

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIRIES

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2006	2005	2006	2005
ASSETS					
CASH		10,581,957,444	9,142,915,030	10,581,825,051	9,142,783,159
INTERBANK AND MONEY MARKET ITEMS	7				
Domestic items					
Interest bearing		14,870,662,349	13,811,179,323	13,807,592,746	12,046,498,786
Non-interest bearing		2,928,997,502	3,285,163,030	2,894,418,770	3,263,735,384
Foreign items					
Interest bearing		21,640,374,009	6,100,756,048	21,640,374,009	6,100,756,048
Non-interest bearing		1,037,584,846	3,086,588,441	1,037,584,846	3,086,588,441
INTERBANK AND MONEY MARKET ITEMS - Net		40,477,618,706	26,283,686,842	39,379,970,371	24,497,578,659
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	8	16,500,000,000	8,800,000,000	16,500,000,000	8,800,000,000
INVESTMENTS					
Short-term investments - net	9.1	17,688,678,651	24,771,783,143	16,080,414,322	23,762,811,946
Long-term investments - net	9.1	78,662,985,738	81,301,807,995	76,493,010,374	79,273,124,753
Investments in subsidiaries and associated companies - net	9.7	469,821,361	168,731,936	2,981,167,502	2,822,430,813
INVESTMENTS - Net		96,821,485,750	106,242,323,074	95,554,592,198	105,858,367,512
LOANS AND ACCRUED INTEREST RECEIVABLES					
Loans		233,961,789,673	287,610,699,943	233,623,680,186	287,439,941,740
Accrued interest receivables		1,398,689,906	1,769,539,971	1,397,088,215	1,769,280,717
Total loans and accrued interest receivables		235,360,479,579	289,380,239,914	235,020,768,401	289,209,222,457
Less : Allowance for doubtful debts	11	(8,280,903,674)	(7,168,091,348)	(8,229,392,987)	(7,115,962,071)
Revaluation allowance for debt restructuring	12	(1,098,673,154)	(2,068,997,270)	(1,098,673,154)	(2,068,997,270)
LOANS AND ACCRUED INTEREST RECEIVABLES - Net		225,980,902,751	280,143,151,296	225,692,702,260	280,024,263,116
PROPERTIES FORECLOSED - Net	13	9,877,925,527	11,004,205,076	9,877,925,527	11,004,205,076
CUSTOMERS' LIABILITY UNDER ACCEPTANCE		136,370,228	158,018,139	136,370,228	158,018,139
PREMISES AND EQUIPMENT - Net	14	8,074,647,689	8,526,677,233	7,990,946,543	8,424,077,611
LEASEHOLD RIGHTS - Net	15	304,402,616	513,199,317	304,402,616	513,199,317
INTANGIBLE ASSETS - Net	16	449,073,753	514,243,411	381,117,966	438,104,339
DIFFERENCES AS A RESULT OF ASSETS TRANSFERRED TO "SAM"	6.2	836,430,032	841,650,915	836,430,032	841,650,915
ACCRUED INTEREST RECEIVABLES		1,305,560,444	1,192,672,102	1,269,794,265	1,158,386,754
OTHER ASSETS - Net	17	3,111,771,059	1,000,939,945	3,005,550,587	965,930,646
TOTAL ASSETS		414,458,145,999	454,363,682,380	411,511,627,644	451,826,565,243

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

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2006	2005	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS					
	18				
Deposits in Baht		353,764,084,899	381,985,948,822	353,839,748,750	382,002,572,954
Deposits in foreign currencies		120,925,028	162,320,845	120,925,028	162,320,845
TOTAL DEPOSITS		353,885,009,927	382,148,269,667	353,960,673,778	382,164,893,799
INTERBANK AND MONEY MARKET ITEMS					
	19				
Domestic items					
Interest bearing		6,424,592,229	17,508,572,310	6,832,195,218	17,692,881,573
Non-interest bearing		448,508,329	280,021,699	455,200,123	284,089,124
Foreign items					
Interest bearing		-	1,663,531,946	-	1,663,531,946
Non-interest bearing		258,361	294,394	258,361	294,394
TOTAL INTERBANK AND MONEY MARKET ITEMS		6,873,358,919	19,452,420,349	7,287,653,702	19,640,797,037
LIABILITY PAYABLE ON DEMAND		939,095,568	738,261,601	939,095,568	738,261,601
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	20	-	3,000,000,000	-	3,000,000,000
BORROWINGS					
	21				
Short-term borrowings		145,800,000	100,000,000	145,800,000	100,000,000
Long-term borrowings		123,147,546	87,481,964	123,147,546	87,481,964
TOTAL BORROWINGS		268,947,546	187,481,964	268,947,546	187,481,964
BANK'S LIABILITY UNDER ACCEPTANCE		136,370,228	158,018,139	136,370,228	158,018,139
DIFFERENCES AS A RESULT OF TRANSFER OF BUSINESS					
FROM BANGKOK METROPOLITAN BANK	6.1	6,662,540,719	6,662,540,719	6,662,540,719	6,662,540,719
ACCRUED INTEREST EXPENSES		1,687,393,764	1,173,929,156	1,687,721,542	1,174,022,839
OTHER LIABILITIES	22	7,198,847,048	5,198,326,955	3,766,370,472	2,460,447,591
TOTAL LIABILITIES		377,651,563,719	418,719,248,550	374,709,373,555	416,186,463,689

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

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2006	2005	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Registered, issued and fully paid-up share capital					
2,112,810,676 ordinary shares of Baht 10 each		21,128,106,760	21,128,106,760	21,128,106,760	21,128,106,760
Share premium on treasury stocks		9,294,350	9,294,350	9,294,350	9,294,350
Revaluation surplus on assets	23	2,925,910,337	2,976,419,925	2,925,910,337	2,976,419,925
Revaluation surplus on investments	24	89,355,065	649,624,232	89,355,065	649,624,232
Retained earnings					
Appropriated - statutory reserve	25	1,104,098,192	577,959,092	1,104,098,192	577,959,092
Unappropriated		11,545,489,385	10,298,697,195	11,545,489,385	10,298,697,195
EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS		36,802,254,089	35,640,101,554	36,802,254,089	35,640,101,554
MINORITY INTERESTS		4,328,191	4,332,276	-	-
TOTAL SHAREHOLDERS' EQUITY		36,806,582,280	35,644,433,830	36,802,254,089	35,640,101,554
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		414,458,145,999	454,363,682,380	411,511,627,644	451,826,565,243
		0	0	0	0
<u>OFF-BALANCE SHEET ITEMS - COMMITMENTS</u>					
	32.1				
Aval to bills and guarantees of loans		2,089,091,563	2,242,451,255	2,089,091,563	2,242,451,255
Liability under unmatured import bills		636,126,485	767,453,756	636,126,485	767,453,756
Letters of credits		2,383,921,469	1,754,002,899	2,383,921,469	1,754,002,899
Other commitments		135,336,882,743	121,037,480,813	135,336,882,743	117,037,480,813

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

.....
Mr. Sompol Kiatphaibool

Chairman of the Board

.....
Mrs. Tasna Rajatabhothi

Acting President

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2006	2005	2006	2005
INTEREST AND DIVIDEND INCOME					
Loans		17,516,459,075	12,639,604,177	17,511,726,755	12,637,830,999
Interbank and money market items		2,645,719,005	704,670,355	2,572,626,903	680,058,951
Investments		5,127,438,001	4,623,689,955	4,986,534,280	4,512,743,224
Total interest and dividend income		25,289,616,081	17,967,964,487	25,070,887,938	17,830,633,174
INTEREST EXPENSES					
Deposits		12,178,742,873	5,743,961,910	12,178,767,785	5,747,920,954
Interbank and money market items		267,792,617	659,207,145	271,931,494	660,434,703
Short-term loans		125,447	-	125,447	-
Long-term loans		44,147	-	44,147	-
Total interest expenses		12,446,705,084	6,403,169,055	12,450,868,873	6,408,355,657
NET INTEREST AND DIVIDEND INCOME		12,842,910,997	11,564,795,432	12,620,019,065	11,422,277,517
BAD DEBT AND DOUBTFUL ACCOUNTS		(1,697,942,998)	(299,367,378)	(1,698,361,588)	(300,000,000)
REVERSAL OF REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING		272,832,962	35,156,643	272,832,962	35,156,643
NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBT AND DOUBTFUL ACCOUNTS AND REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING		11,417,800,961	11,300,584,697	11,194,490,439	11,157,434,160
NON-INTEREST INCOME					
Gains on investments	9.8	767,215,955	781,074,898	815,186,022	776,898,568
Shares of profits (losses) from investments accounted for under equity method		29,892,065	11,087,213	(114,849,984)	(101,927,992)
Fees and charges					
Acceptances, avals and guarantees		309,250,529	311,131,510	309,250,530	311,131,510
Others		2,001,299,099	1,812,043,245	1,937,364,450	1,829,317,518
Gains on exchange		270,037,664	17,179,375	270,037,664	17,179,375
Gains on disposals of assets		147,650,963	109,783,118	147,650,963	110,224,063
Other income		1,604,002,527	1,577,331,545	100,741,778	232,638,933
TOTAL NON-INTEREST INCOME		5,129,348,802	4,619,630,904	3,465,381,423	3,175,461,975

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

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2006	2005	2006	2005
NON-INTEREST EXPENSES					
Personnel expenses		3,334,607,848	2,914,387,919	3,042,483,627	2,652,718,491
Premises and equipment expenses		1,744,443,895	1,443,301,556	1,669,862,182	1,370,843,688
Taxes and duties		930,589,558	785,467,425	923,584,684	783,449,911
Fees and charges		209,754,850	188,600,999	200,009,666	165,700,100
Directors' remuneration	27	27,388,376	34,636,576	20,862,000	28,068,766
Contributions to the Financial Institution Development Fund		1,573,504,897	1,539,763,708	1,573,504,897	1,539,763,708
Losses on impairment of assets		566,139,018	545,096,939	566,139,018	540,498,663
Other expenses		2,549,370,303	2,148,323,542	1,052,934,122	982,712,325
TOTAL NON-INTEREST EXPENSES		10,935,798,745	9,599,578,664	9,049,380,196	8,063,755,652
INCOME BEFORE INCOME TAX		5,611,351,018	6,320,636,937	5,610,491,666	6,269,140,483
INCOME TAX	28	(1,353,570,999)	(55,607,371)	(1,352,697,152)	(4,152,995)
INCOME BEFORE MINORITY INTERESTS		4,257,780,019	6,265,029,566	4,257,794,514	6,264,987,488
NET (INCOME) LOSS IN RESPECT OF MINORITY SHAREHOLDERS					
OF SUBSIDIARIES		14,495	(42,078)	-	-
NET INCOME		4,257,794,514	6,264,987,488	4,257,794,514	6,264,987,488
EARNINGS PER SHARE					
Basic earnings per share		2.02	2.97	2.02	2.97

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

.....
Mr. Sompol Kiatphaibool

Chairman of the Board

.....
Mrs. Tasna Rajatabhothi

Acting President

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Consolidated		The Bank only	
	2006	2005	2006	2005
Cash flows from operating activities				
Net income	4,257,794,514	6,264,987,488	4,257,794,514	6,264,987,488
Adjustments to reconcile net income to net cash provided by (used in) operating activities :-				
Net income (loss) attributable to minority shareholders of subsidiaries	(14,495)	42,078	-	-
Shares of (profits) losses from investments accounted for under equity method	(29,892,065)	(11,087,213)	114,849,984	101,927,992
Depreciation and amortisation	1,013,167,652	817,425,746	965,226,866	771,751,277
Bad debts and doubtful accounts	1,697,942,998	299,367,378	1,698,361,588	300,000,000
Reversal of revaluation allowance for debt restructuring	(272,832,962)	(35,156,643)	(272,832,962)	(35,156,643)
Gains on disposals and write-offs of premises and equipment	(17,753,634)	(6,828,210)	(17,753,634)	(7,269,155)
Gains on disposals of properties foreclosed	(129,897,329)	(94,702,572)	(129,897,329)	(94,702,572)
Gains on disposals of leasehold right	-	(8,252,336)	-	(8,252,336)
Losses on impairment of assets	566,139,018	545,096,939	566,139,018	540,498,663
Gains on sale of investments	(406,509,746)	(752,096,766)	(417,928,169)	(728,760,919)
Unrealised (gain) losses on revaluation of investments	28,583,278	10,750,635	(7,968,366)	(1,563,646)
Reversal of allowance for impairment losses of investments	(389,289,487)	(46,574,003)	(389,289,487)	(46,574,003)
Unrealised losses on reclassification of investment types	-	6,845,236	-	-
Unrealised (gains) losses on exchange	1,076,783,458	(512,140,690)	1,076,783,458	(512,140,690)
Provisions for contingent liabilities	221,962,458	171,701,820	221,962,458	171,701,820
Amortisation of revaluation allowance for debt restructuring to be interest income	(697,491,155)	(196,989,163)	(697,491,155)	(196,989,163)
(Increase) decrease in accrued interest and dividend receivables	(50,095,288)	99,057,401	(47,272,019)	102,474,841
Increase in accrued interest expenses	513,464,608	401,892,693	513,698,703	401,986,376
Increase (decrease) in accrued expenses	385,821,526	(64,552,068)	424,580,534	(92,503,515)
Net income from operations before changes in operating assets and liabilities	7,767,883,349	6,888,787,750	7,858,964,002	6,931,415,815
(Increase) decrease in operating assets				
Interbank and money market items	(14,591,502,516)	(13,954,773,853)	(15,279,962,365)	(12,785,489,873)
Securities purchased under resale agreements	(7,700,000,000)	8,800,000,000	(7,700,000,000)	8,800,000,000
Short-term investments	14,725,379,549	(3,144,485,373)	15,371,896,015	(3,026,214,943)
Loans	52,021,718,655	37,242,567,609	52,189,069,938	37,330,353,851
Properties foreclosed	1,281,331,390	1,385,929,023	1,281,331,390	1,385,929,023
Differences as a result of assets transferred to "SAM"	2,496,148	312,564,632	2,496,148	312,564,632
Other assets	(86,121,745)	532,985,454	(12,729,627)	530,213,207

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

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Consolidated		The Bank only	
	2006	2005	2006	2005
Increase (decrease) in operating liabilities				
Deposits	(28,263,259,740)	(2,231,671,632)	(28,204,220,021)	(3,304,792,420)
Interbank and money market items	(12,579,061,430)	(4,948,269,370)	(12,353,143,334)	(4,859,892,683)
Liability payable on demand	200,833,967	(290,800,116)	200,833,967	(290,800,116)
Securities sold under repurchase agreements	(3,000,000,000)	(15,000,000,000)	(3,000,000,000)	(15,000,000,000)
Short-term borrowings	45,800,000	50,000,000	45,800,000	50,000,000
Other liabilities	1,395,518,795	1,343,523,935	662,162,575	229,189,698
Net cash provided by operating activities	11,221,016,422	16,986,358,059	11,062,498,688	16,302,476,191
Cash flows from investing activities				
Increase in long-term investments	(6,175,973,203)	(14,210,318,290)	(6,036,334,070)	(13,516,728,587)
Proceeds from disposals of premises and equipment	23,463,199	22,146,375	22,173,754	21,389,489
Cash paid for purchases of premises and equipment	(755,380,480)	(771,073,911)	(740,379,896)	(702,476,993)
Cash paid for intangible asset	(79,462,516)	(176,313,174)	(74,295,576)	(173,943,912)
Cash paid for leasehold rights	(19,138,778)	-	(19,138,778)	-
Cash paid for investments in subsidiaries and associated companies	(284,875,000)	-	(284,875,000)	(79,900,000)
Dividends received from associated companies	9,100,000	7,280,000	9,100,000	7,280,000
Net cash used in investing activities	(7,282,266,778)	(15,128,279,000)	(7,123,749,566)	(14,444,380,003)
Cash flows from financing activities				
Cash received from long-term borrowings	35,665,582	30,165,749	35,665,582	30,165,749
Dividends paid	(2,535,372,812)	(2,957,934,946)	(2,535,372,812)	(2,957,934,946)
Net cash used in financing activities	(2,499,707,230)	(2,927,769,197)	(2,499,707,230)	(2,927,769,197)
Net increase (decrease) in cash and cash equivalents	1,439,042,414	(1,069,690,138)	1,439,041,892	(1,069,673,009)
Cash and cash equivalents at beginning of the years	9,142,915,030	10,212,605,168	9,142,783,159	10,212,456,168
Cash and cash equivalents at end of the years	10,581,957,444	9,142,915,030	10,581,825,051	9,142,783,159
	-	-	-	-
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION				
Cash paid during the years for :				
Interest expenses	11,933,240,476	6,004,434,059	11,937,170,170	6,009,526,977
Corporate income tax	1,014,196,321	345,922,205	986,325,802	263,064,577

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