior Vice President

Pornsak Sakpanpanom

Assistant Vice President

Samruay Boon-Boonsin

REGION 6

First Vice President

Boonyong Puapongsathorn

Assistant Vice President

Vichai Leewatana

REGION 7

First Vice President

Jaruec Ratanawong

REGION 8

First Vice President

Somchai Trilerklith

Assistant Vice President

Mana Silpa-cha

Zone

ZONE 1
Vice President
Vichien Juprasurtporn

ZONE 2
Vice President
Nikorn Juntarapraphap

ZONE 3
Vice President
Akadeach Chotivanich

ZONE 4
Assistant Vice President
Bunjerd Ariyanukitja

ZONE 5
Vice President
Tirapol Sirapalanonta

ZONE 6
Vice President
Seree Luangsukroek

ZONE 7
Assistant Vice President
Padetch Sanyawoot

ZONE 8
Assistant Vice President
Thamrong Eurchitwilai

ZONE 9
Vice President
Decha Hutaprasert

ZONE 10
Vice President
Thanit Chusanachote

ZONE 11
Assistant Vice President
Lert Samuthawongviliya

ZONE 12
Vice President
Sommai Subphasit

ZONE 13
Vice President
Pongthep Budsayaplakorn

ZONE 14
Vice President
Vinit Nopkhun

ZONE 15
Vice President
Virach Sumretwanich

ZONE 21
Assistant Vice President
Tanong Sombutpanich

ZONE 22
Vice President
Manit Chaipanich

ZONE 23
Assistant Vice President
Theera Ananta

ZONE 24
Assistant Vice President
Suchat Raorungrot

ZONE 25
Assistant Vice President
Kitti Supnapapron

ZONE 26
Assistant Vice President
Suppapong Chongkalnsuvan

ZONE 27
Assistant Vice President
Suthi Panma

ZONE 28
Vice President
Pisal Panaschai

ZONE 29
Assistant Vice President
Surin Taweepanyawong

ZONE 30
Vice President
Sakda Puenchompoo

ZONE 31
Assistant Vice President
Werachai Chinoraksa

ZONE 32
Vice President
Virach Pridasawat

ZONE 33
Vice President
Searmsiri Phuldthura

ZONE 34
Vice President
Chanint Chainarongsakul

ZONE 35
Vice President
Noppadol Chotigagamthorn

ZONE 36
Assistant Vice President
Suwat Pisuthiporn

ZONE 37
Assistant Vice President
Phole Dhanashoti

ZONE 38
Vice President
Bamroung Tanmani

ZONE 39
Assistant Vice President
Chartree Klongnawee

ZONE 40
Vice President
Samphant Takasiyananta

ZONE 41
Vice President
Prasert Thitipuree

ZONE 42
Vice President
Annop Jittithavorn

ZONE 43
Assistant Vice President
Taweeporn Chusombat

ZONE 44
Assistant Vice President
Paisarn Lawanyakul

ZONE 45
Assistant Vice President
Chalermpant Pookpant

ZONE 46
Assistant Vice President
Dang Jaritjitpaibul

ZONE 47
Assistant Vice President
Manoch Kitmanorose

ZONE 48
Assistant Vice President
Sakol Arunyanark

ZONE 49
Assistant Vice President
Nirun Wattanasupt

ZONE 50
Assistant Vice President
Vasuchaluck Siamphadee

ZONE 51
Assistant Vice President
Charat Nongkai

ZONE 52
Assistant Vice President
Aungkoon Piyavongsomboon

Main Branch

THANON SUAPA MAIN BRANCH

First Vice President

Somchai Visitkijkarn

(Main Branch Manager)

SILOM MAIN BRANCH

Vice President

Karmonsin Tasma

(Main Branch Manager)

Assistant Vice President

Anusorn Nakathanin

Vorapongse Pavanant

PHAHON YOTHIN MAIN BRANCH

Vice President

Yeunyong Rungsrithong

(Main Branch Manager)

Ms. Darunee Aroonpong

Assistant Vice President

Thitirach Ditsomroeng

RAT BURANA MAIN BRANCH

Assistant Vice President

Manus Chanmani

(Main Branch Manager)

International Trade Center

PHAHON YOTHIN CENTER

Vice President

Prasit Sopitnukul
(International Trade Center Manager)

Assistant Vice President

Ms. Prapimpan Sitthimongkol
Araya Nillagan
Ms. Nopporn Bovornratanaraks
Ms. Chunradee Dongsiri

THANON SILOM CENTER

Vice President

Gunt Aungsuthanatharn
(International Trade Center Manager)

Assistant Vice President

Ms. Vanida Shorsakul
Somboon Wattanasuwan
Samroeng Mongkanna
Sravud Isariyakunanon

THANON SUA PA CENTER

Assistant Vice President

Anuwat Pattrakornkul
(International Trade Center Manager)
Siriwat Kuansuwan

THANON SUKHUMVIT CENTER

Assistant Vice President

Boonsom Thaiking
(International Trade Center Manager)
Youngkiat Pongboonchoo
Jirasak Anantanachai
Ms. Khemsri Kasemsri

DAO KANONG CENTER

Assistant Vice President

Ms. Benchawan Vichyathorn
(International Trade Center Manager)
Ms. Unruen Juyaworanant
Veerachai Suchatanont

NAVANAKORN CENTER

Assistant Vice President

Veera Ruedeesarn
(International Trade Center Manager)

HAT YAI CENTER

Assistant Vice President

Ms. Lertluck Saitrakul
(International Trade Center Manager)

CHIANG MAI CENTER

Assistant Vice President

Santi Mitranont
(International Trade Center Manager)

LEAM CHABANG CENTER

Assistant Vice President

Sailom Nopkachain
(International Trade Center Manager)

527 Domestic Branches

154 METROPOLITAN BRANCHES

Asok Sub-Branch
Ban Thad Thong
Bang Bon
Bang Chak
Bang Kapi
Bang Khae
Bang Khen
Bang Khun Non
Bang Khun Thian
Bang Krabu
Bang Lamphu
Bang Mot
Bang Pakok
Bang Phlat
Bang Pho
Bang Rak
Bang Son
Bang Su
Bang Yikhan
Big C Ratburana Sub-Branch
Bukkhalo
Chakkrawat
Charansanitwong 11
Chok Chai 4 Sub-Branch
Chong Nonsi
Dao Khanong
Din Daeng Sub-Branch
Ekkamai
Happyland Sub-Branch
Hua Mak
Huay Kwang
Khlong Chan
Khlong San
Khlong Tan
Khlong Toei
King Phet
Kluai Num Thai
Lat Krabang
Lat Phrao 10
Lat Phrao 25
Lat Phrao 67
Lat Phrao 99
Maha Phruttharam
Mahboonkrong Center Sub-Branch
Min Buri
Na-Na Nua
Nang Loeng
On Nut
On Nut 39 Sub-Branch
Phahon Yothin
Phetkasem 51
Phasi Charoen
Phat Phong
Pho Sam Ton
Phra Khanong
Phran Nok
Pin Klao
Pracha Niwet 1 Sub-Branch
Pratu Nam (Bai Yoke) Sub-Branch
Pratu Nam Pathum Wan
Ratburana Main Branch
Ratchadamri
Ratchawat Sub-Branch
Samre
Sanam Pao
Sampheng Sub-Branch
Sam Yaek Kaset Sub-Branch
Sao Chingcha
Saphan Khwai Sub Branch
Saphan Krung Thon
Saphan Luang
Saphan Mai Don Muang
Saphan Phut
Seacon Square
Siam Square
Si Yaek Bang Na
Si Yaek Saphan Krung Thep
Si Yaek Thanon Chan-Liabkhlong Chong Nonsi Sub-Branch
Si Yaek Wang Hin
Siangkong
Silom
Soi Charurat
Soi Chalaem Nimit (Pha Du 1)
Soi Thong Lo Sub-Branch
Soi Udomsuk Sub-Branch
Song Prapha-Don Muang Sub-Branch
Suan Chatuchak
Suan Phlu
Sukhaphiban 1 (Bang Bon) Sub-Branch
Sukhumvit 39
Sukhumvit 57
Surawong
Sutthisan
Suwinthawong Nong Chok
Talat Bo-Be Sub-Branch
Talat Phattanakan Sub-Branch
Talat Phlu
Talat Pong Petch Sub-Branch
Talat Rungcharoen Sub-Branch
Taopoon Sub-Branch
Tha Phra
Tha Rua Sathu Pradit

Thai Airways International Sub-Branch
Thanon Asok Din Daeng
Thanon Bang Na-Trat KM.4
Thanon Chan
Thanon Charoen Nakorn 36 Sub-Branch
Thanon Charoen Rat Sub-Branch
Thanon Lang Suan
Thanon Lat Ya
Thanon Maha Chai
Thanon Phadiphat
Thanon Phanit Chayakan Thonburi Sub-Branch
Thanon Phattanakan
Thanon Phetchaburi Tat Mai
Thanon Pracha Chun
Thanon Pracha Uthit
Thanon Rang Nam
Thanon Rama II
Thanon Rama II Km.11 Sub-Branch
Thanon Rama IX
Thanon Rarm Intra
Thanon Rarm Intra KM.8
Thanon Ramkham Haeng Sub-Branch
Thanon Ratchada Phisek Huay Kwang
Thanon Ratchada Phisek (Taksin-Thaphra)
Thanon Ratchada Phisek (Sukhumvit-Rama IV)
Thanon Sathon
Thanon Sathu Pradit
Thanon Si Ayutthaya
Thanon Si Rinthon Sub-Branch
Thanon Srinakharin Km.9 Sub-Branch
Thanon Sua Pa
Thanon Sukhaphiban 1 Bang Kapi
Thanon Sukhaphiban 2 Suan Siam
Thanon Sukhaphiban 3 Bung Kum
Thanon Suksawat
Thanon Sunthonkosa (Loxley Building) Sub-Branch
Thanon Witthayu
Thanon Wutthakat Sub-Branch
The Mall Bang Khae Sub-Branch
Thewet
Thiam Ruam Mit Sub-Branch
Thon Buri
Thungkhru Sub-Branch
Victory Monument Sub-Branch
Wang Burapha
Wong Wan Rob Nok (Ekachai-Bang-Bon)
Wong Wian 22 Karakada
Worachak
Wat Sai
Yan Nawa
Yaowarat
Yotse

373 UP-COUNTRY BRANCHES

CENTRAL

18 Provinces 113 Branches

Ang Thong 3 branches
Ang Thong
Pa Mok
Wiset Chai Chan

Ayutthaya 7 branches
Ayutthaya
Phak Hai
Pratu Nam Phra In
Sena
Talat Hua Ro Ayutthaya Sub-Branch
Thanon Rojjana Ayutthaya
Wong Noi

Chai Nat 4 branches
Chai Nat
Hankha
Sankhaburi
Wat Sing

Kanchanaburi 2 branches
Kanchanaburi
Tha Rua

Lopburi 6 branches
Ban Mi
Khok Samrong
Lam Narai
Nong Muang
Thanon Surasongkhram Lopburi
Wong Wian Sa Kaeo Lopburi

Nakhon Pathom 8 branches
Huay Plu
Nakhon Pathom
Ong Phra Pathom Chedi Sub-Branch
Om Yai
Sam Phran
Om Noi Sub-Branch
Thanon Phetkasem Nakhon Chaisi Sub-Branch
Thanon Phetkasem Nakhon Pathom

Nakhon Nayok 3 branches
Ban Na
Nakhon Nayok
Ongkharak

Nonthaburi 12 branches
Bang Kruai
Bang Yai
Nonthaburi
Pak Kret
Sam Yaek Nonthaburi
Talat Amphoe Bang Kruai Sub-Branch
Talat Bang Yai Sub-Branch
Thanon Chaeng Watthana
Thanon Ngam Wong Wan
Thanon Ratanathibet
Thanon Samakee Sub-Branch
Thanon Tiwanon (Khaerai)

Pathum Thani 11 branches

AIT. Sub Branch
Khlong 2 Thanyaburi Sub-Branch
Khlong 6 Thanyaburi
Khlong Luang
Lam Luk Ka Sub-Branch
Lat Lum Kaeo
Nava Nakorn
Phathum Thani
Rangsit
Ratanakosin-Rangsit Sub-Branch
Talat Si Mum Muang-Rangsit

Phetchaburi 4 branches

Ban Laem
Cha-am
Phetchaburi
Tha Yang

Ratchaburi 4 branches

Ban Pong
Ratchaburi
Thanon Pracha Niyom Ban Pong Sub-Branch
Thanon Sri Suriyawong Ratchaburi Sub-Branch

Prachuap Khiri Khan 6 branches

Bang Saphan
Hua Hin
Prachuap Khiri Khan
Pran Buri
Sam Roi Yot
Thap Sakae

Samut Prakan 19 branches

Bang Bo
Bang Khru
Bang Phli
Bang Mek Khao
Khlong Dan
Phra Pradaeng
Phra Samut Chedi
Pu Chao Saming Phrai
Samrong (Pu Chao Center)
Samut Prakan
Sukhumvit 111 Sub-Branch
Talat Bang Bo
Talat Namdaeng Sub-Branch
Talat Phra Pradaeng
Talat Samut Prakan Sub-Branch
Thanon Bang Na-Trad KM.18
Thanon Sri Nakharin KM.15 Sub-Branch
Thanon Sri Nakharin KM.17
Thanon Thepharak

Samut Sakhon 6 branches

Ban Phaeo Lak Ha
Ban Phaeo Lak Sam
Phutta Monthon Sai 4
Samut Sakhon
Talat Samut Sakhon Sub-Branch
Thanon Setthakit 1 Samut Sakhon

Samut Songkhram 2 branches

Amphawa
Samut Songkhram

Saraburi 4 branches

Nong Khae
Phra Phuttha Bat
Saraburi
Thanon Sutbanthad Saraburi

Sing Buri 4 branches

In Buri
Sing Buri
Talat Channasut Bang Rachan
Tha Chang

Suphan Buri 8 branches

Dan Chang
Doembang Nangbuat
Song Phi Nong
Suan Taeng
Suphan Buri
Talat Nangbuat
Thanon Malaiman Suphan Buri
U Thong

NORTH

17 Provinces 85 Branches

Chiang Mai 23 branches

Bo Sang
Chai Prakan
Chang Phuak Chiang Mai
Chom Thong
Fang
Night Bazaar Sub-Branch
Mae Chaem
Mae Rim
Sam Yaek San Sai Sub-Branch
San Pa Tong
Saraphi
Si Yaek Sanambin Chiang Mai
Talat Warorot Sub-Branch
Thanon Chang Klan Chiang Mai
Thanon Charoen Muang Chiang Mai
Thanon Chiang Mai-MaeJo Sub-Branch
Thanon Mahidol Chiang Mai Sub-Branch
Thanon Moon Muang Chiang Mai
Thanon Ratchawong Chiang Mai
Thanon Si Don Chai Chiang Mai
Thanon Super Highway Chieng Mai Sub-Branch
Thanon Suthep Chiang Mai
Thanon Tha Phae Chiang Mai

Chiang Rai 10 branches

Chiang Khong
Chiang Rai
Ha Yaek Po Khun Mengrai Sub-Branch
Huai Khrai Mae Chan Sub-Branch
Mae Chan
Mae Kachan
Mae Sai
Pa Daet
Phaya Mengrai
Thanon Superhighway Chiang Rai

Kamphaeng Phet 4 branches

Kamphaeng Phet
Khlong Lan Kamphaeng Phet
Khlong Khlung
Phran Kratai

Lampang 2 branches

Thanon Chatchai Lampang
Thanon Robwiang Lampang

Lamphun 3 branches

Lamphun
Li
Pa Sang

Mae Hong Son 2 branches

Mae Hong Son
Mae Sariang

Nan 3 branches

Chiang Klang
Nan
Pua

Nakhonsawan 7 branches

Lat Yao
Nong Bua
Takhli
Tha Tako
Thanon Kosi Nakhonsawan
Thanon Sai Asia Nakhonsawan Sub-Branch
Thanon Sawanwithee Nakhonsawan

Phayao 4 branches

Chiang Kham
Chun
Phayao
Si Yaek Maetam Phayao Sub-Branch

Phetchabun 5 branches

Dong Khui
Lom Sak
Phetchabun
Sap Samo Thot
Talat Huay Phai

Phichit 5 branches

Bang Mun Nak
Phichit
Sak Lek
Taphan Hin
Thap Khlo

Phitsanulok 3 branches

Ha Yaek Khok Matum
Nong Tom
Phitsanulok

Phrae 2 branches

Den Chai
Phrae

Sukhothai 5 branches

Khin Mat
Sawankalok
Si Samrong
Sukhothai
Talat Sukhothai Sub-Branch

Tak 2 branches

Mae Sot
Tak

Uthai Thani 3 branches

Lan Sak
Nong Chang
Uthai Thani

Uttaradit 2 branches

Laplae
Uttaradit

SOUTH

14 Provinces 49 Branches

Chumphon 4 branches

Chumphon
Lang Suan Chumphon
Pak Nam Chumphon
Tha Sae

Krabi 2 branches

Krabi
Talat Kao Krabi Sub-Branch

Nakhon Si Thammarat 5 branches

Chandi
Nakhon Si Thammarat
Talat Hua It
Tha Sala
Thung Song

Narathiwat 4 branches

Narathiwat
Rue Soh
Sungai Kolok
Sungai Padi

Pattani 2 branches

Pa Lat
Pattani

Phangnga 4 branches

Phangnga
Takua Pa
Talat Yan Yao
Thai Muang

Phatthalung 1 branch

Phatthalung

Phuket 3 branches

Hat Patong
Phuket
Tilok Center Phuket

Ranong 2 branches

Thanon Saphan Pla Ranong Sub-Branch

Ranong

Satun 1 branch

Satun

Surat Thani 8 branches

Ban Ta Khun

Chai Buri

Ko Samui

Phunphin

Si Yaek Sang Phet Surat Thani Sub-Branch

Surat Thani

Thanon Talat Mai Surat Thani

Wiang Sa

Songkhla 9 branches

Hat Yai Nai

Padang Besa

Songkhla

Thanon Nakhon Nai Songkhla Sub-Branch

Thanon Phetkasem Hat Yai

Thanon Saiburi Songkhla

Thanon Si Phuwanat Hat Yai

Thanon Supphasan Rangsan Hat Yai

Thepha

Trang 2 branches

Kantang

Trang

Yala 2 branches

Betong

Yala

EAST

7 Provinces 52 Branches

Chachoengsao 8 branches

Bang Khla

Bang Pakong

Bang Wua Sub-Branch

Bus Station Chachoengsao Sub-Branch

Chachoengsao

Phanom Sarakham

Suwinthawong Chachoengsao

Talat Khlong Suan

Chantaburi 6 branches

Khlung

Si Yaek Khlung Sub-Branch

Soi Dao

Tha Mai

Thanon Sri Rong Muang Chantaburi

Thanon Triratana Chantaburi

Chon Buri 21 branches

Ban Bung

Bang Lamung

Bang Pakong Industrial Estate

Bo Thong

Chom Thian Pattaya Sub-Branch

Ko Sichang

Laem Chabang

Nong Mon Chon Buri

Nong Pru

Om Muang Chon Buri Sub-Branch

Pattaya Klang

Pattaya Tai

Phanat Nikhom

Saha Industrial Park Si Racha Sub-Branch

Sattahip

Si Racha

Talat Ko Pho

Thanon Sukhumvit Chon Buri 1

Thanon Sukhumvit Chon Buri 2

Thanon Sukhumvit Chon Buri 3 (Si Yaek Chalermthai)

Thanon Wachira Prakan Chon Buri

Prachin Buri 3 branches

Kabin Buri

Prachin Buri

Simahosot

Rayong 6 branches

Ban Chang

Ban Phe

Klaeng

Mabtapud

Rayong

Thanon Chantaudom Rayong

Sa Kaeo 4 branches

Aranyaprathet

Khlong Hat

Sa Kaeo

Wang Nam Yen

Trat 4 branches

Khlong Yai

Laem Ngop

Talat Tedsaban Trat Sub-Branch

Trat

NORTHEAST

19 Provinces 74 Branches

Amnat Charoen 1 branch

Amnat Charoen

Buri Ram 4 branches

Buri Ram

Nang Rong

Prakhon Chai

Satuk

Chaiyaphum 4 branches

Chaiyaphum
Kaeng Khro
Phu Khieo
Thep Sathit

Kalasin 2 branches

Kalasin
Talat Mai Sub-Branch

Khon Kaen 9 branches

Ban Phai
Chum Phae
Kranuan
Muang Phon
Nong Song Hong Khon Kaen
Thanon Na Muang Khon Kaen
Thanon Mittraphap Khon Kaen
Thanon Pracha Samoson Khon Kaen
Thanon Sri Chan Khon Kaen Sub-Branch

Loei 3 branches

Chiang Khan
Loei
Wang Saphung

Maha Sarakham 2 branches

Maha Sarakham
Wapi Pathum

Mukdahan 2 branches

Mukdahan
Talat Mukdahan Sub-Branch

Nakhon Phanom 3 branches

Nakhon Phanom
Si Songkhram
Tha Uthen

Nakhon Ratchasima 12 branches

Dan Khun Thot Sub-Branch
Hua Tha Le Nakhon Ratchasima
Khon Buri
Pak Chong
Pak Thong Chai
Phimai
Sam Yaek Pak Thong Chai Nakhon Ratchasima
Soeng Sang
Thanon Chomphon Nakhon Ratchasima
Thanon Chomsurangyart Nakhon Ratchasima Sub-Branch
Thanon Mittraphap Nakhon Ratchasima
Wang Nam Khieo

Nong Khai 5 branches

Bung Kan
Nong Khai
Pak Khat
Si Chiang Mai Nong Khai Sub-Branch
Tha Bo

Roi Et 2 branches

Roi Et
Thanon Thevaphiban Roi Et

Sakon Nakhon 3 branches

Phang Khon
Sakon Nakhon
Sawang Daen Din

Si Sa Ket 4 branches

Kantharalak
Si Sa Ket
Uthumphon Phisai
Wong Wian Mae Si Si Sa Ket Sub-Branch

Nong Bua Lamphu 2 branches

Nong Bua Lamphu
Si Bun Ruang

Surin 3 branches

Samrong Thap
Sang Kha
Surin

Ubon Ratchathani 5 branches

Det Udom
Phibun Mangsahan
Thanon Chayangkun Ubon Ratchathani
Thanon Phrom Thep Ubon Ratchathani
Warin Chamrap

Udon Thani 7 branches

Ban Dung
Kumphawapi
Nam Som
Talat Ban Huay Udon Thani Sub-Branch
Thanon Prajak Udon Thani
Udon Thani
Wang Sam Mo

Yasothon 1 branch

Yasothon

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Lat Krabang Sub Center
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Fax : 326-8303

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International Trade Center Silom
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1562/1 Chan Road, Thung Wat Don,
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Ext. 21-23
Fax : 212-5141

International Trade Center Sukhumvit
Thanon Sri Nakharin Sub Center
14/1-2 Sri Nakharin Road, Pravet,
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Phahon Yothin
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Phutta Monthon Sai 4
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Om-Noi Kratoomban,
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Fax : 431-2043

International Trade Center
Nava Nakorn
Manager : Mr. Weera Ruedeesarnt
98/2 Phahon Yothin Avenue,
Klong Luang, Pathum Thani 10120,
Thailand
Phone : 529-1572-3, 529-1231,
529-2343
Fax : 529-1963

International Trade Center Sukhumvit
Samut Prakan Sub Center
41 Moo 2 Sai-Luad Road.
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EAST

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SOUTH

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Phahon Yothin Main Branch
Silom Main Branch
Thanon Suapa Main Branch
Thanon Sukhumvit Office, Soi 33
(Samuchchavanit 2 Building)
Thanon Suksawat Branch (Sub Center)
Thanon Chan Branch (Sub Center)
Thanon Sri Nakharin Branch (Sub Center)
Lat Krabang Branch (Sub Center)
Ratburana Main Branch

Up-Country 6 Offices
Thanon Tha Phae Chiang Mai Branch
Thanon Phetkasem Hat Yai Branch
Laem Chabang Branch
Nava Nakorn Branch
Phutta Monthon Sai 4 Branch
(Sub Center)
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SUMMARY OF SPECIFIED ITEMS FOLLOWING FORM 56-2 IN 1997 ANNUAL REPORT

(Presented in accordance with the SEC notification Ref. Kor. Jor. 40/2540 Re : Principles, conditions and methods of presentation of financial data and operation results of a company which issues securities)

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