ธนาคารอิสลามแห่งประเทศไทย

البنك الإسلامي بتايلاند   ISLAMIC BANK OF THAILAND

รายงานประจำปี 2547

ANNUAL REPORT 2004

ธนาคารอิสลามแห่งประเทศไทย
Islamic Bank of Thailand

CONTENT

Message from the Chairman of Board of Directors of Islamic Bank of Thailand

On June 12, 2004, the Islamic Bank of Thailand (ISBT) has been in operation for one year. Loans and deposits have been dramatically increased when compared to the figures of 2003, making it possible to provide satisfactorily returns on investments of customers. More importantly, the profit generated was in accordance with the Islamic Principles. ISBT will continue to improve and develop various services and products to be at international standard and comparable to those of other financial institutions.

ISBT made efforts to amend several laws and regulations to its operations during the past year to improve its efficiency. ISBT requested for a waiver of the fee for transferring title deeds from the Bank to the customers and the exemption of related taxes when the Bank extends real estate high purchase financing. ISBT also asked the Ministry of Finance to consider allowing civil servants who are entitled to rent allowances to deduct these rent allowances from their taxable income when they borrow real estate loans from the Bank. ISBT received much co-operations for these requests from the Fiscal Policy Office, the Comptroller General's Office, the Revenue Department and the Ministry of Finance. ISBT also have co-operations with other institutions to provide the Islamic insurance (Takaful) products, the Islamic Fund and the use of branches of other institutions, where ISBT still does not have a branch, to receive loan repayments on behalf of ISBT. The co-operations that these institutions extend to ISBT are much appreciated.

ISBT is planning to rapidly develop and improve the systems of information technology and ATM, to improve efficiency and operational procedures and to develop financial products in compliance with the Islamic Principles and with the legal requirements of Thailand. This is in order to achieve our policy target and to completely satisfy the various needs of the customers.

The Board of Directors will emphasize in improving incomes by increasing loans and fees for services in order to offer customers satisfactory returns on their investments as in the past and to provide added values to the shareholders, the customers and the employees. ISBT is committed to support the policy of the Government to improve the quality of life of the Muslim community, particularly those in the Southern Provinces, by providing financial services under the Islamic Principles.

The Board of Directors wishes to extend its appreciation to the former Chairman and all Directors who devoted their time to help the Bank in the initial stage of its operation and consistently provided valuable advices to the Bank. From the beginning of its operation up to the present, ISBT receives good co-operations and supports from the Management, the employees, the shareholders, the customers and the Muslim and non-Muslim communities for which the Islamic Bank of Thailand wishes to thank everyone.

Mr. Sanit Rangnoi
Chairman

Message from the Chairman
of Religious Advisory Committee

In The name of Allah, the Most Gracious and the Most Merciful

The Religious Advisory Committee of Islamic Bank of Thailand was formed for the purpose of providing advice to the bank in order to ensure that the bank's operations and transactions are carried out in accordance with the Islamic Principles. For over 2 years, the Religious Advisory Committee has functioned on a continuous basis since the commencement of Islamic Bank of Thailand.

Throughout the past 2 years, the bank's obstacles and problems incurred have been discussed and consulted with the Religious Advisory Committee. This is to ensure that the bank's products and transactions be carried out in accordance with the Islamic Principles. The Religious Advisory Committee has put their effort and experiences in providing accurate advice and solution on the bank's operation in order to produce efficient works for Islamic Bank of Thailand. The objective of the Religious Advisory Committee is also to enable the bank to compete with other financial institutions and to generate profits in the manner that complies with the Islamic Principles.

From the two years experience of working for Islamic Bank of Thailand, the Religious Advisory Committee agrees that Islamic principles have not been an obstacle to any financial transactions made by the bank. However, the bank has to carry out transactions in the manner that complies with the civil and commercial law as well as other laws. Such legal compliance has interrupted certain transactions of the Islamic Bank of Thailand and in certain circumstances prevented the bank from complying with the Islamic Principles. In this case, operation officers of Islamic Bank of Thailand have raised problems and seek advice from Ministry of Finance and are always well cooperated. The problems are, for instance, double transfer fees which finally was exempted and resumed into one payment. This resulted in less payment for those who make home loan from the bank.

The Religious Advisory Committee would like to confirm with customers and investors of Islamic Bank of Thailand that every transactions made by Islamic Bank of Thailand are carried out in accordance with Islamic Principles.

Mr. Aroon Boonchom
Chairman of the Religious Advisory Committee

Message from the President
of Islamic Bank of Thailand

According to the objectives of Islamic Bank of Thailand, it is aimed at providing full-line financial services in accordance with the Islamic principles, promoting saving. Such saving is expected, in the future, to be a resource of each person's own low-invested business. It is also aimed at being a linkage between international trade and investment, as well as being a bank to provide services for any community.

Throughout the last year, we made effort in order to achieve the abovementioned objectives. However, we did not have enough capacity to do so. This is because the bank did not have enough potential to fulfill the demand of all customers, especially the bank's shareholders. The profit cannot be generated at a satisfied rate. However, the bank, in 2004, found a solution to give a higher profit to those who have saving account for investment with the bank. Such given profit is even higher than the interest rate of other banks' saving account. Loan services also are professionally managed and became more reliable to both Muslims and non-Muslims. As a result, the money saving at the Islamic Bank of Thailand increased last year while the expansion of loan generated was still low. Therefore, it is the bank's important task to generate more loans at a rate that the bank can be profited and such profit can be generated to relevant persons. The bank hopes that such objective and task can be successfully achieved in a short period of time. Another main objective of the bank is that the bank would make effort to fulfill the demand of society and communities, especially Muslims who have limitation in making financial transactions with interest-related institutions.

On behalf of the management team of Islamic Bank of Thailand, I would like to extend my gratitude to H.E. Aree Wongaraya, our previous Chairman of Board of Directors and Board of Committee who contributed good advice, Office of Fiscal Policy, Ministry of Finance as well as employees of all levels who have devoted their tremendous efforts in performing their duties and customers who have supported our Islamic Bank of Thailand.

Mr. Anant Tangtatswas
President
Islamic Bank of Thailand

Report of Operating Performance

In 2004, the bank posted a net loss of THB 90.47 million, an increase of THB 49.92 million from 2003 as the bank commenced its operation in the southern provinces that incurred a higher operating cost, as a result, the bank reported increased loss.

The net loss per share was THB 1.30 up by THB 0.42 per share from 2003.

Revenues from Loan (financing) profit account for THB20.69 increased by THB 19.65 million due increased of its branches and larger Muslim customers enabling the bank to extend more Loan (financing) as well as earned higher profit. The money expenses amounted to THB 15.71 million, up by THB 14.98 million, a major item contributing to opening of new branches and also increased of deposit from Muslims customers who moved their money from other conventional banks to the bank

Others operating income was amounted to THB 5.67 million up by THB 4.87 million broken down into THB 5.20 million of bank fees and services, and THB 0.47 million of other incomes.

Operating expenses was amounted to THB 100.24 million, an increase of THB 49.21 million from 2003 due to start-up expenses of the branches and other operating expenses.

Assets

As of the end of 2004, the total assets amounted to THB 2,256.83 million increasing from THB 1,093.64 million of the end of 2002 as a result of increased of Interbank and money market transactions as well as Loans (financing) extended

The total assets consist primarily of interbank and money market was amounted to THB1,368.02 million increased by THB406.69 million. Net Loans (financing) and accrue income was THB 655.51 million, Investment was THB 65.02 million, Leasehold improvement and equipment-net was THB 63.20 million, Cash was THB 72.96 million and Other assets was THB 32.12 million.

Loans (financing) extended inclusive of accrued income as of the end of 2004 accounted for THB 655.51 or 29.05 of the total assets.

Securities investment as of the end of 2004 amounted to THB 65.02 million or 2.88 percent of the total assets. The bank's policy is to invest in securities that have good performance and profitably both listed and non-listed in the Stock Exchange.

Liabilities

A key sources of funds consisted of deposits and other liabilities.

The deposits as of the end of 2004 was THB 1,654.45 million increased by THB 1,142.77 million due to increased of branches

Shareholders' Equity

The shareholders' equity as of the end of 2004 amounted to THB 555.66 million declined by THB 90.44 million from 2003 mainly due to operating loss resulted from opening of new branches.

Sources and Uses of Capital

As of the end of 2004, the sources of capital was derived from Deposits of THB 1,654.45 million or 73.31percent, THB 555.66 million of shareholders' equity or 24.62 percent and others amounting to THB 46.72 million or 2.07 percent.

Uses of capital mainly consist of THB 1,368.02 million of inter-bank transactions and money market. The bank deposit its fund with the Bank of Thailand and other commercial banks due to restriction in investment and reserve for the bank's operation, Investment in securities of THB 65.02 million, Loans (financing) and accrued income of THB 655.51 million, cash in hand of THB 72.96 million and others of THB 95.32 million

Cash Flows

Cash and cash-equivalent in the cash flow statement as of the end of 2004 was THB 48.81 million compared with the end of the 2003 at THB 24.14, increased by 24.67 million due to net cash used in investing in 2004 was THB 62.15 versus THB80.28 million in 2003

Net cash used in business operation in 2004 amounted to THB 110.96 million versus THB 512.44 million in 2003.

Net cash used in financing activities in 2004 was nil versus THB 616.86 million in 2003

Capital Adequacy

As of December 31, 2004, Tier 1 capital amounts to THB 555.66 million.

Overview of Thai Economy in the year 2005

In 2005, Thai economy is tended to continuously expand after a slight decline in 2004 of which private sectors were prime movers. Whereas the decline in demand and supply and export continues due to a slight economic decline, the main factors which have effects on the expansion of Thai Economy are the uncertainty of the situation in Southern Thailand, avian flu outbreaks, higher crude oil price.

1. Effects from Crude Oil Price

The higher crude oil price, especially in the latter period of 2004 has impact upon the cost of business sectors both directly and indirectly as follows.

Direct effects

Transportation cost for international transit is higher. Freight forwarders have increased the transportation fee and tax for international transit. This resulted in the higher cost of investment for exporters and the higher price of other types of resources such as oil and gas which would have impact upon the businesses of which these kinds of energy are needed.

Indirect effects

The higher price of crude oil resulted in the higher cost of production of many types of industry, for example, steel, plastic, electric equipments, packaging and tourism industry.

2. Consumption

The consumption rate in 2005 is tended to grow in a relatively small rate. This is because of the higher crude oil price and drought factors which resulted in the lower of the purchasing power of consumers.

However, tourism industry in the 3 provinces in Southern Thailand has declined especially after the Takbai incident on 25 October 2004, Tambon Takbai, Naratiwas. A number of Malaysian tourists cancelled their reservation with hotels in Hadyai, Songkla. It is estimated that the number of tourists in that area will be decreased at the rate of 30-40 percent.

Tourism in 2005 is expected to grow in the absence of the prolonged situation in Southern Thailand and any type of epidemic.

3. Investment

In the last quarter of 2004, the rate of any kinds of investment: enlargement of factories and purchase of new engines is tended to grow. The investment varies in many regions and in many types of industries.

In industries, the investment is put on the expansion of production capability for both domestic and international trade. The concentrated industries are automobile and automotive parts industry, Petrochemical industry, steel industry. In some industries, the investment is on the purchase of new equipment to be used in the production, for example, ceramics, electronics, electric equipments, etc.

The investment in Real Estate business is still expanded however, with a careful step. This is because the competition is quite high. The cost of building material and interest rate are also tended to be higher.

4. Export

The export rate is expected to grow in parallel with Thailand's trade partners especially the United States of America, EU, ASEAN, Japan and China. The concentrated fields of export are rubber, high quality and ready-made garments, computer parts, etc.

The export of canned seafood and frozen seafood is tended to grow. This is because AD or Anti-Dumping Duty imposed by the United States of America on Thailand is lower than other countries. However, the export of chicken is still not high. This is because of avian flu second outbreak. Therefore, the exporters tended to concentrate on the export of shrimp and fish instead of chicken.

The concentrated export goods in decline are electronic parts and woven clothes. Regarding electronic parts industry, the surplus of the demand of electronic parts is higher. Concerning woven clothes, most exporters wait for the announcement on free trade of woven clothes in 2005 before taking any step.

The export volume in 2005 is expected to expand but may be declined in accordance with the global economy. However, the export is still steady because of many factors as follows.

- Producers have encountered a problem of higher crude oil price and raw material.
- Higher competition is another factor as a result of the free trade of China and India.
- Baht value is tended to be steadier which results in lower ability of exporters, compared to Chinese exporters.

5. Employment

Employment rate throughout the country is revealed that in many areas, insufficiency of labour is still an important problem especially in Southern Thailand, they lack of skillful labour in many types of business, for example, frozen seafood business, canned seafood business and rubber products business. Moreover, in every region of Thailand there lack of labour in the construction industry, Tourism and hotel business.

In the construction industry, skillful labour is highly needed especially carpenters, ceramic ground layers. This is because the Real Estate business is growing at a relative rate. Also there are more big constructions in Thailand, for example, the construction of Suvannabhumi Airport, Aua-Athorn Home project. In Tourism and hotel business, language expertise are also needed.

Finance and banking

✤ Financial institutions

The approval of every type of loan: Business loan, home loan, personal loan in 2005 is likely to decline. This is because most businesses have invested much on bonds in markets. The approval of personal and home loan is in decline in accordance with current economic situation. However, as the crude oil price is still high, the purchasing power of consumers will be lower.

✤ Stock Market

The stock market officer revealed that the profit of companies will be higher and more new companies will be listed at the Stock Exchange of Thailand. However, Fear factors are still what the stock market has kept their eyes on.

Fundamental factors like oil price and an expected higher global interest rate have impact upon the price of goods, the decline in Real Estate business, the strengthening of Baht value and the situation in Southern Thailand. However, some businesses are expected to grow, for example, banking, Steel business, energy, Petro chemical business, automotive parts, electronic parts, etc.

✤ Sources of Capital and interest rate

The interest rate is expected to be increased in 2005 however, will not have effect upon businesses. This is because most companies use their collected money or loan from companies in their groups to invest. The expected growing interest rate is still lower than predicted. However, the higher interest rate has much impact.

Islamic Finance Overview

According to the World Bank information, Islamic financial markets have exhibited remarkable growth. From a meager $5 billion in 1985, assets of businesses offering Islamic financial services (BIFS) may currently approach $300 billion. In addition, there is a growing number of corporate and sovereign Islamic bond (sukuks) issues. In parallel, Islamic capital markets and insurance (takaful) are rapidly expanding. Some member countries of the World Bank are required by their constitutions to have financial systems compatible with Islamic financial principles. Other members have a significant share of their financial resources intermediated through BIFS. While Islamic finance has firm roots in Middle East and East Asian Muslim countries, it has spread to several non-Muslim countries.

Significant events of the year 2004

ISBT opened Sathorn Branch, functioning as business center and linking international trade.

Islamic Bank of Thailand opened its Sathorn Branch on 9 September 2004 which would function as a center linking international trade and investment. Mr. Wan Muhamad Nor Matha, Deputy Prime Minister was the Chairman of the opening ceremony. The Sheikhul Islam in Thailand, Mr. Sawas Sumalayasak made prays (Dua). The honourable guests are Mr. Varathep Ratanakorn, Deputy Minister of Finance, ambassadors from Muslim countries, businessmen and distinguished guests.

Promotion and support of full-line HAJ service by Islamic Bank of Thailand

On 25 March 2004, Islamic Bank of Thailand held a seminar entitled "Support of Haj Business by Islamic Bank of Thailand" by Dr. Ratsuvon Pidpayon, Senior Executive Vice President of Islamic Bank of Thailand. During the seminar at Chomchan Room, Shaleena Hotel, ideas and opinions were exchanged by Haj Operators in order that in the future the bank could support the activities of Haj to Haj pilgrims and Haj Operators.

Launch of TV Sereis Promoting Islamic Bank of Thailand's Services

Islamic Bank of Thailand launched a TV series promoting the bank's services The TV series have13 parts. The actors who relayed the stories of the bank's perception and services was Mr.Nanthawat Asirapajanakul (Tor) and Mr.Oliver Bewer who made the series more lively. Also in the series was a muslim actor and a leading Actor from Malaysia, Mr. Krisada Patcharapipat. The Series were on air in the month of Ramadon (October) 2004, targeting the muslim viewers.

ISBT participated The Prophet Muhammad Birthday Celebration (Mila-Dun-Nabi) H.C. 1425

ISBT displayed a booth at The Prophet Muhammad Birthday Celebration (Mila-Dun-Nabi) H.C. 1425 held during 20-23 November 2004. HRH Crown Prince Maha Vajiralongkorn presided the opening ceremony and H.E. Pol.Lt.Col. Thaksin Shinawatra, The Prime Minister chaired the closing ceremony. H.E. Mr. Wan Muhamad Nor Matha, Minister of Agriculture and Agricultural Cooperatives was Head of the Organizing Committee. This year, the bank participated the event by displaying the booth as well as activities to attract the visitors which were well responsive. The booth has greenish atmosphere as well as the staffs' uniform. We also assisted the organizer in the reception line. We created the activities for our muslim brothers and sisters who visited our booth, to start with giving out lively green paper bag, which attracted a larger number of people and it was carried by almost all visitors at the event which made the event colorful. The other activities that drawn a lot of visitors was questions and answers about the banks' financial services which was presented simply in order that visitors would gain knowledge and learn about the bank's principles. The bank also gave away other souvenirs sponsored by the bank's customers and counterparties.

Photo gallery of the event

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1. H.E. Mr. Wan Muhamad Nor Matha, Minister of Agriculture and Agricultural Cooperatives Head of the organizing Comittee paid a visit to ISBT booth.
2. Thanpuying Samorn Puminarong was given souvenirs from ISBT.
3. Gift Vouchers from New World Lodge
4. Souvenirs from ISBT given to ISBT booth visitors
5. A visit of students to ISBT booth
6. ISBT bags and calendars given to ISBT booth visitors
7. Public Relations Team of ISBT led activities in front of ISBT booth, around 3,000 items of souvenirs were given away.
8. ISBT Management Team joined the event

9.-10 ISBT booth at the event

The signing of MOU to give financial support to Private Islamic Schools

ISBT, together with Office of the Private Education Commission, Ministry of Education held a seminar entitled "Policy and financial support to Private Islamic School" for entrepreneurs of private Islamic schools. This is to explain aspects of educational policy of Ministry of Education and to inform the entrepreneurs of the support through Islamic Bank of Thailand, an institution which realized the importance of Islam and to ensure the entrepreneurs that the support is conducted in accordance with the Islamic Principles.

The seminar was held at Nampraw Room, CS Hotel in Pattani on Monday 26 April 2004, 8.30-12.00 a.m. The seminar was conducted by Dr. Ratsuvon Pidpayon, Senior Executive Vice President of Islamic Bank of Thailand and the management, as well as lecturers from office of the Private Education Commission Ministry of Education.

Team Spirit of Islamic Bank of Thailand

ISBT held a seminar entitled " Team spirit to success" for staff and Management Team of ISBT of around 60 persons. Mr. Anant Tangtatswas chaired the opening ceremony at Mountain Beach Hotel, Pattaya.

ISBT's support new medical technology to Piyavate Hospital

At Rossukon Room, Piyavate Hospital, Mr. Anant Tangtatswas, President of ISBT signed the agreement for financing the purchase of medical equipments with Dr. Boon Wanasin, Chairman of the Board of Directors, Piyavate Hospital . The purpose of the purchasing is to provide Piyavate Hospitalûs customers with modern medical technology treatment and to be able to provide the treatment to more locol and foreign patients.

❖ Election of ISBT's Chairman of the Board of Directors

ISBT held the first Extra Ordinary Shareholder Meeting at Chaleena Hotel on December 9 , 2004 . One of the agenda was to elect the Chairman and a Director. It was resolved to elect Mr. Sanit Rangnoi, Deputy Permanent Secretary, Ministry of Finance as the Chairman of the Board of Directors and Mr. Visit Tantisunthorn, Secretary General of Government Pension Fund as a new Director.

❖ ISBT together with Forest Industry Organization promotes Park building and Markets search for wood industry

At Sirikit Convention Center, ISBT was honored by H.E. Jaturon Chaisaeng, Deputy Prime Minister to chair the signing of agreement on financial cooperation in developing Thai Forestry and Wood Industry. Mr. Anant Tangtatswas, President of ISBT signed the agreement with Mr. Chanand Laohawattana, Director of Forest Industry Organization. This is to provide more alternatives on trade to both Thai and Foreign Industries.

❖ ISBT and GPF joinly launch Sirimongkol-Leenah Home Project for government officers and GPF members # 1

Mr. Anant Tangtatswas, President of ISBT and Mr. Visit Tantisoonthorn, Secretary General of Government Pension Fund signed MOU for Sirimongkol-Leenah Home Project for government officers and GPF members and launched special financing project as a welfare for government officers and GPF's members which is under Islamic principle (July 2004)

ISBT together with Bank for Agriculture and Agricultural Cooperatives provide joint service to bank customers

ISBT and Bank for Agriculture and Agricultural Cooperatives signed the MOU for business cooperation in providing alternatives services channel for ISBT customers. The MOU was signed by Mr. Anant Tangtatswas, President of ISBT and Mr. Pittayapol Nattaradol, Director of Bank for Agriculture and Agricultural Cooperatives. The Sirimongkol-Leenah Home project for goverment officers and Government Pension Fund members was a pilot project under this program.

ISBT, represented by Mr. Anant Tangtatswas sponsored the production of trilingual computer

ISBT, represented by Mr. Anant Tangtatswas signed an agreement with SVOA Co., Ltd., represented by Mr. Sompol Aketeerakij in order to produce trilingual computers. The languages used are Thai, English and Arabic. The signing ceremony was held at Queen Sirikit Convention and Exhibition Centre.

Seminar on "Strategy to success in Apartment business" at Chaleena Hotel on 12 May 2004, 1.00-4.30 p.m.

At Shaleena Hotel, ISBT held a seminar entitled "Strategy to success in Apartment Business". The honourable guest lecturers are Mr. Manoj Petthongkam, Managing Director of PKT Land Co., Ltd. and a committee of Park Village Co., Ltd., Mr. Surat Wangcharoen, Deputy Dean of Planning and Development Department, Civil Engineering, Faculty of Engineering, King Monkut's Institute of Technology Ladkrabang, Mr. Weerapat Wannasaeng, Civil Engineer 5, Construction Control Division, Bangkok Metropolitan Administration and Mr. Attasith Pakdeetham, Directors of Loan Department of ISBT.

Seminar on ISBT and benefit for Satun people

ISBT held a seminar entitled "ISBT and Benefit for Satun People. ISBT was honoured by Mr. Aree Wongsearaya, Chairman of the Board of Directors to open the seminar. Mr. Banchong Binkason, Mr. Attasit Pakdeetham, Mr. Aree Areesaman and Dr. Jaran Maluleem joined the seminar.

Signing ceremony of Financial Support to Private Islamic Schools

ISBT, represented by Mr. Aree Wongsearaya, Chairman of The Board of Directors, Dr. Worawit Baru, Chairman of Southern Islamic Co-operative network executed an agreement with entrepreneurs of 4 Private Islamic Schools to provide financial support of 25 millions at CS Hotel pattani.

Islamic Fund

Mr. Thaksin Shinawatra chaired the signing ceremony of MFC Islamic Fund, on 15 December 2004 at Satimaitree, Government House. The fund is the first to be operated in accordance with Islamic Principle ISBT invested in the fund and is a sole selling Agent.

Background of Islamic Bank of Thailand

The Islamic Bank of Thailand was first envisaged in 1994 when the Thai Government signed the Agreement on the Indonesia-Malaysia-Thailand: Growth Triangle or known as IMT-GT Project. The Thai Government undertakes in preparing a specific development plan for the 5 Southern border provinces as a linkage for the entire project.

As the majority of the population in this tri-partite area are Muslims whose ways of life are governed by the principles of Islam, a proposal was made, therefore, to set up an Islamic Bank as a means of financial dealings for Thai Muslims in the Project area. The National Economic and Social Development Board in conjunction with the Ministry of Finance's Fiscal Policy Office were, therefore, assigned by the Government to carry out feasibility studies on the incorporation of such an Islamic Bank. After completion of studies on a variety of issues, a conclusion was reached that it is, indeed, feasible for an Islamic Bank to be set up and that there are examples of such Islamic Bank having been incorporated in several countries particularly in Malaysia which also participates in the IMT-GT Project.

Thus, to push ahead for an objective formation of the Islamic Bank as recommended by the Ministry of Finance, action was taken by the Government in accordance with the following procedure:

1) Thailand's various commercial banks were persuaded to provide financial services in accordance with Islamic Principles. This was just responded by the Bangkok Metropolitan Bank which provided such services in late 1997. Unfortunately, the Bank was closed down in the following year as the result of financial crisis with the result that services in this area had to be shut down as well, but all depositors received full refund of their money.

2) The Government assigned state banks to open up financial services in accordance with Islamic Principles which would be a pilot project toward the incorporation of an Islamic Bank on a fully-comprehensive basis. Thus, in response to the Government's policy, the Government Savings Bank opened up "Islamic Financial services" in 5 provinces in the Southern border provinces starting first in 1998 at Satun district followed by Pattani, Yala, Naratiwas, Songkla (Sabayoi and Hadyai districts) and in Bangkok at Nhongjok district. In addition, the Bank for Agriculture and Agricultural Cooperatives set up the Islamic Bank Funds as well as opening up ten of branch offices in Muslim community. In 2002, Krungthai Bank opened up Islamic Financial Services as well.

3) To ensure that the Islamic Bank of Thailand was incorporated in dependently and properly in pursuant with the law, the Government assigned the Ministry of Finance to draft the Islamic Bank of Thailand Act which was submitted to the House of Parliament and was duly enacted as law in October 2002.

Thus, the Islamic Bank of Thailand was establsihed under the Islamic Bank of Thailand Act, B.E. 2545 and supervised by the Ministry of Finance. It has a registered capital of Baht 1,000 million which is divided into 100 million common shares with the par value of Baht 10 each. The Bank now has a paid up capital of Baht 696.86 millions.

List of the Board of directors

1. Mr. Sanit Rangnoi	Chairman
2. Mr. Boonthoon Waitanomsat	Vice Chairman
3. Mr. Visit Tantisunthorn	Director
4. Mr. Aroon Boonchom	Director
5. Mr. Jaran Maluleem	Director
6. Mr. Somnuk Tanatipat	Director
7. Mr. Noppadol Tehman	Director
8. Haji Mohd Roselan bin Haji Mohd Daud	Director
9. Mr. Anant Tangtatswas	Director and Secretary

Changes in the year 2004

In the Extraordinary Shareholder Meeting No. 1/2004 on 9 December 2004, Mr. Sanit Rangnoi, Deputy Permanent Secretary of the Ministry of Finance was unanimously elected as a new Chairman of the Board of Directors replacing Mr. Aree Wongsearaya who resigned and Mr. Wisit Tantisoonthorn as a Director seplacing Mrs.Thongurai Limpiti who resigned.

List of the Board of Advisers

1. Permanent Secretary of the Minister of Finance	Chairman
2. Director of the Fiscal Policy Office	Adviser
3. Mr. Somchainuk Engtrakul	Adviser
4. Mr. Dheerasak Suwannayos	Adviser
5. Mr. Kritsada Udyanin	Adviser
6. Mr. Sulaiman Wongpanich	Adviser
7. Mr. Wichian Nititham	Adviser
8. Mr. Panya Chotitawan	Adviser
9. Mr. Man Nana	Adviser
10. Mr. Worawee Makudee	Adviser

Changes in the year 2004

According to the Board of Directors meeting no. 14/2547 on 9 December, 2004 , It was resolved to appoint an advisor replacing Mr. Visit Tantisunthorn, who resigned and also appointing 2 additional advisors, totaling 3 persons namely Mr. Somchainuk Engtrakul, Mr. Dheerasak Suwannayos and Mr. Kritsada Udyanin

List of the Executive Board of ISBT

1. Mr. Sanit Rangnoi	Chairman
2. Mr. Bantoon Waitanomsat	Director
3. Mr. Somnuk Tanatipat	Director
4. Mr. Napadol Tehman	Director
5. Mr. Visit Tantisunthorn	Director
6. Mr. Anant Tangtatswas	Director and Secretary

Changes in the year 2004

Mr. Visit Tantisunthorn was appointed as another director, resolved by The Board of Directors meeting No. 14/2547 on December 9, 2004.

Sub committee for Recruitment and Appraisal of bank's staff

1. Mr. Sanit Rangnoi	Chairman
2. Mr. Sigha Nikornpan	Member
3. Ms. Arada Palalay	Member
4. Mr. Anant Tangtatswas	Member and Secretary

Executives of ISBT

1. Mr. Anant Tangtatswas	President
2. Dr. Ratsuvon Pidpayon	Senior Executive Vice President (1)
3. Mr. Sutat Siriphand	Senior Executive Vice President (2)
4. Mr. Attasit Pakdeetham	Vice President of Consumer Credit Department
5. Mr. Aree Areesamarn	Vice President of Special Project Department
6. Mr. Somchai Metaprapa	Vice President of Information Technology Department
7. Ms. Asara Angaria	Vice President of Accounting Department

Changes in the year 2004

Mr. Sutat Siriphand, Senior Executive Vice President, resigned on September 1,2004.

Board of Directors, Executives and Management Structure

Mr. Sanit Rangnoi | Chairman

Education :

- Bachelor of Engineering (Honors), Industrial Engineering, Chulalongkorn University
- Bachelor of Economics, Sukhothai Thammathiraj Open University
- Master of Science, Industrial Engineering, The Pensylvania State University, U.S.A.
- Government scholarship student in need of Excise Department

Present :

- Deputy Permanent Secretary of the Ministry of Finance
- Chairman of the Executive Board, Islamic Bank of Thailand
- Director, The Syndicate of Thai Hotels and Tourists Enterprises Ltd.
- Director, Thailand Privilege Card Co., Ltd.
- Director, Erawan Hotel Public Company Limited
- Director, The Mass Rapid Transit Authority of Thailand

Mr. Bunthoon Vaithanomsat | Vice-Chairman

Education :

- Bachelor of Economics (Honors), Thammasat University
- Bachelor of Law, Thammasat University
- Master of Public Administration, National Institution of Development Administration (NIDA)

Previous Position :

- Assistant Managing Director, Bank of Agriculture and Agricultural Cooperatives

Present :

- Executive Director, Islamic Bank of Thailand
- Chairman of Jamnian Saranak Foundation, Bank for Agriculture and Agricultural Cooperatives
- Chairman of BAAC 30 year Fund

Mr. Visit Tantisunthorn | Director

Education :
- Bachelor of Accounting, Statistics, Chulalongkorn University
- Master of Finance, Wisconsin University, U.S.A.
- High-level Administration, Harvard University, U.S.A.

Present :
- Director of Executive Board of Islamic Bank of Thailand
- Secretary General of Government Pension Fund
- Chairman of Board of Committee of Fitz Redding (Thailand) Co., ITd.
- Director of Lanna Resources Public Company Limited
- Director of Dhibbaya Insurance Public Company Limited
- Director of Thai Prosperity Advisory Co., Ltd.
- Director of Club for investors
- Director of Sky Asia Co., Ltd.
- Director of Clean Thailand Foundation

Mr. Aroon Boonchom | Director

Education :
- Bachelor Degree, Islamic University, Madinah, Saudi Arabia
- Bachelor of Political Science, Sukhothai Thammatirat Open University

Present :
- Chairman of Religious Advisory Committe of Islamic Bank of Thailand
- Advisor of Financial Services according to Islamic Precepts, Government Saving Banks
- Vice President for Academic Group, Kuru-Samphan Association
- Lecturer, religious teachings for various institutes and organizations
- Director of Halal Food Standard Institute
- Lecturer Islamic students and, Arabic language, Miftahul, Ulu-Mid Deneyah School, Bangkok

Dr. Jaran Maluleem | Director

Education :
- Ph.D., West Asian Studies, Aligarh Muslim University, India

Previous Position :
- Researcher at Institute of Asian Studies, Chulalongkorn University

Present :
- Assistant Professor, Faculty of Political Science, Thammasat University
- Chairman of the Committee of Following, Office of the Prime Minister
- Chairman of the Sub-Committee of Following-Up the Governmental Operation of Zone 12th Area (Trang, Pattalung, Songkla, Pattani, Yala, Narathiwat)
- Adviser of the Prime Minister
- Adviser of the Foreign Committee, the Senates

Mr. Somnuk Thanathipat | Director

Education :
- Bachelor of Co-operation Econimics, Kasetsart University
- Master of Political Science, National Institute of Development and Administration (NIDA)

Previous Position :
- Director of Personnel, Bank for Agriculture and Agricultural Cooperatives

Present :
- Executive Director, Islamic Bank of Thailand

Mr. Noppadol Tehman | Director

Education :
- Bachelor of Arts (Business Administration), Chiang Mai University

Present :
- Executive Director, Islamic Bank of Thailand
- Advisor of Islamic Fund, Bank for Agriculture and Agricultural Cooperatives
- Member, Foundation of Central Islamic Center of Thailand
- Member of Sub – Committee for Economics, the Committee of Following – up Government Islamic Activities, Office of the Prime Minister
- Committee of Course planning of Business Administration, University of Prince of Songkla
- Businessman

Haji Mohd Roselan bin Haji Mohd Daud | Director

Education :
- Bachelor of Social Science (Honors) Second Upper, Public Policy Making Administration, Univerity of Birmingham
- MBA with Distinction in Banking Management, School of Business and Economics, University of Exeter, England

Present :
- Managing Director, The Islamic Bank of Brunei Berhad, Brunei Darussalam
- Director, Takaful IBB Berhad, Brunei Darussalam
- Director, IBB Kredit Berhad, Brunei Darussalam
- Director, Securities Berhad, Brunei Darussalam
- Director, IBB Capital Asset Management, Brunei Darussalam

Mr. Anant Tangtatswas | Director and Secretary

Education :

- Bachelor of Economics, Thammasat University
- MBA, Columbia University, U.S.A.

Previous Position :

- Managing Director, Bank of Ayudhaya Public Company Limited

Present :

- President, Islamic Bank of Thailand
- Director and Secretary, Executive Board of Islamic Bank of Thailand

• Board of Directors, Executives and Management Structure •

List of Religious Advisery Committee

1. Mr. Aroon Boonchom | Chairman

Date of Birth : 2 November 1949 Age : 56 years

Education :

- Bachelor Degree, Islamic University, Madinah, Saudi Arabia
- Bachelor of Political Science, Sukhothai Thammatirat Open University

Present :

- Advisor of Financial Services according to Islamic Precepts, Government Saving Banks
- Vice President for Academic Group, Kuru-Samphan Association
- Lecturer, religious teachings for various institutes and organizations
- Director of Halal Food Standard Institute
- Lecturer Islamic students and, Arabic language, Miftahul, Ulu-Mid Deneyah School, Bangkok

2. Mr. Ismail Alee | Adviser

Date of Birth : 25 April 1950 Age : 54 years

Education :

- Ph.D. FIGH, Madeenah Islamic University, Saudi Arabia

Present :

- Lecturer at The College of Islamic Studies, Prince of Songkla University, Pattani

Other positions :

- Rector of College of Islamic Studies, Prince of Songkla University, Pattani
- Committee of Sheikul of Thailand
- Religious Advisory Board of ISBT

3. Mr. Sorakij Hasan | Adviser

Born on 8 October 2494, 53

Education :

- Bachelor of Science in Theology and Islamic Law, Department of Usul-Lud-Deen (Islamic Belief)

Present :

- Adviser of Sheikul of Thailand

Other positions :

- Directors of Paradon Child Development Center
- Principal of Nurul Islam School
- Chairman of
- Imam, Dunnur Chang
- Special lecturer
- Volunteers for aribitration in Communities
- Religious Advisory Board

4. Mr. Thongkam Mahamad | Adviser

Born on 10 January 2484, 64

Education :

- Studies of Intensive Courses of Religious, Miftahul Ulu Mid Deneyah (BAN Don) School
- Studies of Religious from Saiyid Muhamad Amin Kutubee, Mekka, Saudi Arabia

Present :

- Teacher of Religious at Ah-Madeeya
- Teacher at Miftahulmiddineeya (BAN Dn)
- Lecturer at Mifta radio programme
- Early retired

Other positions :

- Vice Chairman of Central Islamic Board of Thailand
- Bangkok Provincial committee

5. Mr. Banchong Binkason | Adviser

Born on 19 August 2494, 53

Education :

- Bachelor of Economics, Faculty of Ecomomics, Thammasat University

Present :

- Officer, Political Affairs, Embassy of Japan
- Marketing Officer, Pakistan Airlines
- Religious Adviser, Bank of Sri Nakorn

Other positions :

- Adviser of Financial Services according to Islamic Precepts, Government Savings Bank
- Guest lecturer at Kasembandit University
- Freelance writer and translator

Remuneration and Other Benefits which Directors obtained from the Bank

1. Remuneration of the Board of Directors of Islamic Bank of Thailand

Presently, the Board of Directors of Islamic Bank of Thailand received remuneration for meeting attendance at the following rates:

Chairman : Baht	**5,000**	**per time**
Vice-Chairman: Baht	**4,500**	**per time**
Director: Baht	**4,000**	**per time**

The payment shall be made only to the attendants and shall be made not exceeding two times per month. The income tax shall be borne by the attendants. In the case of performing bank duty at provincial branches or abroad, the expenses at the same rate of the President shall be reimbursed. Other remuneration, i.e., bonus, has not been determined.

2. Remuneration of the Board of Advisors of the Islamic Bank of Thailand

Presently, the Board of Advisor of the Islamic Bank of Thailand received remuneration for meeting attendance at the following rate:

Chairman: Baht	**3,500**	**per time**
Director: Baht	**3,000**	**per time**

The payment shall be made only to the attendants and shall be made not exceeding two times per month. The income tax shall be borne by the attendants. Other remuneration, i.e., bonus, has not been determined.

3. Remuneration of the Religious Advisory Board of the Islamic Bank of Thailand

Presently, the Board of Advisor of the Islamic Bank of Thailand received remuneration for meeting attendance at the following rate:

Chairman: Baht	**3,500**	**per time**
Director: Baht	**3,000**	**per time**

The payment shall be made only to the attendants and shall be made not exceeding two times per month. The income tax shall be borne by the attendants. Other remuneration, i.e., bonus, has not been determined.

4. Remuneration of the Executive Board of Islamic Bank of Thailand

Presently, the Executive Board of Islamic Bank of Thailand receive remuneration for meeting attendance at the following rates:

Chairman: Baht	**1,500**	**per time**
Director: Baht	**1,000**	**per time**

The payment shall be made only to the attendants and shall be made not exceeding two times per month. The income tax shall be borne by the attendants. Other remuneration, i.e., bonus, has not been determined.

5. Remuneration of Sub-Committee for Recruitment and Appraisal of Bank's Staffs

Presently, the Sub-Committee for Recruitment and Appraisal of Bank's Staffs receive remuneration for meeting attendance at the following rates:

Chairman: Baht	**1,500**	**per time**
Director: Baht	**1,000**	**per time**

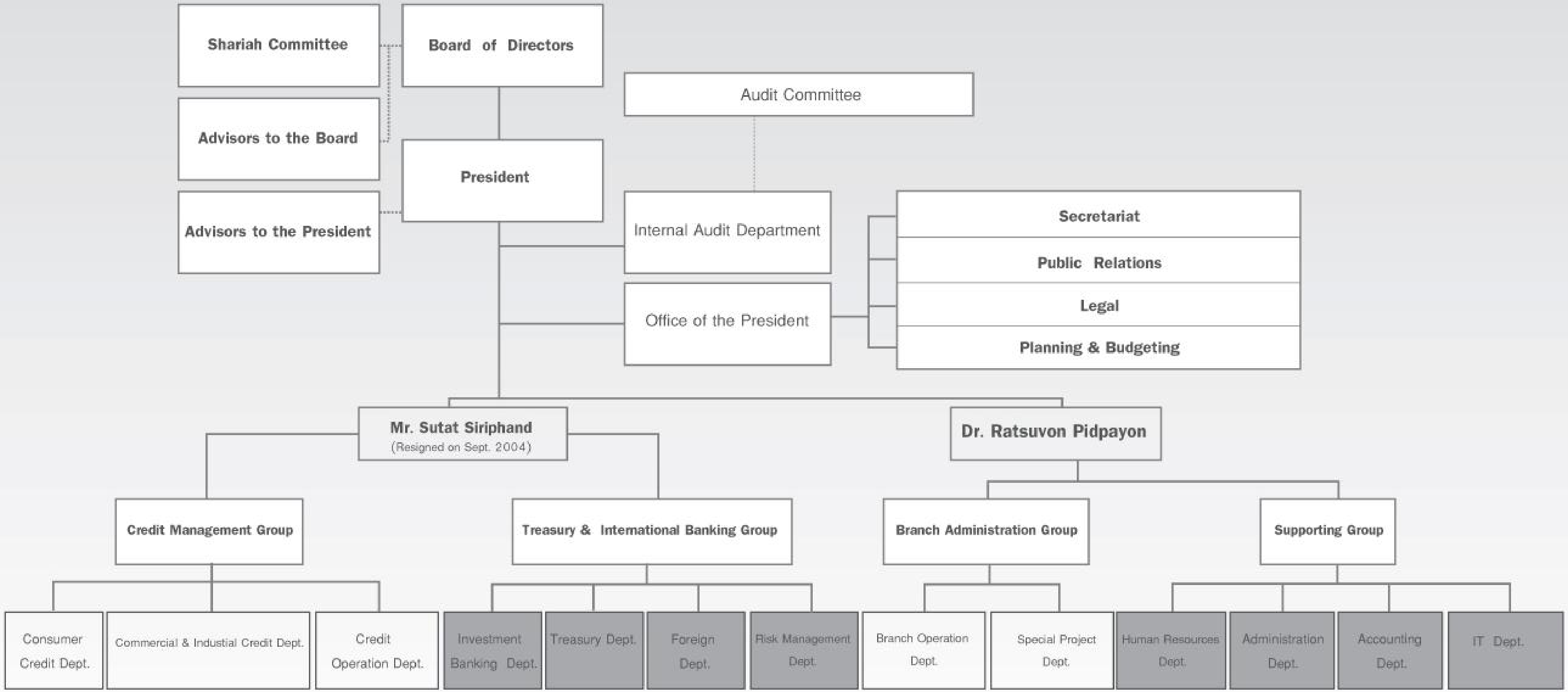
The payment shall be made only to the attendants and shall be made not exceeding two times per month. The income tax shall be borne by the attendants. Other remuneration, i.e., bonus, has not been determined.

Remuneration Paid to the Board of Directors and Executives in 2004

Name of Directors	Total amount (Baht)
1. Mr. Aree Wongsearaya (Resigned on Oct. 2004)	54,000.00
2. Mr. Sanit Rangnoi	10,500.00
3. Mr. Bantoon Waitanomsat	102,500.00
4. Ms. Thongurai Limpiti (Resigned on Dec. 2004)	30,000.00
5. Mr. Somnuk Tanatipat	88,500.00
6. Mr. Aroon Boonchom	76,000.00
7. Mr. Jaran Maluleem	56,000.00
8. Mr. Napadol Tehman	87,000.00
9. Mr. Visit Tantisoonthorn	6,500.00
10 Haji Mohd Roselan bin Haji Mohd Daud	8,000.00
11. Mr. Anant Tangtatsawas	88,500.00

The number of the Executive Board of ISBT is comprised of six persons as listed above 1, 3, 5, 8, 9, 11. Mr. Sanit Rangnoi replaced Mr. Aree Wongsearaya due to the later resignation.

ORGANIZATION CHART OF ISLAMIC BANK OF THAILAND



The Bank's Operations

Deposit products launched in 2004

1. Current Account, launched on 25th April
2. Al-Haj Account, launched on 12th July
3. Mudarabah (General Investment) 60:40, launched on 3rd August
4. Al-Ameen Account (dividend payable on monthly basis), launched on 1st October

Remarks

n 2003, there were two deposit products launched – Safe Keeping Account and Mudarabah (General Investment) 70:30. A year later, there were four new products launched, making total 6 deposit products served to the public. The new products launched, each has advantage as follows:

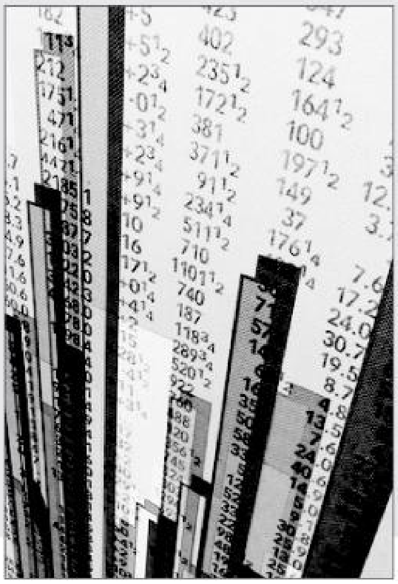
- Current Account Deposit and withdrawal by cheque
- Al-Haj Account It is one type of safe keeping account which aims to facilitate the Haj Pilgrim. It also has more privilege than ordinary safe keeping account.
- Al-Ameen Account It is one type of Mudarabah Account, Initial deposit amount of THB1.0 Million. It is tailored for those who want to invest and earn monthly dividend. Al-Ameen is different from deposit of other conventional banks that dividend is paid on the agreed proportion rate and currently there is no commercial bank provides such monthly dividend.

Foreign Services

The Bank has extended its foreign services in the way of Investment Banking by providing a financing facility to importers and exporters so that they can expand their business to overseas, such business is, for instance, HALAL food business. The entrepreneurs using the bank's service would gain a confidence from Muslim countries since their businesses were transacted under Islamic Principles. The Bank has an objective to become a linkage for international trade and investment. The bank will coordinate with related business organizations in opening up new markets and expanding the international trade particularly in Africa and Middle East countries. Apart from the Investment Banking services, the bank also provides other foreign services for instance, foreign remittance, Foreign Draft, Draft for Haj Operators, Letter of Credit, Foreign Exchange, etc.

Investment banking services

The Bank has established a fund that is compliant with the Shariah Principles as an instrument to mobilize funds from both local and international, particularly from Muslim countries who wish to invest in Thailand, but has a concern whether it has met with the Shariah principles. The bank acted as a coordinator to help soliciting funds from such Muslim countries to invest in the local businesses base on the idea to become a Business Center to link the investors and funds seekers, buyers and sellers. During the meeting of Islamic Chamber of Commerce and Industry ("ICCI") held in Thailand in 2004, Islamic Bank of Thailand had an opportunity to present itself to both Thai and foreign businessmen and entrepreneurs with our services and products.



Furthermore, The bank also support a trade information and act as a financial advisor, as well as an arranger for raising funds to be invested in the Government Mega Projects which will have an impact on the growth of the country, national development, development of the Southern Border provinces of Thailand and helping other neighboring countries.

Credit and Financing service

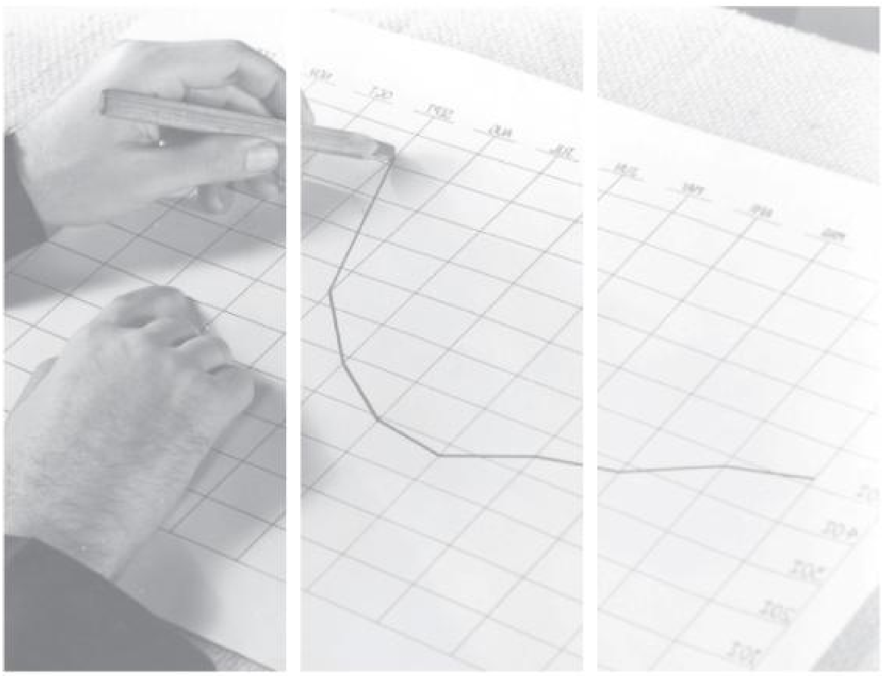
In the past year, the bank has expanded its customer base by extending financing facilities to various business sectors by taking Shariah principle into consideration and the vitality of the business.

The bank has extended the financing facilities to various sectors such as Tourism, Education, Real Estate, Medical, SME, Food Processing and other businesses. It was granted for the purpose of Personal Consumption, Housing etc.

As of the year ended 2004, the bank granted credit for an amount of THB 1,193.22 million, compared to 2003 which was THB 462.37 million, increased by THB730.83 million or 61.24 percent. The draw down amount of financing in 2003 was THB 113.86 million while in 2004 was THB 776.45 million, increased by THB662.59 millions or 85.33 percent.

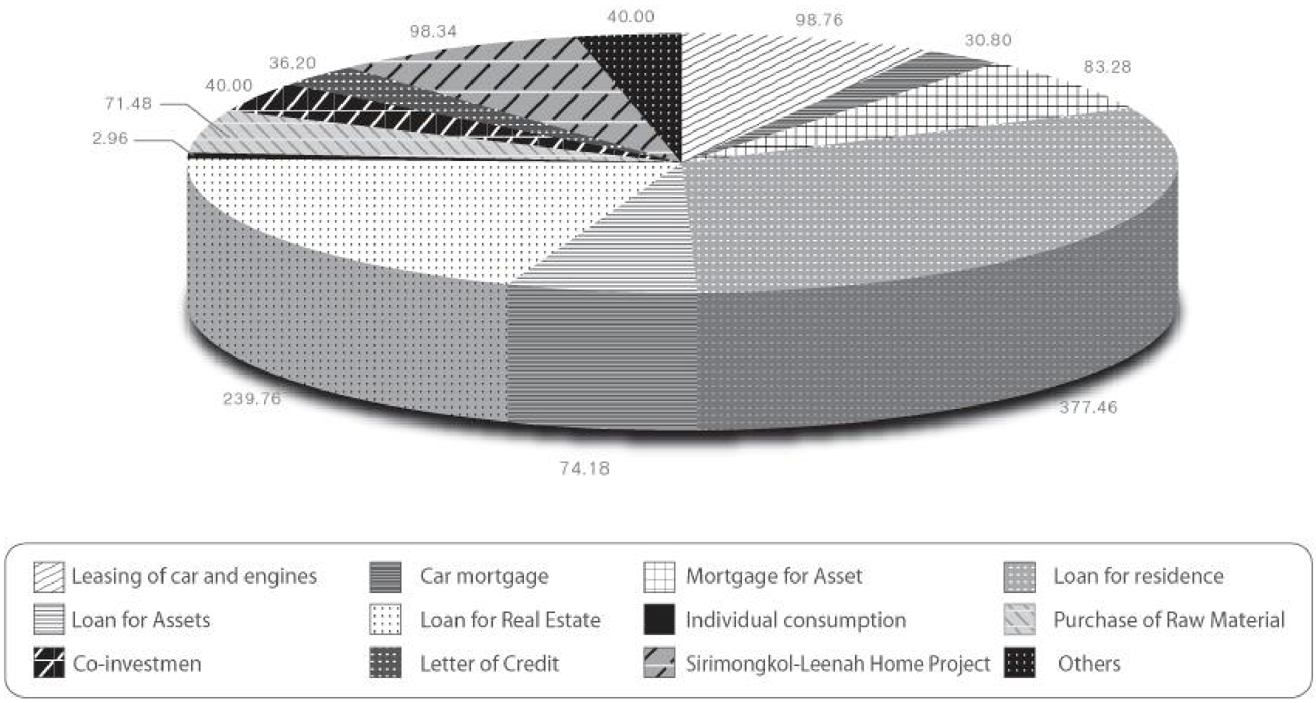
The bank has launched financing projects, for instance, Sirimongkol-Leenah Home Project, for government officers and government pension fund's members and non-members, and employees. The project was jointly cooperated between ISBT and Government Pension Fund which has got well responded from both Muslims and non-Muslim officers. It has rationally expanded the bank's customer base and self publicizing the bank's servicing to the government officers throughout the country.

Moreover, the bank has developed its products and services to cover many types of transactions in order to meet with the demands of the customers in each sec tor. The bank will continue to develop and create more products and services under the Islamic Principles.



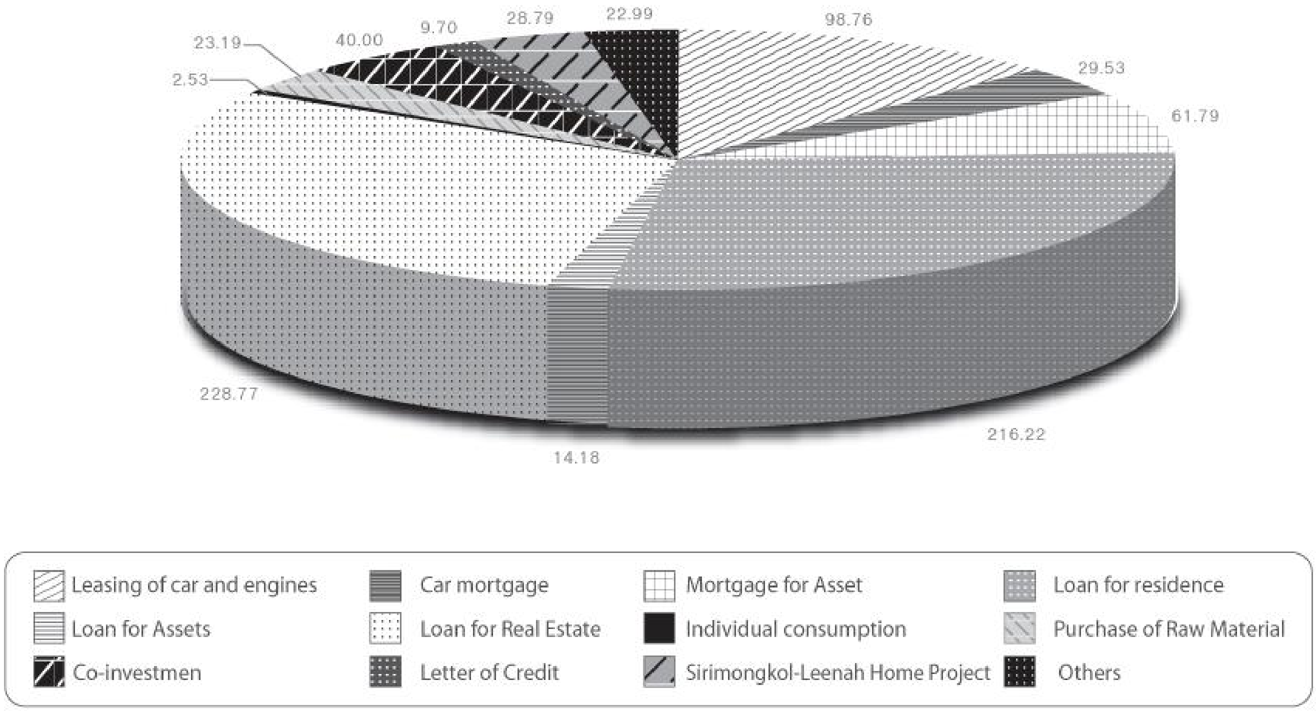
Approved Credit Amount in 2004

Unit : million baht



Credit Drawdown Amount in 2004

Unit : million baht



Credit approved

Type of credit	Approved amount of money (Million Baht)	Drawdown amount of money (Million Baht)
Leasing of car and engines	98.76	98.76
Car Mortgage	30.80	29.53
Loan for Assets	83.28	61.79
Home Loan	377.46	216.22
Mortgage for Asset	74.18	14.18
Loan for Real Estate	239.76	228.77
Individual consumption	2.96	2.53
Purchase of Raw Material	71.48	23.19
Co-investment	40.00	40.00
Letter of Credit	36.20	9.70
Sirimongkol-Leenah Home Project	98.34	28.79
Others	40.00	22.99
Total	**1,193.22**	**776.45**

IT Management

The bank realized the importance of IT infrastructure which must be efficient and appropriate to the budget provided by the bank. Therefore, as a budget to invest on IT is limited, the bank has selected to use the outsourced IT service provider who is recognized and reliable. The bank also concentrated on the standard of IT system which is identified by Bank of Thailand in order that the transaction made matches with normal standardcentral system and be competent with other commercial banks.

In the past year, the bank together with the outsourced company developed core banking system which are deposit system (including ATM), credit, international banking, accounting system since January 2004. It was first implemented and used in August 2004. Later in January 2005, such system could connect the transactions made from other branches in bangkok (on-line system) like Klongton Branch, Thungkru Branch. Our next step is to install a system which could link with the branches in the South of Thailand like Hatyai, Yala, Pattani, Naratiwas and Satun and will be finished by July 2005. Soon ATM service will also be used with other bank members within October 2005.

The bank has also prepared a back up system in case any unexpected accident occurs so that the system could continuously be operated.

Risk Management

Risk Management is another major task in the Bank's operations and Management. It is the Bank's policy to manage its risks through its capability to evaluate risks, follow up and manage risks in every area by taking into account such business returns which would make the risks to be incurred somewhat worthwhile. To implement such objectives, the Bank has set up a Risk Management Committee. In this respect, the committee is assigned the task of risk managing and evaluating, following up in compliance with its prescribed policies. Major risks to be followed up closely by the Bank consist of Credit Risk, Market and Liquidity Risk, Operational Risk and Strategic Risk.

Good Corporate Governance

Major importance is given by the Bank to good corporate governance as its policy covers issues such as good business ethics, work supervision/control, disclosure of information, independence, rights and equality which upgrade the Bank's operating standards to such efficiency, transparency and credibility as well as increasing its competitive ability which would make the organization a stable and valuable one in the long term. It also builds up value added components for its stakeholders on a regular basis. Board of ISBT agreed to set up the Audit Committee on 21 April 2004.

Internal Control

Internal Control system which is a major part of risk management is included in its operating plan to enable it to reach its goals. The internal control system is used to prevent risks which may arises as the result of investment of shareholders' and the Bank's properties. In addition, such internal control system will induce efficient and effective performance which would give credence and credibility to the Banks' compliance with the laws and all rules governing its operations.

Shareholding structure

According to Islamic Bank of Thailand Act of B.E. 2545, the share capital of the Bank is Baht One Thousand million which is divided into 100 million ordinary shares, at a par value of Baht 10, as of 31 December 2003. The Bank has registered capital which were issued and called for fully paid-up of 69,686,000 shares, totalling Baht 696,860,000. The remaining non-issued and non-call for payment shares are 30,314,000 shares, totaling Baht 303,140,000.

The first ten major shareholders of the Bank as of 31 December 2004 are as follows.

No.	Name of Shareholders	Number of Shares	Percentage
1.	Thailand Prosperity Fund	10,453,000	15.000%
2.	Ministry of Finance	9,900,000	14.207%
3.	SME Venture Capital Fund	7,500,000	10.763%
4.	Government Savings Bank	7,000,000	10.045%
5.	Bank Thai Public Company Limited	6,000,000	8.610%
6.	The Islamic Bank of Brunei Berhad	5,226,500	7.500%
7.	Perbadanan Tabung Amanah Islam Brunei	5,226,500	7.500%
8.	Dhibbaya Insurance Public Company Limited PLC	5,000,000	7.175%
9.	Krung Thai Bank Public Company Limited	4,000,000	5.740%
10.	Siam City Bank Public Company Limited	4,000,000	5.740%

Juristic person which the Bank holds shares exceeding 10 percent

Name	Bangkok-Rayong Hospital Co., Ltd.
Address	No. 8, Saengchan Neramitr, Tambon Nearnpra, Amphoe Muang, Rayong 21000
Tel	(038) 612999
Type of Business	Private Hospital of 200 beds
Type of shares	Ordinary shares
Amount of issued and distributed shares	40 million shares
Amount of shares invested by the Bank	4 million shares
Ratio	10% of Registered capital

General Information

Name	Islamic Bank of Thailand
Type of Business	Special Financial Institution (SFI)
Registered Capital	Baht 1,000 Million
Paid-up Capital	Baht 696,800,000 69,686,000ordinary shares, Baht 10 per share
Head Offices Address	28th Floor, UM Tower, 9 Ramkhamhaeng Road, Kwaeng Suanluang, Khet Suanluang, Bangkok 10250
Tel	66 (2) 729 8807-12
Fax.	66 (2) 729 8814
Homepage	www.isbt.co.th
Registrar of Ordinary Shares	Islamic Bank of Thailand
Tel.	66 (2) 670 8111
Fax.	66 (2) 670 8066
Auditor	KPMG Phoomchai Audit (Thailand) Co., Ltd.
Address	22 Empire Tower 195 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel.	66 (2) 677 2000
Fax.	66 (2) 677 2222
Accounting and Tax Adviser	Business Consultant Center Co., Ltd.
Address	100/677 Moo 5 Tambon Bangrakpattana, Ampur bangbuathong, Nonthaburi 11110
Tel.	66 (2) 571 2040-2
Fax.	66 (2) 571 2042
Legal Adviser	Allen Overy (Thailand) Co., Ltd.
Address	130-132 Sinthorn 3 Tower 22th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel.	66 (2) 263 7600
Fax.	66 (2) 263 7699

Connected Transactions

No connected transactions of the subsidiaries during the year 2004.

Office and Branches

1. Head Office

28th Floor, UM Tower, 9 Ramkhamhaeng Road, Kwaeng Suanluang, Khet Suanluang, Bangkok 10250

Tel. 66 (2) 729 8807-12 Fax. 66 (2) 729 8814

2. Klongton Branch

M Floor, UM Tower, 9 Ramkhamhaeng Road, Kwaeng Suanluang, Khet Suanluang, Bangkok 10250

Tel. 66 (2) 729 8805 Fax. 66 (2) 729 8806

3. Sathorn Branch

127 Panjapoom Tower 1, South Sathorn Road, Kwaeng Thungmahamek, Khet Sathorn, Bangkok 10120

Tel. 66 (2) 670 8111 Fax. 66 (2) 670 8066

4. Thung Khru Branch

825/424 – 425, Moo 1, Prachauthit Road, Kwaeng Thung Khru, Khet Thung Khru, Bangkok 10140

Tel. 66 (2) 873 6803-5 Fax. 66 (2) 873 6809

5. Satun Branch

48/1 Satunthani Road, Tambol Piman, Amphoe Muang, Satun 91000

Tel. 66 (0) 7472 5277-9 Fax. 66 (0) 7472 5276

6. Pattani Branch

20,22,24 Naklur Road, Amphur Muang, Pattani 94000

Tel. 66 (0) 7332 3465-8 Fax. 66 (0) 7332 3469

7. Narathiwat Branch

51/18 – 19 Suriyapradit Road, Amphur Muang, Narathiwat 96000

Tel. 66 (0) 7353 1500 Fax. 66 (0) 7351 2627.

8. Yala Branch

79 Phipitpakdee Road, Amphur Muang, Yala 95000

Tel. 66 (0) 7322 3379-82 Fax. 66 (0) 7322 3379

9. Hat Yai Branch

238/1 Petkasem Road, Tambol Hat Yai, Amphur Hat yai, Songkla 90110

Tel. 66 (0) 7426 2511-4 Fax. 66 (0) 7426 2515

ANNUAL REPORT 2004

ธนาคารอิสลามแห่งประเทศไทย ชั้น 28 ยูเอ็ม ทาวเวอร์ เลขที่ 9 แขวงสวนหลวง เขตสวนหลวง กทม. 10250

ISLAMIC BANK OF THAILAND 28th Floor, UM Tower, 9 Ramkamhang Road, Suanluang Bangkok 10250, Thailand

สำนักงานใหญ่ โทร. 66 (2) 729-8807-12 โทรสาร 66 (2) 729-8814 **Website :** www.isbt.co.th