



SCIB
Universal Bank



ธนาคารนครหลวงไทย
SIAM CITY BANK

ใส่ใจดูแลคุณ

Annual Report
2005
รายงานประจำปี 2548





Contents

Financial Highlights	3
Message from the Board of Directors	4
Report of the Audit Committee	7
Board of Directors	8
Siam City Bank's Organization Chart	14
Senior Executive Officers	16
List of Executive Officers	24
Financial Position and Operating Results	26
Characteristics of Business Operations	37
Shareholding Structure and Management	46
Risk Management and Risk Factors	78
General Information	83
The Board of Directors' Responsibility for the Financial Statements	87
Auditor's Report	88
Financial Statement	89
List of Branches	158
Major Correspondent Banks	171

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Universal Bank



Financial Highlights

As of December 31
Unit : Million Baht

	2005	2004	2003
Operating Results			
Total Assets	454,364	472,235	469,972
Total Liabilities	418,719	439,193	437,338
Shareholders' Equity	35,644	33,042	32,634
Interest and Dividend Income	17,971	15,771	17,113
Net Interest and Dividend Income	11,565	10,010	8,752
Non-Interest Income	4,620	5,256	6,272
Total Income	22,591	21,027	23,385
Net Profit	6,265	6,367	3,631
Retained Earning	10,877	7,507	4,362
Financial Ratios			
Net Profit (%)	27.73	30.28	15.53
Return on Equity (%)	18.24	19.39	10.75
Return on Assets (%)	1.35	1.35	0.76
Earning Per Share (Baht)	2.97	3.01	1.72
Book Value Per Share (Baht)	16.87	15.64	15.45
Capital Adequacy (%)	11.92	11.27	11.59
Assets Quality			
Non-Performing Loans (NPLs)	7,645	10,988	8,588
NPLs / Total Loans (%)	2.57	3.29	2.66

Note : Consolidated financial statements excluding Capital Adequacy



Message from the Board of Directors



Dear Shareholders,

In 2005, the world economy in general and Thai economy in particular were severely affected by several negative factors - natural disasters in various parts of the world, terrorism and, most importantly, sharp increases of oil prices that resulted in an increase of inflation which in turn caused interest rates to rise continuously. As a result, several countries including Thailand experienced economic slowdown. Thai economy that grew at the rates of 6.3% in 2003 and 6.1% in 2004 slowed down to 4.5% in 2005.

During the past year, Thai commercial banks experienced intense competition on several fronts. The Financial Master Plan led to the creation of a large number of new commercial banks and new financial products. The decline in system liquidity and the government's efforts to contain inflation resulted in interest rate increases and fierce competition among commercial banks for deposits. Economic uncertainty forced commercial banks to exercise great care in lending. Despite all this, Thai commercial banks still managed to grow at satisfactory rate, thanks to their ability to manage interest margins and increase incomes from business expansion. Decrease in non-performing loans and lower need for reserve enabled Thai commercial banks to increase profits over the previous year and maintain a strong financial position.

As for Siam City Bank, its Universal Bank strategy yielded dividend for the Bank in many respects. Interest and fee incomes increased; lending continued to grow while asset quality was maintained with low level of non-performing loans. The strong reserve and capital fund position enabled the Bank to announce an interim dividend of Baht 0.70 per share. The dividend represented a payout ratio of 45% for the first half of 2005, highest among commercial banks, and a yield of 5% on the share market value. Moody's Investors Service adjusted the Bank's financial strength rating to "D".

In 2005, the Bank earned a net profit of Baht 6,265 million, or Baht 2.97 per share. Book value per share was Baht 16.87, as compared to Baht 15.64 in 2004. ROE and ROA were 18.24% and 1.35% respectively. Net interest and dividend incomes increased by 15%, from business expansion, efficient cost management and increased spread. Loans (excluding Sukhumvit AMC promissory notes) grew at 9%, increasing from Baht 211,135 million as at end of 2004 to Baht 229,645 million as at end of 2005, and accounted for 51% of total assets as compared to 45% of total assets in 2004. Non-performing loans were 2.57% of total loans; provision for doubtful debts and loan restructuring were 122%, and provision for doubtful debts was 97% over the levels required by the Bank of Thailand. Capital fund was strong at 11.92%. If 2005 profit after interim dividend were added to the capital fund, the Bank would have a capital fund to risk assets ratio of 13.83%, and a tier-I capital of 12.87%.

The Bank's external environment is undergoing a fundamental change due to the conditions under Free Trade Agreements and new government regulations. These new regulations, such as the establishment of a deposit insurance institute, the Basel II capital to risk assets ratio, and consolidated supervision, would increase costs and significantly affect the Bank's capital fund. The Bank has prepared for the impact of such changes by strengthening its basic structure and competitive advantages. In 2005, the Bank rationalized its organizational structure, improved sales and marketing systems, increased number of products to satisfy customers' needs, and expanded branch network for greater territorial coverage. The year 2005 was announced a year of service quality. Service procedures were streamlined to expedite service delivery. IT systems were upgraded to meet the demand of increased business volume, support new businesses and increase work efficiency. Human resource was vital in driving the Bank's businesses. In addition to training to increase the staff's knowledge and skills, the Bank engaged a consultant to prepare a master plan on human resource management. Position structure, compensation and benefit package were revised to increase staff motivation. The Bank also implemented a series of programs on good corporate governance in accordance with its slogan, "**Excellence**





in Service. Fairness in Administration. Transparency in Management. Good Corporate Governance. Siam City Bank.” Because of its continued efforts in good corporate governance, the Bank was named by the Thai Institute of Directors Association one of the 100 companies in Thailand with outstanding achievement in good corporate governance.

In 2006, the Bank continues to focus on improvement of efficiency and competitiveness, quality business growth, and an ability to generate fair return for its shareholders. These objectives will be accomplished through strategies of increasing business volume from present customers, expanding customer base, and proactive selling and marketing through nationwide branch network. Another strategy is the integration of the Bank's customer base, data, work procedure and selling and marketing campaigns with those of its subsidiaries to create business synergy. In addition to life insurance, non-life insurance, securities trading and mutual funds, the Bank also plans to enter leasing business. The Board of Directors, at its 726th meeting on 25 January 2006, resolved to invest in 22.82% of the registered capital of Ratchthani Leasing Public Company Limited. The leasing business will enable the Bank to fully satisfy its customers' needs, expand its customer base and increase fee incomes. The Bank also attaches importance to the efficient management of cost, staff development, IT system development and risk management. Continued business growth and transparent management under good corporate governance will contribute to the Bank's steady growth.

On behalf of the Board of Directors, we would like to thank our shareholders, customers, investors, members of the media and the general public, and public and private organizations for their confidence in and support of the Bank's businesses. We would also like to thank the Bank's employees for their dedication and continued contribution towards the Bank's success. The Board of Directors looks forward to the honor of your continued support.

(Sompol Kiatphaibool)
Chairman

(Arun Chirachavala)
President

Report of the Audit Committee

The Board of Directors appointed an Audit Committee, consisting of :

- | | |
|--|-----------|
| 1. Mr. Somkiat Sukdheva | Chairman |
| 2. Assoc. Prof. Dr. Somjai Phagaphasvivat | Member |
| 3. Assoc. Prof. Dr. Suchart Thada-Thamrongvech | Member |
| 4. Mr. Pongsak Harnsongkitpong | Secretary |

During 2005, the Audit Committee convened 13 meetings to consider and review the following important issues:

1. Reviewed the Bank's and its subsidiaries' financial statements, their procedures for the preparation of statements and disclosure of important information;
2. Met with the Bank's external auditor to discuss audit procedures and problems encountered, and consider issues and observations submitted by the external auditor for implementation by the Bank's management;
3. Considered observations and recommendations contained in audit reports by the Bank of Thailand, and assigned to the Bank's audit departments the tasks of following up on the implementation of recommendations, as well as compliance with the rules and regulations issued by the Bank of Thailand, and the Securities and Exchange Commission;
4. Reviewed management of risks, such as strategy risk, market risk, liquidity risk, credit risk and operational risk;
5. Considered related transactions, such as loans extended to businesses related to the Bank's directors and/or executives, to prevent conflicts of interests and to assure treatment in compliance with the Bank's and government regulations;
6. Considered credit review reports;
7. Reviewed internal control and internal audit systems, as well as annual audit plans proposed by internal audit departments;
8. Considered observations contained in audit reports on the Bank's departments and branches that covered operation management and compliance with the Bank's regulations, and recommended measures to rectify operational deficiencies and prevent their recurrence;
9. Invited individual first vice presidents of the departments concerned to clarify their operations that involved risks, and recommended measures to improve their operations and prevent possible damages;
10. Reviewed accuracy and efficiency of the internal control of information technology systems;
11. Considered candidacy, recommended appointment and proposed compensation for the Bank's external auditor;
12. Reported its minutes of the meetings to the Board of Directors.

Having considered and reviewed the aforementioned issues, the Audit Committee is of the opinion that the Bank's financial statements do not contain any unusual transactions that have material impact on the Bank's operations; it has appropriate risk management and internal control systems; its operations are in accordance with related laws and regulations and the treatment of related transactions have been in compliance with the Bank's and government regulations.



(Somkiat Sukdheva)
Chairman, Audit Committee

Board of Directors



I. Mr. Sompol Kiatphaibool

- Chairman of The Board
- Chairman of The Executive Board of Directors
- Age 65 Years

Education

- Bachelor of Economics (Honour), Thammasat University
- Master of Development Economics (Honour), National Institute of Development Administration
- Master of Economics, Fairleigh Dickinson University, New Jersey, U.S.A.
- Certificate, National Defence College of Thailand

Professional Experience

- Permanent Secretary, Ministry of Commerce
- Senator
- Chairman of The Committee on Agriculture and Co-Operatives
- Director, Court of Directors, The Bank of Thailand
- Director, Civil Service Commission
- Agricultural Futures Trading Commissioner
- Chairman of Audit Committee, Ministry of Transport
- Chairman of the National Food Institute
- Chairman of the National Housing Authority's Board of Directors
- Advisor to Deputy Prime Minister and Minister of Finance

Present Positions

- Advisor to Deputy Prime Minister and Minister of Commerce
- Chairman of the Support Arts and Crafts International Center of Thailand
- Director, The Securities and Exchange Commission
- Director, Public Sector Development Commission

Board of Directors

Education

- Bachelor of Economics, Thammasat University
- Master of Management, Sasin Graduate School of Management, Chulalongkorn University
- Senior Executive Program (SEP), SLOAN SCHOOL M.I.T., U.S.A.

Professional Experience

- Chairman of Thailand Credit Card Club
- Executive Vice President (Credit Card Group), Kasikornbank Public Company Limited
- Advisor to The Board of Marketing, Visa International (Asia-Pacific) Company Limited
- Director, Thammasat Association

Present Positions

- Chairman, PT&S Carcare Limited Partnership
- Chairman, Thai Marth Land Company Limited
- Director, Korvac (Thailand) Company Limited
- Director, National Finance Public Company Limited
- Director, EDC Service Company Limited
- Director, Thammasat Economics Association
- Director, Wildlife Fund Thailand
- Advisor, Sasin Graduate School Alumni Association, Chulalongkorn University
- Director of Steering Committee, Sasin Graduate School of Management, Chulalongkorn University



2. Mr. Somkiat Sukdheva

- Director
- Chairman of Audit Committee
- Independent Director
- Age 61 Years

Education

- B.Sc. University of Canterbury, New Zealand (Under Colombo Plan Scholarship)

Professional Experience

- Assistant Governor, Financial Markets Operation Group, Bank of Thailand
- Assistant Governor, Financial Institutions Policy Group, Bank of Thailand
- Director, Asset Management Corporation
- Senior Director, Financial Markets Group, Bank of Thailand
- Manager, Financial Institutions Development Fund, Bank of Thailand



3. Mrs. Tasna Rajatabhothi

- Director
- Executive Director
- Director of Nomination and Remuneration Committee
- Age 61 years

Board of Directors



**4. Assoc. Prof.
Dr. Somjai
Phagaphasvivat**

- Director
- Independent Director
- Director of Audit Committee
- Age 60 years

Education

- B.A., Chulalongkorn University
- B.A., M.A. and Ph.D. in Political Science, University of Madrid, Spain
- M.A. and Ph.D. in International Economics, University of Nancy, France

Professional Experience

- Senator
- Vice-Rector, Development Planning, Thammasat University
- Advisor, The Stock Exchange of Thailand
- Advisor, The ESCAP, The United Nations

Present Positions

- Director, Lee Feed Mill Public Company Limited
- Director, Thai Hua Rubber Public Company Limited
- Director, Starprint Public Company Limited
- Director, Amarin Printing and Publishing Public Company Limited
- Associate Professor, Faculty of The Political Science, Thammasat University
- Lecturer on Strategic Planning and Management for the MBA, Executive MBA and Mini MBA, Faculty of Commerce and Accountancy, NIDA, Chulalongkorn University, Thammasat University, and other Leading Universities in Thailand



**5. Mr. Chavalit
Sethameteekul**

- Director
- Director of Nomination and Remuneration Committee
- Age 58 years

Education

- LL.B. (Honour), Thammasat University
- M.A. (Public Administration), Thammasat University

Professional Experience

- Deputy Director General, The Excise Department, Ministry of Finance
- Acting Legal Advisor, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance
- Director General, The Customs Department

Present Positions

- Inspector General, Ministry of Finance
- Advisor, Thammasat Association
- Director, Thammasat Law Association
- Director, The Metropolitan Electricity Authority
- Director, Petroleum Committee

Board of Directors

Education

- Bachelor of Law, Thammasat University
- Barrister-at-Law, Thai Bar Association
- Master of Law, Tulane University, U.S.A.
- Master of Economics, Sukhothai Thammathirat Open University
- Ph.D., Development Administration, National Institute of Development Administration

Professional Experience

- Legal Advisor, Ministry of Finance
- Inspector General, Ministry of Finance
- Director General, The Fiscal Policy Office, Ministry of Finance
- Director General, The Excise Department, Ministry of Finance

Present Positions

- Director General, The Customs Department
- Chairman, TOT Corporation Public Company Limited
- Counsellor of State, The Council of State
- Director, Kuang Pai San Food Products Public Company Limited



6. Dr. Sathit Limpongpan

- Director
- Independent Director
- Age 55 years

Education

- B.A. (Honour) in Economics, Thammasat University
- M.Sc. in Economics, The London School of Economics and Political Science, United Kingdom
- Ph.D. in Economics, Mc Master University, Canada

Professional Experience

- Vice-Rector, International Affairs and Research, Ramkhamhaeng University
- Director, Metropolitan Waterworks Authority
- Director, Provincial Waterworks Authority
- Director, Bank for Agriculture and Agricultural Cooperatives
- Director and Member of Audit Committee, Bangkok Metropolitan Bank Public Company Limited
- Advisor, Minister of Commerce
- Policy Advisor, Minister of Energy

Present Positions

- Eminent Advisor to the Prime Minister in the Field of Economics
- Advisor, The Board of Investment
- Associate Professor of Economics, Faculty of Economics, Ramkhamhaeng University
- Director, Rice Policy Committee
- Director, Petroleum Committee
- Director and Chairman of the Audit Committee, Ratchaburi Electricity Generating Holding Public Company Limited
- Director, The Securities and Exchange Commission
- Director, Rayong Refinery Public Company Limited
- Director and Member of the Audit Committee, PTT Public Company Limited
- Director, Council of the North Eastern University



7. Assoc. Prof. Dr. Suchart Thada-Thamrongvech

- Director
- Independent Director
- Director of Audit Committee
- Age 53 years

Board of Directors



8. Mr. Khemchai Chutiwongse

- Director
- Chairman of Nomination and Remuneration Committee
- Independent Director
- Age 51 years

Education

- LL.B. (First Class Honour), Chulalongkorn University
- Barrister-at-Law (Honour), Thai Bar Association
- LL.M. Harvard University

Professional Experience

- Executive Director, Attorney General's Office
- Expert Public Prosecutor, Attorney General's Office
- Pathumthani Chief Public Prosecutor, Attorney General's Office
- Chief Public Prosecutor of the Nonthaburi Summary Court, Attorney General's Office
- Central Chief Public Prosecutor, Attorney General's Office

Present Positions

- Deputy Director General, Attorney General's Office
- Director, Sukhumvit Asset Management Company Limited
- Director, TOT Corporation Public Company Limited



9. Dr. Suvit Maesincee

- Director
- Independent Director
- Age 44 years

Education

- BSC, In Pharm, Mahidol University
- MBA, National Institute of Development Administration
- Ph.D. in Marketing, Kellogg Graduate School of Management Northwestern University, U.S.A.

Professional Experience

- Senior Consultant, Booz Allen & Hamilton International Company Limited
- Senior Consultant, LEK Consulting Company Limited

Present Positions

- Professor of Marketing, Sasin Graduate School of Management, Chulalongkorn University
- Director and Executive Director, Thai Vegetable Oil Public Company Limited
- Director, TOT Corporation Public Company Limited



10. Mr. Arun Chirachavala

- Director
- Executive Director
- President
- Age 52 years

Education

- B.S. in Industrial Engineering (Honour), Stanford University, U.S.A.
- M.S. in Industrial Engineering, Stanford University, U.S.A.

Professional Experience

- First - Senior Executive Vice President, Siam City Bank Public Company Limited
- Acting President, Bangkok Metropolitan Bank Public Company Limited
- Director and Audit Committee Member, UOB Radanasin Bank Public Company Limited
- Advisor, Bangchak Petroleum Public Company Limited
- Advisor, Government Pension Fund
- Advisor and Executive Committee Member, Bangkok Commercial Asset Management Company Limited
- Senior Executive Vice President, Bangkok Bank of Commerce Public Company Limited
- Senior Executive Vice President, Rachasima Bank Project
- Managing Director, Bangkok Mass Transit Authority

Present Positions

- Chairman and Chief Executive Director, Max Life Assurance Company Limited
- Director, Krungdhep Sophon Public Company Limited

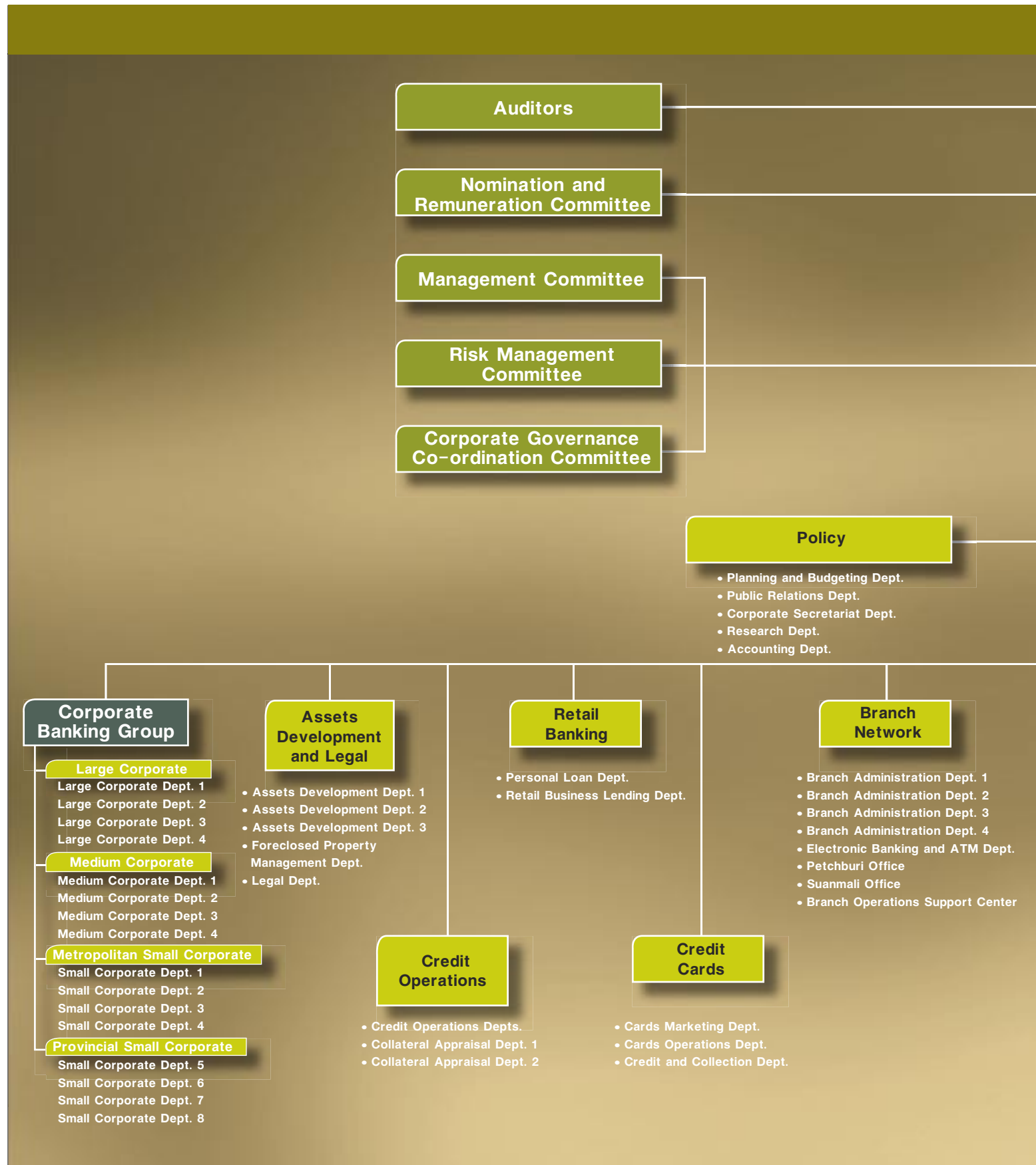


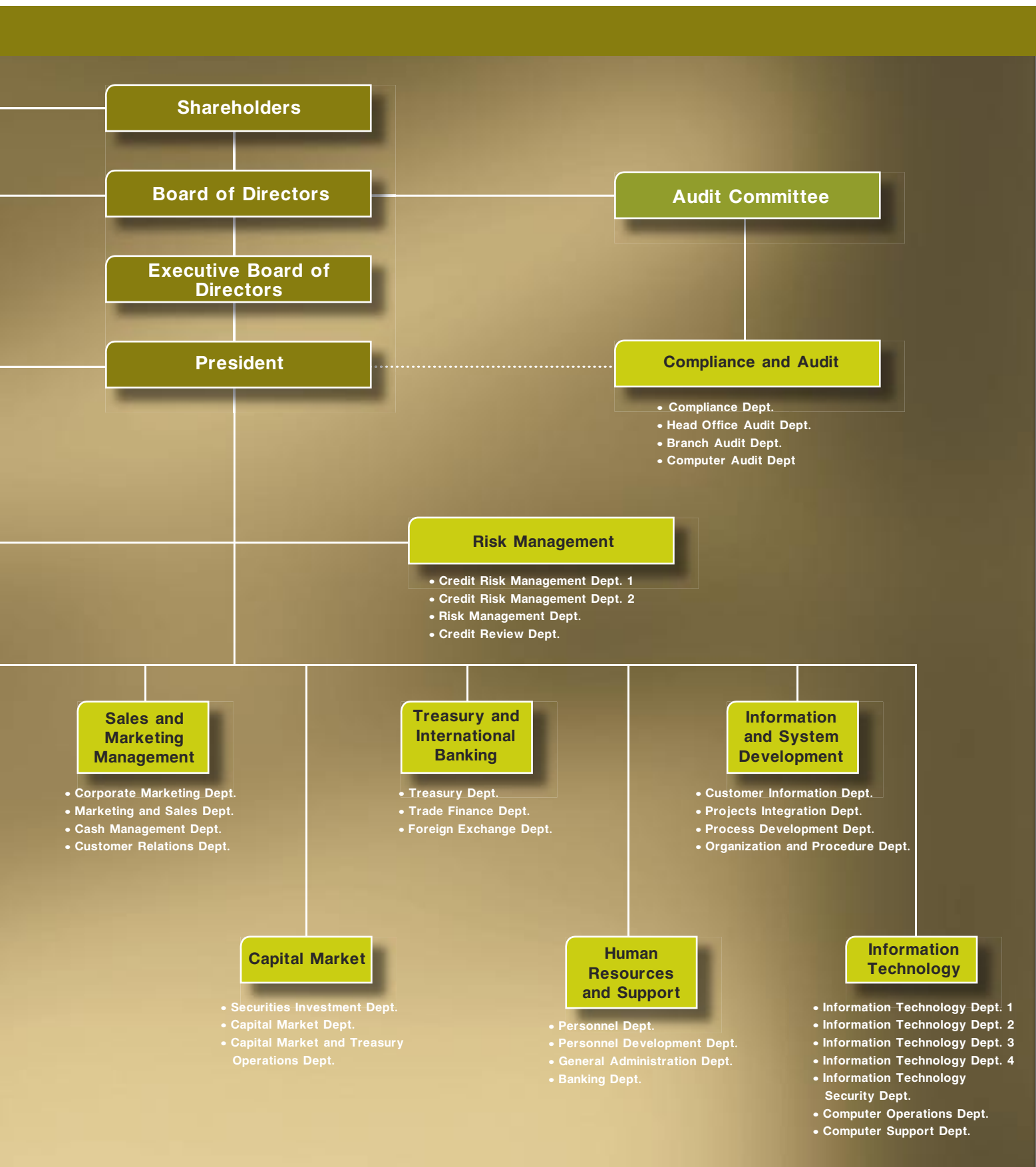
STOCK MARKET

CREDIT CARD

PAYMENT POINT

Siam City Bank's Organization Chart





Senior Executive Officers



Mr. Arun Chirachavala
President



Mr. Lersuk Chuladesa
First Senior Executive Vice President
Corporate Banking Group
Asset Development and Legal

Education

- B.S. in Industrial Engineering (Honour), Stanford University, U.S.A.
- M.S. in Industrial Engineering, Stanford University, U.S.A.

Professional Experience

2002-2004	First - Senior Executive Vice President, Siam City Bank Public Company Limited
2002	Acting President, Bangkok Metropolitan Bank Public Company Limited
1999-2002	Director and Audit Committee Member, UOB Radanasin Bank Public Company Limited
2000-2001	Advisor, Bangchak Petroleum Public Company Limited
1999	Advisor, Government Pension Fund
1998-1999	Advisor and Executive Committee Member, Bangkok Commercial Asset Management Company Limited
1997-1998	Senior Executive Vice President, Bangkok Bank of Commerce Public Company Limited
1996-1997	Senior Executive Vice President, Rachasima Bank Project
1995-1996	Managing Director, Bangkok Mass Transit Authority

Education

- Bachelor of Commerce, Faculty of Commerce and Accountancy,
Chulalongkorn University
- M.P.A. Project Management and Policy,
National Institute of Development Administration
- Mini MBA II, Thammasat University
- Management Development Program for Middle Managers,
Standard Chartered, Singapore
- Financial Executive Development Program FINEX 4,
The Thai Institute of Banking and Finance Association
- Certificate, National Defence College of Thailand

Professional Experience

2002-2004	Senior Executive Vice President, Siam City Bank Public Company Limited
2001	Executive Director, Wang Kanai Sugar Group
1998-2000	Executive Vice President, Bangkok Commercial Asset Management Company Limited
1995-1998	Executive Vice President, Siam City Bank Public Company Limited



Mr. Sutipong Ittipong
 Senior Executive Vice President
 Credit Operations
 Retail Banking
 Credit Cards
 Human Resources and Support
 Information and System Development

Education

- B.A. and M.A. Economics, Pittsburg State University, U.S.A.
- Certificate in Development Economics-Industrial Projects Economic Development Institute of the World Bank
- Certificate in Overseas Bankers Course, National Australia Bank
- Certificate in Management Development Programme, Standard Chartered Bank

Professional Experience

- 1995-2001 Executive Vice President, Siam City Bank Public Company Limited
- 1991-Present Vice President, Australian-Thai Chamber of Commerce



Mr. Thanom Narong
 Senior Executive Vice President
 Information Technology

Education

- LL.B., Thammasat University
- Barrister-at-Law, Thai Bar Association
- MBA, Kasetsart University

Professional Experience

- 1998-2002 Senior Executive Vice President, Bangkok Metropolitan Bank Public Company Limited
- 1997 Managing Director, Union Finance Company Limited
- 1996 Senior Vice President, Commercial Loan Group, Union Bank Public Company Limited
- 1980-1996 Senior Vice President, Branch Administration and Credit Card Department, Bank of Ayuthaya Public Company Limited
- 1978-1979 Deputy Managing Director, Sahaviriya Finance and Security Company Limited



Mr. Pongsak Harnsongkitpong
Executive Vice President
Compliance and Audit



Ms. Angkana Swasdipoon
Executive Vice President
Policy



Mr. Enghug Nontikarn
First Executive Vice President
Risk Management

Education

- BBA (Accounting) Faculty of Economics and Business Administration, Kasetsart University

Professional Experience

1993-2000 Senior Vice President,
Audit Department,
Siam City Bank
Public Company Limited

Education

- Bachelor of Economics (First Class Honour), Chulalongkorn University
- Post-Graduate Degree in Economics, University of York, England

Professional Experience

2001-2003 Senior Vice President,
Planning and Budgeting
Department,
Siam City Bank
Public Company Limited

1998-2001 Vice President,
Asset Management Department,
Bangkok Commercial Asset
Management Company Limited

Education

- Bachelor of Economics, Thammasat University
- MBA, Thammasat University

Professional Experience

1998-2001 Executive Vice President,
Treasury Management,
Siam City Bank
Public Company Limited

1995-1998 Senior Vice President,
Treasury Department,
Siam City Bank
Public Company Limited



Mrs. Jaree Wuthisanti
Executive Vice President
Large Corporate



Mr. Wuttichai Suraratchai
Executive Vice President
Medium Corporate



Mr. Utane Kongsoontornkitkul
Executive Vice President
Metropolitan Small Corporate

Education

- Bachelor of Accounting (First Class Honour), Chiangmai University
- MBA, National Institute of Development Administration
- Diploma in Advanced International Bank Management Program, The Swedish International Development Cooperation Agency, SIDA
- Directors Certification Program, The Thai Institute of Directors Association

Professional Experience

- 1999-2003 Senior Vice President, Project Financing Department 3, The Industrial Finance Corporation of Thailand
- 1997-1999 Senior Vice President, Project Financing Department 4, The Industrial Finance Corporation of Thailand

Education

- Bachelor of Accounting (First Class Honour), Thammasat University
- Bachelor of Economics, Ramkamhaeng University
- MBA, Thammasat University

Professional Experience

- 2000-2003 Senior Vice President, Corporate Finance Department I, The Industrial Finance Corporation of Thailand
- 1999-2000 Vice President, Special Projects Department, The Industrial Finance Corporation of Thailand
- 1997-1999 Executive Vice President, First City Investment Public Company Limited

Education

- B.Eng. (Industrial), Chulalongkorn University
- MBA, Thammasat University

Professional Experience

- 2001-2003 Senior Vice President, Branch Credit Department I, Siam City Bank Public Company Limited
- 1997-2001 First Vice President, Asset Management Department 3, Siam City Bank Public Company Limited



Mr. Virat Thanatrongpol
Executive Vice President
Provincial Small Corporate



Mr. Parinya Patanaphakdee
Executive Vice President
Assets Development and Legal



Mr. Cherd Suppana
Executive Vice President
Credit Operations

Education

- LL.B., Ramkhamhaeng University
- Barrister-at-Law, Thai Bar Association
- MBA, Thammasat University

Professional Experience

- 2000-2002 Executive Vice President,
Bangkok Metropolitan Bank
Public Company Limited
- 1996-1999 Senior Vice President,
Industrial Credit
Department, Bangkok
Metropolitan Bank
Public Company Limited

Education

- LL.B. (Honour), Ramkhamhaeng University
- Barrister-at-Law, Thai Bar Association
- MBA, National Institute of Development Administration
- Financial Executive Development Program FINEX 11 (2002), The Thai Institute of Banking and Finance Association
- The Programme for Senior Executives in Criminal Justice Administration (2004), National Academy of Criminal Justice Office of The Judiciary
- Politics and Governance in Democratic Systems for Executive Course, King Prajadhipok's Institute, The College of Politics and Governance

Professional Experience

- 2001 Senior Vice President, Legal
Department, Siam City Bank
Public Company Limited
- 1999-2000 Vice President,
Legal Department,
Bangkok Commercial Asset
Management Company Limited
- 1997-1998 First Vice President,
Legal Department,
Siam City Bank
Public Company Limited

Education

- Bachelor of Science, Rajabhat Institute Nakornpathom
- MBA, National Institute of Development Administration
- Financial Executive Development Program FINEX 12 (2004), The Thai Institute of Banking and Finance Association

Professional Experience

- 1999-2003 Senior Vice President ,
Asset Management Dept. 2,
Siam City Bank Public
Company Limited
- 1998 First Vice President,
Petchburi Office,
Siam City Bank Public
Company Limited



Mr. Pravit Ongwatana
Executive Vice President
Retail Banking



Mr. Sujin Suwannagate
Executive Vice President
Credit Cards



Ms. Kanoksri Rojmeta
Executive Vice President
Branch Network

Education

- Bachelor of Engineering (Chemical), Chulalongkorn University
- MBM, Asian Institute of Management, Manila, Philippines
(Under Ford Foundation Scholarships)

Professional Experience

1997-2001 Senior Vice President,
Retail Banking Department,
Siam City Bank
Public Company Limited

Education

- Bachelor of Arts (Statistics), Thammasat University
- MBA, Long Island University, NYC, U.S.A.

Professional Experience

2003-2004 Senior Vice President,
Credit Risk Management
Department I,
Siam City Bank
Public Company Limited
2001-2004 Senior Vice President,
Credit Risk Management
Department,
Siam City Bank
Public Company Limited

Education

- B.A. (Accounting), Ramkhamhaeng University
- MBA, Tarleton State University, Texas, U.S.A.

Professional Experience

2002-2003 Senior Vice President, Branch
Administration Department I,
Siam City Bank
Public Company Limited
1999-2001 First Vice President, Branch
Administration Department I,
Siam City Bank
Public Company Limited
1998-1999 First Vice President,
Petchaburi Office,
Siam City Bank
Public Company Limited
1996-1998 Senior District Manager 7,
Office Region 2,
Siam City Bank
Public Company Limited



Mrs. Amornrat Leevarapakul
Executive Vice President
Sales and Marketing Management



Ms. Amporn Ruangprasertkun
Executive Vice President
Capital Market



Mr. Rathian Srimongkol
First Executive Vice President
Treasury and International Banking
Chief Financial Officer

Education

- B.A. Economics (Honour), Chulalongkorn University

Professional Experience

- 2004 Executive Vice President, The Industrial Finance Corporation of Thailand
- 2002-2003 Senior Vice President, Corporate Finance Department 2, The Industrial Finance Corporation of Thailand
- 2000-2002 Vice President, Corporate Finance Department 2, The Industrial Finance Corporation of Thailand

Education

- Bachelor of Engineering, Civil Engineering, Khonkaen University
- MBA (Honour), Financial Management, National Institute of Development Administration

Professional Experience

- 2002-2003 Senior Vice President, Securities Investment Department, Siam City Bank Public Company Limited
- 1995-2002 Senior Vice President, Investment Banking Department, Bangkok Metropolitan Bank Public Company Limited

Education

- Bachelor of Medical Science, Mahidol University
- Medical Degree, (Siriraj Hospital), Mahidol University
- MBA, Thammasat University

Professional Experience

- 2001-2004 Executive Vice President, Siam City Bank Public Company Limited
- 1993-1997 Executive Director and Acting President, Thana One Finance & Securities Public Company Limited



Mr. Prachak Udomsilp
Executive Vice President
Human Resources and Support



Mrs. Wilai Wadwongtham
Executive Vice President
Information and System Development



Mr. Sanur Yodpinit
Executive Vice President
Information Technology

Education

- Bachelor of Economics, Chulalongkorn University
- Master of Development Economics, National Institute of Development Administration
- MBA, Thammasat University
- Master of Management, Sasin Graduate School of Management, Chulalongkorn University

Professional Experience

- 2001-2002 Executive Vice President, Bangkok Metropolitan Bank Public Company Limited
- 2000-2002 Secretary of the Board of Directors and Executive Board of Directors, Bangkok Metropolitan Bank Public Company Limited
- 1995-2001 Senior Vice President, Corporate Planning and Research Department, Bangkok Metropolitan Bank Public Company Limited

Education

- Bachelor of Science, Ramkhamhaeng University
- MBA, Kasetsart University

Professional Experience

- 2001-2002 Executive Vice President, Bangkok Metropolitan Bank Public Company Limited
- 2000-2001 Senior Vice President, Information Technology Department, Bangkok Metropolitan Bank Public Company Limited
- 1999-2000 Senior Vice President, Information System Audit Department, Bangkok Metropolitan Bank Public Company Limited
- 1995-1998 Senior Vice President, Audit Department, Bangkok Metropolitan Bank Public Company Limited

Education

- Bachelor of Electrical Engineering (First Class Honour), Chulalongkorn University
- Master of Computer Science, University of Illinois (Champaigns-Urbana), U.S.A.

Professional Experience

- 1998-2001 Vice President, Computer Department, Bangkok Commercial Asset Management Company Limited
- 1994-1998 Project Manager, Bangkok Bank of Commerce Public Company Limited

List of Executive Officers

<p>Board of Directors</p> <p>Chairman Mr. Sompol Kiatphaibool</p> <p>Directors Mr. Somkiat Sukdheva Mr. Somkiat Rajatabhothi Mrs. Tasna Rajatabhothi Assoc.Prof. Phagaphasvivat Dr. Somjai Sethameteekul Mr. Chavalit Limpongpun Dr. Sathit Limpongpun Assoc.Prof. Thada-Thamrongvech Dr. Suchart Thada-Thamrongvech Mr. Khemchai Chutiwongse Dr. Suvit Maesincee Mr. Arun Chirachavala</p>	<p>Executive Board of Directors</p> <p>Chairman Mr. Sompol Kiatphaibool</p> <p>Executive Directors Mrs. Tasna Rajatabhothi Mr. Arun Chirachavala</p>	<p>Nomination and Remuneration Committee</p> <p>Chairman Mr. Khemchai Chutiwongse</p> <p>Committee Members Mrs. Tasna Rajatabhothi Mr. Chavalit Sethameteekul</p>	<p>Management Committee</p> <p>Chairman Mr. Arun Chirachavala</p> <p>Committee Members Mr. Lersuk Chuladesa Mr. Sutipong Ittipong Mr. Thanom Narong Mr. Enghug Nontikarn Mr. Rathian Srimongkol Mr. Sanur Yodpinit Ms. Angkana Swasdipoon Mr. Parinya Patanaphakdee Mr. Prachak Udomsilp Ms. Kanoksri Rojmeta</p>
<p>Senior Executive Officers</p>	<p>Chairman Mr. Somkiat Sukdheva</p> <p>Committee Members Assoc.Prof. Phagaphasvivat Dr. Somjai Thada-Thamrongvech Assoc.Prof. Thada-Thamrongvech Dr. Suchart Thada-Thamrongvech</p>	<p>Independent Director</p> <p>Mr. Somkiat Sukdheva Assoc.Prof. Phagaphasvivat Assoc.Prof. Thada-Thamrongvech Dr. Suchart Thada-Thamrongvech Mr. Khemchai Chutiwongse Dr. Sathit Limpongpun Dr. Suvit Maesincee</p>	<p>President Mr. Arun Chirachavala</p> <p>First Senior Executive Vice President Mr. Lersuk Chuladesa</p> <p>Senior Executive Vice President Mr. Sutipong Ittipong</p> <p>Senior Executive Vice President Mr. Thanom Narong</p> <p>Executive Vice President (Compliance and Audit) Mr. Pongsak Harnsongkitpong</p> <p>Executive Vice President (Policy) Ms. Angkana Swasdipoon</p>
<p>First Executive Vice President (Risk Management) Mr. Enghug Nontikarn</p> <p>Executive Vice President (Large Corporate) Mrs. Jaree Wuthisanti</p> <p>Executive Vice President (Medium Corporate) Mr. Wuttichai Suraratchai</p> <p>Executive Vice President (Metropolitan Small Corporate) Mr. Utane Kongsoontornkitkul</p> <p>Executive Vice President (Provincial Small Corporate) Mr. Virat Thanatrongpol</p> <p>Executive Vice President (Assets Development and Legal) Mr. Parinya Patanaphakdee</p>	<p>Executive Vice President (Credit Operations) Mr. Cherd Suppana</p> <p>Executive Vice President (Retail Banking) Mr. Pravit Ongwatana</p> <p>Executive Vice President (Credit Cards) Mr. Sujin Suwannagata</p> <p>Executive Vice President (Branch Network) Ms. Kanoksri Rojmeta</p> <p>Executive Vice President (Sale and Marketing Management) Mrs. Amornrat Leevarapakul</p> <p>Executive Vice President (Capital Market) Ms. Amporn Ruangprasertkun</p>	<p>First Executive Vice President (Treasury and International Banking) Chief Financial Officer Mr. Rathian Srimongkol</p> <p>Executive Vice President (Human Resources and Support) Mr. Prachak Udomsilp</p> <p>Executive Vice President (Information and System Development) Mrs. Wilai Wadwongtham</p> <p>Executive Vice President (Information Technology) Mr. Sanur Yodpinit</p>	
<p>Executive of the Departments</p>	<p>Compliance Department First Vice President & Manager : Ms. Chutima Boonmee</p> <p>Head Office Audit Department First Vice President & Manager : Mr. Surapong Churangsarit</p> <p>Branch Audit Department Senior Vice President & Manager : Mrs. Rasami Suthipinijtham</p> <p>Computer Audit Department First Vice President & Manager : Mr. Paiboon Chuwithaya</p> <p>Planning and Budgeting Department First Vice President & Manager : Ms. Veena Tachachainirun</p>	<p>Public Relations Department Senior Vice President & Manager : Mrs. Onanong Pranoontnaraparn</p> <p>Corporate Secretariat Department Senior Vice President & Manager : Mrs. Yaovalak Kunakornporamat</p> <p>Research Department First Vice President & Manager : Mr. Suphachai Sophastienphong</p> <p>Accounting Department First Vice President & Manager : Mrs. Phenchan Weerawuth</p> <p>Credit Risk Management Department 1 First Vice President & Manager : Dr. Prisdarng Skolpadungket</p>	<p>Credit Risk Management Department 2 Senior Vice President & Manager : Mr. Kiatchai Rojlerchanya</p> <p>Risk Management Department First Vice President & Manager : Mr. Wichit Sangtongstitt</p> <p>Credit Review Department Senior Vice President & Manager : Mr. Thanom Pongpowthai</p> <p>Large Corporate Department 1 First Vice President & Manager : Mr. Ekachai Techawiriyakul</p> <p>Large Corporate Department 2 Senior Vice President & Manager : Mr. Chaiyanandh Lapitananuvut</p>
<p>Large Corporate Department 3 Senior Vice President & Manager : Mrs. Wanida Tananate</p> <p>Large Corporate Department 4 First Vice President & Manager : Mrs. Sukunya Vichitcholchai</p> <p>Medium Corporate Department 1 First Vice President & Manager : Mrs. Suvimon Skulsriprasert</p> <p>Medium Corporate Department 2 First Vice President & Manager : Mr. Arpichad Akdhakura</p>			

Executive of the Departments

Medium Corporate Department 3

First Vice President & Manager :
Mr. Sitta Hanbuntrong

Medium Corporate Department 4

First Vice President & Manager :
Mr. Yuthyong Sudharatna

Small Corporate Department 1

Acting First Vice President & Manager :
Mr. Rawee Ounpat

Small Corporate Department 2

First Vice President & Manager :
Mr. Chaikiat Hansumrit

Small Corporate Department 3

Senior Vice President & Manager :
Mr. Bunlue Punpongjareorn

Small Corporate Department 4

First Vice President & Manager :
Mr. Phadaum Na Ranong

Small Corporate Department 5

Senior Vice President & Manager :
Mr. Wongskorn Pitupan

Small Corporate Department 6

Senior Vice President & Manager :
Mr. Vichien Siriveshvaravudh

Small Corporate Department 7

Senior Vice President & Manager :
Mr. Weerasak Wacharakosit

Small Corporate Department 8

Senior Vice President & Manager :
Mrs. Thaisika Kritphonchai

Assets Development Department 1

Senior Vice President & Manager :
Mr. Paiboon Srisawad

Assets Development Department 2

First Vice President & Manager :
Mr. Kiatkong Hsitantivech

Assets Development Department 3

First Vice President & Manager :
Mr. Somphong Singhasuttakorn

Foreclosed Property Management Department

Senior Vice President & Manager :
Mr. Theprach Winotai

Legal Department

First Vice President & Manager :
Mr. Sombat Wongkhamhaeng

Credit Operations Department

Senior Vice President & Manager :
Mr. Veraphol Muangjuey

Collateral Appraisal Department 1

First Vice President & Manager :
Mr. Phichai Supasutthivech

Collateral Appraisal Department 2

First Vice President & Manager :
Mrs. Kanittha Yungcharoen

Personal Loan Department

Senior Vice President & Manager :
Ms. Anchalee Besuwan

Retail Business Lending Department

First Vice President & Manager :
Mr. Paisal Tiavongsuvan

Cards Marketing Department

First Vice President & Manager :
Mr. Thomas Andrew Choy

Cards Operations Department

First Vice President & Manager :
Mr. Virach Paisitsavet

Credit and Collection Department

First Vice President & Manager :
Mr. Parderm Vasuntharaporn

Branch Administration Department 1

Senior Vice President & Manager :
Mr. Surapon Tantasukitvanich

Branch Administration Department 2

First Vice President & Manager :
Mr. Visuit Boreriboon

Branch Administration Department 3

First Vice President & Manager :
Mr. Kasem Kessaneeyabutr

Branch Administration Department 4

First Vice President & Manager :
Ms. Sudarat Chalermvutanon

Electronic Banking and ATM Department

Senior Vice President & Manager :
Ms. Abhiradee Sukhajoti

Petchburi Office

First Vice President & Manager :
Mr. Somchai Wannasiripipat

Suanmali Office

First Vice President & Manager :
Mr. Sombat Sanguansakpakdee

Branch Operations Support Center

First Vice President & Manager :
Ms. Punnee Kraingkraipheth

Corporate Marketing Department

Senior Vice President & Manager :
Mrs. Prangtong Singkhabhand

Marketing and Sales Department

First Vice President & Manager :
Mrs. Chanyaruch Wongwanich

Cash Management Department

Senior Vice President & Manager :
Mr. Pongsin Potisuntorn

Customer Relations Department

Senior Vice President & Manager :
Mr. Phanuwat Yothaphand

Securities Investment Department

Acting First Vice President & Manager :
Ms. Amporn Ruangprasertkun

Capital Market Department

Senior Vice President & Manager :
Mrs. Nisanart Thongpakdee

Capital Market and Treasury Operations Department

First Vice President & Manager :
Mr. Thanakorn Vijakkhana

Treasury Department

Senior Vice President & Manager :
Mr. Soros Sakornvisava

Trade Finance Department

First Vice President & Manager :
Mr. Sailom Nopkachain

Foreign Exchange Department

Senior Vice President & Manager :
Mr. Sirirote Buacharoon

Personnel Department

Senior Vice President & Manager :
Mr. Sirichai Thanasiritrakul

Personnel Development Department

First Vice President & Manager :
Mrs. Namthip Putthapipat

General Administration Department

Senior Vice President & Manager :
Mr. Wilas Jarangkul

Banking Department

Senior Vice President & Manager :
Mrs. Benjawan Maneechy

Customer Information Department

Senior Vice President & Manager :
Mrs. Nattaya Palawatvichai

Projects Integration Department

First Vice President & Manager :
Ms. Pensri Wuttisitkulkiij

Process Development Department

First Vice President & Manager :
Ms. Danucha Jiranuntarat

Organization and Procedure Department

First Vice President & Manager :
Mr. Somsak Sinpraserttrat

Information Technology Department 1

First Vice President & Manager :
Mr. Tanee Phalawong

Information Technology Department 2

Senior Vice President & Manager :
Mr. Yongyuth Pisiviloth

Information Technology Department 3

First Vice President & Manager :
Mrs. Khanitta Vuvahong

Information Technology Department 4

First Vice President & Manager :
Mrs. Vibulsiri Na Ranong

Information Technology Security Department

First Vice President & Manager :
Mr. Viroj Saengvongrusmee

Computer Operations Department

First Vice President & Manager :
Mr. Rungsimont Pongsamart

Computer Support Department

Senior Vice President & Manager :
Mr. Thanes Kuruchitkosol

Financial Position and Operating Results



Operating Results

Operating results of the Bank and its subsidiaries for 2005 showed a net profit of Baht 6,265 million. Net interest and dividend incomes totaled Baht 11,565 million and non-interest income totaled Baht 4,620 million. Non-interest expenses stood at Baht 9,600 million, reserve for bad debts and doubtful debts at Baht 299 million, reversal of loss from debt restructuring at Baht 35 million and income tax at Baht 56 million. When compared to 2004 profit of Baht 6,367 million, the 2005 results showed a decline of Baht 102 million, or 1.60%. The profit decline was attributable to the reduced profit from sale of investments, allowance for diminution of values of foreclosed properties and other properties, allowance for diminution of values of Bank's unused properties and reserve for contingent liabilities in accordance with the Bank of Thailand's new regulations. In 2005, the Bank earned a profit of Baht 2.97 per share.

Net Interest and Dividend Incomes

The Bank earned net interest and dividend incomes of Baht 11,565 million in 2005, an increase of Baht 1,555 million over 2004, or a 15.53% increase, due to business expansion and efficient cost management.

Non-interest Incomes

In 2005, the Bank earned non-interest incomes of Baht 4,620 million, a decrease of Baht 636 million or 12.10%, when compared to non-interest incomes of Baht 5,256 million in 2004. This was due to decrease of profit from sales of investments of Baht 860 million.

Non-interest Expenses

The Bank incurred non-interest expenses of Baht 9,600 million in 2005, an increase of Baht 1,264 million or 15.16%, when compared to non-interest expenses of Baht 8,336 million in 2004. The increase was largely due to allowance for diminution of values of properties and reserve for contingent liabilities in the amount of Baht 753 million.

Bad Debts and Doubtful Debts

The Bank in 2005 set aside a reserve for bad debts and doubtful debts of Baht 299 million. At the end of 2005, the Bank's reserve for bad debts and doubtful debts was Baht 7,264 million, Baht 3,575 million or 96.91% higher than the level required by the Bank of Thailand.

Financial Position

Asset

At the end of 2005, total assets stood at Baht 454,364 million, a decrease of Baht 17,871 million or 3.78%. Important components are:

Lending Total lending amounted to Baht 297,249 million, or 65.42% of total assets, a decrease of Baht 36,571 million, or 10.96% from 2004. In 2005, the Bank received a payment of Baht 55,080 million, representing a pre-payment by Sukhumvit AMC on its notes of Baht 11,080 million and payment in June 2005 by the Financial Institutions Development Fund on behalf of Sukhumvit AMC of Baht 44,000 million. At the end of 2005, the Bank had a total of Baht 67,604 million in AMC Notes. Exclusive of these notes, the Bank had a total of Baht 229,645 million in lending, or 50.54% of total assets. When compared with total lending for 2004 exclusive of the AMC Notes, the Bank's total lending increased by Baht 18,509 million or 8.77%.

Net Investment in Securities Net investment in securities amounted to Baht 106,242 million, or 23.38% of total assets, an increase of Baht 16,903 million or 18.92% from 2004. The Bank's investment consisted of net short-term investment at 23.32%, net long-term investment at 76.52%, and net investment in subsidiaries and affiliated companies at 0.16%

Interbank and Money Market Items These items amounted to Baht 16,737 million, or 3.68% of total assets, an increase of Baht 13,921 million or 494.35% from 2004, due to increase in interbank and money market which are interest bearing items of Baht 8,882 million.

Net Foreclosed Properties Net foreclosed properties amounted to Baht 11,004 million, or 2.42% of total assets, a decrease of Baht 1,565 million or 12.45% from 2004, due to sale of foreclosed properties .

Assets Quality

Lending

Distribution of Loans

It has been the Bank's policy to diversify its loan portfolio among various economic sectors relative to their importance to the development of the country. To reduce risk of loan concentration in any one particular sector, at the end of 2005 the Bank's lending (excluding Sukhumvit AMC notes) was distributed among the following business sectors:

		Unit: Million Baht	
Business sectors	Amount	Percentage	
1. Agriculture, fishery and forestry	1,675	0.73	
2. Mining and quarrying	953	0.42	
3. Manufacturing	41,642	18.13	
4. Construction	3,820	1.66	
5. Wholesale and retail trade	25,769	11.22	
6. Import	3,935	1.71	
7. Export	3,266	1.42	
8. Banking and finance	24,102	10.50	
9. Real estate	23,110	10.06	
10. Public utilities	40,378	17.58	
11. Services	30,923	13.47	
12. Personal consumption	30,072	13.10	
Total	229,645	100.00	

Non-Performing Loans

Non-Performing Loans (NPLs) are defined by the Bank of Thailand as sub-standard, doubtful and doubtful of loss. At the end of 2005, the Bank had a NPLs portfolio totaling Baht 7,645 million, a decrease of Baht 3,343 million from 2004.

		Unit: Million Baht	
NPLs	Principal		
Sub-standard	2,503		
Doubtful	3,354		
Doubtful of Loss	1,788		
Total	7,645		

Loan Classification and Provision for Doubtful Debts

As at 31 December 2005, the Bank had classified debtors in specific accounts which included loans, accrued interest receivables and reserve for doubtful loans as follows:

					Unit: Million Baht
Classified Debtors	Obligation before deducting collateral value	Obligation after deducting collateral value	Minimum rate of loan loss provisioning required by BoT	Provision amount required by BoT	Provision amount provided by the Bank
Pass	285,255	82,246	1	812	-
Special Mention	6,092	1,349	2	25	-
Sub-standard	2,507	159	20	32	-
Doubtful	3,375	2,200	50	1,670	-
Doubtful of Loss	1,794	1,148	100	1,150	-
Total	299,023	87,102	-	3,689	7,264

Provision for doubtful debts as required by the Bank of Thailand was Baht 3,689 million; the amount suggested by the Bank of Thailand included provision for doubtful loans and doubtful of loss totaling Baht 570 million. The Bank had provided a provision for loan loss of Baht 7,264 million, being Baht 3,575 million or 96.91% higher than Bank of Thailand's requirement. In its opinion, this reserve would absorb any possible losses from debtors who may not be able to comply with loan restructuring conditions, and reduce any adverse material impact on the Bank's future financial position.

Investment in Securities

The Bank's policies on investment in securities are as follows:

Equities: The Bank has formulated clear objectives for investments in equities, specified guidelines for equity selection to diversify its investments, and required cut loss limits to reduce risks of price fluctuation in proprietary trading.

Bonds: The Bank invests only in government bonds and bonds guaranteed by Ministry of Finance.

Debt Instruments: The Bank invests only in debentures or other debt instruments of investment grades, i.e. BBB rating or better, with clear guidelines as to holding periods and cut loss limits in case of proprietary trading.

As at 31 December 2005, investments in securities were as follows:

Unit: Million Baht		
Types of Securities	Cost/Amortized Value	Percentage
1. Short-term investment	24,767	23.17
1.1 Securities held for trading	433	0.41
1.2 Hold-to-maturity debt securities	17,725	16.58
1.3 Available-for-sale securities	6,609	6.18
2. Long-term Investment	81,972	76.67
2.1 Available-for-sale securities	19,954	18.66
Government & state enterprise securities	9,716	9.09
Overseas debt securities	1,223	1.14
Private sector debt securities	1,315	1.23
Other debt securities	7,700	7.20
2.2 Hold-to-maturity debt securities	56,942	53.26
2.3 General investments	5,076	4.75
3. Investment in subsidiaries and associated companies	168	0.16
Total investment in securities	106,907	100.00
Minus Allowance for revaluation of investment	(665)	
Total net investment in securities	106,242	

Total return on investment in 2005 was Baht 4,627 million, an increase of Baht 29 million when compared to year 2004's return on investment of Baht 4,598 million, due to increase of investments in securities. The Bank reserved an allowance for revaluation of investments in full compliance with Thai Accounting Standard (TAS) No. 40.

Liquidity

Cashflow Statement showed a net cash investment of Baht 15,128 million, including long-term investments of Baht 14,210 million. Net cash received from operations amounted to Baht 16,986 million, representing a decrease in lending of Baht 37,243 million, due to the payment of Sukhumvit AMC note of Baht 55,080 and profit from operation of Baht 6,889 million. Cash used in funding operations amounted to Baht 2,928 million, of which Baht 2,958 million being dividend payment for the 2004 second-half profit in April 2005 and interim dividend payment for the 2005 first-half profit in September 2005.

At the end of 2005, the Bank and its subsidiaries maintained liquidity asset ratio as required by the Bank of Thailand.

Sources of Funds (The Bank only)

Proper Capital Structure

Important source of funds is deposits, at 94.36% of funding. Debt to equity ratio in 2005 was 11.75, a decrease from 13.29 in 2004, due to addition of 2005 profit to shareholders' equities in the amount of Baht 6,265 million.

Shareholders' Equities

Shareholders' equities at end of 2005 were Baht 35,640 million, an increase of Baht 2,603 million from the year 2004 of Baht 33,037 million, due to profit of Baht 6,265 million. The Bank paid dividends totaling Baht 2,958 million and unrealized gain on investment declined by Baht 540 million.

Liabilities

As at 31 December 2005, the Bank had a total of Baht 416,186 million in liabilities, a decrease of Baht 22,601 million or 5.15%, due to a decrease in securities sold under repurchase agreements of Baht 15,000 million. Total liabilities in Baht and foreign currencies at end of 2005 were as follows:

Baht Currency A total of Baht 414,360 million, 99.56% of total liabilities, consists of:

• Deposits	382,003	Million Baht
• Interbank and money market items	17,977	Million Baht
• Securities sold under repurchase agreements	3,000	Million Baht
• Borrowings	187	Million Baht
• Liability payable on demand	738	Million Baht
• Bank's liability under acceptances	158	Million Baht
• Other liabilities	2,460	Million Baht
• Interests payable	1,174	Million Baht
• Discrepancy from transfer of assets from Bangkok Metropolitan Bank	6,663	Million Baht

Foreign Currencies A total of Baht 1,826 million, or 0.44% of total liabilities, consists of:

• Deposits	162	Million Baht
• Interbank and money market items	1,664	Million Baht

Deposits in US dollars accounted for 90.74% of total foreign currency deposits while deposits in other currencies accounted for only 9.26%.

Interbank and money market items in US dollars accounted for 98.74 %.

The Bank's liabilities in foreign currencies accounted for only 0.44% of total liabilities. Thus, fluctuation of the currency exchange rates would have negligible impact on the Bank's financial position.

Relationship between Sources and Uses of Funds

Unit: Million Baht

The Bank only				
	2005	Percentage	2004	Percentage
Uses of Funds				
Interbank and money market items	14,971	3.51	2,199	0.50
Securities purchased under resale agreements	8,800	2.06	17,600	3.97
Investments in securities	105,858	24.81	89,804	20.25
Lending	297,078	69.62	333,737	75.28
Total Uses of Funds	426,707	100.00	443,340	100.00
Sources of Funds				
Deposits	382,165	94.36	385,470	90.05
Interbank and money market items	19,641	4.85	24,501	5.72
Securities sold under repurchase agreement	3,000	0.74	18,000	4.21
Borrowing	187	0.05	107	0.02
Total Sources of Funds	404,993	100.00	428,078	100.00

The Bank's source and use of funds structure for 2005 revealed that loans accounted for 69.62% usage of funds, followed by investments in securities at 24.81%. The remainder was securities purchased under resale agreements, and interbank and money market items. Major source of funds came from deposits, at 94.36% of total source of funds, followed by interbank and money market items, and securities sold under repurchase agreements, at 4.85 and 0.74% respectively.

In 2005, the Bank's overall loans to deposits ratio of 77.74%.

Maturity Structure of Sources and Uses of Funds

Unit: Million Baht

The Bank only			
	Less than 1 year	More than 1 year	Total
Uses of Funds			
Interbank and money market items	13,025	1,946	14,971
Securities purchased under resale agreements	8,800	-	8,800
Investments in securities	23,552	82,306	105,858
Lending	147,915	149,163	297,078
Total Uses of Funds	193,292	233,415	426,707
Percentage	45.30	54.70	100.00
Sources of Funds			
Deposits	342,312	39,853	382,165
Interbank and money market items	19,588	53	19,641
Securities sold under repurchase agreement	3,000	-	3,000
Borrowing	100	87	187
Total Sources of Funds	365,000	39,993	404,993
Percentage	90.13	9.87	100.00

Maturity structure of the Bank's source and use of funds disclosed that more than 1 year use of funds amounted to Baht 233,415 million or 54.70% of total use of funds, while more than 1 year source of funds amounted to only Baht 39,993 million or 9.87% of total source of funds. Such mismatch in source and use of funds arises from disparity between maturity structures of loans and deposits, prevalent among Thai commercial banks where short-term funds are raised for long-term lending or investments. However, since most deposits in the Bank are renewed upon maturity the Bank has an uninterrupted source of funding for its lending activities.

Relationship between Financial Costs and Returns

Unit: Million Baht

	The Bank only	
	Amount	Percentage
Loans classified by interest types		
Loans with fixed interest rates	45,750	15.40
Loans with floating interest rates	251,328	84.60
Total Loans	297,078	100.00
Deposits classified by maturity		
Short-term deposits	342,312	89.57
Long-term deposits (>12 months)	39,853	10.43
Total Deposits	382,165	100.00

Deposit structure of the Bank, in which short-term deposits were larger than long-term deposits at 89.57% against 10.43%, is also a structure normally found among Thai commercial banks. Since short-term deposits carry lower interest rates than long-term deposits and short-term deposits tend to be renewed upon maturity, short maturity of deposits gives the Bank flexibility in managing its costs. On the other hand, since 84.60% of loans carried floating interest rates, the Bank was able to manage its return in response to any changes in costs.

The most significant cost was the average cost of deposits at 1.49% while loans carried minimum lending rate (MLR) on December 2005 earning 6.75%. However, since promissory notes from Sukhumvit Asset Management Co. Ltd. (AMC notes) accounted for 22.76% of total loans, it carries a yield of only 1.87%, total yield of loan portfolio was down to 4.22%. Thus, the Bank earned a net spread of 2.73%.

Capital Expenditure

During 2005, the Bank continued its plan to invest in and improve its IT systems to increase efficiency and support the increase in business volume. These systems were CRM Phase II, Credit Card Silverlake Phase I, Image Cheque, Loan Multi-Currency and Fixed Asset, and computer back-up system to prepare for any emergency. In addition, an additional 303 ATM machines were installed and internet banking was further expanded.

As for investments in land and buildings, the Bank made only necessary and important investments by opening 20 new branches. Ten of these branches are modern branches located in office buildings and department stores and ten in local communities. Other branches underwent renovation to modernize their appearance.

In 2006, the Bank will continue to invest in the installation of more ATMs, and electronic machines, such as passbook update machine, and cash deposit machine. The Bank plans to open 24 new branches, establish a customer call center, prepare its information base for Basel II requirements and improve the efficiency of its IT systems to satisfy customer needs. These projects have been budgeted at Baht 800 million.

Important Financial Ratios

Financial ratios as at 31 December (Consolidated)

	Unit : Percent		
	2005	2004	2003
Profitability Ratios			
Gross profit	67.18	67.32	55.38
Net profit	27.73	30.28	15.53
Return on Equity	18.24	19.39	10.75
Loan yield	4.15	3.38	3.74
Cost of deposit	1.58	1.38	1.95
Spread	2.57	2.00	1.79
Return on investment	5.53	6.50	7.95
Efficiency Ratios			
Net interest income to assets	1.56	1.16	0.78
Return on assets	1.35	1.35	0.76
Assets turnover (times)	4.88	4.46	4.89
Financial Ratios			
Debt to equity (times)	11.75	13.29	13.40
Loans to borrowings	77.60	86.59	79.04
Loans to deposits	77.78	86.85	79.29
Deposit to total liabilities	91.27	87.52	92.97
Dividend payout	45.30 ⁽¹⁾	46.46	43.65
Capital to risk assets ⁽²⁾	11.92	11.27	11.59
Asset Quality Ratios ⁽³⁾			
Provision to total loans	4.05	4.98	7.53
Loan loss to total loans	0.11	0.23	2.48
NPLs to total loans	3.32	5.18	5.60
Accrued interest receivables to total loans	0.45	0.44	0.58

(1) The Bank announced an interim dividend on profit from operations for the first half of 2005.

(2) Computed from Bank's financial statement only.

(3) Computed from loan operations, exclusive of AMC Notes and interest receivables from Sukhumvit Asset Management.

Characteristics of Business Operations

Historical

Siam City Bank (PCL) was registered with an initial paid-up capital of Baht 1 million on May 8, 1941 and opened its door for business on May 24, 1941. It now provides universal banking services to business sectors and the general public through its nation-wide branch network.

Important Changes during the Past Year

Marketing To provide convenience to customers and to promote business expansion, the Bank increased its distribution channels by opening 20 new branches. Ten of these branches are located in various communities. The other ten “Modern Branches” are located in office buildings and shopping centers. At these “Modern Branches” the customers can process transactions by themselves using the banking machines provided, and can also get advice and information from staff on various products and services. The Bank developed payment systems on its ATM systems and installed additional 303 ATM machines. By the end of 2005, the Bank had 387 branches and 1,210 ATM machines. To increase customers’ convenience, the Bank implemented internet banking services in the form of SCIB d-Banking for business customers and SCIB i-Net for retail customers. On the sales and marketing side, the Bank has taken a proactive marketing strategy through its branch network by pooling customer data, information systems, and work procedures from its affiliated companies to support cross selling. The Bank has also organized several promotion activities and commissioned a production of television commercials to project an image of a universal bank offering a full range of financial products and services. The “Magic” and “Angel” commercials that were produced, features respectively tiny business loans and deposits with accident insurance.

Products The Bank has developed a wide variety of products to satisfy the needs of various customer groups. Products offered by the Bank which were developed jointly with its subsidiaries are deposit with accident insurance, ATM cards that can be used as student ID cards (SCIB U Card) or cooperative member ID cards (SCIB CO-OP), SCIB Mortgage Wish, SCIB Personal Wish, SCIB VIP Credit, life insurance for tiny business customers (SCIB S Care), housing loan customers, and personal loan customers (SCIB Personal Care), automatic deposit of dividends (SCIB e-dividend), checks for dividend payments, automatic deposits and payments for securities trading (SCIB I Plus). Counter payment and direct debit/direct credit services were also provided to customers of several companies and organizations, such as Thai Telephone & Telecommunication (PCL), True Internet Co., Ltd. True Move Co., Ltd. Dhiphaya Insurance (PCL), Singer Thailand Co., Ltd. CP Foods (PCL), Revenue Department and Treasury Department. The Bank also sold 10 additional mutual funds managed by Siam City Asset Management Co., Ltd. and 4 additional policies issued by Max Life Assurance Co., Ltd.

Personnel The Bank has always recognized the importance of employees' contribution to its success and has implemented a policy to improve employees' skills and capability by drawing up a training roadmap that specifies the required knowledge, skills and competency for each job position. The roadmap would facilitate precise and efficient training programs and knowledge acquisition for employees at all levels. A consultant was hired to facilitate improvements human resource management. The first phase of improvement would be to revise compensation and fringe benefits structures to increase employee motivation. At the end of December 2005, the Bank's employees numbered 6,650.

Structure and Processes To strengthen competitive capability and to raise service standards, the Bank reorganized its structure to meet changing business demands. To provide greater convenience and faster service, service delivery systems such as automatic fund transfers, deposit accounts opening, ATM cards, and payroll system, were upgraded. To improve risk management, the credit rating model for customer loans was revised. Loan portfolio was analyzed and adjusted to meet the changing credit requirements and credit card portfolio was revised according to the demographic profile and changing environmental and economic conditions. Last but not least is the Bank's adherence to prudent management in accordance with good corporate governance policy.

Information Technology In addition to investment in IT systems to support business growth, such as new credit card systems, cash management system, image check system, loan multi-currency system and domestic remittance system to support business growth, the Bank also developed various IT systems to reduce costs and increase efficiency, such as products and customers profitability measurement system, customer relationship management system, assets liabilities management system, and watch list system. A computer back-up system was also developed to prepare for any emergency.

Social Activities As a responsible corporate entity, the Bank made social contribution by sponsoring various cultural projects and public charitable activities.

"Siam City Preserves Thai Uniqueness" project consisted of two activities targeted at young participants. One activity was "Read and Listen Competition", which was aimed at developing Thai youth's ability to pronounce Thai words clearly and correctly; the second, "Thai Manners Competition", aimed at raising an awareness of the value of Thai graceful and gentle manners. Both programs were honored by Her Royal Highness the Crown Princess, who graciously awarded trophies to the winners. Winners also received cash prizes totaling Baht 455,000. The Bank also produced VCD's on "Demonstration of Thai Manners," and "Read and Listen Thai Words" for distribution to educational institutions in Thailand.

Television documentary "Thai Marks" was aired every Monday, Tuesday and Wednesday at 20.15 hours on Modern 9 TV. This program traces the Thai ways of living from past to present in Thai culture and arts, values and beliefs and other interesting Thai professions. Stories of particular interest were about Thai indigenous skills that were passed locally from generation to generation, such as skills in weaving Thai silk, Thai cotton, and the adaptation of Thai clothes in various types of products for export which would gain international recognition.

Red Cross Fair Booth The Bank recognizes the Thai Red Cross Society's important role in raising funds to help alleviate hardship of those people who suffered losses from disasters. It participated in the annual Red Cross Fair by opening a booth at the fair and contributed proceeds from sales at the booth to the Red Cross Society; proceeds were proffered to Her Royal Highness the Crown Princess, Chairperson of the Red Cross Society.

Reforestation Project on the Occasion of the 50th Anniversary of His Majesty the King's Ascension to the Throne

The government initiated a reforestation project to celebrate the 50th anniversary of His Majesty the King's ascension to the Throne. The project began in 1994 and the 1994-2003 decade was proclaimed the decade of rehabilitation of natural resources, particularly forests. The objective of the project was to reforest, rehabilitate and maintain 5 million rai of the forests within conservation areas. In 2002, nine years after the commencement of the project, the government reforested a total of 3.4 million rai of forest areas. The duration of the reforestation efforts was then extended for another five years under the project name, "Reforestation Project to Celebrate the 50th Anniversary of His Majesty the King's Ascension to the Throne." The government sought the Bank's contribution in this effort, through the Thai Bankers Association. The Bank approved a budget of Baht 18,408,000 toward hiring Rajapruek Foundation to reforest an area of 6,136 rai in the national forest reserve. The area is located on the right side of Nan River in Baan Nam-ta, Baan Nam-lee, Tambol Nam Man, Ta-pla District, Uttaradit Province. The reforestation and maintenance work will last 5 years, from 2005 to 2009.

Banking Operations

The Bank conducts businesses permitted under Commercial Bank Act and businesses related to commercial banks as announced by the Bank of Thailand, Ministry of Finance and other government agencies. Its banking businesses may be divided into two types:

1. Businesses that generate interest and dividend income, such as deposits, loans and investments;
2. Businesses that generate non-interest income, such as fees and other income including foreign exchange, bill discount, letters of credit for import and export, domestic and international money transfers, credit cards, aval and guarantees, securities and asset management.

In addition to the principal financial services of deposits and loans, the Bank continuously develops and improves its product lines to serve customers' needs. Product development includes its own products as well as those developed jointly with its subsidiaries to offer more options to customers and to satisfy their financial needs. The Bank's business operations may be divided into 5 principal groups:

1. **Corporate Banking Group.** Responsible for relationship with large corporate customers whose annual sales exceed Baht 2,000 million, medium size corporate customers whose annual sales average between Baht 200 million to Baht 2,000 million, and small corporate customers whose annual sales are less than Baht 200 million. Principal products and services include: long-term loan, project loan, revolving credit line for liquidity purposes such as overdraft and promissory note, international trade finance, guarantees such as loan guarantee, performance guarantee, avals and bills of acceptance, payment guarantee such as letter of credit and commercial paper, cash management, foreign currency exchange and investment banking.
2. **Retail Banking Group.** Responsible for relationship with customers who are owners of tiny businesses requiring loans no larger than Baht 10 million, and retail customers by offering them basic financial products and services, and new products. Products in this category include loan for tiny business (SCIB S), loan for new business owner, loan for franchise business, housing loan, consumer loan, and personal loan. Card businesses include credit card, debit card, and ATM card. Other products include deposits, safe deposit box, gift check and cashier check.
3. **Financial and Cash Management Group.** Responsible for financial management on behalf of corporate and retail customers. Products in this category include cash management, liquidity management, collection and payment, payroll administration, domestic and international money transfers. International money transfers include foreign exchange, collection of foreign exchange bills and traveler's checks.

4. **Brokerage and Agency Service Group.** Responsible for relationship with institutional, corporate and retail customers. The group also markets products developed jointly with the Bank's subsidiaries. Principal products include bancassurance, and trustee services. Custodian services include custody of securities, delivery and transfer of securities, receipt and payment of securities transactions, dividend payment, debt instrument holder representation, mutual fund trustee, and selling and buying agent of debt instruments and mutual funds.
5. **Treasury Group.** Responsible for the management of the Bank's assets and liabilities, through proprietary trading of money and instruments in the money and capital markets to earn highest return for the Bank under an appropriate level of risk in accordance with related policy and regulations.

Structure and Businesses of Subsidiaries and Affiliated Companies

As at 31 December 2005, the Bank has a total of 6 companies that complement its operations; 4 are subsidiaries and 2 are affiliated companies.⁽¹⁾ Details of shareholding in these companies are as follows:

Name of Company	Type of Business	Bank's Shareholding	Investment Value (Baht)
Subsidiaries			
1. Max Life Assurance Co., Ltd. ⁽²⁾	Life insurance	100.00%	526,260,000
2. Siam City Asset Management Co., Ltd.	Mutual Fund Management	100.00%	170,000,000
3. SCIB Services Co., Ltd.	Services	100.00%	10,000,000
4. Siam City Securities Co., Ltd. ⁽³⁾	Securities Trading	99.79%	2,074,743,874
Affiliated Companies			
5. Siam City Insurance Co., Ltd.	Non-life Insurance	45.50%	31,571,880
6. Siam Samsung Life Insurance Co., Ltd.	Life Insurance	25.00%	125,000,000
Life insurance			2,937,575,754

Note: (1) Excluding three subsidiaries that are in liquidation process, namely Crown Development Co., Ltd., Siam City IT Co., Ltd., and The Chada Thong Properties Co., Ltd.

(2) Formerly Metropolitan Life Insurance Co., Ltd.

(3) Formerly Yuanta Securities (Thailand) Co., Ltd.

Structure of Incomes (Consolidated)

Items	As at 31 December 2005		As at 31 December 2004	
	Amount (Million Baht)	Percent	Amount (Million Baht)	Percent
Interest and Dividend Incomes				
Loans	12,958	58.04	10,993	53.51
Interbank and money market items	386	1.73	180	0.88
Investments	4,627	20.72	4,598	22.38
Total interest and dividend incomes	17,971	80.49	15,771	76.77
Bad debt and doubtful accounts	(299)	(1.34)	(203)	(0.99)
Present value losses from debt restructuring	35	0.16	(281)	(1.37)
Total interest and dividend income after bad debt, doubtful accounts and present value loss from debt restructuring	17,707	79.31	15,287	74.41
Non-interest Incomes				
Gain on investments	781	3.50	1,641	7.99
Share of profit (loss) from investment accounted for under equity method	11	0.05	5	0.03
Fee and Charge				
Acceptance, aval and guarantee	311	1.39	288	1.40
Other services	1,812	8.12	1,865	9.08
Gains on exchange	17	0.08	192	0.93
Management fee from Sukhumvit Assets Management Co., Ltd.	-	-	142	0.69
Other incomes	1,688	7.56	1,123	5.47
Total non-interest income	4,620	20.69	5,256	25.59
Total Income	22,327	100.00	20,543	100.00

Total income for 2005 amounted to Baht 22,327 million, an increase of Baht 1,784 million over 2004. In 2004, interest and dividend income after bad debt and doubtful accounts and present value losses from debt restructuring amounted to 74.41% while non-interest income amounted to 25.59% of total income. In 2005, non-interest income was down to 20.69% of total income, due to a decrease in gains on investment and foreign exchange loss from the conversion of dollar assets into Thai Baht in the Cayman Island Branch. Moreover, the Bank no longer received asset management fees from Sukhumvit AMC due to the expiration of contract in 2004.

Marketing and Competition

Market Overview

Thai financial market experienced another year of intense competition on all fronts. The Financial Master Plan's one presence concept and allowing commercial banks to offer a wide range of products and financial services. The number of commercial banks and new financial products increased. Strategies to offer new and more convenient products were utilized. In retail banking, consumer loans were a prime target due to profitable return and ease of systematic risk management. Competition for deposit customers was also keen due to demands for funding. Meanwhile, asset quality risk and economic uncertainty required commercial banks to be careful in their operations. However, Thai commercial banks' ability to manage spreads and to earn incomes from business expansion, coupled with the declines in non-performing loans and reserve requirements, enabled them to earn higher profit than last year and achieve stronger financial positions, both in reserves and capital funds.

At end of 2005, Siam City Bank ranked 7th among Thai commercial banks in terms of assets, with deposit and loan market shares at 6.87% and 6.10% respectively. Non-performing loans was low while reserve and capital fund were high. The Bank's branch network reaches into every province of the country and its subsidiaries offer various financial services, allowing an aggressive expansion of businesses and improvement of selling efficiency and service quality. The Bank is growing steadily and is now able to compete with other leading commercial banks in Thailand.

Competition

Competition among Thai commercial banks increased intensely. Most banks offered full lines of financial services, developed and widened their ranges of products, increased distribution channels and emphasized various forms of marketing promotion. Competition was particularly intense in loans with good returns, such as consumer loan, personal loan, loan for medium and small enterprises, and retail depositors for the purpose of cross selling.

The intensity of competition required commercial banks to expand businesses, improve service delivery, expand customer base, train and develop employees, improve operating procedure, introduce new technology to reduce costs, develop new products to reach target customer groups, and increase fee based incomes. Competition may be described under the following marketing mix:

Price Liquidity in commercial bank system decreased and competition for deposits became intense. Commercial banks used pricing strategies and new deposit products with attractive conditions. Lending rates also remained competitive throughout the year to attract good potential customers.

Product The expanded range of business allowed by law coupled with technological and financial innovations enabled commercial banks to offer a variety of financial products with conditions to suit customers' needs. Services in retail banking aimed at expanding customer base and increasing customer satisfaction. The development of internet banking and mobile phone banking promised to be products with low cost that would become an important income earner for commercial banks in the future. A full line of financial services consisting of the commercial banks' own products as well as those offered by their subsidiaries will be an important strategy to satisfy customers' needs, increase service efficiency, and increase fee incomes.

Place In addition to programs to modernize the appearance of their branches, to re-engineer their service and work procedures to provide convenience and speed up service, many commercial banks increased and adjusted their working hours and added more branches. These branches were located near their customers, in communities or business centers. Branches were also added in locations where there were large number of customers, such as department stores, office buildings, hospitals, and educational institutions; these new branches tended to be in kiosk form where customers could perform their own transactions through electronic machines.

Promotion Sales and marketing promotion among commercial banks tended to focus on encouragement of customer visits, inclusion of sale and marketing units in the organizational structure, and creation of new groups of employees who specialized in promoting products to retail customers. These products included personal loan, housing loan, card, deposit, bancassurance, and mutual fund. Advertising in various media, such as commercials, prints and radio, was also used to inform customers and promote selling.

Banking Business Trend

Inflation rate slowdown due to oil price stability, the recovery of Thai tourism industry, improved export growth rate and the government's policy on mega-projects are positive factors contributing to the private sector's investment confidence and personal consumption. These factors will be important drivers of Thai economy in 2006 and will present commercial banks with an opportunity for further growth. However, interest rates are on the upward trend and may adversely impact costs. Asset quality and economic uncertainty require commercial banks to exercise care in their operations and to focus on quality lending. Environmental changes are expected to increase in the near future, due to the opening of the financial markets under the FTA conditions and other regulatory measures, such as the establishment of deposit insurance institute, Basel II capital fund to risk assets ratio and consolidated supervision. These changes are expected to increase commercial banks' costs, and will significantly affect their capital fund whereby commercial banks will need to expand their businesses and develop their competitive capability.

Business Objectives and Strategies

The Bank's objective is to become a universal bank with full banking services that emphasizes fee income generating businesses. Other objectives include improvement of its operation efficiency, increased competitive capability, better profit generating capability and maximization of shareholders' wealth. Important strategies are as follows:

Expand customer base by focusing on medium, small, and retail customers

The Bank's strategy is to continue expanding its customer base as these customers are an important source of income and will provide an opportunity for cross selling. The Bank will offer its products through pro-active marketing campaigns reaching customers via its 387 branches, and differentiating through "High Personal Touch" service from employees and technological systems. Medium, small, and retail customers are customers with high growth potential, are numerous and have shown an increasing demand for loans and other financial services. These customers would balance and diversify the Bank's customer base.

Offer a variety of products and services

The Bank plans to increase and develop a variety of products to satisfy business customers' as well as retail customers' needs. The objective is to increase product or service uses per customer through cross-selling by offering packages of products from the Bank and its subsidiaries, such as life insurance, non-life insurance, securities and mutual funds. In 2006, the Bank is preparing to offer leasing service that will complement other services which will fulfill the Universal Banking service platform. The Bank also plans to upgrade products for retail customers, such as debit card, credit card, tiny business loan, housing loan and personal loan. Financial services to be offered to customers will include cash management and fund transfers, such as check collection, check printing, on-line fund transfer over the Bank's branch counter, social security payment, and payment for goods and service over the branch counter.

Increase and improve distribution channels

The Bank plans to increase its distribution channels to provide convenience and increase efficiency in product delivery. In addition to branches in business areas and local communities, the Bank plans to open kiosk branches in department stores and office buildings, to modernize its exchange booths to convey the "Modern Branch" image, and install more ATM machines, passbook update machines, and cash deposit machines. Importance will also be given to the development of ATM, internet banking and tele-banking systems so that these systems could handle mutual fund trading, fund transfer, loan payments, and payments for goods and services.

Promote adherence to good corporate governance

The Bank emphasizes professionalism, transparency, audit process, ethical conduct of business and good corporate governance. The Bank requires its directors, executives and employees to adhere to good corporate governance in the discharge of their duties and responsibilities and to perform their tasks in an efficient, transparent and fair manner to all concerned. A Code of ethics also prescribes ethical conduct towards shareholders, customers, other commercial banks and society. A Co-ordinating Committee on Good Corporate Governance has been appointed and is charged with the responsibility of implementing good corporate governance and ethical conduct policies.

Improve personnel quality and efficiency

The Bank emphasizes the development of its employees at all levels by promoting education and training, and by granting scholarships for further education within and outside the country. The Bank also plans to implement the second phase of the human resource master plan to revise manpower structure, improve recruitment process, job evaluation process and human resource development. The Bank also plans to increase the number of employees in selling, analytical and specialized skills positions to support long-term business expansion, improve work environment and provide growth and career advancement.

Improve efficiency of service and operation methods

The Bank aims to achieve maximum customer satisfaction by providing excellent services that are convenient, fast and efficient. Toward this objective, the Bank has benchmarked its service delivery against standard time. The process of considering retail loan applications that need to be fast and competitive will be installed online to speed up the loan granting process. Back office work, such as contract preparation and loan draw-downs will be pooled at operation centers to allow branch employees to concentrate on selling and customer relationship management. A call center will also be established to provide information to customers

Enhance capability of information technology and management information systems

The Bank plans to modernize its information technology systems to provide new services and support increased businesses by upgrading its core banking system, and to develop credit card, ATM and internet banking systems. System enhancements will include a payment gateway to support e-commerce service, cell phone services system, installation of security systems such as network security authentication system, security log system and control room. In addition to the information system to support selling and administration, the Bank plans to develop an information system to compute Basel II capital fund to risk asset ratio and to develop a customer information system that prevents money laundering or funding of terrorism activities. A system to support Report on Observance of Standards and Codes will also be developed.

Shareholding Structure and Management

Shareholders

As at 8 September 2005⁽¹⁾, the first ten major shareholders of the Bank were:

Shareholders	No. of shares	Percentage
1. Financial Institutions Development Fund	1,005,330,950	47.58
2. Stock Exchange of Thailand	171,500,192	8.12
3. Thai NVDR Co., Ltd.	105,392,000	4.99
4. Barclays Bank PLC	105,000,000	4.97
5. State Street Bank & Trust Company	58,028,781	2.75
6. Nortrust Nominees Ltd.	48,458,401	2.29
7. Somers (U.K.) Limited	34,663,400	1.64
8. Vayupak Fund I by MFC AMC	24,723,750	1.17
9. Vayupak Fund I by Krung Thai AMC	24,723,750	1.17
10. United Overseas Bank Ltd. Singapore	21,386,000	1.01

Note: ⁽¹⁾ Date of closing shareholders registration book for interim dividend payment.

List of current shareholders may be accessed at the Bank's website (www.scib.co.th) prior to the shareholders' meeting.

Dividend Policy

As a normal practice, dividend payment was made from profit. In 2005, the Bank announced the policy of paying dividend of not more than 50% of net profit after required reserves. Recognizing that the Bank has earned sufficient profit for payment of interim dividend, the Board of Directors at its 719th meeting on 24 August 2005 resolved to pay an interim dividend of Baht 0.70 per share for the first half of 2005 results. The Bank paid the interim dividend on 22 September 2005 and the Board of Director would report the dividend payment at the next general shareholders' meeting.

The criteria for the Bank's subsidiary to pay dividend are the company's previous year financial performance and its cash position. On 26 April 2005, at its 13th shareholders' meeting SCIB Services Co., Ltd. announced a dividend payment of Baht 2,000 per share. Other subsidiaries did not announce any dividend payment.

Structure of the Board of Directors

The Board of Directors consists of 10 members: six are independent directors; two are appointed by major shareholders; one is outside director and one represents the management. The Board of Directors schedules at least 12 meetings in a year and fixes the agenda before each meeting. For each meeting, the agenda and documents for the meeting will be delivered to the directors prior to the meeting to allow them sufficient time to study and consider the issues. The deliberation of the issues takes into consideration the interests of shareholders and stakeholders. For each item on the agenda, sufficient time is provided for consideration and expression of opinion. The Chairman presides over the meetings and allows all directors to express their opinions freely and independently. No person or group of persons exercises control over the decisions of the Board of Directors.

Board of Directors

As at 31 December 2005, the Board of Directors consisted of:

1.	Mr. Sompol	Kiatphaibool	Chairman
2.	Mr. Somkiat	Sukdheva	Director
3.	Mrs. Tasna	Rajatabhothi	Director
4.	Assoc.Prof.Dr. Somjai	Phagaphasvivat	Director
5.	Mr. Chavalit	Sethameteekul	Director
6.	Dr. Sathit	Limpongpun	Director
7.	Assoc.Prof.Dr. Suchart	Thada-Thamrongvech	Director
8.	Mr. Khemchai	Chutiwongse	Director
9.	Dr. Suvit	Maesincee	Director
10.	Mr. Arun	Chirachavala	Director and President

Ms. Angkana Swasdipoon served as secretary to the Board. Directors with power of attorney are Mr. Sompol Kiatphaibool, Mr. Arun Chirachavala and Mrs. Tasna Rajatabhothi, two of whom may sign on behalf of the Bank and confirm their signatures with the Bank's official seal.

Independent Directors

There were six independent directors, more than half of the number of current directors. Independent directors were:

1.	Mr. Somkiat	Sukdheva	Independent Director
2.	Assoc.Prof.Dr. Somjai	Phagaphasvivat	Independent Director
3.	Assoc.Prof.Dr. Suchart	Thada-Thamrongvech	Independent Director
4.	Mr. Khemchai	Chutiwongse	Independent Director
5.	Dr. Sathit	Limpongpun	Independent Director
6.	Dr. Suvit	Maesincee	Independent Director

The first three independent directors were appointed by the Board of Directors at its 677th meeting on 28 March 2003. The fourth independent director was appointed by the Board of Directors at its 691st meeting on 4 February 2004. The fifth and sixth were appointed at the 723rd meeting on 23 November 2005. All six independent directors have issued on their annual letters stating their independent status as required by the Bank of Thailand. The Bank has filed their letters with the Bank of Thailand.

At its 2nd meeting on 16 November 2005, the Independent Directors resolved to amend the regulations concerning shareholding by independent directors and the resolution was approved by the Board of Directors at its 723rd meeting on 23 November 2005. The amendment is in line with the guideline issued by the Stock Exchange of Thailand and with the Bank of Thailand's directive, No. Sor Nor Sor. 31 (Wor) 2770/2545 dated 3 December B.E. 2545, concerning the structure of the Board of Directors for Good Corporate Governance.

The revised definition of "independent directors" is as follows:

1) Shareholding by Independent Directors

Independent directors shall not hold shares in excess of 0.05% of registered and paid-up capital.

2) Management authority

Independent directors shall not, during the past one year, have taken part in the management of the Bank, or have been employees or advisors receiving regular salaries, authorized officers of the Bank, its subsidiaries and affiliated companies, or have been persons with conflict of interest.

3) Business Relationship

Independent directors shall not have any business relationship with, or any direct or indirect interest in the financial and management matters involving the Bank, its subsidiaries and affiliated companies, or other persons with conflict of interest, that may cause a loss of their independence.

4) Independence

Independent directors shall not be close relatives of the executives, major shareholders of the Bank, its subsidiaries and affiliated companies, or other persons with conflict of interest, which may give rise to conflict of interest. Independent directors shall not be representatives to protect the interests of any Bank's directors or major shareholders.

The above statement complies with directive from the Securities and Exchange Commission in its letter, Kor Lor Tor. Jor. (Wor) 56/2547., dated 1 December 2004, on the disclosure of definition of independent directors of public companies in the annual reports.

Regulations concerning Board of Directors

The Bank has defined the qualifications, selection, composition, tenure, independence, power, authority and responsibility of the Directors, as follows:

I. Selection and composition

- I.1 Directors shall have the qualifications stipulated in the Public Companies Act, Commercial Bank Act and regulations of Stock Exchange of Thailand.
- I.2 Directors shall be independent, ethical, honest, knowledgeable and experienced in their fields of endeavor, decisive and responsible.
- I.3 The Board shall consist of no less than 5 directors, three of whom shall be executive directors.
- I.4 The Board shall have the power to appoint advisors to the Board.

2. Tenure

- 2.1 The term of the directors is prescribed by the Bank's Articles of Association.
- 2.2 At each annual general meeting of shareholders, the term of one third of the Board of Directors shall expire. Directors whose term so expires shall be eligible for reappointment.
- 2.3 Directors shall not be over 65 years of age in case of the Bank being a state enterprise, or not over 70 years of age in case of the Bank being a private company.
- 2.4 Resignation of directors shall be in writing and becomes effective upon the Bank's receipt of such resignation.
- 2.5 To fill a vacant director position, the Board of Directors shall appoint a person whose qualifications and characteristics are not in contravention to applicable laws. The appointment shall be authorized by a vote of no less than three fourths of the remaining directors. Replacement director shall serve the remaining term of the director who vacated the position.

3. Independence

- 3.1 One third of the Board of Directors but not less than three directors shall be independent directors, whose qualifications satisfied the conditions prescribed by the Bank of Thailand.
- 3.2 Independent directors shall act as a check and balance against any person or group of persons exercising control over the decisions of the Board.

4. Meetings

- 4.1 The Board shall meet once every month and may convene more meetings as needed.
- 4.2 The Chairman of the Board shall inform the directors of the agenda of the meeting, indicate whether the items are for information or consideration, provide complete documentation for the meeting, and deliver the agenda and documents well in advance of the meeting.
- 4.3 Directors are required to attend every Board meeting.
- 4.4 The Board shall keep secret matters that may have adverse material impact on the Bank's operations.
- 4.5 Directors who are involved in related interest items shall leave the meeting room to allow a free discussion of the issue.
- 4.6 Minutes of the meeting shall record dissenting opinions expressed by the directors who do not agree with the Board's resolutions.
- 4.7 Quorum for the meeting of the Board of Directors shall not be less than one half of the number of directors. The Chairman or Vice-Chairman shall chair the meeting.

5. Committees

The committees are:

- Board of Directors
- Board of Executive Directors
- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee

6. Duties and Responsibilities of Directors

- 6.1 Ensure that management of the Bank is conducted in accordance with applicable laws, objectives, Articles of Association, and shareholders' resolutions.
- 6.2 Adhere to the good corporate governance principles for directors, prescribed by Stock Exchange of Thailand.
- 6.3 Determine the Bank's policies and direction and review its objectives, plans and strategies.
- 6.4 Supervise the management in the performance of their duties and responsibilities to ensure maximum benefits for the shareholders.
- 6.5 Conduct businesses under principles of good corporate governance, with transparency, fairness, accountability and sufficient disclosure to all concerned.
- 6.6 Determine the Bank's policies and strategies on risk management and supervise implementation of risk management policies.
- 6.7 Perform their duties and responsibilities for maximum benefits of the Bank and its shareholders.
- 6.8 Comply with applicable laws and regulations.
- 6.9 Receive regular reports on the efficiency of internal control and risk management systems.

7. Compensation

- 7.1 Nomination and Remuneration Committee proposes policies and principles on compensation for the directors and the President for the Board's consideration. The President is authorized to determine and report to the committee compensation for first senior executive vice president and senior executive vice presidents, taking into consideration their individual performances.

However, the Bank of Thailand's guidelines on the structure of the Board of Directors for Good Corporate Governance Letter No. Thor Por Tor.Sor Nor Sor. (31) Wor. 2770/2545 required that the Nomination and Remuneration Committee "shall see to it that the directors and top executives of the Bank receive suitable compensation," and that the Committee "shall prescribe the methods of annual performance evaluation and compensation increase for the directors and top executives of the Bank." The President therefore seeks the concurrence of the Nomination and Remuneration Committee the performance evaluation of and compensation for the Bank's top executives.

- 7.2 Nomination and Remuneration Committee shall consider director's and President's compensation appropriate with their duties and responsibilities, in line with the prevailing practice and shareholders' benefits.
- 7.3 Shareholders shall approve annual compensation for the directors.
- 7.4 Directors shall be entitled to receive meeting honoraria, lump sum rewards, bonuses or other forms of compensation as approved by the annual general meeting of shareholders. The meeting may specify amounts, stipulate a guideline or authorize the Bank to determine the amounts periodically.
- 7.5 Directors shall be entitled to receive other benefits, such as medical reimbursement, reasonable entertainment expenses and sundry expenses.

8. The Board of Directors' Evaluation

The Bank has arranged for the evaluation of the Board of Directors since 2002 by requiring self-assessment as well as the board evaluation to emphasize the importance of evaluating on the Board of Directors' efficiency. In 2005, the Board of Directors' evaluation may be summarized as follows:

- **Self-assessment** consisted of six items, namely knowledge and ability, independence, readiness to perform duties, conscientiousness and responsibility, discharge of duties and determination to develop the Bank whereby the results of rating evaluation was good. The details for each item are as follows:

1) Knowledge and Ability (Average score 87.50%)

The majority of the directors believed that the Board of Directors contributed their specialized knowledge in the planning of the Bank's strategies and action plans, offered opinions that were not in contravention of ethical principles of their own specialization, proposed new ideas in solving problems and encouraged the Bank to modernize and participate in social contribution.

2) Independence (Average score 82.50%)

The directors believed that the Board of Directors was independent and responsible for the Bank's stakeholders.

3) Readiness to perform duties (Average score 90%)

The majority of the directors believed that the Board of Directors offered opinions and suggestions that were not in contradiction to the basic principles of the Bank's policies and action plans. The Board of Directors also offered opinions or suggestions that were in accord with principles of modern management.

4) Conscientiousness and responsibility (Average score 81%)

The majority of the directors believed that members of the Board of Directors attended all meetings, participated in the meeting by questioning issues and offering useful suggestions and discussed the issues concerning the Bank's policies and strategies.

5) Discharge of duties (Average score 90.84%)

The majority of the directors believed that members of the Board of Directors regularly attended the meetings of various committees to lighten the burden of the Board and gave the management clarification or suggestions that would help in the implementation of the Bank's policies.

6) Determination to develop the Bank (Average score 83.75%)

The majority of the directors believed that the Board of Directors proposed ideas and plans to improve the Bank's operations and preparedness for future changes.

• **Board Evaluation** Board evaluation consisted of 4 items, namely conduct of the meeting, communication, work procedure and relationship with the management. The rating of the evaluation was excellent. The details for each item are as follows:

1) Conduct of the meeting (Average score 96.93%)

The Board of Directors believed that the conduct of the meeting was excellent. The structures of various committees were suitable and covered the Bank's important tasks. The members of the Board possessed a balanced variety of skills and the number of the Board members was sufficient for the required tasks. The directors were informed of the meeting in advance; the agendas were prepared to facilitate the deliberation of the issues; the documents for the meetings were sufficient and comprehensible; and timing of the meetings was efficient. The Chairman efficiently led the meeting and encouraged the directors to question and discuss the issues.

2) Communication (Average score 96.25%)

The Board of Directors believed the communication among the directors and between the directors and the management was excellent. All directors had sufficient opportunity to express their opinions and to communicate their opinions to other directors and to the management. Even unfavorable news was quickly and sufficiently communicated by the management to the directors.

3) Work procedure (Average score 92.85%)

The Board of Directors believed that their work procedure for their role, duties and responsibility was excellent. The directors had sufficient opportunity to learn about the Bank's businesses and to take part in the development of policies and strategies.

4) Relationship with the management (Average score 98.34%)

The Board of Directors believed that their relationship with the management was excellent. The Board gave suggestions to the management when needed. The Chairman and the President efficiently coordinated their works and had mutual understanding of each other's roles and responsibilities. The relationship between the Board and the management was mutually supportive.

Board of Executive Directors

As at 31 December 2005, the Board of Executive Directors consisted of:

- | | | | |
|----|------------|--------------|----------|
| 1. | Mr. Sompol | Kiatphaibool | Chairman |
| 2. | Mrs. Tasna | Rajatabhothi | Director |
| 3. | Mr. Arun | Chirachavala | Director |

Mrs. Yaovalak Kunakornporamat served as secretary to the Board.

Regulations concerning Board of Executive Directors

- 1) Board of Executive Directors shall consist of no less than 3 directors. Executive directors shall not serve concurrently as members of Audit Committee and shall serve their regular term as directors.
- 2) Board of Executive Directors shall perform their duties and responsibilities as approved by the Board of Directors.
- 3) Board of Executive Directors shall be entitled to receive compensation determined by the Board of Directors and such entitlements shall not adversely affect other compensation or benefits they receive as Bank's directors.

Duties, Responsibilities and Power of the Board of Executive Directors

1. Consider and present for the Board of Directors' approval matters concerning the Bank's policies, matters that when implemented shall have material impact on the Bank's operations, matters that must be performed in accordance with the laws and Bank's regulations, and matters that the Board of Executive Directors deems to require Board of Director's approval, such as loan applications.
2. Shall have the power to approve investments in securities under securities law, e.g. equities, semi-equity instruments, debt instruments, derivatives, mutual funds, and securities not under securities laws, e.g. acceptance, promissory notes, certificates of deposit, and other instruments, in amounts not exceeding Baht 500 million for the Bank's portfolio. Investments in other banks' instruments or in the Bank's own instruments shall be without limit.
3. Shall have the power to approve loans, loan restructuring of the Bank's customers and/or customers managed by the Bank, within conditions and approval limits set forth by the Board of Directors.
4. Shall have the power to consider and screen loan applications and investments in amounts in excess of its approval limits stipulated in No. 2 and 3, for further consideration and approval by the Board of Directors.
5. Shall have the power to determine and/or amend rules and regulations concerning matters of importance, or great risks to the Bank's operations.
6. Shall have the power to improve or change employment conditions, employee compensation and benefits.
7. Shall have the power to consider requests for payment of assistance fund or bonus to employees.
8. Shall have the power to approve sales of assets, such as foreclosed properties or other assets, including sales that may result in loss, in accordance with the Bank's regulations.
9. Shall have the power to recommend write-off of assets and loan loss as expenses, and recommend such write-offs to the Board of Directors prior to obtaining ratification by shareholders at the annual general meeting.
10. Shall have the power to direct the management in their performance of duties for benefits of the Bank in accordance with the laws.

11. Shall have the power to consider other matters assigned by the Board of Directors.
12. Shall advise the President and the Management Committee on matters concerning:
 - 12.1 Personnel and organizational structure;
 - 12.2 Lending;
 - 12.3 Collateral;
 - 12.4 Debt restructuring;
 - 12.5 Expenditures;
 - 12.6 Reduction of fees and interest rates on domestic and international businesses to the level lower than the Bank's announced rates;
 - 12.7 Opening, establishing, closing, discontinuing, relocation of offices or branches in and outside the country, assets quality, reserves and risk evaluation;
 - 12.8 Liquidity and capital funds;
 - 12.9 Purchases of land/building/equipment for the Bank's operations.

Meetings of the Board of Executive Directors

The Board of Executive Directors shall meet once every week, chaired by the Chairman of the Board of Executive Directors. If the Chairman is indisposed, directors attending the meeting shall elect one member to chair the meeting. When the meeting discusses an issue of interest related to any director, the director who is involved with related interest shall leave the meeting room to allow a free discussion of the issue.

Audit Committee

As at 31 December 2005, the Audit Committee consisted of:

- | | | | |
|----|------------------------|--------------------|----------|
| 1. | Mr. Somkiat | Sukdheva | Chairman |
| 2. | Assoc.Prof.Dr. Somjai | Phagaphasvivat | Director |
| 3. | Assoc.Prof.Dr. Suchart | Thada-Thamrongvech | Director |

Mr. Pongsak Harnsongkitpong served as the secretary to the Committee.

Charter of the Audit Committee

This charter, approved by the Board of Directors at its 695th meeting on 21 April 2004, has been prepared to inform all concerned of power, duties, and responsibilities of the Audit Committee.

1. Composition and qualifications

The Audit Committee shall consist of at least 3 members, a chairman and two members; all of whom shall be Bank's directors and possess all qualifications as required by regulatory agencies supervising commercial banks. At least two members shall be independent directors who satisfy the Bank of Thailand's definitions of independent directors. The Audit Committee shall be allowed to appoint one advisor, and a Bank's officer who possesses suitable qualifications to serve as secretary of the Committee

2. Tenure

Members of the Audit Committee shall be appointed to a term of three years. Members whose term expires shall be eligible for re-appointment.

In the case of a vacancy in the Audit Committee membership due to reasons other than expiration of the term, the Bank's Board of Directors shall appoint a person whose qualifications satisfy eligibility requirements to become a replacement member. The replacement member of the Audit Committee shall serve the remaining term of the member who vacated the position.

3. Duties and Responsibilities

The Audit Committee shall be vested with the following duties and responsibilities:

- 3.1 At the discretion of the Chairman, call four or more meetings per year.
- 3.2 Review the Bank's financial statements for accuracy and reliability.
- 3.3 Supervise disclosure of the Bank's information in accordance with regulatory agencies' rules and regulations, paying particular attention to related transactions, or transactions that may involve conflict of interest.
- 3.4 Review the Bank's risk management systems, risk control and internal audit.
- 3.5 Review accuracy and efficiency of information technology systems as they involve financial statements, risk management, and internal audit, and recommend timely upgrading of IT systems.
- 3.6 Review the Bank's operations to ensure that they are performed in accordance with the Commercial Bank Act, Securities and Exchange Act, and other Acts related to commercial bank operations, including rules and regulations announced by regulatory agencies.
- 3.7 Consider, select, review and propose appointment of and remuneration, including audit fees, for the Bank's external auditor.
- 3.8 Call a meeting with external auditor at least once a year to discuss audit report and obtain external auditor's opinion on matters of importance.
- 3.9 Call a formal meeting with the management at least once a year.
- 3.10 Prepare quarterly Reports of the Audit Committee for submission to the Board of Directors.
- 3.11 Prepare a Report of the Audit Committee for publication in the Bank's annual report.
- 3.12 Perform other duties as required by laws or as ordered by the Bank's Board of Directors.

4. Power of the Audit Committee

To fulfill its duties and responsibilities, the Audit Committee shall be vested with the following power:

- 4.1 Invite the management, heads of departments or the Bank's employees to attend its meetings to clarify issues involved or to submit documents involved with issues under consideration.
- 4.2 Ensure a parity level of professionalism between and a coordinated performance of internal auditors and external auditors.
- 4.3 Offer opinions concerning appointment, removal, transfer, dismissal and performance appraisal of heads of internal audit departments, as proposed by the President.
- 4.4 Ensure and confirm independence of internal and external auditors.
- 4.5 Review and evaluate the performance of the auditor.
- 4.6 Consider and offer opinions concerning remuneration of external auditors, including fees for services and other consulting work provided by external auditors.
- 4.7 Hire or retain outside experts to provide opinions at a fee that the Audit Committee deems appropriate.

5. Others

The Audit Committee shall on an annual basis:

- 5.1 Review its own performance;
- 5.2 Review any changes in this Charter and submit proposed changes to the Board of Directors for approval.

Nomination and Remuneration Committee

As at 31 December 2005, the Nomination and Remuneration Committee consisted of:

- | | | | |
|----|--------------|---------------|----------|
| 1. | Mr. Khemchai | Chutiwongse | Chairman |
| 2. | Mrs. Tasna | Rajatabhothi | Director |
| 3. | Mr. Chavalit | Sethameteekul | Director |

Mrs. Yaovalak Kunakornporamat served as the secretary to the Committee.

Due to the resignation of Mr. Visut Montriwat, director and member of the Nomination and Remuneration Committee, the Board of Directors at its 716th meeting on 25 May 2005 approved the appointments of Mr. Chavalit Sethameteekul as a member, and Mr. Khemchai Chutiwongse as Chairman of the Nomination and Remuneration Committee.

Duties and Responsibilities

1. Determine policy, criteria and method for the selection of the Bank's directors and directors in various committees formed by order of the Board of Directors, determine the proper size and composition of committees, and disclose the policies and details of recruitment process in the Bank's annual reports.
2. Determine the policy and criteria on compensation for the directors and President, who serve on various committees, such as executive committee and audit committee.
3. Review and ensure that the directors and President receive compensation commensurate with their duties and responsibilities.
4. Determine the guideline for the evaluation of the directors and President for adjustment of annual compensation.
5. Prepare a report on the compensation for the directors and executives for publication in the Bank's annual report.

Risk Management Committee

As at 31 December 2005, Risk Management Committee consisted of:

- | | | | |
|----|--------------|-----------------|----------|
| 1. | Mr. Arun | Chirachavala | Chairman |
| 2. | Mr. Sutipong | Ittipong | Member |
| 3. | Mr. Enghug | Nontikarn | Member |
| 4. | Mr. Prachak | Udomsilp | Member |
| 5. | Mrs. Jaree | Wuthisanti | Member |
| 6. | Mr. Pongsak | Harnsongkitpong | Member |
| 7. | Mrs. Wilai | Wadwongtham | Member |
| 8. | Ms. Kanoksri | Rojmeta | Member |

9.	Mr. Cherd Suppana	Member
10.	Mr. Wichit Sangtongsthit	Member and Secretary

Regulations concerning Risk Management Committee

Duties and Responsibilities

- 1) Determine an appropriate risk management framework for the Bank.
- 2) Determine the appropriate power, duties, responsibilities, strategy and policy for an acceptable level of credit risk, in line with the Bank's policy.
- 3) Determine the policy and guideline for acceptable levels of market risk, liquidity risk and foreign exchange risk.
- 4) Review operational procedures and processes to reduce the Bank's operational risks.
- 5) Follow-up on the implementation of risk management on a continuous basis to ensure that risk management is consistent with current situation, and with policy and guideline laid down by the Board of Directors.
- 6) Have the authority to appoint sub-committees or working groups to work on needed tasks.
- 7) Have the power to invite employees concerned to explain or to obtain additional documents from the departments or employees involved.
- 8) Departments and employees involved shall cooperate fully with the Committee when requested.

The Risk Management Committee shall meet once a month.

The President

Good corporate governance policy specifies that the President shall be a member of the Board of Directors and vested with the following power, duties and responsibilities:

Power, Duties and Responsibilities

1. Manage the Bank's businesses in accordance with objective No. 3 of Articles of Association.
2. Register rights, enter into contracts or file dispositions on sales or transfers of movable and immovable properties with appropriate authorities; transfer rights to rent, receive transfers of rights to rent, and transfer properties without time limit; buy or rent land, building, structure or land with structure with amounts of sale, transfer or rent being at the discretion of the President.
3. Sell or underwrite to sell bonds, debentures and other debt instruments issued by government or private companies up to the amount of Baht 200 million.
4. Initiate legal actions, enter as a co-plaintiff, file complaints with authority, file claims against debts in which the Bank has first claims, file claims against bankruptcy cases, tender bids in auction, transfer properties received as settlements of debts, withdraw claims or complaints upon payments of debts, and appoint attorneys or representatives to act on his behalf.
5. Compromise or submit to arbitrators disputes in which the Bank has an interest.
6. Attend and vote in meetings where the Bank is a shareholder or has an interest.

7. Adjust and change organization structure and work procedure. Appoint, transfer and dismiss all employees up to executive vice president level, and determine salaries and other emoluments for Bank's employees.
8. Authorize representatives to act on his behalf in the performance of duties in No. 1 to 7, including dismissal and appointment of replacements for such representatives. The Bank shall endorse actions committed within bound by power of attorney through authorized representatives and their replacements.
9. Have the power to appoint a Management Committee, chaired by the President, consisting of the President and a number of Bank's executives to manage and operate the Bank's businesses in accordance with the Board of Directors' policy.
10. Have the power to approve unlimited amounts of investments in government bonds to maintain legal reserve, manage liquidity and increase profits.
11. Have the power to approve all types of loans and loan restructuring, or loans managed by the Bank, within limit defined by the Board of Directors or Board of Executive Directors.
12. Have the power to approve investments in securities under securities laws, e.g. equities, semi-equity instruments, debt instruments, derivatives, mutual funds, and securities not under securities laws, e.g. acceptance, promissory notes, certificates of deposit, and other instruments, in the amount not exceeding Baht 200 million for the Bank's portfolio. Investments in other banks' instruments or the Bank's own instruments shall not exceed Baht 500 million.
13. Have the power to approve sales of foreclosed properties, without limit as to amount in case where such sales produce no loss to the Bank. In cases where properties are valued under Baht 2 million, the President shall have power to approve sales, regardless of gain or loss. However, losses are to be reported to the Board of Executive Directors.
14. Have the power to delegate general and specific power of attorney on loans, debt restructuring and investments to First Executive Vice President and other high-ranking executives. Executives so delegated may further assign their power to departments to execute their duties on behalf of the Bank.
15. Have the power to determine salary and bonus for each of the Bank's executives, taking into consideration the Bank's performance, the executive's individual performance and total budget approved by the Board of Directors.
16. Have the power to determine other matters, such as setting up, dissolving, opening, closing and relocation of offices or branches in and outside the country, assets quality, legal reserve and risk management.
17. Supervise and be responsible for the Bank's liquidity and capital fund.
18. Have the power to approve the Bank's expenses, such as purchases of land, buildings, and equipments for the Bank's businesses.
19. Have the power to restructure loans belonging to the credit card operations, such as:
 - Approve reduction of interests and fees, with the provision that the penalty interest and fee shall be reduced first, then the fees in arrear and lastly the interests in arrear.
 - Approve reduction of principal in the case of the debtor's death.
 - Approve future interest rates.
 - Approve future fees (concerning credit card business).
 - Approve extension of repayment duration and periods.
 - Approve acceptance of assets in lieu of payments.
 - Approve payments on cards, in case the customer settled debt on the wrong cards.

Bank's Executives

As at 4 January 2006, Bank's executives were:

1. Mr. Arun Chirachavala President
2. Mr. Lersuk Chuladesa First Senior Executive Vice President
(Corporate Banking Group, Assets and Development, and Legal)
3. Mr. Sutipong Ittipong Senior Executive Vice President
(Retail Banking, Credit cards, Credit Operations, Human Resources and Support, and Information and System Development)
4. Mr. Thanom Narong Senior Executive Vice President
(Information Technology)
5. Mr. Pongsak Harnsongkitpong Executive Vice President
(Compliance and Audit)
6. Ms. Angkana Swasdipoon Executive Vice President
(Policy)
7. Mr. Enghug Nontikarn First Executive Vice President
(Risk Management)
8. Mrs. Jaree Wuthisanti Executive Vice President
(Large Corporate)
9. Mr. Wuttichai Suraratchai Executive Vice President
(Medium Corporate)
10. Mr. Utane Kongsoontornkitkul Executive Vice President
(Metropolitan Small Corporate)
11. Mr. Virat Thanatrongpol Executive Vice President
(Provincial Small Corporate)
12. Mr. Parinya Patanaphakdee Executive Vice President
(Asset Development and Legal)
13. Mr. Cherd Suppana Executive Vice President
(Credit Operations)
14. Mr. Pravit Ongwatana Executive Vice President
(Retail Banking)
15. Mr. Sujin Suwannagate Executive Vice President
(Credit Cards)
16. Ms. Kanoksri Rojmeta Executive Vice President
(Branch Network)
17. Mrs. Amornrat Leevarapakul Executive Vice President
(Sales and Marketing Management)
18. Ms. Amporn Ruangprasertkun Executive Vice President
(Capital Markets)

19.	Mr. Rathian	Srimongkol	First Executive Vice President (Treasury and International Banking) Chief Financial Officer (CFO)
20.	Mr. Prachak	Udomsilp	Executive Vice President (Human Resources and Support)
21.	Mrs. Wilai	Wadwongtham	Executive Vice President (Information and System Development)
22.	Mr. Sanur	Yodpinit	Executive Vice President (Information Technology)
23.	Mrs. Penchan	Weerawuth	First Vice President (Accounting)
24.	Mr. Soros	Sakornvisava	Senior Vice President (Treasury)

Note: According to Securities Exchange Commission's definition, executives and controllers are executives Nos. 1-4, 7, 19 and 23-24.

Recruitment of Directors and Executives

The Nomination and Remuneration Committee selects qualified individuals to replace the directors whose terms expire or who resign from their positions, for the Board of Directors' approval and shareholders' appointment at the shareholders' meeting. The Committee shall select individuals whose qualifications conform to the stipulation of the Good Corporate Governance policy, i.e. independent, ethical, honest, knowledgeable, capable, experienced and decisive.

Recruitment process may be divided into two instances

1. Appointment of directors upon expiration of tenure. Directors are appointed during the shareholders' meeting, individually or as a group depending upon the number of directors whose terms expire. Rights of minor shareholders shall not be different from those of major shareholders; one share shall carry one vote. Persons obtaining the largest number of votes shall be appointed to directorship.

2. Appointment of directors before expiration of tenure. The Board of Directors shall appoint a person whose qualifications and characteristics are not in contravention to applicable laws, by a vote of no less than three fourths of the remaining number of directors. Replacement director shall serve the remaining term of director who vacated the position.

Recruitment of the President

The search for the top executive of the Bank specifies criteria of ability, experience in money and banking, ethics, fairness in management, and transparency in business operations. The Board of Directors will select an individual whose qualifications fit the criteria.

Recruitment of Executives and Officers

To recruit executives for the Bank's various departments, and officers with skills in specialized areas, such as information technology and risk management, the Bank considers individuals from inside and outside the Bank who possess knowledge and experience for maximum contribution to the Bank. The recruitment procedure for executives and officers is as follows:

I. Recruitment

1.1 Individuals inside the Bank who are able and qualified to become executives or officers in required positions may be classified into two groups:

1.1.1 Those whose knowledge and experience fit the requirements of the positions;

1.1.2 Those who possess strong potential, flexible, adaptable and knowledgeable in Bank's functions.

1.2 Individuals outside the Bank. The Bank favors individuals whose experiences in financial institutions fit the requirements of positions. The Bank would invite the candidates for interviews with the hiring departments, to allow the hiring department to decide on the suitability of the candidates' characteristics, personal history, personality and human relation skills.

2. Selection

2.1 Individual inside the Bank. Human Resources Department summarizes and submits the candidates' background information to the Personnel Committee for approval.

2.2 Individual outside the Bank. Human Resource Department or the hiring department summarizes and submits the interview result to Senior Executive Vice President or the President for approval.

Compensation for Directors and Executives

I) Cash Compensation

1.1 In 2005, compensation in form of meeting honoraria for 12 directors on the Board of Directors, Board of Executive Directors, Audit Committee, and Nomination and Remuneration Committee amounted to Baht 11,493,225.80. Directors' bonuses from 2004 operating results amounted to Baht 7,923,040.04. Details of individual compensation are as follows:

No.	Name	Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee	Bonus	Total
1	Mr. Sompol Kiatphaibool	1,200,000.00	1,200,000.00	-	25,000.00	1,882,737.82	4,307,737.82
2	Mr. Arun Chirachavala	655,000.00	655,000.00	-	-	75,309.52	1,385,309.52
3	Dr. Suvit Maesincee	655,000.00	235,000.00	-	-	941,368.89	1,831,368.89
4	Mrs. Tasna Rajatabhothi	655,000.00	431,612.90	-	90,000.00	627,579.28	1,804,192.18
5	Mr. Somkiat Sukdheva	655,000.00	-	600,000.00	15,000.00	627,579.28	1,897,579.28
6	Assoc.Prof.Dr. Somjai Phagaphasvivat	655,000.00	-	480,000.00	-	627,579.28	1,762,579.28
7	Assoc.Prof.Dr. Suchart Thada-Thamrongvech	655,000.00	-	480,000.00	-	627,579.26	1,762,579.26
8	Mr. Visut Montriwat	235,000.00	-	-	50,000.00	627,579.26	912,579.26
9	Mr. Chavalit Sethmeeteekul	655,000.00	-	-	30,000.00	473,674.07	1,158,674.07

No.	Name	Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee	Bonus	Total
10	Mr. Khemchai Chutiwongse	655,000.00	-	-	95,000.00	627,579.28	1,377,579.28
11	Dr. Sathit Limpongpun	431,612.90	-	-	-	-	431,612.90
12	Mr. Apisak Tantivorawong	-	-	-	-	784,474.10	784,474.10

The directors' compensation in 2005 totaled Baht 11,493,225.80, or Baht 1,843,229.34 higher than that in 2004. The increase was due to the adjustment proposed by the Nomination and Remuneration Committee at its 3/2548 meeting on 27 April 2005 to bring the directors' compensation in line with the prevailing rate among commercial banks. The total compensation did not exceed the budget of Baht 15 million approved at the shareholders' meeting.

1.2 In 2005, compensation for 6 executives in the form of salary, meal allowance, and bonus amounted to Baht 36,190,484.50.

2) Other Compensation

In 2005, the Bank's contribution to provident fund on behalf of 6 executives⁽¹⁾ amounted to Baht 1,397,537.67. The contribution was based on the Bank's Provident Fund criteria based on the following years of service: within the first 5 years 3%, 5-10 years 5%, 10-15 years 7%, more than 15 years 10%.

Note: (1) Executives in this provision mean those four highest ranking executives after the President and those with similar title.

Auditor's Compensation

In 2005, the Bank's auditor charged a fee of Baht 8.2 million for the audit of the Bank and its subsidiaries. The fee covered half-yearly audits, quarterly audits and special audit for the Bank of Thailand.

There was no other service fee.

Shareholding by Directors and Executives

Name	Position	No. of shares held as at 31 December 2005
1. Mr. Sompol Kiatphaibool	Chairman, Board of Directors Chairman, Board of Executive Directors	-
2. Mr. Somkiat Sukdheva	Director Independent Director Chairman, Audit Committee	150,000 shares
3. Mrs. Tasna Rajatabhoti	Director Executive Director Member of Nomination and Remuneration Committee	-

Name		Position	No. of shares held as at 31 December 2005
4.	Assoc.Prof.Dr. Somjai Phagaphasvivat	Director Independent Director Member of Audit Committee	-
5.	Mr. Chavalit Sethameteekul	Director Member of Nomination and Remuneration Committee	-
6.	Dr. Sathit Limpongpun	Director Independent Director	150,000 shares
7.	Assoc.Prof.Dr. Suchart Thada-Thamronvech	Director Independent Director Member of Audit Committee	-
8.	Mr. Khemchai Chutiwongse	Director Independent Director Chairman, Nomination and Remuneration Committee	-
9.	Dr. Suvit Maesincee	Director Independent Director	100,000 shares
10.	Mr. Arun Chirachavala	President	100,000 shares
11.	Mr. Lersuk Chuladesa	First Senior Executive Vice President (Corporate Banking Group, Asset Development and Legal)	1 share
12.	Mr. Sutipong Ittipong	Senior Executive Vice President (Retail Banking, Credit cards, Credit Operations, Human Resources and Support, Information and System Development)	-
13.	Mr. Thanom Narong	Senior Executive Vice President (Information Technology)	-
14.	Mr. Enghug Nontikarn	First Executive Vice President (Risk Management)	-
15.	Mr. Rathian Srimongkol	First Executive Vice President (Treasury and International Banking) Chief Financial Officer (CFO)	-

Corporate Governance

Siam City Bank was established in 1941. The Bank has always been aware of the importance of good corporate governance and believes that ethical conducts are crucial in business operations in contributing to a balanced and steady growth.

Good Corporate Governance Policy

Is to provide management principles for steady growth of the Bank, and to establish sound policy on good corporate governance for the efficient, transparent, accountable and fair conduct of business to all parties concerned, including investors (as owners of the Bank), the Board of Directors (as policy supervisor), the management (implementer of policies), business correspondence (as business supporters), customers (as consumers of products and services), auditors (as provider of transparency) and the communities (as parties affected by the Bank's operations),

The Bank resolved to formulate the policy of good corporate governance so that the Board of Directors, the management and employees will recognize the importance of the ethical discharge of their duties with a sense of responsibility toward shareholders, customers, other commercial banks and the society.

Principles of Good Corporate Governance

- 1) The Board of Directors, the management and the employees shall recognize the accountability of their duties over and above that required by laws.
- 2) The responsibility of the Board of Directors and the management shall be separated clearly for transparency in their functions.
- 3) The conduct of business shall be carried out in fairness to establish trust in its operations and stability of the Bank.
- 4) Transparency shall mean that the disclosure of information to the shareholders and stakeholders is made accurately, completely and timely, under the principles of clarity, regularity and comparability. There shall be a unit responsible for investor relations to facilitate communication, disclosure of information and good relationship with shareholders, analysts and the general public, and to foster confidence in the Bank.
- 5) There shall be an acceptable system of risk management to prevent damages to the Bank's operations, such as credit risk management, loan policy, loan portfolio analysis, loan review, marketing risk management, liquidity risk management, foreign exchange risk management and operational risk management. The Risk Committee Board shall be responsible for the formulation of risk management policies and strategies.
- 6) There shall be an effective internal audit system to ensure task performance in accordance with rules, regulations, and regulatory agencies' directives. There shall be an Audit Committee, a Co-ordinating Committee on Good Corporate Governance and an organizational unit to oversee the implementation of good corporate governance policies to draft rules and procedures, to promote best practices in good corporate governance and to establish codes of conduct for executives and employees.
- 7) The employees shall be encouraged to strengthen their competitive potential, to bring the management practices to international standards, and to strive toward excellence in their tasks.
- 8) The qualifications, the structures of the Board of Directors and independent directors, and the separation of powers of the Board committees shall correspond with the principles of good corporate governance:
 - 8.1) The directors shall be independent, ethical, honest, knowledgeable, capable, experienced and decisive. The Board of Directors formulates policies and strategies, and monitor and audit the management's performance such that the policies and strategies shall be realized.
 - 8.2) The Board of Directors shall perform its duties with sense of responsibility and perform its tasks under good corporate governance principles.
 - 8.3) No more than one quarter of the Board of Directors shall be full-time directors. Furthermore, non-executive directors shall be independent outsiders who solve any conflict between the Board of Directors, the management and the shareholders, and protect the shareholders' interests.
 - 8.4) The independent directors shall prevent any person or groups of persons to exercise influence over the decision of the Board of Directors.
 - 8.5) There shall be a clear and distinct separation of supervisory and executive powers among the Board of Directors, Board of Executive Directors, Audit Committee and the President, so as to not allow any person or groups of person unlimited power.

Furthermore, the directors' self-assessment is an important factor in good corporate governance, in the belief that the directors are in the best position to review their own performance without any bias and to use their experiences to improve their performance.

The above measures are believed to bring about good governance, transparent management and efficient operations and lead to confidence in the Bank.

To realize the objectives of good corporate governance, the Board of Directors has assigned to the Co-ordinating Committee on Good Corporate Governance the tasks of translating the principles of good corporate governance into concrete action plans and programs. The Committee has promoted among the Bank's employees a better understanding of the principles of good corporate governance and a better understanding of their roles, duties and responsibilities. The activities on the promotion of good corporate governance may be found in the following table.

Type of Activities	Good Corporate Governance Activities		
	2003	2004	2005
Meetings of the Co-ordinating Committee on Good Corporate Governance.	<ul style="list-style-type: none"> Appointed Committee and convened 14 meetings. 	<ul style="list-style-type: none"> Convened 7 meetings. 	<ul style="list-style-type: none"> Convened 4 meetings.
Dissemination of policy, news, knowledge to executives and employees.	<ul style="list-style-type: none"> Prepared "Policy on Good Corporate Governance", for distribution to executives and employees. Prepared a booklet, "Codes of Conduct for Bank and Employees", for distribution to executives and employees. Set up a website, "Good governance", to disseminate news, knowledge and answer questions. Published articles in "Siam City Newsletter". Organized program, "Joining hands to strengthen good governance". For announcement on PA system. Monday and Friday, at 10.00 and 15.00 hours. 	<ul style="list-style-type: none"> Amended policy. Published a booklet, "Physical health and mind health", for distribution to employees. Updated the website. Published articles in "Siam City Newsletter". Organized program, "Joining hands to strengthen good governance". For announcement on PA system. Monday and Friday, at 10.00 and 15.00 hours. 	<ul style="list-style-type: none"> Amended policy. Published a booklet, "May you enjoy your success", for distribution to employees. Updated the website. Published articles in "Siam City Newsletter". Organized program, "Joining hands to strengthen good governance". For announcement on PA system. Everyday, at 10.00 and 15.00 hours.

Type of Activities	Good Corporate Governance Activities		
	2003	2004	2005
Training programs on Good Corporate Governance.	<ul style="list-style-type: none"> • Lecture on “Good Corporate Governance”, by Rungroj Rangsiyopas from Siam Cement PLC, to directors, executives, and regional managers. • Lecture on “Codes of Conducts in Banking”, by Manoon Sankunakorn from Siam Cement PLC, to executives, regional managers and supervisors. • Lecture on good corporate governance to employees nationwide. • Orientation for new employees on good corporate governance. • Lecture on “Codes of Conduct in Business”, by Noppakao Chaiyaburin, to executives and employees in eastern and northeastern regions. • Distributed audio tape on “Good Corporate Governance”, to employees who did not attend lecture. • Distributed video tape on “Good Corporate Governance”, of Siam Cement PLC in training programs. 	<ul style="list-style-type: none"> • Lecture on “Good Corporate Governance”, by Rungroj Rangsiyopas from Siam Cement PLC, to branch managers. • Orientation for new employees on good corporate governance. • Lecture on “Siam City Bank Managers Change”, by Terdsak Dejkong, MD, from the Ministry of Public Health to executives and employees nationwide, 23 times. 	<ul style="list-style-type: none"> • Lecture to review good corporate governance. • Orientation for new employees on good corporate governance. • Workshop on “Self-mastery: Science of Happiness in Life and Work”, by Pravech Tantipiwattanasakul, MD, to outstanding employees in work and ethics. • Lecture on “Finding Happiness in Life and Work”, by Pravech Tantipiwattanasakul, MD, to executives, department managers, subsidiary executives and employees nationwide. 26 times. • Dharma talk on “Dharma Way Brings Happiness, Not Suffering in Work”, by Rev. Buddha Issara, to executives, employees and customers.

Type of Activities	Good Corporate Governance Activities		
	2003	2004	2005
Exhibition boards on the occasion of the Bank's founding	–	<ul style="list-style-type: none"> • Programs to mark the occasion of the 63rd anniversary of the Bank. <ul style="list-style-type: none"> - Exhibition board. - Awards to winners of slogan contest. - Awards to employees who excelled in three areas of good corporate governance. - Lecture on good corporate governance by Yuth Vorachattarn, Advisor from the Corporate Governance Center, Chalie Jantanayingyong from the Securities and Exchange Commission, and Rungroj Rungsiyopas from Siam Cement PLC. - Lecture on “Codes on Conduct in Work” by Mrs. Supaporn Janjamrern from Siam Cement PLC Training Center. 	<ul style="list-style-type: none"> • Programs to mark the occasion of the 64th anniversary of the Bank. <ul style="list-style-type: none"> - Exhibition boards on good corporate governance, 1 month duration. - Lecture on “Good Corporate Governance for Commercial Bank Executives” to department managers by Yuth Vorachattarn, Advisor from the Corporate Governance Center. - Dhamma talk on “Virtue and Ethics in Work and a Life worth Living” by Rev. Pra Thepsophon.

Type of Activities	Good Corporate Governance Activities		
	2003	2004	2005
Other programs	<ul style="list-style-type: none"> • Co-ordinating Committee on Good Corporate Governance proposed a slogan contest to draw employee participation. • Co-ordinating Committee on Good Corporate Governance proposed a survey to search for employees who excelled in three areas of good corporate governance. 	<ul style="list-style-type: none"> • Conclusion of slogan contest. The winning slogan reads: Excellence in Service. Fairness in Administration. Transparency in Management. Good Corporate Governance. Siam City Bank. • Co-ordinating Committee on Good Corporate Governance gave awards to employees who excelled in three areas of good corporate governance. 	<ul style="list-style-type: none"> • Program “Quotes to Advise and Remind”, by printing quotes that advise, encourage and remind from various sources. For distribution to executives and employees.
Assessment		<ul style="list-style-type: none"> • Conducted a survey on Good Corporate Governance and used the results to fine tune the implementation of good corporate governance policy. 	<ul style="list-style-type: none"> • Conducted a survey on Good Corporate Governance, reported the results to the Board of Directors for use in policy change.
Rating by TRIS	<ul style="list-style-type: none"> • Prepared the Bank for TRIS rating. 	<ul style="list-style-type: none"> • Rating conducted by TRIS. 	<ul style="list-style-type: none"> • Rating cancelled due to TRIS reorganization.

The campaigns to promote good corporate governance principles resulted in public recognition of the Bank's achievement. In 2004, the Bank was rated by Thai Rating and Information Service Co. as having corporate governance rating of "Good," with a score of 7.50. In 2005, the Bank was chosen to be among the first 100 companies with outstanding performance in good corporate governance. The rating by Institute of Directors was conducted among 371 companies listed in the Stock Exchange of Thailand by the Thai Institute of Directors Association. The rating examined five aspects of good corporate governance, such as shareholders' rights, equal treatment of the shareholders, rights of stakeholders, disclosure of information, transparency and the Board of Directors' responsibilities; the Bank received a score of 77, above the average score of 69. The Bank has also made it a commitment that the Board of Directors, the management and employees shall keep in mind good corporate governance principles in the discharge of their duties. The commitment is expressed in the slogan:

Excellence in Service. **Fairness in Administration.**
Transparency in management. **Good Corporate Governance, Siam City Bank.**

In 2006, the Bank shall continue to campaign for the promotion of good corporate governance by conducting training programs for employees, with the objective of instilling in employees the necessity and importance of good corporate governance. The Board of Directors has approved the following programs of activities to promote good corporate governance throughout 2006.

No.	Activity
1	Summary of activities for 2005 and plans for 2006. Presented to the Board of Directors and the executives during January and February 2006.
2	Dharma lecture, "New Year blessing for the blessing of life," by Buddhist nun Sansanee Sathiensut. Presented to 498 executives and employees on 12 January at Suan Mali Office and 13 January 2006 at Petchburi Office.
3	Lecture on promotion and incorporation of good corporate governance in daily work. To be presented to executives and employees during June-December 2006.
4	Bookmarks imprinted with codes of conduct for employees and commitments of the Bank are to be distributed to employees. Bookmarks imprinted with good wishes and the Bank's commitment are to be distributed to customers on the occasion of the Bank's 65 th Anniversary during May 2006.
5	Book entitled, "May you be rich in happiness." To be distributed to customers and employees on the occasion of the Bank's 65 th Anniversary during May 2006.
6	Coordinate the attendance in training programs in mental development for enlightenment and peace, organized by Buddhist Youth Association of Thailand for interested employees during February to December 2006.
7	Measurement of the understanding, attitudes and viewpoints of employees toward good corporate governance program during March-June 2006.
8	Exhibition of good governance boards on the occasion of the Bank's 65 th Anniversary. Duration: 1 month, on the 10 th Floor of headquarter building during May 2006.

No.	Activity
9	Discussion workshop on the operation/management under principles of ethics and transparency, suggestions on good corporate governance principles and exchange of views with experts on corporate governance. On the occasion of the Bank's 65 th anniversary on 24 May 2006.
10	Dhamma lecture to promote favorable attitudes, and positive thinking for employees at Petchburi Office and Suan Mali Office on 24 May 2006.
11	Home page - "Know thy mind," to disseminate knowledge, news, activities and ideas to promote good corporate governance. Bank executives and employees
12	Information on the Bank's website to disseminate knowledge, news, and activities on good corporate governance to customers and shareholders.

Shareholders' Rights and Equality

Respecting the rights and equality of all shareholders, whether they be institutional or individual, large or small investors, and residing in or outside of Thailand, the Bank has specified a guideline on the rights and equality of shareholders to be as follows:

- 1) The Bank discloses and disseminates information necessary for the shareholders' decision, via the Stock Exchange of Thailand and its websites;
- 2) Letters to the shareholders and documents attached to the letters are available on the Bank's website, so that the shareholders shall have more time to consider the issues to be tabled at the shareholders' meeting. This is in addition to the regular mail delivery of the letters and meeting documents and the three days of notices in the newspapers.
- 3) The Bank provides convenience equally to all shareholders present at the meeting. Registration opens two hours before the meeting; shareholders who arrive late are allowed to attend the meeting; shareholders enjoy equal opportunity in expressing their opinions, suggestions, and questions. The Board of Directors allows sufficient time for deliberation and answers all questions. The minutes of the meetings are recorded accurately and in details.
- 4) Measures are implemented to prevent the directors, executives and employees of the Bank from using inside information for their own benefits in securities trading, to prevent the violation of the Securities and Exchange Act of B.E. 2535 and to promote ethical conducts.

Other Stakeholders' Rights

The Bank recognizes the rights of all stakeholders: shareholders who are owners of the Bank; the Board of Directors who supervises the Bank's policies; employees who implement the policies; business partners who support it businesses; customers who use the Bank's products and services; and the communities that are directly or indirectly affected by the Bank's operations. The Bank's good corporate governance policy specifies the guidelines for the Bank's directors, management and employees to follow in the course of their work.

Customers: All customers shall be entitled to an equal treatment in the provision of accurate, complete and useful information on a regular basis, the protection of their interests, the non-disclosure of their data for personal gains, and the provision of quality service for their satisfaction.

Employees: All employees shall be entitled to an appropriate level of compensation and benefits, a healthy office and work environment, a continuous program for promotion and development of their knowledge and ability, a fair and encouraging opportunity for career progress, and a due consideration and implementation of their suggestions. In 2005, the Bank engaged a consultant in human resource management to draw up a master plan for the efficient management of the Bank's human resources, that dovetails with the Bank's business plans.

Other Commercial Banks: The Bank shall compete with other commercial banks under rules and regulations of regulatory agencies, promote activities that create a better understanding among banks, cooperate in disclosure of non-confidential data, and participate in reduction of costs and expenses in the commercial bank system and larger economic system.

Society: The Bank has continuously participated in several social and charitable contribution projects. In 2005, the Bank supported and promoted programs organized by several foundations and associations. For example, the Bank made contributions to the people who suffered losses in the tsunami disaster in the south through the Thai Bankers Association and Rajprachanukroh Foundation. The Chairman of the Board and the Bank's executives visited and donated money to the people who lost their homes in the tsunami disaster and resided in several relief centers. The Bank supported the ordainment of Buddhist novices, the construction of basket ball courts at schools in various parts of the country, and the educational project to produce volunteers to work in the provinces under the "Return profit to the countryside" program. Contributions were made toward the activities of several associations, such as Women Personality Promotion Association to help indigent women and children and to provide educational grants to children in schools in the countryside, and the Blind Women Association in their project to improve quality of life. Contributions were also made to purchase books for the prison libraries and to reforestation projects. The total budget in charitable contribution and social activities amounted to Baht 7,417,250.

Shareholders' Meetings

The Bank recognizes the importance of shareholders' meetings. The Board of Directors carefully considers the agenda and offers its opinion on each item on the agenda. Documents used in the meeting, such as, letter of invitation and proxy, are delivered to shareholders within the time specified by laws to allow the shareholders sufficient time to consider the agenda. Minutes of the meeting are prepared accurately and completely, and are open for examination. Venue of the shareholders' meeting is convenient and large enough to accommodate attending shareholders. Registration of attending shareholders opens two hours prior to the meeting.

During the meeting, the Board of Directors provides opportunities for shareholders to ask questions and express their opinions and members of the Board participate in responding to shareholders' questions and had also recorded both questions and answers in the minutes of the meeting.

Leadership and Vision

The Board of Directors consists of individuals from various professions who are knowledgeable, capable, skilled and experienced in their fields of endeavor and contribute to the efficient operations of the Bank. The directors play an important role in formulating the Bank's vision, cooperating with the Bank's executives in formulating the Bank's short- and long-term policies, strategies, directions, objectives and annual budgets. There are mechanisms to monitor the performance in accordance with the formulated plans, Key Performance Indicators (KPI) to measure efficiency and effectiveness, systems to control and audit internal operations, and measures to manage risks.

Conflict of Interests

The Board of Directors exercises due care on issues concerning conflict of interests by specifying in writing the policy and procedure for the approval of items of related interests. The Board of Directors also specifies policy and procedure against executives' use of internal data for personal gains as follows:

- The Board of Directors is informed of items of conflict of interest or items of related interests, and carefully considers the issue. The treatment of these items on pricing and conditions complies with the Stock Exchange of Thailand's regulations and is on an arm's length basis. Items of related interests are reported in the Annual Report and Form 56-I.
- When the agenda of the Board of Directors' meeting calls for a discussion of an item of related interest, the director who is involved in related interest item leaves the meeting room to allow a free discussion of the issue.
- The Bank monitors use of internal data by requiring its executives to report changes in their securities holding to the Compliance Unit, Securities and Exchange Commission as required by Securities and Exchange Act of B.E. 2535, and by prohibiting its executives or departments in possession of internal data to disclose such data to outsiders or unauthorized persons.

Business Ethics

The Bank adheres to principles of transparency and fairness as basic ethics in its business operations. The Bank has published a Codes of Ethics Manual which consists of two parts which are the Bank's Code of Ethics and Employee Code of Ethics for distribution to its directors, executives and employees. All employees of the Bank have been informed of the policy of good corporate governance and business ethics in training programs organized specially for the purpose. During the past 3 years, the Bank has actively and continuously campaigned to promote good corporate governance. Details of various activities are found on page 64-67 under Corporate Governance.

The Bank's Code of Ethics

The Bank adheres to the principles of responsible and honest business operations under the framework of law, objectives, Articles of Association, and resolutions of the shareholders' meeting. The following are the Bank Code of Ethics:

1. Ethical conduct toward shareholders

- 1.1 Treat shareholders equitably in the disclosure of information that is complete, sufficient, fair and transparent and determine clearly their voting rights.
- 1.2 Carry out duties in the most efficient manner to achieve growth and yield suitable return to the shareholders.
- 1.3 Provide convenience to the shareholders at meetings and treat all shareholders equitably.
- 1.4 Encourage an equal opportunity for the shareholders' expression of opinion and questioning. Give importance to the shareholders' suggestions and implement their suggestions.

2. Ethical conduct toward customers

- 2.1 Treat all customers fairly.
- 2.2 Provide accurate, complete and useful information to the customers regularly.
- 2.3 Protect customers' interests.
- 2.4 Innovate and provide quality service to achieve customer satisfaction.

3. Ethical conduct toward employees

- 3.1 Provide compensation commensurate with duties, performance and responsibility.
- 3.2 Provide appropriate benefits.
- 3.3 Provide healthful work environment and conditions.
- 3.4 Encourage development of employees' knowledge and ability.
- 3.5 Treat employees with fairness and encourage career progress.
- 3.6 Place importance on useful suggestions.

4. Ethical conduct toward other banks

- 4.1 Compete with other banks fairly.
- 4.2 Cooperate in disclosing non-confidential information to prevent any damages that may occur to the commercial banking system.
- 4.3 Encourage activities that promote better mutual understanding.
- 4.4 Cooperate in the cost and expenses reduction in the banking and larger economic systems.

5. Ethical conduct toward society

- 5.1 Neither cooperate in nor support illegal businesses, or businesses that may jeopardize the society or national security.
- 5.2 Cooperate in and support government's policies and promote and support social activities.
- 5.3 Be responsible to the local communities where the Bank's branches are located by supporting loans in local communities that are in line with the country's economic development plan.
- 5.4 Preserve and promote arts and culture.

Employees Code of Ethics

The Bank recognizes the importance of ethics in the conduct of banking business and prescribes the following codes of ethics for its employees.

I. Ethical conduct toward the Bank

- 1.1 Develop and maintain pride in the Bank.
- 1.2 Create and maintain the Bank's good image.
- 1.3 Follow rules, regulations and good practices of the Bank.
- 1.4 Have a positive attitude and loyalty toward the Bank. Do not disclose any information that would cause damages to the Bank
- 1.5 Use the Banks' property to create maximum benefit to the Bank and to maintain the Bank's property in good condition.
- 1.6 Seek neither direct nor indirect benefits for self or others by disclosing confidential information and technology.
- 1.7 Maintain good relationship with regulatory agencies by cooperating fully and being ready to cooperate so that the regulatory agencies would have a transparent picture of the Bank's operations.
- 1.8 Refrain from any activities that would aid any political party or any activities that would create an understanding that the Bank favors a particular political party.

2. Ethical conduct toward customers

- 2.1 Serve customers using polite words and manners, and refrain from exhibiting any manners that would cause customer's dissatisfaction and embarrassment.
- 2.2 Protect customers' interests and give advice that benefits the customers.
- 2.3 Obtain information about the customers to build good relationships and deliver good service.
- 2.4 Provide customers with prompt, courteous and fair assistance.
- 2.5 Keep customers' information and secrets, except in cases where
 - the customers agree to the disclosure in writing;
 - the disclosure is required by law; and
 - the Bank is required to disclose as per regulatory agencies' order.
- 2.6 Help raise the Bank service standards toward international level to satisfy customers.
- 2.7 Secure new customers for long-term relationship with conditions that are fair, correct and transparent.
- 2.8 Perform duties with honesty to build up trust in the Bank
- 2.9 Do not demand, receive or agree to receive cash, gifts or other benefits from customers or any persons doing business with the Bank, that may compromise the business conditions.
- 2.10 Do not receive cash, valuable gifts or solicit gifts of unusually high values from customers or persons doing business with the Bank.
- 2.11 Avoid activities that may create conflict with customers' interests. Should any conflict of interest arise, the employees shall make sure that the customers are treated fairly.

3. Ethical conduct toward co-workers

- 3.1 Create and promote cooperation among workers, and help each other for the benefits of the Bank.
- 3.2 Supervisors shall behave in an exemplary manner and be kind to subordinates. The subordinates shall refrain from action that indicates insubordination.
- 3.3 Treat co-workers in a responsible manner and do not behave in any way that would disrupt the work environment
- 3.4 Counsel and train co-workers.
- 3.5 Do not discuss co-workers' personal matters or information.
- 3.6 Supervisors would not accept gift and valuables from the subordinates.
- 3.7 Supervisors should be fair in their supervision, listen to problems and opinions and give sincere and reasonable advice.

4. Ethical conduct toward self

- 4.1 Perform duties with diligence, patience, sacrifice and innovation. Also strive to be knowledgeable in job functions and businesses.
- 4.2 Follow rules, regulations and good practices. Discharge duties with honesty.
- 4.3 Neither intend to conceal nor commit any illegal acts.
- 4.4 Refrain from all kinds of gambling.
- 4.5 Refrain from using the Bank's property, equipment and time for personal gains.
- 4.6 Refrain from engaging in activities or investing in projects in conflict with the Bank's interests.

5. Ethical conduct toward society

- 5.1 Maintain good social reputation.
- 5.2 Participate in social contribution, both inside and outside the Bank.
- 5.3 Neither cooperate in nor support activities dangerous to the society and the environment.
- 5.4 Participate in the Bank's social activities and help in the activities of the organizations that engage in charitable, social, education and cultural activities.
- 5.5 Be a good citizen and a friend of the community where the Bank's branch is located.

Check and Balance of Non-Executive Directors

Among the 10 Bank's directors, only one is a full-time executive, namely the President and six are independent directors, more than half of the total number of directors. The Bank has allowed the independent directors to specify their own qualifications, subject to the Board of Directors' approval. (The approved qualifications may be found on Page 48). It is believed that the independent directors are truly independent and do not allow any person to exercise influence over their decisions.

Combination or separation of positions

The Bank specifies roles, power, duties and responsibilities of the Chairman of the Board and the President along the principle of separating supervisory duties from operational functions, thereby preventing any one person from assuming unlimited power. While the Chairman of the Board also serves as the Chairman of the Executive Board, the Chairman does not function as the President. The President is not an agent of any one major shareholder or group of shareholders. The President has been chosen through selection process that has been approved by the Board of Directors.

Compensation for Directors and Executives

Nomination and Remuneration Committee determines the policies and criteria for the compensation of the directors and the President for the approval of the Board of Directors. The President is responsible for the compensation of top executives, such as first senior executive vice presidents and senior executive vice presidents, taking into consideration each individual performance. To comply with the regulations issued by the Bank of Thailand and good corporate governance requirements, the President submits the top executives' compensation packages for the Committee's concurrence.

Directors' Meetings

The Board of Directors attaches importance to the directors' participation in its meetings. At the meetings, directors are expected to be informed, to consider and take part in decisions concerning the Bank's policies on its operations, review and audit. The Board of Directors lay down the policies for the management to implement for the growth and development of the Bank while taking into consideration the principles of good corporate governance. The meeting also serves as the venue to monitor the management's progress in the performance of their duties. Each Board meeting lasts approximately 3 hours and allows the directors sufficient time to carefully consider the items on the agenda.

The Bank convenes the Board of Directors meeting once every month. The agenda of the meeting specifies separately issues for information and issues for consideration, and follow-ups are made on the issues carried over from the previous meeting. Documents for the meeting are complete and delivered to the directors before the meeting. During the meeting, a director who is involved in matter of related interest leaves the

meeting room to allow a free discussion of the issue. Minutes of the meetings are recorded in details and securely kept by an employee assigned specially for this task.

In 2005, the Board of Directors convened 16 ordinary meetings, and 3 extraordinary meetings. The attendance record of directors is as follows:

Name		Ordinary	Extraordinary	Total
1.	Mr. Sompol Kiatphaibool	16	3	19/19
2.	Mr. Somkiat Sukdheva	16	3	19/19
3.	Mrs. Tasna Rajatabhoti	16	3	19/19
4.	Assoc.Prof.Dr. Somjai Phagaphasvivat	14	1	15/19
5.	Mr. Chavalit Sethameteekul	16	1	17/19
6.	Dr. Sathit Limpongpun	5	2	7/9
7.	Assoc.Prof.Dr. Suchart Thada-Thamrongvech	14	2	16/19
8.	Mr. Khemchai Chutiwongse	16	1	17/19
9.	Dr. Suvit Maesincee	13	1	14/19
10.	Mr. Arun Chirachavala	16	3	19/19

Note: Dr. Sathit Limpongpun joined the Board on 26 May 2005.

Sub-Committees

- The Audit Committee convened 13 meetings in 2005. The committee members who attended the meetings were:
 - Mr. Somkiat Sukdheva, Chairman, attended 13/13 meetings;
 - Assoc.Prof.Dr. Somjai Phagaphasvivat, member, attended 12/13 meetings;
 - Assoc.Prof.Dr. Suchart Thada-Thamrongvech, member, attended 11/13 meetings.

The Audit Committee's opinion The committee believed that the members has exercised care in considering the matters submitted by the management. The committee spent sufficient time in their consideration and took into consideration the Bank's interests. The secretary to the committee prepared the agendas of the meetings, supplied complete documents for the meetings and recorded the resolutions of the committee. The minutes clearly recorded the committee's resolutions and allowed the departments involved to implement the committee's resolutions.

- The Board of Executives Directors convened 46 meetings. The Board members who attended the meetings were:
 - Mr. Sompol Kiatphaibool, Chairman, attended 46/46 meetings;
 - Mrs. Tasna Rajatabhoti, member, attended 28/28 meetings;
 - Mr. Arun Chirachavala, member, attended 46/46 meetings.

Note: Dr. Suvit Maesincee resigned from the Board of Executive Director on 25 May 2005 and the Board of Directors appointed Mrs. Tasna Rajatabhoti as replacement.

- Dr. Suvit Maesincee attended 18/18 meetings.

The Board of Executive Directors' opinion The Board believed that all members exercised care in the consideration of the matters submitted by the management. The committee spent sufficient time in their consideration and took into consideration the Bank's interests. The secretary to the committee prepared the agendas of the meetings, supplied complete documents for the meetings and recorded the resolutions of the committee. The minutes clearly recorded the committee's resolutions and allowed the departments involved to implement the Board's resolutions.

- The Risk Management Committee convened 12 meetings in 2005. The committee members who attended the meetings were:
 - Mr. Arun Chirachavala, Chairman, attended 12/12 meetings;
 - Mr. Suthipong Ittipong, Vice Chairman, attended 10/11 meetings;
 - Mr. Enghug Nontikarn, member, attended 9/12 meetings;
 - Mr. Prachak Udomsilp, member, attended 10/12 meetings;
 - Mrs. Jaree Wuthisanti, member, attended 10/12 meetings;
 - Mr. Pongsak Harnsongkitpong, member, attended 8/12 meetings;
 - Mrs. Wilai Wadwongtham, member, attended 9/11 meetings;
 - Miss Kanoksri Rojmeta, member, attended 8/12 meetings;
 - Mr. Cherd Suppana, member, attended 9/12 meetings;
 - Mr. Vichit Sangthongsathit, secretary, attended 12/12 meetings.

Opinion of the Risk Management Committee The committee consisted of executive vice presidents from various operation lines, such as lending, branch network, human resource and support, audit, information and system development. Each executive attended the meetings, considered the issues and offered opinions and suggestions to reduce operation problems and increase work efficiency. The committee's resolutions were duly recorded and distributed to the departments involved for implementation.

- Nomination and Remuneration Committee convened 6 meetings in 2005. The committee members who attended the meetings were:
 - Mr. Sompol Kiatphaibool, Chairman, attended 1/1 meeting. Mr. Sompol resigned from the chairmanship on 26 January 2005 to comply with the Bank of Thailand auditors' observation that the Chairman of the Nomination and Remuneration Committee should be an independent director.
 - Mr. Visut Montriwat, Chairman, attended 2/2 meetings. Mr. Visut resigned from the chairmanship on 25 May 2005.
 - Mr. Khemchai Chutiwongse, Chairman, attended 3/3 meetings. Mr. Khemchai assumed the chairmanship on 25 May 2005.
 - Mrs. Tasna Rajatabhoti, member, attended 6/6 meetings.
 - Mr. Chavalit Sethameteekul, member, attended 2/2 meetings. Mr. Chavalit joined the committee on 25 May 2005.

Opinion of the Nomination and Remuneration Committee The Board of Directors delegated to the committee the duties and responsibilities to consider the tenure of the directors whose terms expired, the search for new directors, the review of criteria and compensation for various committees, and the performance evaluation of and compensation for top executives. The committee considered the issues with care and took into consideration the interests of various stakeholders under principles of transparency, fairness, accountability to all parties concerned.

Control and Internal Audit System

The Bank has instituted an efficient internal control system and has monitored and controlled operations in compliance with rules, regulation, directives of the government agencies concerned, by setting up Audit Committee, Co-ordinating Committee on Good Corporate Governance and internal audit departments.

The Board of Directors' Report

The Bank attaches great importance to its internal control system. Such system has been implemented in accordance with the internal control guideline laid down by the Committee of Sponsoring Organization of the Treadway Commission (COSO). The Board of Directors and the Bank executives are responsible for creating and maintaining the internal control systems and regularly reviewing their efficiency to prevent any risks. The control measures also prevent any executives from using the Bank's or its subsidiaries' assets without authority or permission. The internal audit functions are under the Audit Committee's supervision and are independent of the management. The audit regime covers departments in the head office, branches, and IT systems and the audit work is evaluated by the external audit annually in accordance with the Bank of Thailand requirements.

The Bank has also instituted a risk management system that measures 5 risk areas, namely strategic risk, credit risk, market risk, liquidity risk and operational risk, under the supervision of the Risk Management Committee and risk management departments. The risk evaluation reports are submitted to the Audit Committee and the Board of Director on a quarterly and annual basis. All functional departments are also required to perform self-assessment every six months.

The details of internal control and audit are found below.

The Bank has organized a clear line of authority and responsibilities of various departments. Policies, objectives, plans, budgets, operating procedures and authority of executives at all levels have been determined to facilitate flexibility in the Bank's management. In addition, management of all departments is under close supervision of the high-ranking executives in charge of particular areas, such as Risk Management Department, Credit Review Department, Information Technology Security Department, Compliance Department, Internal Audit Departments as well as the Audit Committee. As for its subsidiaries, the Bank has seconded its executives to serve as directors to take part in the determination of policy, objectives, plans and budgets as well as to ensure that management of the subsidiaries is in line with rules and regulations of the companies, and that conflicts of interest in the subsidiaries are avoided. The Bank's Headquarters Audit and Information Technology Audit departments also audit the subsidiaries once a year and report audit result to Audit Committee.

Audit Committee reports results of internal audit of the Bank and subsidiaries to the Board of Director every quarter. If any significant weaknesses or deficiencies are found the Board of Directors requires the management to follow up on the corrections and report the results to the Board. The Audit Committee has not found that the executives used the Bank's or subsidiaries' assets without authority or permission.

Investor Relations

The Bank recognized the importance of equitable dissemination of accurate, complete and transparent information to shareholders, investors and all concerned to enable them to make sound investment decisions. The information dissemination has been made through media of the Stock Exchange of Thailand, Securities and Exchange Commission, and the Bank's website. Investor Relations division carries out the tasks of communicating with and disclosing information to shareholders, investors, analysts and the general public. In 2005, the Bank organized 181 company visits and analyst meetings between the Bank's executives, investors and analysts.

Investors may obtain information about the Bank at Tel. 0-2253-1246, or at website www.scib.co.th or e-mail address: angkana_swa@scib.co.th.

Related Transactions

Details of related transactions may be found in Notes to the Bank's Financial Statements.

Risk Management and Risk Factors

Commercial banks face a variety of risks that adversely affect their business operations. These risks, from within and outside the country, arise from changes in the economic and financial conditions, interest rates as well as the competitive environment. The Bank recognizes the importance of risk management and has established a risk management structure so that policy, control and audit of risk management can be efficiently planned and implemented.

- **Board of Directors** determines the overall policies and principles of risk management, and defines the scope of efficient and suitable implementation.
- **Audit Committee** reviews internal audit and operations to ensure that regulations and orders on risk management are followed.
- **Risk Management Committee** formulates risk management strategies and monitors the Bank's risk management implementation within the policies laid down by the Bank's Board of Directors.
- **Assets and Liabilities Management Committee** formulates strategies and operational guidelines on management of liquidity, interest rate and foreign exchange risks.
- **Risk Management Group** reviews, monitors and ensures efficient risk management to prevent damages to the Bank's business operations. This group is independent of the marketing and business groups and reports directly to the President. The group consists of:
 - **Credit Risk Management Department** reviews and recommends improvement of credit policies and regulations, credit granting authority structure and credit risk management; develops methods and tools for risk evaluation, and procedures for the audit, report and monitor of risks; reviews and expresses opinion on the risk of loan applications prior to submission for consideration by the executives or the credit committee.
 - **Risk Management Department** controls marketing, liquidity, investment and operational risks in accordance with the strategies/guidelines issued by the Risk Management Committee and the Assets and Liabilities Management Committee; develops risk evaluation tools and procedures for the monitoring and reporting of efficient risk control and management.
 - **Credit Review Department** ensures that loan quality and loan approval procedures as prescribed by the Bank are met.

Risk Management and Individual Risk Factors

Credit Risk Management

Credit risk involves the debtor's failure to repay or to comply with the conditions and requirements of the loan contracts, due to the debtor's own financial problems, adverse changes in the economic and business conditions, management mistakes or the debtor's refusal to honor the loan conditions. To guard against such risk, the Bank has established the policy of extending loans to all business and industrial sectors that offer potential for growth and are important to economic development of the country. The extension of new loans shall be made with caution and careful consideration, with growth potential and the debtor's ability to repay as important criteria.

The Bank has rationalized its organizational structure, loan consideration procedure and loan approval structure by channeling more loan applications to loan committees so that loan review and consideration will be conducted with care. Loan sub-committees have been appointed at the branch and regional levels. Tools to evaluate and manage risks, such as credit rating of business loans and consumer loans, have been developed for use. The development of these tools followed the recommendation by the international risk management consultant, with the purpose of bringing the Bank's risk management up to international standards. To further reduce risk, loan officers are required to secure credit information from the Credit Bureau in considering loan applications, whether they be new loans or additional credit lines for existing customers. Credit risks consist of:

Loan Concentration Risk

In expanding its lending business, the Bank has a policy of extending loans to various groups of customers, especially medium, small and retail customers with growth potential, to expand its customer base and reduce loan concentration among large customers. The Bank has established four departments - one specializing in medium size customers, two for small size customers and one for retail customers to promote loans extension to these target groups. The Bank also has the policy of spreading risks among different business sectors to minimize risk of loan concentration in any one particular industrial sector. A risk evaluation of the overall loan portfolio is performed by analysis of loan concentration in any particular business sector, to reduce risks that may arise from the changes in the external environment beyond the Bank's control. The Risk Management Committee is informed of any concentration of loans in any particular business sector. A simulation of adverse conditions is made to test the sufficiency of the Bank's capital fund by using economic condition data and business trends as variables in determining concentration limits. The Credit Committee uses this simulation in its loan consideration process.

Risk from Failure to Meet Loan Target

A bank's ability to expand its loan portfolio is a direct function of the general economic conditions, the investment climate, the competition among commercial banks and the customers' ability to raise funds directly in the money market. Thus, the Bank is exposed to the risk of facing prepayments from its loan customers, thereby reducing its ability to reach loan target. Although the prepayment fee is income, the failure to reach loan target has greater implication on its financial position and profit.

In 2005, the Bank was able to extend loans in the amount of Baht 229,645 million (exclusive of the Sukhumvit AMC Notes), or Baht 18,509 million over 2004. The Bank maintained a low level of non-performing loans to total loans ratio.

Risk from Decline of Interest Income

Strong competition for new loans, risk of present customers switching to other banks, and the possibility of customers raising funds in money market by issuing debt instruments, all combine to force the Bank to offer competitively low interest rates on loans. At the same time, preparation for the Basel II requirements and competition for deposits have increased the Bank's funding costs. The possibility of reduced spread has a direct adverse impact on the Bank's profitability.

However, the Bank has the policy of maintaining interest rate levels by taking into consideration customers' credit risk and the Bank's funding costs, and maintaining bad debts at a low level. The Bank has also implemented the strategy of increasing fee income to compensate the decline in interest income.

Operational Risks after Loan Approval

After a loan has been approved, the Bank requires the loan officer and the loan department to monitor the customer's compliance with terms of the contract, and review the customer's status at least once a year or as soon as there is any significant change in the loan conditions. The Bank also requires a review of the price and liquidity of the collateral within a specific period of time. If the review finds the collateral to depreciate in value such that the value is no longer sufficient to cover the loan, the Bank will set aside a reserve for doubtful debts, require the customer to provide additional collateral, or reduce the customer's credit line.

The Bank's Credit Review Department has performed its review of loan quality and compliance with lending procedure, and reported such review to the Bank's executives and the Bank of Thailand. The Bank also has a system of aging loans that supports loan review and serves as a warning signal to facilitate timely prevention and solution of problem loans.

Risk from Increase of NPLs

Non-performing loans (NPLs) are a major problem that adversely affects income and capital adequacy of financial institutions. Though the Bank has the lowest level of NPL among Thai commercial banks, it is aware of this ever-present danger and has attempted to forestall NPL increase by implementing strict policy and procedures in granting loans. Loan requests of Baht 50 million or more have to be risk-analyzed by Credit Risk Management Department. After a loan has been approved, loan officer and loan review officer consider the business trend and the probability that each loan will become an NPL. For the existing NPLs, the Bank has established a Sub-committee on Loan Restructuring to follow up on loan restructuring. The authority of the executives involved in loan restructuring, from Executive Vice President to Assistant Vice President, has been revised to empower them to approve loan restructuring within their authority and restructuring conditions. The important feature of the restructuring efforts has been the analysis of each customer's cash flow report and the repayment capability. The objective of loan restructuring is to help customers to recover and maintain their businesses and not to become NPL again.

Risk from Restructured Loans becoming NPL

NPLs that have been restructured may become NPLs again. This is due to the fact that during the early period of restructuring, conditions on repayment and interests are flexible in that the interest rates are lower than normal rates and principal payment is not required. Thus, the Bank is exposed to this risk once the restructuring conditions are adjusted to normal loan conditions. However, for the majority of the restructured loans the Bank adjusts repayment conditions and sets aside a reserve for each restructured loan above the level required by the Bank of Thailand. The amount of reserve is established by estimation the possible loss that may accrue from the customer's inability to perform in accordance with the loan restructuring conditions to prevent any impact on the Bank's financial position.

Risk from Guarantees

Bill of payment guarantee, loan guarantee, letter of credit, aval and other forms of guarantee are another source of risks. The Bank may be required to make cash payments on behalf of the customers who could not comply with the guarantee conditions. The Bank attempts to reduce and prevent realization of contingent liabilities by thoroughly examining the customers' credit history, requiring additional collateral as well as applying the criteria for loan consideration to guarantee applications.

Market Risk Management

Market risk is caused by changes in market factors, such as interest rates, exchange rates and security prices, and affects the Bank's income, assets values and financial liabilities. The Bank has a policy of managing market risk to an acceptable level in accordance with the Bank of Thailand's guideline for market risk management, so that the Bank could conduct its business efficiently and achieve a targeted return.

In 2005, the Bank revised its Market Risk and Liquidity Risk Policy in line with the Bank of Thailand's new regulations on interest rate risk and adjusted this policy to meet the changing market conditions. Market risk management consists of:

Interest Rate Risk

Interest rate risk arises out of the differences in the interest rate structures and the mismatches between the assets, liabilities and equity structures of the Bank. The Bank has a policy to control adverse impact from interest rate changes to within an acceptable level under the close supervision of the Assets and Liabilities Management Committee. Evaluation of the interest rate change risk is made by analyzing the impact of interest rate differences on the assets and liabilities of the Bank (Repricing Gap Analysis), as well as the impact of interest rate changes on the Bank's operations and assets (Sensitivity Analysis) within the next 12 months.

Foreign Exchange Risk

Exchange rate fluctuation is another risk that may adversely impact the Bank's operations or financial position. The Bank has therefore determined the scope of its exchange and derivative businesses. The main purposes are to provide services to customers, and to reduce their exchange rate risk. The Bank also engages in financial derivative transactions to manage its exchange and interest rate risks; these transactions are backed by customers' transactions and are performed to reduce risk, and not for speculation purpose.

Market Risk in Trading Activities

In trading debt and equity instruments, the Securities Management Department and Treasury Department manage risk within the guideline specified by the Assets and Liabilities Management Committee. Various risk limits, such as exposure limit, individual limit, stop loss limit, modified duration limit and VaR limit have been introduced to keep trading activities risks at acceptable level.

The Bank also performed a stress test of trading risks in debt instruments, equity instruments, trading transactions, assets and liabilities management transactions. Past market data were used to evaluate the possible impact of sudden changes in market conditions and to test the Bank's readiness.

Liquidity Risk Management

Liquidity risk involves the Bank's inability to meet its financial obligations upon maturity due to its inability to obtain sufficient cash, or to liquidate assets at reasonable prices. Recognizing the possible damage of such risk, the Bank has appointed a Committee on Financial Policy and Liquidity Management (Money Desk) to keep a close watch on the financial and liquidity management of the Bank within the risk management guideline specified by the Assets and Liabilities Management Committee. The Treasury Department manages daily liquidity by considering the daily cash demand, the liquidity above the mandatory liquidity reserve of 6% required by the Bank of Thailand, the structure of deposits and withdrawals, customers' behavior, competitive position, economic conditions within and outside the country, and the expected return to the Bank. It also considers the maximum cumulative outflow during normal condition and during crisis by comparing the Bank's cash position, the credit lines granted but unused at other banks, and the reserve level. It also prepares a contingency plan in the case of the Bank running into a liquidity problem situation. The Risk Management Department estimates the cash flow by considering the daily demand for cash, demand for cash within 12 month and within 5 year, including cash need projection based on assumptions of emergency and customers' behavior to plan cash management, liquidity position and reserve position for a monthly presentation to the Assets and Liabilities Management Committee.

Operational Risk Management

Operational risk refers to the possible damage the Bank may sustain as a result of the lack of efficient supervision and control in the management of work processes, operations systems and information technology systems, or the result of external factors beyond the Bank's control. The Bank is aware of the importance of operational risk management and has developed a system to manage operational risks. The Bank has implemented the policy of bringing operational risks management and control up to international standards and in line with good governance principle. A department has been set up to be in charge of operational risks management at both policy and operational levels. An IT system has been developed to include any data loss in the calculation of minimum capital fund in line with the requirements of Basel II. Each business unit is required to follow the Risk Self Assessment method in evaluating its operational risks periodically. In addition, there is a management structure to facilitate the operational risk management, such as clear separation of responsibilities, check and balance of power, in accordance with the principles of good internal audit. The Compliance and Audit Group, an important mechanism to help control and prevent any possible damages, is independent and reports directly to the Audit Committee.

General Information

1.1 Siam City Bank Public Company Limited, Head Office:

1101 New Petchburi Road, Makkasan, Rajthevi, Bangkok 10400

Registration no. Bor Mor Jor 354

Tel 02-253-0200-43 , 02-208-5000 Fax 02-253-1240

Type of Business: Banking

Registered capital and paid-up capital : Baht 21,128,106,760 comprising 2,112,810,676 Ordinary shares at Baht 10 per share

1.2 Equity Participation in other Companies more than 10% of the Shares Issued

As at December 31, 2005 The bank held over 10 Percent of share in the following companies :

Company	Type of Business	Total Number of shares Issued	Shares held by SCIB	
			Number of share held	% of Paid-up Capital
Common shares from investment				
1. Max Life Assurance Co., Ltd.	Life Insurance	50,000,000	50,000,000	100.00
2. Siam City Asset Management Co., Ltd.	Asset Management	17,000,000	17,000,000	100.00
3. SCIB Services Co., Ltd.	Services	100,000	100,000	100.00
4. Siam City Securities Co., Ltd.	Securities	200,000,000	199,577,643	99.79
5. Crown Development Co., Ltd.	Real Estate	10,000,000	10,000,000	100.00
6. Siam City I.T. Co., Ltd.	Computer Consultant	500,000	499,986	100.00
7. The Chada Thong Properties Co., Ltd.	Real Estate	10,000	7,000	70.00
8. Siam City Insurance Co., Ltd.	Insurance	400,000	102,000	45.50
9. Thoon Ruam Kan Co., Ltd.	Credit Card	240,000	80,000	33.33
10. Siam Samsung Life Insurance Co., Ltd.	Life Insurance	50,000,000	12,500,000	25.00
11. Piboon Concrete Co., Ltd.	Building & Furnishing Materials	8,000,000	800,000	10.00
12. Metropolitan Industrial Leasing Co., Ltd.	Leasing	20,000,000	2,000,000	10.00
13. Steel Top Co., Ltd.	Steel	74,000,000	7,400,000	10.00
14. Siam Tire Cord Co., Ltd.	rubber	2,000,000	200,000	10.00
15. Crystal City Development Co., Ltd.	Construction	750,000	75,000	10.00
16. Soonvijai Development Co., Ltd.	Construction	13,000	1,300	10.00
17. Modular Samko Co., Ltd.	Furniture	3,500,000	350,000	10.00
18. Sahakol Chassis Co., Ltd.	Vehicle Parts	45,000,000	4,500,000	10.00
19. Siam Euro Leasing Co., Ltd.	Hire Purchase & Leasing	13,000,000	1,300,000	10.00
20. Siam City Real Estate Services Co., Ltd.	Real Estate	1,000,000	100,000	10.00
Common shares from debt restructuring (Debt-Equity SWAP)				
21. S.A.S.Trading Co., Ltd.	Holding Company	114,823,529	39,246,306	34.18
22. Paktai Chueplerng Pcl.	Energy	125,000,000	37,546,934	30.04
23. Thai-German Products Pcl.	Building & Furnishing Materials	21,012,069	94,361,456	29.08
24. Thai Nam Plastic Pcl.	Chemicals & Plastics	21,175,004	4,335,365	20.47
25. High Pressure Steel Pipe Industry Co., Ltd.	Steel	500,001	70,470	14.09
26. Island Resort Hotel Co., Ltd.	Hotel	40,000,000	5,195,000	12.99
27. Metropole Phuket Co., Ltd.	Hotel	30,000,000	3,589,492	11.96
28. Wongpaitoon Group Pcl.	Textiles	604,845,880	63,149,057	10.44

Remarks : 1. No 5, 6, 7, 9 and 20 have filed for liquidation

2. No 1 and 4 former names are Bangkok Metropolitan Life Assurance Co., Ltd. and Yuanta Securities (Thailand) Co., Ltd.

3. No 21, 26 and 27 bank's equity holding has changed from 1.25% , 10.38% and 9.67% respectively

Names and locations of the companies that the bank has shareholding more than 10%

1. Max Life Assurance Co., Ltd.

169 Suttisan Rd., Samsen,
Payatai, Bangkok 10400
Tel. 0-2616-2324
Fax 0-2616-2343

2. Siam City Asset Management Co., Ltd.

942/135 Charn Issara Tower I
4th Floor, Rama IV Rd., Suriyawong, Bangrak,
Bangkok 10500
Tel. 0-2624-8500
Fax. 0-2624-8599

3. SCIB Services Co., Ltd.

1091/230 New Petchburi Rd.,
Rajthevi, Bangkok 10400
Tel. 0-2208-5061-2
Fax 0-2651-6611

4. Siam City Securities Co., Ltd.

999/9 The Offices at Centralworld
9th Floor, Rama I Rd., Pathumwan, Bangkok 10330
Tel. 0-2624-8888
Fax 0-2624-8899

5. Crown Development Co., Ltd.

183 Regent House, 19th Floor,
Rajadamri Rd., Lumpini,
Pathumwan, Bangkok 10330
Tel. 0-2651-9788
Fax 0-2651-9787
(Office of the external Auditor)

6. Siam City I.T. Co., Ltd.

183 Regent House, 19th Floor,
Rajadamri Rd., Lumpini,
Pathumwan, Bangkok 10330
Tel. 0-2651-9788
Fax 0-2651-9787
(Office of the external Auditor)

7. The Chada Thong Properties

183 Regent House, 19th Floor,
Rajadamri Rd., Lumpini,
Pathumwan, Bangkok 10330
Tel. 0-2651-9788
Fax 0-2651-9787
(Office of the external Auditor)

8. Siam City Insurance Co., Ltd.

138/36-38 Jewellery Center Bldg.
AA Floor, Nares Rd.,
Bangrak, Bangkok 10500
Tel. 0-2267-1110
Fax 0-2267-1112

9. Thoon Ruam Kan Co., Ltd.

133/2 Sukhumvit 21,
Klongtoey, Bangkok 10110
Tel. 0-2259-0284
Fax 0-2258-7043

10. Siam Samsung Life Insurance Co., Ltd.

2922/222-227 Charn Issara Tower II
15th Floor, New Petchburi Rd.
Bangkok 10320
Tel. 0-2308-2261-68
Fax 0-2308-2269

11. Piboon Concrete Co., Ltd.

263/1 Moo 10 Maepheak,
Sansai, Chiangmai 50290
Tel. (053) 849-435-8
Fax (053) 849-439

12. Metropolitan Industrial Leasing Co., Ltd.

252/88 Muang thai Phatra Office Tower 2
4th Floor, Ratchadaphisek Rd.,
Bangkok 10320
Tel. 0-2693-3200-6
Fax 0-2693-3207

13. Steel Top Co., Ltd.

9 UMTower 16th Floor,
Ramkhamhaeng Rd.,
Bangkok 10250
Tel. 0-2719-9637-41
Fax 0-2719-9642

- 14. Siam Tire Cord Co., Ltd.**
46/1 Moo 9 Bangna-Trad Rd. KM.39,
Bangprakong , Chacherngsal 24130
Tel. (038) 538-555
Fax (038) 538-399
- 15. Crystal City Development Co., Ltd.**
2170 New Petchburi Rd.,
Bangkok 10320
Tel. 0-2255-6470
Fax 0-2255-6495
- 16. Soonvijai Development Co., Ltd.**
1740 New Petchburi Rd.,
Bangkok 10320
Tel. 0-2718-0386-9
Fax 0-2718-0387-8
- 17. Modular Samko Co., Ltd.**
70/9 Soi Ekamai, Sukhumvit Rd., Bangkok
Tel. 0-2391-0498-9
Fax 0-2381-1290
- 18. Sahakol Chassis Co., Ltd.**
1418/6-8 Phaholyotin Rd.,
Ladyao, Bangkhen, Bangkok
Tel. 0-2512-0336-41
Fax 0-2513-2424
- 19. Siam Euro Leasing Co., Ltd.**
27 Sukhumvit Soi 1
Bangkok 10110
Tel. 0-2254-1074
Fax 0-2254-1076
- 20. Siam City Real Estate Services Co., Ltd.**
183 Regent House, 19th Floor,
Rajadamri Rd., Lumpini,
Pathumwan, Bangkok 10330
Tel. 0-2651-9788
Fax 0-2651-9787
- 21. S.A.S.Trading Co., Ltd.**
805 Aswahem Bldg. 14th Floor,
Srinakarin Rd.,
Bangkok 10250
Tel. 0-2720-5804-8
Fax 0-2720-5813
- 22. Paktai Chueplerng Pcl.**
100/1 Varasombat Bldg., 19th Floor,
Rama IX Rd., Bangkok 10320
Tel. 0-2246-9979
Fax 0-2247-7469
- 23. Thai-German Products Pcl.**
170 Ocean Tower I, 10th Floor,
Ratchadaphisek Rd., Klongtoey,
Bangkok 10110
Tel. 0-2261-3300
Fax 0-2261-2769
- 24. Thai Nam Plastic Pcl.**
40 Moo 7 Petchkasem Rd., Km.23,
Omnoi, Kratumban,
Samutsakorn 74130
Tel. 0-2810-3000, 0-2420-9968-74
Fax 0-2420-1827
- 25. High Pressure Steel Pipe Industry Co., Ltd.**
1620/4 Songwad Rd.,
Bangkok 10100
Tel. 0-2235-2940-49
Fax 0-2255-6495
- 26. Island Resort Hotel Co., Ltd.**
1168/71 Lumpini Tower Bldg.,
25th Floor A , Rama IV Rd.,
Sathorn, Bangkok 10120
Tel. 0-2258-6404-7
Fax 0-2285-6408
- 27. Metropole Phuket Co., Ltd.**
518/5 Maneeya Center 8th Floor,
Ploenchit Rd., Bangkok 10330
Tel. 0-2254-8351
Fax 0-2254-8198
- 28. Wongpaitoon Group Pcl.**
70/19 Moo 6, Ekachai Rd.,
Bangbon, Bangkok 10150
Tel. 0-2416-6479
Fax 0-2416-1850

As at December 31, 2005

The bank held unit trusts more than 10 % of each fund as follows :

Company	Type of Business	Asset-net (Baht)	NAV Per Unit (Baht/Unit)	Total Number of shares Issued	Shares held by SCIB	
					Number of shares Held	% of Paid-up Capital
Max Equity Retirement Fund	Open-End Fund	31,796,966.01	10.7237	2,965,111.48	2,000,000.00	95.24
Max Equity Fund	Open-End Fund	260,669,297.32	11.1036	23,476,106.61	22,757,545.85	89.86
Max Balance Fund	Open-End Fund	298,983,928.30	10.4786	28,532,812.43	23,092,550.00	81.81
Max Balance Retirement Fund	Open-End Fund	54,334,909.50	10.0298	5,417,347.26	2,500,400.06	79.55
Business Strategic Fund	Close-End Fund	505,836,397.41	10.0166	50,499,834.28	31,305,799.13	61.99
The Thai Business Fund 3	Close-End Fund	2,473,683,501.08	8.2456	300,000,000.00	100,000,000.00	33.33
Thai Pattana I Fund	Close-End Fund	1,140,784,686.38	8.4502	135,000,000.00	45,000,000.00	33.33
Thai Real Estate Restructuring Fund I	Close-End Fund	1,213,773,481.92	12.6434	80,000,000.00	17,142,857.00	21.43
Krung Thai Thana Wattana Fund	Open-End Fund	6,553,537,939.11	16.9038	430,195,000.00	65,000,000.00	15.11

Other Reference Persons

▶ Common share registrar ◀

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoey, Bangkok 10110

▶ Auditors ◀

Ernst & Young Office Limited
Lake Ratchada Bldg. 33rd Floor
193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110

▶ Frequently contacted financial institution ◀

Commercial banks in the financial market, Bank of Thailand Financial Institutions Development Fund

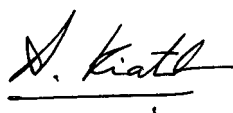
The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the Bank's financial statements and consolidated financial statements of the Bank and its subsidiaries' and financial information contained in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles in Thailand, using appropriate and consistent accounting policies, and exercising due consideration and estimation in their preparation, and disclosing sufficient important information in notes to the financial statements.

The Board of Directors has arranged to maintain an efficient internal control, to ensure that the accounting data are accurate, complete and sufficient to reflect the positions of assets and to give warning signals to fraud and other important irregular transactions.

The Board of Directors has appointed an Audit Committee, consisting of independent directors, to be responsible for the quality of financial statements and internal control system. The opinion of the Audit Committee on these matters is found in this annual report.

The Board of Directors is of the opinion that the Bank's internal control system is satisfactory and contributes to the confidence in the reliability of the financial statements of the Bank and its subsidiaries as at 31 December 2005.



(Somphol Kiatphaibool)
Chairman



(Arun Chirachavala)
President

Auditor's Report

Report of Independent Auditor

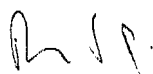
To The Board of Directors and Shareholders
Siam City Bank Public Company Limited

I have audited the accompanying consolidated balance sheet of Siam City Bank Public Company Limited and its subsidiaries as at 31 December 2005, the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Siam City Bank Public Company Limited for the same year. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Siam City Bank Public Company Limited and its subsidiaries, and the separate financial statements of Siam City Bank Public Company Limited for the year ended 31 December 2004, as presented herein for comparative purposes, formed an integral part of the financial statements which were audited and reported on by other auditors, who under their report dated 22 February 2005, expressed an unqualified audit opinion on those financial statements, but drew attention to the matters that loans and accrued interest receivables including promissory notes and related interest due from Sukhumvit Asset Management Company Limited as a result of transfers of non-performing assets, and the being outstanding differences as result of the transfer of business from Bangkok Metropolitan Bank Public Company Limited to the bank.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siam City Bank Public Company Limited and its subsidiaries and of Siam City Bank Public Company Limited as at 31 December 2005, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statement, I draw attention to (a) Note 8 to the financial statements, whereby loans and accrued interest receivables as at 31 December 2005 include promissory notes and related accrued interest totaling Baht 68,343 million due from Sukhumvit Asset Management Company Limited as a result of transfers of non-performing assets, and (b) the matters discussed in Note 4 to the financial statements regarding the potential future impact to the "Differences as a result of transfer of business from Bangkok Metropolitan Bank Public Company Limited" and the "Differences as a result of assets transferred to Sukhumvit Asset Management Company Limited", of the resolution of ongoing examination or negotiation among the Bank, Sukhumvit Asset Management Company Limited, and the Financial Institution Development Fund.



Ruth Chaowanagawi
Certified Public Accountant (Thailand) No. 3247

Ernst & Young Office Limited
Bangkok: 22 February 2006

Financial Statement

BALANCE SHEETS

AS AT 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2005	2004 (Restated)	2005	2004 (Restated)
ASSETS					
CASH		9,142,915,030	10,212,605,168	9,142,783,159	10,212,456,168
INTERBANK AND MONEY MARKET ITEMS	5				
Domestic items					
Interest bearing		4,264,817,970	682,571,427	2,500,137,433	99,915,275
Non-interest bearing		3,285,163,030	609,110,914	3,263,735,384	574,942,864
Foreign items					
Interest bearing		6,100,756,048	800,944,371	6,100,756,048	800,944,371
Non-interest bearing		3,086,588,441	723,305,725	3,086,588,441	723,305,725
Interbank and money market items - net		16,737,325,489	2,815,932,437	14,951,217,306	2,199,108,235
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	6	8,800,000,000	17,600,000,000	8,800,000,000	17,600,000,000
INVESTMENTS					
Short-term investments - net	7.1	24,771,783,143	19,044,789,003	23,762,811,946	18,166,131,152
Long-term investments - net	7.1	81,301,807,995	70,127,851,620	79,273,124,753	68,763,338,450
Investments in subsidiaries and associated companies - net	7.7	168,731,936	165,988,988	2,822,430,813	2,874,343,729
Investments - net		106,242,323,074	89,338,629,611	105,858,367,512	89,803,813,331
LOANS AND ACCRUED INTEREST RECEIVABLES	8				
Loans		297,248,795,225	333,819,532,327	297,078,037,022	333,736,560,366
Accrued interest receivables		1,774,186,994	2,041,628,723	1,773,927,741	2,041,340,393
Total loans and accrued interest receivables		299,022,982,219	335,861,161,050	298,851,964,763	335,777,900,759
Less : Allowance for doubtful debts	9	(7,264,472,300)	(8,247,905,596)	(7,212,343,024)	(8,195,143,699)
Revaluation allowance for debt restructuring	10	(2,068,997,270)	(2,310,712,015)	(2,068,997,270)	(2,310,712,015)
Loans and accrued interest receivables - net		289,689,512,649	325,302,543,439	289,570,624,469	325,272,045,045
PROPERTIES FORECLOSED - Net	11	11,004,205,076	12,568,997,063	11,004,205,076	12,568,997,063
CUSTOMERS' LIABILITY UNDER ACCEPTANCE		158,018,139	100,108,945	158,018,139	100,108,945
PREMISES AND EQUIPMENT - Net	12	8,526,677,233	8,453,092,972	8,424,077,611	8,391,430,073
INTANGIBLE ASSETS - Net	13	1,027,442,728	953,931,164	951,303,656	866,480,922
DIFFERENCES AS A RESULT OF ASSETS	4.2	841,650,915	1,885,102,873	841,650,915	1,885,102,873
TRANSFERRED TO "SAM"					
ACCRUED INTEREST RECEIVABLES		1,192,672,102	1,029,095,877	1,158,386,754	998,257,045
OTHER ASSETS - Net	14	1,000,939,945	1,974,721,294	965,930,646	1,926,809,800
TOTAL ASSETS		454,363,682,380	472,234,760,843	451,826,565,243	471,824,609,500

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

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2005	2004 (Restated)	2005	2004 (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	15				
Deposits in Baht		381,985,948,822	384,121,560,240	382,002,572,954	385,211,305,160
Deposits in foreign currencies		162,320,845	258,381,059	162,320,845	258,381,059
Total deposits		382,148,269,667	384,379,941,299	382,164,893,799	385,469,686,219
INTERBANK AND MONEY MARKET ITEMS	16				
Domestic items					
Interest bearing		17,508,572,310	19,065,733,308	17,692,881,573	19,165,733,308
Non-interest bearing		280,021,699	320,770,872	284,089,124	320,770,872
Foreign items					
Interest bearing		1,663,531,946	5,013,905,517	1,663,531,946	5,013,905,517
Non-interest bearing		294,394	280,022	294,394	280,022
Total interbank and money market items		19,452,420,349	24,400,689,719	19,640,797,037	24,500,689,719
LIABILITY PAYABLE ON DEMAND		738,261,601	1,029,061,716	738,261,601	1,029,061,716
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	17	3,000,000,000	18,000,000,000	3,000,000,000	18,000,000,000
BORROWINGS	18				
Short-term borrowings		100,000,000	50,000,000	100,000,000	50,000,000
Long-term borrowings		87,481,964	57,316,215	87,481,964	57,316,215
Total borrowings		187,481,964	107,316,215	187,481,964	107,316,215
BANK'S LIABILITY UNDER ACCEPTANCE		158,018,139	100,108,945	158,018,139	100,108,945
DIFFERENCES AS A RESULT OF TRANSFER OF BUSINESS FROM					
BANGKOK METROPOLITAN BANK	4.1	6,662,540,719	6,662,540,719	6,662,540,719	6,662,540,719
ACCRUED INTEREST EXPENSES		1,173,929,156	772,036,463	1,174,022,839	772,036,463
OTHER LIABILITIES	19	5,198,326,955	3,741,302,674	2,460,447,591	2,145,708,995
TOTAL LIABILITIES		418,719,248,550	439,192,997,750	416,186,463,689	438,787,148,991

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

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

Note	Consolidated		The Bank only	
	2005	2004 (Restated)	2005	2004 (Restated)
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
Surplus on revaluation of assets	2,976,419,925	3,038,649,363	2,976,419,925	3,038,649,363
Revaluation surplus on investments	20 649,624,232	1,190,350,299	649,624,232	1,190,350,299
Translation adjustments	-	163,685,430	-	163,685,430
Retained earnings				
Appropriated - statutory reserve	21 577,959,092	259,606,560	577,959,092	259,606,560
Unappropriated	10,298,697,195	7,247,767,747	10,298,697,195	7,247,767,747
EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS	35,640,101,554	33,037,460,509	35,640,101,554	33,037,460,509
MINORITY INTERESTS	4,332,276	4,302,584	-	-
TOTAL SHAREHOLDERS' EQUITY	35,644,433,830	33,041,763,093	35,640,101,554	33,037,460,509
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	454,363,682,380	472,234,760,843	451,826,565,243	471,824,609,500
OFF-BALANCE SHEET ITEMS - COMMITMENTS 27.1				
Avals to bills and guarantees of loans	2,242,451,255	2,198,083,823	2,242,451,255	2,198,083,823
Liability under unmatured import bills	767,453,756	825,952,879	767,453,756	825,952,879
Letters of credits	1,754,002,899	5,099,430,718	1,754,002,899	5,099,430,718
Other commitments	121,037,480,813	82,778,136,655	117,037,480,813	82,778,136,655

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



Mr. Sompol Kiatphaibool
Chairman of the Board



Mr. Arun Chirachavala
President

STATEMENTS OF EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

Note	Consolidated		The Bank only	
	2005	2004	2005	2004
INTEREST AND DIVIDEND INCOME				
Loans	12,957,750,740	10,993,032,905	12,955,977,562	10,992,847,236
Interbank and money market items	386,523,792	179,985,887	361,912,388	174,615,392
Investments	4,626,847,652	4,598,474,941	4,515,900,921	4,511,851,762
TOTAL INTEREST AND DIVIDEND INCOME	17,971,122,184	15,771,493,733	17,833,790,871	15,679,314,390
INTEREST EXPENSES				
Deposits	5,743,961,910	5,524,650,246	5,747,920,954	5,530,046,705
Interbank and money market items	659,207,145	237,077,657	660,434,703	237,208,519
Long-term loans	3,157,697	-	3,157,697	-
TOTAL INTEREST EXPENSES	6,406,326,752	5,761,727,903	6,411,513,354	5,767,255,224
NET INTEREST AND DIVIDEND INCOME	11,564,795,432	10,009,765,830	11,422,277,517	9,912,059,166
BAD DEBT AND DOUBTFUL ACCOUNTS	(299,367,378)	(203,161,939)	(300,000,000)	(204,957,569)
PRESENT VALUE LOSSES FROM DEBT RESTRUCTURING	35,156,643	(280,646,491)	35,156,643	(280,646,491)
NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBT AND DOUBTFUL ACCOUNTS AND PRESENT VALUE LOSSES FROM DEBT RESTRUCTURING	11,300,584,697	9,525,957,400	11,157,434,160	9,426,455,106
NON-INTEREST INCOME				
Gains on investments 7.8	781,074,898	1,641,504,168	776,898,568	1,649,591,789
Shares of profits (losses) from investments accounted for under equity method	11,087,213	4,673,004	(101,927,992)	(54,372,132)
Fees and charges				
Acceptances, avals and guarantees	311,131,510	288,065,907	311,131,510	288,065,907
Others	1,812,043,245	1,865,380,767	1,829,317,518	1,696,166,993
Gains on exchange	17,179,375	192,361,846	17,179,375	192,361,846
Service fees from Petchburi Asset Management Co., Ltd.	-	141,641,320	-	141,641,320
Gains on disposals of assets	109,783,118	171,131,903	110,224,063	170,264,849
Other income	1,577,331,545	951,279,972	232,638,933	87,614,004
TOTAL NON-INTEREST INCOME	4,619,630,904	5,256,038,887	3,175,461,975	4,171,334,576

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

STATEMENTS OF EARNINGS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2005	2004	2005	2004
NON-INTEREST EXPENSES					
Personnel expenses		2,914,387,919	2,435,852,551	2,652,718,491	2,224,538,252
Premises and equipment expenses		1,443,301,556	1,312,239,562	1,370,843,688	1,272,703,566
Taxes and duties		785,467,425	960,378,786	783,449,911	959,104,787
Fees and charges		188,600,999	141,864,953	165,700,100	179,626,619
Directors' remuneration	23	34,636,576	16,696,923	28,068,766	10,643,910
Contributions to the Financial Institution Development Fund		1,539,763,708	1,692,069,758	1,539,763,708	1,692,069,758
Losses on impairment of assets		545,096,939	43,176,751	540,498,663	43,176,751
Other expenses		2,148,323,542	1,733,773,941	982,712,325	843,597,466
TOTAL NON-INTEREST EXPENSES		9,599,578,664	8,336,053,225	8,063,755,652	7,225,461,109
EARNINGS BEFORE INCOMETAX		6,320,636,937	6,445,943,062	6,269,140,483	6,372,328,573
CORPORATE INCOME TAX	24	(55,607,371)	(78,737,828)	(4,152,995)	(5,277,919)
EARNINGS BEFORE MINORITY INTERESTS		6,265,029,566	6,367,205,234	6,264,987,488	6,367,050,654
MINORITY INTERESTS		(42,078)	(154,580)	-	-
NET EARNINGS FOR THE YEARS		6,264,987,488	6,367,050,654	6,264,987,488	6,367,050,654
EARNINGS PER SHARE					
Basic earnings per share		2.97	3.01	2.97	3.01

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



Mr. Sompol Kiatphaibool
Chairman of the Board



Mr. Arun Chirachavala
President

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

Consolidated										
	Registered, issued and fully paid-up share capital	Share premium on treasury stocks	Surplus on revaluation of assets	Revaluation surplus on investments	Translation adjustment	Retained earnings		Treasury stocks held by a subsidiary	Minority interests	Total
						Appropriated-Statutory reserve	Unappropriated			
Balance as at 31 December 2003	21,128,106,760	-	3,098,128,934	3,897,577,030	173,372,953	78,075,263	4,283,557,842	(25,765,700)	1,086,812	32,634,139,894
Accumulated results from error correction	-	-	-	1,799,998	-	-	-	-	-	1,799,998
Adjustment against retained earnings (Note 32)	-	-	-	-	-	-	(209,290,502)	-	-	(209,290,502)
Balance as at 31 December 2003 after adjustments	21,128,106,760	-	3,098,128,934	3,899,377,028	173,372,953	78,075,263	4,074,267,340	(25,765,700)	1,086,812	32,426,649,390
Amortization of surplus on revaluation of assets	-	-	(59,479,571)	-	-	-	59,479,571	-	-	-
Revaluation deficit on investments	-	-	-	(2,709,026,729)	-	-	-	-	-	(2,709,026,729)
Share premium on treasury stocks (Note 32)	-	9,294,350	-	-	-	-	-	-	-	9,294,350
Translation adjustments	-	-	-	-	(9,687,523)	-	-	-	-	(9,687,523)
Transferred to statutory reserve	-	-	-	-	-	181,531,297	(181,531,297)	-	-	-
Net earnings for the year	-	-	-	-	-	-	6,367,050,654	-	154,580	6,367,205,234
Dividends paid	-	-	-	-	-	-	(3,063,575,481)	-	-	(3,063,575,481)
Directors' remuneration	-	-	-	-	-	-	(7,923,040)	-	-	(7,923,040)
Treasury stocks	-	-	-	-	-	-	-	(18,834,050)	-	(18,834,050)
Disposal of treasury stocks	-	-	-	-	-	-	-	44,599,750	-	44,599,750
Minority interests	-	-	-	-	-	-	-	-	3,061,192	3,061,192
Balance as at 31 December 2004	21,128,106,760	9,294,350	3,038,649,363	1,190,350,299	163,685,430	259,606,560	7,247,767,747	-	4,302,584	33,041,763,093
Amortization of surplus on revaluation of assets	-	-	(62,229,438)	-	-	-	62,229,438	-	-	-
Revaluation deficit on investments	-	-	-	(540,726,067)	-	-	-	-	-	(540,726,067)
Translation adjustments	-	-	-	-	(163,685,430)	-	-	-	-	(163,685,430)
Transferred to statutory reserve	-	-	-	-	-	318,352,532	(318,352,532)	-	-	-
Net earnings for the year	-	-	-	-	-	-	6,264,987,488	-	42,078	6,265,029,566
Dividends paid (Note 25)	-	-	-	-	-	-	(2,957,934,946)	-	-	(2,957,934,946)
Minority interests	-	-	-	-	-	-	-	-	(12,386)	(12,386)
Balance as at 31 December 2005	21,128,106,760	9,294,350	2,976,419,925	649,624,232	-	577,959,092	10,298,697,195	-	4,332,276	35,644,433,830

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

The Bank Only								
	Registered, issued and fully paid-up share capital	Share premium on treasury stocks	Surplus on revaluation of assets	Revaluation surplus on investments	Translation adjustments	Retained earnings		Total
						Appropriated - Statutory reserve	Unappropriated	
Balance as at 31 December 2003	21,128,106,760	-	3,098,128,934	3,895,177,030	173,372,953	78,075,263	4,283,557,842	32,656,418,782
Accumulated results from error correction	-	-	-	4,199,998	-	-	-	4,199,998
Adjustment against retained earnings (Note 32)	-	-	-	-	-	-	(209,290,502)	(209,290,502)
Balance as at 31 December 2003 after adjustments	21,128,106,760	-	3,098,128,934	3,899,377,028	173,372,953	78,075,263	4,074,267,340	32,451,328,278
Amortization of surplus on revaluation of assets	-	-	(59,479,571)	-	-	-	59,479,571	-
Revaluation deficit on investments	-	-	-	(2,709,026,729)	-	-	-	(2,709,026,729)
Share premium on treasury stocks (Note 32)	-	9,294,350	-	-	-	-	-	9,294,350
Translation adjustments	-	-	-	-	(9,687,523)	-	-	(9,687,523)
Transferred to statutory reserve	-	-	-	-	-	181,531,297	(181,531,297)	-
Net earnings for the year	-	-	-	-	-	-	6,367,050,654	6,367,050,654
Dividends paid	-	-	-	-	-	-	(3,063,575,481)	(3,063,575,481)
Directors' remuneration	-	-	-	-	-	-	(7,923,040)	(7,923,040)
Balance as at 31 December 2004	21,128,106,760	9,294,350	3,038,649,363	1,190,350,299	163,685,430	259,606,560	7,247,767,747	33,037,460,509
Amortization of surplus on revaluation of assets	-	-	(62,229,438)	-	-	-	62,229,438	-
Revaluation deficit on investments	-	-	-	(540,726,067)	-	-	-	(540,726,067)
Translation adjustments	-	-	-	-	(163,685,430)	-	-	(163,685,430)
Transferred to statutory reserve	-	-	-	-	-	318,352,532	(318,352,532)	-
Net earnings for the year	-	-	-	-	-	-	6,264,987,488	6,264,987,488
Dividends paid (Note 25)	-	-	-	-	-	-	(2,957,934,946)	(2,957,934,946)
Balance as at 31 December 2005	21,128,106,760	9,294,350	2,976,419,925	649,624,232	-	577,959,092	10,298,697,195	35,640,101,554

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Consolidated		The Bank only	
	2005	2004	2005	2004
Cash flows from operating activities				
Net earnings for the years	6,264,987,488	6,367,050,654	6,264,987,488	6,367,050,654
Adjustments to reconcile net earnings for the years to net cash provided by (used in) operating activities :-				
Earnings attributable to minority shareholders	42,078	154,580	-	-
Shares of (profits) losses from investments accounted for under equity method	(11,087,213)	(4,673,004)	101,927,992	54,372,132
Depreciation and amortization	817,425,746	681,437,161	771,751,277	637,378,359
Bad debts and doubtful accounts	299,367,378	203,161,939	300,000,000	204,957,569
Present value losses from debt restructuring (reversal)	(35,156,643)	280,646,491	(35,156,643)	280,646,491
Gains on disposals and write-offs of premises and equipment	(6,828,210)	(24,205,694)	(7,269,155)	(23,338,640)
Gains on disposals of properties foreclosed	(94,702,572)	(152,933,353)	(94,702,572)	(152,933,353)
Gains on disposals of leasehold right	(8,252,336)	-	(8,252,336)	-
Losses on impairment of assets	545,096,939	-	540,498,663	-
Gains on sale of investments	(752,096,766)	(946,837,348)	(728,760,919)	(949,175,141)
Unrealized (gain) losses on revaluation of investments	10,750,635	116,524,227	(1,563,646)	110,774,399
Reversal of allowance for impairment losses of investments	(46,574,003)	(865,475,425)	(46,574,003)	(865,475,425)
Unrealized losses on reclassification of investment types	6,845,236	54,284,378	-	54,284,378
Unrealized (gains) losses on exchange	(512,140,690)	154,460,512	(512,140,690)	154,460,512
Provision for contingent liabilities	171,701,820	72,914,051	171,701,820	72,914,051
Amortization of revaluation allowance for debt restructuring to be interest income	(196,989,163)	(187,475,753)	(196,989,163)	(187,475,753)
Decrease in accrued interest and dividend receivables	99,057,401	1,397,689,638	102,474,841	1,417,504,039
Increase (decrease) in accrued interest expenses	401,892,693	(888,650,680)	401,986,376	(888,650,680)
Increase (decrease) in accrued expenses	(64,552,068)	(5,588,944)	(92,503,515)	10,501,288
Net earnings from operations before changes in operating assets and liabilities	6,888,787,750	6,252,483,430	6,931,415,815	6,297,794,880
(Increase) decrease in operating assets				
Interbank and money market items	(13,954,773,853)	4,433,899,038	(12,785,489,873)	4,942,322,154
Securities purchased under resale agreements	8,800,000,000	(7,600,000,000)	8,800,000,000	(7,600,000,000)
Short-term investments	(3,144,485,373)	284,977,762	(3,026,214,943)	388,250,198
Loans	37,242,567,609	(13,041,998,602)	37,330,353,851	(13,055,105,097)
Properties foreclosed	1,385,929,023	1,432,538,300	1,385,929,023	1,432,538,300
Differences as a result of assets transferred to "SAM"	312,564,632	(127,384,928)	312,564,632	(127,384,928)
Other assets	532,985,454	2,492,821,016	530,213,207	2,358,405,599

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

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	Consolidated		The Bank only	
	2005	2004	2005	2004
Increase (decrease) in operating liabilities				
Deposits	(2,231,671,632)	(22,221,925,885)	(3,304,792,420)	(21,392,453,927)
Interbank and money market items	(4,948,269,370)	8,171,967,669	(4,859,892,683)	8,271,967,669
Liability payable on demand	(290,800,116)	(305,171,053)	(290,800,116)	(305,171,053)
Securities sold under repurchase agreements	(15,000,000,000)	16,000,000,000	(15,000,000,000)	16,000,000,000
Short-term borrowings	50,000,000	50,000,000	50,000,000	50,000,000
Other liabilities	1,343,523,935	905,953,649	229,189,698	118,616,445
Net cash provided by (used in) operating activities	16,986,358,059	(3,271,839,604)	16,302,476,191	(2,620,219,760)
Cash flows from investing activities				
(Increase) decrease in long-term investments	(14,210,318,290)	11,870,086,469	(13,516,728,587)	12,825,074,126
Proceeds from disposals of premises and equipment	22,146,375	37,741,964	21,389,489	36,213,931
Cash paid for purchases of premises and equipment	(771,073,911)	(1,541,775,301)	(702,476,993)	(1,514,825,821)
Cash paid for intangible asset	(176,313,174)	5,723,000	(173,943,912)	5,723,000
Cash paid for investments in subsidiaries and associated companies	-	(1,851,892)	(79,900,000)	(1,598,752,562)
Proceeds from sales of investments in associated companies	-	3,000,000	-	3,000,000
Dividends received	7,280,000	-	7,280,000	-
Net cash provided by (used in) investing activities	(15,128,279,000)	10,372,924,240	(14,444,380,003)	9,756,432,674
Cash flows from financing activities				
Cash received from long-term borrowings	30,165,749	57,316,215	30,165,749	57,316,215
Dividends paid	(2,957,934,946)	(3,071,498,521)	(2,957,934,946)	(3,071,498,521)
Cash paid for treasury stocks	-	(18,834,050)	-	-
Proceeds from disposals of treasury stocks	-	53,894,100	-	-
Net cash used in financing activities	(2,927,769,197)	(2,979,122,256)	(2,927,769,197)	(3,014,182,306)
Net increase (decrease) in cash and cash equivalents	(1,069,690,138)	4,121,962,380	(1,069,673,009)	4,122,030,608
Translation adjustments	-	(9,687,523)	-	(9,687,523)
Cash and cash equivalents at beginning of the years	10,212,605,168	6,100,330,311	10,212,456,168	6,100,113,083
Cash and cash equivalents at end of the years	9,142,915,030	10,212,605,168	9,142,783,159	10,212,456,168
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION				
Cash paid during the years for :				
Interest expenses	6,004,434,059	6,656,690,821	6,009,526,977	6,655,905,904
Corporate income tax	345,922,205	181,488,900	263,064,577	85,746,485

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

NOTES TO FINANCIAL STATEMENTS

SIAM CITY BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

I. GENERAL INFORMATION

Siam City Bank Public Company Limited ('the Bank') was incorporated as a public limited company under Thai law. The Bank operates in Thailand and commenced operating its banking businesses on 24 May 1941. The Bank's head office is located at 1101 New Petchburi Road, Makkasan Sub-district, Rajathevi District, Bangkok and the Bank has altogether 387 branches in all regions of Thailand, with one branch overseas. As at 31 December 2005 and 2004, the Bank had totals of 6,650 and 6,377 employees, respectively and the Bank and its subsidiaries together had totals of 7,940 and 7,601 employees, respectively.

All subsidiaries were incorporated as limited companies under Thai law. They operate in Thailand and their core business are securities business, fund management business, life insurance business and service business.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for financial statements presentation

The consolidated financial statements of the Bank and its subsidiaries and the separate financial statements of the Bank have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and have been presented in compliance with the requirement of the Notification of the Bank of Thailand ("the BOT") dated 10 May 2001 relating to the format of the balance sheet and statement of earnings of commercial banks. They have also been presented in accordance with the regulations of the Stock Exchange of Thailand and the Notifications of the Office of the Securities and Exchange Commission with regard to the preparation and submission of financial statements and reports on financial position and operating results of listed companies.

2.2 Basis of consolidation

The consolidated financial statements as at 31 December 2005 and 2004 and for the years ended 31 December 2005 and 2004 include the financial statements of Siam City Bank Public Company Limited and the following subsidiaries :-

	Type of business	Percentage of shares held by the Bank as at 31 December		Assets included as a percentage to the consolidated totals as at 31 December		Revenue included as a percentage to the consolidated totals for the years ended 31 December	
		2005	2004	2005	2004	2005	2004
Max Life Assurance Company Limited	Life insurance	100	100	0.65	0.42	6.30	5.36
Siam City Securities Company Limited	Securities	99.8	99.8	0.49	0.46	1.04	1.14
SCIB Services Company Limited	Services	100	100	0.01	0.01	0.54	0.53
Siam City Asset Management Co., Ltd.	Fund management	100	100	0.03	0.02	0.13	0.02

Subsidiaries are enterprises in which the Bank has control over financial and operating policies. Subsidiaries' financial statements are consolidated from the date on which effective control is transferred to the Bank to the date on which the Bank disposes of its investments in such subsidiaries or the subsidiaries cease their operation and undergo the liquidation process. Significant accounting policies of subsidiaries are consistent with the policies adopted by the Bank.

Significant intercompany balances and transactions, including outstanding investments in subsidiaries and share capital of the subsidiaries, among the Bank and its subsidiaries have already been eliminated from the consolidated financial statements. Minority interest is presented as a separate item in the shareholders' equity.

The consolidated financial statements for the years ended 31 December 2005 and 2004 do not include the financial statements of 3 subsidiaries, which are Crown Development Company Limited, The Chada Thong Properties Company Limited, and Siam City I.T. Company Limited, in which the Bank has a shareholding percentage greater than 50 percent because those subsidiaries have ceased their operations and are in the process of being liquidated. The Bank has already made full allowance for impairment in the value of its investments in those subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Bank and its subsidiaries are summarized below:-

3.1 Revenue recognition

(a) Interest and discounts on loans

The Bank recognizes interest and discounts on loans as income on an accrual basis, based on the amount of principal outstanding. For loans on which principal or interest payments have been defaulted for more than three months from the due date, the Bank ceases accrual of interest income, recognizes interest income on a cash basis and reverses the interest previously accrued as income from its accounts, in accordance with the Notification of the Bank of Thailand.

Interest income on restructured loans is recognized on the cash basis.

(b) Interest and dividends on investments

Interest from investments is recognized as income based on the effective yield rate over the term of security. Dividend income is recognized when the right to receive dividends is established.

(c) Gains (losses) on sale of investment

Gains (losses) on sale of investments are recognized as income/expenses on the transaction dates, with the weighted average method being used for computation of costs of investments disposed.

(d) Fees and service income

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

(f) Brokerage fees

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

(g) Life insurance premium

First year premium income is recognized as income when cash received and underwriting of the insurance is approved.

Renewal year premium income is recognized as income when they are due and collected. Moreover, premium due and uncollected at the end of year is recognized as revenue only if the policy is still in force.

3.2 Expense recognition

(a) Interest expenses

Interest expenses are charged to earnings on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortized to expenses on a straight-line method over the period of notes payables.

(b) Life premium reserve

Life premium reserve represents the reserve for liability accumulated from the commencement date up to the balance sheet date, for all life insurance policies in force. The reserve is calculated in accordance with the actuarial method prescribed by the Regulation on Life Insurance Policy Reserve as promulgated by the Ministry of Commerce on 23 November 2001.

- Reserve for life insurance policies with over-1-year period is determined using the mean reserve method.
- At least 40 percent of net premium written or full amount of unearned premium reserve is set aside for life insurance policies with less than or equal to 1-year period, accident insurance policies, health insurance policies, or other insurance policies.

(c) Benefits payment in accordance with life insurance policies

Benefits payment is recorded when notification of claim is received or when due under policies.

3.3 Investments

Investments in securities held for trading are presented at fair value. Unrealized gains or losses arising from changes in the value of such securities are included in determining earnings.

Investments in available-for-sales securities, both held as short-term and long-term investments, are presented at fair value. Changes in the value of such securities are shown as a separate item in shareholders' equity until the securities are sold, when the changes are then included in determining earnings.

Investments in debt securities, classified as short-term or long-term investments by remaining period to maturity, which are expected to be held to maturity are presented at amortized costs less allowance for impairment loss (if any). Premiums/discounts on debt securities are amortized based on the effective yield rates. The amortized amount is presented as an adjustment to the interest income.

Investments in non-marketable equity securities which are classified as general investments are valued at cost less allowance for impairment loss (if any).

Purchases and sales of investments are recognized on the trade dates except for the Bank's investments in debt securities, which are recognized on the settlement dates.

Losses on impairment of investments are included in determining earnings.

In cases where there is reclassification of investment type, the investments are presented at their fair value prevailing on the reclassification dates. Differences between the carrying amount of the investments and their fair value on those dates are included in determining earnings or recorded as revaluation surplus (deficit) on investments and presented as a separate item in shareholders' equity to be amortized over the remaining periods to maturity of the debt securities, as the case may be.

3.4 Investment in subsidiaries and associated companies

Investments in subsidiaries and associated companies are accounted for under the equity method. Goodwill, which is the excess of cost of the investment over its respective net book value at the acquisition date, is amortized on a straight-line method over a period of 10 years. In case that the Bank shares losses from subsidiaries and associated companies in excess of investment costs, the Bank will present such loss as other liabilities in the balance sheets. If the Bank has no commitments or guarantee obligations to its subsidiaries and associated companies, losses from investments in those companies are recognized only to the extent that they do not exceed the outstanding balance of investments.

If the Bank receives shares as a result of debt restructuring of a borrower, which causes the Bank to hold more than 50 percent or 20 percent of the shares of such company, the Bank will not treat that investee company as a subsidiary or an associated company, respectively, but will treat it as general investments since the Bank intends to hold such shares temporarily.

3.5 Securities purchased (sold) under resale (repurchase) agreements

The Bank enters into purchases (sales) of securities under agreements to resell (repurchase) at certain dates in the future at a fixed price. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Securities purchased under resale agreements" in the balance sheets. Whereby the underlying securities are treated as collateral to such receivables.

Securities sold under repurchase agreements are presented as liabilities in the balance sheets at the amounts received from the sale of those securities and the underlying securities are treated as collateral.

The difference between the sale and purchase considerations is recognized as interest income or expense on an accrual basis over the transaction periods.

3.6 Fair values of securities

Fair values of securities are calculated on the following basis :-

For government securities and state enterprises securities, fair values are calculated by using the Bank of Thailand formula, based on the yield curve of The Thai Bond Market Association or other financial institutions.

For private sector debt securities, the last bid price quoted on The Thai Bond Market Association is used as fair value. In the absence of such prices, fair values are determined by applying the yield curve of The Thai Bond Market Association or other financial institutions, adjusted for an appropriate risk premium, in accordance with the criteria established by the Bank of Thailand.

For listed equity securities, fair value is the last bid price quoted on The Stock Exchange of Thailand on the last business day of the years.

For unit trusts, fair value is determined using the net asset value at the end of the year.

3.7 Loans/securities business receivables

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

Securities business receivables comprise the net receivable balance of cash accounts for each day, margin accounts as well as other receivables such as overdue cash accounts and securities receivables which are under legal proceedings, are undergoing restructuring, or are being settled in installments.

3.8 Allowance for doubtful accounts

(a) For loans of banking business

The Bank provides allowance for doubtful accounts for debtors in accordance with the notifications of the Bank of Thailand.

The criteria for loan loss provisioning as determined by the Bank of Thailand include loan classification criteria, loan loss provisioning rates for each loan class, valuation of collateral to be used in determining allowance for doubtful debts, and criteria for reclassification of restructured loans to “pass” loan classification.

Allowance for doubtful accounts additionally set up during the years is included in expenses for the years.

Amounts written off as bad debts are deducted from the allowance for doubtful accounts and in case of recovery being made from bad debtors, the recovered amount is recognized as income in statements of earnings in the year it is recovered.

(b) For securities business receivables

A subsidiary provides allowance for doubtful debts based on a review of the debtor’s ability to make repayment, taking into consideration recovery risk and the value of the collateral. Allowance is set aside for doubtful debts not fully covered by collateral and/or those expected not to be fully recoverable. Debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor.Thor. 33/2543, dated 25 August 2000, as amended by the Notification No. Kor.Thor. 5/2544, dated 15 February 2001, of the Office of the Securities and Exchange Commission, and consideration of other relevant factors.

3.9 Troubled debt restructuring and losses from troubled debt restructuring

The Bank records troubled debt restructuring transactions and relevant losses with reference to the notifications of the Bank of Thailand.

In determination of losses from troubled debt restructuring, in cases where the troubled debt restructuring involves debts/assets swap and/or debt/equity swap the Bank recognizes a loss from troubled debt restructuring in the statements of earnings equal to the excess of the recorded outstanding loan and receivable balances due from a debtor over the fair value of assets and/or equity received in settlement of debts. In cases where the troubled debt restructuring involves modification of the repayment conditions, the Bank will determine the present value of expected future cash flows to be received in accordance with the new restructuring agreement, discounted by the market interest rate being quoted on the restructuring date. The excess of the recorded outstanding loans and receivables due from a debtor over the then-determined present value is accounted for as revaluation allowance for debt restructuring and recognize as loss from troubled debt restructuring in the statements of earnings on the debt restructuring date. The Bank amortizes revaluation allowance for debt restructuring based on the repayment amounts and the remainder of the restructuring periods.

3.10 Properties foreclosed

Properties foreclosed are stated at the lower of cost or net realizable value, which is determined with reference to the latest available appraisal value, in accordance with the notifications of the Bank of Thailand, less estimated selling expenses.

Gains or losses on disposal of properties foreclosed are recorded as income or expenses when ownership is transferred. Impairment loss is recognized in the statements of earnings.

3.11 Premises and equipment

Buildings and equipment are stated at cost or appraised value less accumulated depreciation.

The Bank and its subsidiaries initially record land, buildings and equipment at their costs on the acquisition dates. The Bank, thereafter, arranges to have their independent appraisers value land and buildings and records those assets at their appraised values. The Bank has policy to revalue such assets every 3 to 5 years in order that the book value of those assets on the balance sheet dates does not differ materially from their fair value.

The Bank recognizes surplus/deficit arising as a result of revaluation of its assets as follows: -

- (a) When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to the equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase will be recognized as income in the statements of earnings to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense in the statement of earnings.
- (b) When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related "Surplus on revaluation of assets" to the extent that the decrease does not exceed the amount held in the surplus on revaluation in respect of the same asset and the exceeded amount is recognized as an expense in the statements of earnings.

3.12 Depreciation

Depreciation of buildings and equipment is calculated by reference to their costs on a straight line basis over the following estimated periods of useful lives.

Buildings	-	20 - 30	years
Office equipment	-	3 - 10	years
Motor vehicles	-	5	years

No depreciation is determined for land and assets in process.

Depreciation is included in determining earnings.

Depreciation of the revalued portion of buildings, which is determined by the straight-line method over the remaining useful lives, is recognized in the statement of earnings. Surplus on revaluation of assets is charged to the retained earnings by the then-determined amount.

3.13 Intangible assets and amortization

- (a) Leasehold rights are amortized as expenses on a straight-line method over the lease periods of 1 to 30 years.
- (b) Computer software is amortized as expenses on a straight-line method over the periods of estimated useful lives of 3 to 10 years.
No amortization for computer software under development.
- (c) Goodwills incurred as a result of investments in subsidiaries are amortized as expenses on a straight-line method over their estimated economic lives of 10 years.

3.14 Translation of foreign currencies

Foreign currency transactions occurring during the years are translated into Baht at the rates ruling on the transaction dates. Assets and liabilities in foreign currencies and off-balance sheet items outstanding on the balance sheet dates, which relate to forward exchange contracts and currency swap contracts, have been translated into Baht at the rates announced by the Bank of Thailand ruling on the balance sheet dates.

Exchange gains and losses are included in determining earnings.

3.15 Financial derivatives

Obligations under financial derivative contracts are regarded as off-balance sheet items. For forward exchange contracts, the Bank records the difference between the contracted rates and the spot rates on the contract dates as assets or liabilities in the balance sheets by the amounts determined by recognizing as expenses or revenue on a straight line basis over the contract periods. For interest rate swap contracts or derivative contracts that have an interest rate swap feature, the Bank recognizes interest income/expenses on an accrual basis.

3.16 Provident fund

On 27 June 1990, the Bank registered a provident fund scheme established under the Ministerial Regulation No.162 (B.E.2526) as a provident fund scheme under the Provident Fund Act B.E. 2530. Under this provident fund scheme, all the Bank's permanent employees are entitled to be membership of the fund. The employees and the Bank contribute to the fund at the rates of 3 - 10 percent, depending upon the number of years in service, of each employee's basic salary. The fund will be paid to the employee upon death, termination or dissolution of the Bank's business in accordance with the rules of the fund.

Some subsidiaries have established a provident fund scheme under the Provident Fund Act B.E. 2530. The employees and the subsidiaries contribute at the rate of 3 - 10 percent, depending upon the number of years in services, of each employee's basic salary. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

3.17 Earnings per share

Earnings per share as presented in the statements of earnings is basic earnings per share which is calculated by dividing net earnings for the year by the weighted average number of ordinary share in issue and held by third parties during the year.

3.18 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the Bank's management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

3.19 Change in accounting estimates

During 2005, the Bank changed its accounting estimates with regard to the amortization periods of goodwill from investment in subsidiaries from 5 years to 10 years in order to be in line with their economic lives estimated and considered by the Bank's management. The Bank used the goodwill balances outstanding as at 31 December 2004 as a based amount to be amortized on a straight line method over the remaining new estimated periods.

4. TRANSFER OF BUSINESS FROM BANGKOK METROPOLITAN BANK PUBLIC COMPANY LIMITED AND TRANSFER OF NON-PERFORMING ASSETS TO PETCHBURI ASSET MANAGEMENT COMPANY LIMITED

4.1 Transfer of business from Bangkok Metropolitan Bank Public Company Limited

In order to comply with an order of the Ministry of Finance dated 29 March 2002, the Bank entered into a business transfer agreement with Bangkok Metropolitan Bank Public Company Limited (“BMB”), effective from 1 April 2002, whereby it was to receive the transfer of all assets and liabilities of BMB, including obligations, at their book value as at 31 March 2002 and the Bank was to issue non-interest bearing notes to BMB to settle the excess of assets over liabilities.

As at 31 December 2005, the Bank had received the transfer of assets and liabilities totaling approximately Baht 187,679 million and Baht 181,016 million, respectively leaving an excess of assets over liabilities of Baht 6,663 million, which the Bank is to pay to BMB. This is presented as a liability under the caption of “Differences as a result of transfer of business from Bangkok Metropolitan Bank” in the balance sheets. Such difference is subject to change if the Bank incurs any future losses on off-balance sheet commitments transferred from BMB and losses on BMB’s non-performing loans transferred to SAM as discussed in Note 4.2 to the financial statements, since the Financial Institution Development Fund (“the FIDF”) has already agreed in principle that it will compensate for such losses by offsetting them against the amounts of the notes to be issued by the Bank to BMB.

As at 31 December 2005, there are lawsuits involving the Bank as a result of the transfer of business from BMB, which have already been disclosed as a part of contingent liabilities as discussed under Note 27.2 to the financial statements. If the Bank incurs losses from those lawsuits, it is entitled to claim compensation in the manner described above.

4.2 Transfers of non-performing assets to Petchburi Asset Management Company Limited

On 29 June 2001, two agreements were made, between the Bank and Petchburi Asset Management Company Limited (“PAM”) and between BMB and PAM, in respect of the transfer of non-performing loans outstanding as at 29 June 2001, as at 28 December 2001 and as at 28 June 2002, and off-balance sheet commitments outstanding as at 30 June 2001, which the Bank settled obligations to the beneficiaries in cases where the claims on those commitments arose prior to 29 June 2004. PAM settled the transfer price by issuing promissory notes, availed by the FIDF to the transferor bank, which mature on 29 June 2006 and carry interest at rates equal to the sum of (a) the weighted average interest rate of all deposit types of the transferor bank for domestic funding, and (b) cost of FIDF contributions and specific business tax expenses.

Later, on 7 May 2004, PAM transferred its entire business to Sukhumvit Asset Management Company Limited (“SAM”), and therefore any transactions to which PAM was a party were transferred to SAM.

As at 31 December 2005, the transfers of non-performing loans have been completed and the Bank has promissory notes and related accrued interest totaling Baht 68,343 million (2004 : Baht 123,789 million) due from SAM, which are included in loans and receivables, as discussed under Note 8.1 to the financial statements. However, there remain differences of approximately Baht 842 million outstanding as at 31 December 2005 (2004 : Baht 1,885 million), which are receivables awaiting collections and are presented under the caption of “Differences as a result of assets transferred to SAM” in the balance sheets. Such amounts mainly relate to transfers of guarantee claims, for which there are pending issues with regard to proof of right of claim or the qualification of the assets transferred under the conditions of the transfer agreements. Such differences are now being examined and/or negotiated among the Bank, SAM and the FIDF for final resolution. However, the Bank’s management believes that no significant future losses will arise and therefore no allowance for loss or contingent liabilities is set aside in the balance sheets.

Furthermore, SAM is in the process of reexamining certain previously transferred assets and the price previously settled by SAM in the form of promissory notes. There are issues pending resolution with regard to the proof of right of claim over these assets, but the Bank's management believes that no significant losses will be incurred by the Bank.

5. INTERBANK AND MONEY MARKET ITEMS (ASSETS)

(Unit : Million Baht)

Consolidated						
	31 December 2005			31 December 2004		
	At call	Term	Total	At call	Term	Total
Domestic :-						
Bank of Thailand and the FIDF	2,953	-	2,953	330	-	330
Commercial banks	1,447	950	2,397	502	360	862
Other banks	1	250	251	1	-	1
Finance, finance and securities, securities, and credit foncier companies	-	200	200	-	110	110
Other financial institutions	110	1,671	1,781	-	-	-
Total domestic items	4,511	3,071	7,582	833	470	1,303
Add : Accrued interest receivables	-	3	3	-	-	-
Less : Allowance for doubtful debts	(11)	(24)	(35)	-	(11)	(11)
Domestic items - net	4,500	3,050	7,550	833	459	1,292
Foreign :-						
US dollar	2,338	6,099	8,437	798	98	896
Euro	264	-	264	222	-	222
Yen	179	-	179	197	-	197
Other currencies	305	-	305	209	-	209
Total foreign items	3,086	6,099	9,185	1,426	98	1,524
Add : Accrued interest receivables	-	2	2	-	-	-
Foreign items - net	3,086	6,101	9,187	1,426	98	1,524
Domestic and foreign items - net	7,586	9,151	16,737	2,259	557	2,816

(Unit : Million Baht)

The Bank only						
	31 December 2005			31 December 2004		
	At call	Term	Total	At call	Term	Total
Domestic :-						
Bank of Thailand and the FIDF	2,953	-	2,953	330	-	330
Commercial banks	311	750	1,061	245	-	245
Other banks	1	-	1	1	-	1
Finance, finance and securities, securities, and credit foncier companies	-	-	-	-	100	100
Other financial institutions	100	1,671	1,771	-	-	-
Total domestic items	3,365	2,421	5,786	576	100	676
Add : Accrued interest receivables	-	3	3	-	-	-
Less : Allowance for doubtful debts	(1)	(24)	(25)	-	(1)	(1)
Domestic items - net	3,364	2,400	5,764	576	99	675
Foreign :-						
US dollar	2,338	6,099	8,437	798	98	896
Euro	264	-	264	222	-	222
Yen	179	-	179	197	-	197
Other currencies	305	-	305	209	-	209
Total foreign items	3,086	6,099	9,185	1,426	98	1,524
Add : Accrued interest receivables	-	2	2	-	-	-
Foreign items - net	3,086	6,101	9,187	1,426	98	1,524
Domestic and foreign items - net	6,450	8,501	14,951	2,002	197	2,199

6. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Government bonds and Bank of Thailand bonds	8,800	17,600	8,800	17,600
Total securities purchased under resale agreements	8,800	17,600	8,800	17,600

7. INVESTMENTS

7.1 Classified by type of investment

(Unit : Million Baht)

Consolidated				
	31 December 2005		31 December 2004	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Short-term investments				
Securities held for trading				
Government and state enterprise securities	29	29	-	-
Private sector debt securities	8	8	100	100
Domestic marketable equity securities	396	373	304	294
Total	433	410	404	394
Less : Allowance for revaluation	(23)	-	(10)	-
Securities held for trading - net	410	410	394	394
Available-for-sale securities				
Government and state enterprises securities	6,392	6,422	25	25
Private sector debt securities	104	104	114	114
Domestic marketable equity securities	113	111	-	-
Total	6,609	6,637	139	139
Add : Allowance for revaluation	28	-	-	-
Available-for-sale securities - net	6,637	6,637	139	139
Held-to-maturity debt securities - due within 1 year				
Government and state enterprises securities	15,052		18,134	
Private sector debt securities	1,669		378	
Overseas debt securities	1,004		-	
Total held-to-maturity debt securities - due within 1 year	17,725		18,512	
Short-term investments - net	24,772		19,045	

(Unit : Million Baht)

Consolidated				
	31 December 2005		31 December 2004	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Long-term investments				
Available-for-sale securities				
Government and state enterprises securities	9,716	9,526	13,710	14,235
Private sector debt securities	1,315	1,287	654	630
Overseas debt securities	1,223	1,168	-	-
Domestic marketable equity securities	7,657	7,264	6,360	6,014
Overseas marketable equity securities	43	39	41	55
Total	19,954	19,284	20,765	20,934
Add (less) : Allowance for revaluation	(670)	-	169	-
Available-for-sale securities - net	19,284	19,284	20,934	20,934
Held-to-maturity debt securities				
Government and state enterprises securities	42,875		31,522	
Private sector debt securities	9,150		8,950	
Overseas debt securities	4,917		1,734	
Total held-to-maturity debt securities	56,942		42,206	
General investments				
Non-marketable equity securities				
- Domestic	2,992		4,751	
- Overseas	40		38	
Investments in receivables	2,044		2,199	
Total general investments	5,076		6,988	
Long-term investments - net	81,302		70,128	

(Unit : Million Baht)

The Bank only

	31 December 2005		31 December 2004	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Short-term investments				
Securities held for trading				
Private sector debt securities	8	8	-	-
Domestic marketable equity securities	207	203	160	155
Total	215	211	160	155
Less : Allowance for revaluation	(4)	-	(5)	-
Securities held for trading - net	211	211	155	155
Available-for-sale securities				
Government and state enterprises securities	6,318	6,348	5	5
Private sector debt securities	104	104	50	50
Total	6,422	6,452	55	55
Add : Allowance for revaluation	30	-	-	-
Available-for-sale securities - net	6,452	6,452	55	55
Held-to-maturity debt securities - due within 1 year				
Government and state enterprise securities	14,576		17,579	
Private sector debt securities	1,520		377	
Overseas debt securities	1,004		-	
Total held-to-maturity debt securities - due within 1 year	17,100		17,956	
Short-term investments - net	23,763		18,166	

(Unit : Million Baht)

The Bank only				
	31 December 2005		31 December 2004	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Long-term investments				
Available-for-sale securities				
Government and state enterprises securities	9,716	9,527	13,710	14,235
Private sector debt securities	1,294	1,267	622	599
Overseas debt securities	1,224	1,168	-	-
Domestic marketable equity securities	7,606	7,218	6,182	5,822
Overseas marketable equity securities	43	39	41	54
Total	19,883	19,219	20,555	20,710
Add (less) : Allowance for revaluation	(664)	-	155	-
Available-for-sale securities - net	19,219	19,219	20,710	20,710
Held-to-maturity debt securities				
Government and state enterprise securities	41,682		31,051	
Private sector debt securities	8,451		8,318	
Overseas debt securities	4,917		1,734	
Total held-to-maturity debt securities	55,050		41,103	
General investments				
Non-marketable equity securities				
- Domestic	2,920		4,713	
- Overseas	40		38	
Investments in receivables	2,044		2,199	
Total general investments	5,004		6,950	
Long-term investments - net	79,273		68,763	

On 28 November 2005, the Bank transferred investments in investment units held as general investments to the available-for-sale portfolio as the prohibited period for selling is already expired. Fair value at the transfer date and book value before the transfer date were amounting to approximately Baht 1,633 million and Baht 1,000 million, respectively. The Difference of Baht 633 million between fair value and book value at the transfer date was presented as a revaluation surplus on investments in the shareholder's equity.

On 17 January 2005, Max Life Assurance Co., Ltd., a subsidiary, transferred investments in listed equity securities and units trust held in the available-for-sale portfolio to the trading portfolio. Fair value and book value at the transfer date were amounting to approximately Baht 56 million and Baht 63 million, respectively. The difference between the fair value and book value was recorded in the statements of earnings.

On 21 June 2005, Siam City Securities Co., Ltd., a subsidiary, transferred certain private sector debt securities held in the trading portfolio to the held-to-maturity portfolio. The fair value and book value at the transfer date amounted to approximately Baht 80 million.

On 31 December 2005, Siam City Securities Co., Ltd., a subsidiary, transferred investments in listed equity securities held in the trading portfolio to the available-for-sale portfolio. The fair value and book value at the transfer date amounted to approximately Baht 44 million.

During 2004, the Bank transferred long-term investments in government and state enterprise securities held as available-for-sale securities to held-to-maturity debt securities. As at the transfer date the costs of such investments amounted to Baht 27,391 million, the fair value amounted to Baht 28,426 million and a revaluation surplus on investment amounted to Baht 1,035 million, which was presented as a separate item in shareholders' equity awaiting amortization over the remaining period to maturity of those debt securities.

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

Investments in debt securities, except for those held for trading, can be classified by remaining periods to maturity as follows :-

(Unit : Million Baht)								
Consolidated								
	31 December 2005				31 December 2004			
	Periods remaining				Periods remaining			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities								
Government and state enterprises securities	6,392	9,716	-	16,108	25	13,710	-	13,735
Private sector debt securities	104	1,315	-	1,419	114	265	389	768
Overseas debt securities	-	1,223	-	1,223	-	-	-	-
Total	6,496	12,254	-	18,750	139	13,975	389	14,503
Add (less) : Allowance for revaluation	30	(273)	-	(243)	-	521	(20)	501
Available-for-sale-securities - net	6,526	11,981	-	18,507	139	14,496	369	15,004
Held-to-maturity debt securities								
Government and state enterprise securities	15,052	14,450	28,425	57,927	18,134	1,083	30,439	49,656
Private sector debt securities	1,669	8,761	389	10,819	378	7,925	1,025	9,328
Overseas debt securities	1,004	3,100	1,817	5,921	-	-	1,734	1,734
Total held-to-maturity debt securities	17,725	26,311	30,631	74,667	18,512	9,008	33,198	60,718
Total debt securities	24,251	38,292	30,631	93,174	18,651	23,504	33,567	75,722

(Unit : Million Baht)

The Bank only								
	31 December 2005				31 December 2004			
	Periods remaining				Periods remaining			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Available-for-sales securities								
Government and state enterprises securities	6,318	9,716	-	16,034	5	13,710	-	13,715
Private sector debt securities	104	1,294	-	1,398	50	233	389	672
Overseas debt securities	-	1,224	-	1,224	-	-	-	-
Total	6,422	12,234	-	18,656	55	13,943	389	14,387
Add (less) : Allowance for revaluation	30	(272)	-	(242)	-	522	(20)	502
Available-for-sale-securities - net	6,452	11,962	-	18,414	55	14,465	369	14,889
Held-to-maturity securities								
Government and state enterprises securities	14,576	14,017	27,665	56,258	17,579	1,083	29,968	48,630
Private sector debt securities	1,520	8,254	197	9,971	377	7,445	873	8,695
Overseas debt securities	1,004	3,100	1,817	5,921	-	-	1,734	1,734
Total held-to-maturity debt securities	17,100	25,371	29,679	72,150	17,956	8,528	32,575	59,059
Total debt securities	23,552	37,333	29,679	90,564	18,011	22,993	32,944	73,948

7.3 Investments subject to restrictions

As at 31 December 2005 and 2004, the Bank and its subsidiaries have the following government and state enterprises securities (presented at face value) subject to restrictions :-

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Government and state enterprises securities				
Placed with court as bond for stay of execution	8	9	8	9
Placed as guarantee with the registrar	20	20	-	-
Placed as reserves for insurance	360	110	-	-
Pledged as collateral against interest rate swap contracts	495	274	-	-
Placed to secure extension of loans in local branches	4,679	5,000	4,679	5,000
Placed for securities sold under repurchase agreements	3,088	17,213	3,088	17,213
Total	8,650	22,626	7,775	22,222

7.4 Investments representing shareholdings of 10% or more

The following are investments in equity securities, classified by industry, where the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not classified as subsidiaries or associated companies: -

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
	Book value	Book value	Book value	Book value
Industrial group	43	43	43	43
Banking and finance businesses group	62	20	20	20
	105	63	63	63

7.5 Investments in investment units in which the Bank and its subsidiaries have shareholding of 10% or more

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

(Unit : Million Baht)

	Consolidated and the Bank Only			
	31 December 2005		31 December 2004	
	Cost/Book value	Fair value	Cost/Book value	Fair value
Available-for-sale securities				
Investment in equity funds	253	254	248	265
Investment in flexible funds	1,312	1,362	256	269
Total	1,565	1,616	504	534
Add : Allowance for revaluation	51	-	30	-
Book value	1,616	1,616	534	534
General investments				
Investment in fixed income funds	200	201	-	-
Investment in flexible funds	102	121	1,573	2,755
Investment in property funds	1,579	1,593	1,526	1,560
Total	1,881	1,915	3,099	4,315
Less : Allowance for impairment	-	-	-	-
Book value	1,881		3,099	

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

(Unit : Million Baht)

Consolidated and the Bank only						
	31 December 2005			31 December 2004		
	Cost	Allowance for revaluation/impairment	Book value	Cost	Allowance for revaluation/impairment	Book value
Listed companies under delisting conditions	43	-	43	893	2	895
Companies whose auditors report indicating that then is going concern issue or non-listed companies which the financial position and operating results are the same as listed companies which are under delisting conditions	-	-	-	-	-	-

7.7 Investment in subsidiaries and associated companies

As at 31 December 2005 and 2004, the Bank and its subsidiaries have investments in ordinary shares of subsidiaries and associated companies as summarized below :-

(Unit : Million Baht)

Consolidated											
Company name	Type of business	Paid-up share capital		Percentage of Holding		Investment value				Dividend received	
		31 December		31 December		31 December		31 December		For the years ended 31 December	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Subsidiaries - not included in consolidated financial statements											
Crown Development Co., Ltd.	In the process of liquidation	100.0	100.0	100.0	100.0	-	-	-	-	-	-
The Chada Thong Properties Co., Ltd.	In the process of liquidation	1.0	1.0	70.0	70.0	-	-	-	-	-	-
Siam City I.T. Co., Ltd.	In the process of liquidation	5.0	5.0	100.0	100.0	-	-	-	-	-	-
Associated companies											
Siam Sumsung Insurance Co., Ltd.	Life insurance	500.0	500.0	25.0	25.0	125	125	107	110	-	-
Siam City Insurance Co., Ltd.	Non-life insurance	40.0	40.0	45.5	45.5	32	32	62	56	7	7
Total investment in subsidiaries and associated companies						157	157	169	166	7	7

(Unit : Million Baht)

The Bank only											
Company name	Nature of business	Paid-up share capital		Percentage of Holding		Investment value				Dividend received	
		31 December		31 December		31 December		31 December		For the years ended 31 December	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Subsidiaries - included in consolidated financial statements				%	%						
SCIB Services Co., Ltd.	Services	10.0	0.1	100.0	100.0	10	-	14	7	-	-
Max Life Assurance Co., Ltd.	Life insurance	500.0	500.0	100.0	100.0	526	526	402	518	-	-
Siam City Securities Co., Ltd.	Securities	2,000.0	2,000.0	99.8	99.8	2,075	2,075	2,113	2,106	-	-
Siam City Asset Management Co., Ltd.	Fund management	170.0	100.0	100.0	100.0	170	100	125	77	-	-
Subsidiaries - not included in consolidated financial statements											
Crown Development Co., Ltd.	In the process of liquidation	100.0	100.0	100.0	100.0	-	-	-	-	-	-
The Chada Thong Properties Co., Ltd.	In the process of liquidation	1.0	1.0	70.0	70.0	-	-	-	-	-	-
Siam City I.T. Co., Ltd.	In the process of liquidation	5.0	5.0	100.0	100.0	-	-	-	-	-	-
Associated companies											
Siam Sumsung Insurance Co., Ltd.	Life insurance	500.0	500.0	25.0	25.0	125	125	107	110	-	-
Siam City Insurance Co., Ltd.	Non-life insurance	40.0	40.0	45.5	45.5	32	32	62	56	7	7
Total investment in subsidiaries and associated companies						2,938	2,858	2,823	2,874	7	7

The Bank does not equity-account for investment in Crown Development Co., Ltd., The Chada Thong Properties Co., Ltd. and Siam City I.T. Co., Ltd. and does not include their financial statements in the consolidated financial statements since those companies have ceased their operations and are in the process of being liquidated.

7.8 Gains on investments

Gains on investments as presented in the statements of earnings for the years ended 31 December 2005 and 2004 consisted of the following :-

(Unit : Million Baht)

	Consolidated		The Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2005	2004	2005	2004
Unrealized gains (losses) on revaluation of investments	(11)	(116)	1	(110)
Reversal of allowance for impairment of investment	47	865	47	865
Losses on reclassification of investment types	(7)	(54)	-	(54)
Realized gains on securities trading	752	947	729	949
Gains on investments	781	1,642	777	1,650

8. LOANS AND ACCRUED INTEREST RECEIVABLES

8.1 Classified by loan type

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Bank overdrafts	18,532	17,334	18,539	17,338
Loans	165,803	140,541	165,792	140,454
Bills	111,981	169,886	111,981	169,886
Others	957	6,105	790	6,105
Total loans	297,273	333,866	297,102	333,783
Less : Unearned income	(24)	(47)	(24)	(47)
Add : Accrued interest receivables	1,774	2,042	1,774	2,042
Total loans and accrued interest receivables	299,023	335,861	298,852	335,778
Less : Allowance for doubtful debts	(7,264)	(8,247)	(7,212)	(8,195)
Revaluation allowance for debt restructuring	(2,069)	(2,311)	(2,069)	(2,311)
Loans and accrued interest receivables - net	289,690	325,303	289,571	325,272

As at 31 December 2005 and 2004, the Bank had the following promissory notes issued by SAM and related accrued interest receivables, which are presented as a part of "Loans and accrued interest receivables" :-

(Unit : Million Baht)

	Consolidated and the Bank Only			
	31 December 2005		31 December 2004	
	Balance	Maturity date	Balance	Maturity date
Promissory notes issued by SAM	67,604	30 June 2006	122,684	31 December 2005 - 30 June 2006
Accrued interest receivables	739		1,105	
Total	68,343		123,789	

The Bank received the promissory notes from SAM in settlement for non-performing assets transferred in accordance with Assets Transfer Agreement already mentioned in Note 4.2 to the financial statements. Such promissory notes are availed by the FIDF and bear interest at rates equal to the sum of (a) the weighted average rate of all deposit types of the transferor bank for domestic funding, and (b) the cost of FIDF fund contributions and special business tax expenses. Interest is receivable semi-annually.

During the years, the Bank received payment from FIDF for the promissory notes as follows :-

(Unit : Million Baht)

Consolidated and the Bank Only		
For the years ended 31 December		
	2005	2004
Payment on due date	44,000	44,000
Payment before due date	11,080	3,149
Total	55,080	47,149

8.2 Classified by remaining period to maturity of loan agreement

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Within 1 year*	148,110	126,010	147,939	125,927
More than 1 year*	149,163	207,856	149,163	207,856
Total loans	297,273	333,866	297,102	333,783
Less : Unearned income	(24)	(47)	(24)	(47)
Add : Accrued interest receivables	1,774	2,042	1,774	2,042
Total loans and accrued interest receivables	299,023	335,861	298,852	335,778

* Includes loans for which the debtors have been unable to comply with the agreements and those of which the Bank has the right to demand payment at call.

8.3 Classified by currency and residency of debtor

(Unit : Million Baht)

Consolidated						
	31 December 2005			31 December 2004		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	286,682	657	287,339	321,859	263	322,122
US dollar	4,772	4,654	9,426	9,447	2,065	11,512
Other currencies	508	-	508	232	-	232
Total loans	291,962	5,311	297,273	331,538	2,328	333,866
Less : Unearned income	(24)	-	(24)	(47)	-	(47)
Total loans	291,938	5,311	297,249	331,491	2,328	333,819
Add : Accrued interest receivables			1,774			2,042
Total loans and accrued interest receivables			299,023			335,861

(Unit : Million Baht)

The Bank only						
	31 December 2005			31 December 2004		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	286,511	657	287,168	321,776	263	322,039
US dollar	4,772	4,654	9,426	9,447	2,065	11,512
Other currencies	508	-	508	232	-	232
Total loans	291,791	5,311	297,102	331,455	2,328	333,783
Less : Unearned income	(24)	-	(24)	(47)	-	(47)
Total loans	291,767	5,311	297,078	331,408	2,328	333,736
Add : Accrued interest receivables			1,774			2,042
Total loans and accrued interest receivables			298,852			335,778

8.4 Classified by type of business and loan classification

(Unit : Million Baht)

Consolidated						
31 December 2005						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	2,546	65	7	3	8	2,629
Manufacturing and commerce	66,554	3,495	319	2,933	1,335	74,636
Real estate and construction	25,753	855	171	60	92	26,931
Public utilities and services	70,241	816	99	121	23	71,300
Housing loans	18,981	498	187	131	250	20,047
Others	99,510	314	1,720	106	80	101,730
Total loans	283,585	6,043	2,503	3,354	1,788	297,273
Less : Unearned income	(24)	-	-	-	-	(24)
Add : Accrued interest receivables	1,694	49	4	21	6	1,774
Total loans and accrued interest receivables	285,255	6,092	2,507	3,375	1,794	299,023

(Unit : Million Baht)

Consolidated						
31 December 2004						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	2,276	49	9	6	120	2,460
Manufacturing and commerce	68,977	3,561	384	6,913	208	80,043
Real estate and construction	23,515	915	92	32	49	24,603
Public utilities and services	62,015	338	79	42	16	62,490
Housing loans	17,617	408	214	168	162	18,569
Others	142,884	323	2,405	76	13	145,701
Total loans	317,284	5,594	3,183	7,237	568	333,866
Less : Unearned income	(47)	-	-	-	-	(47)
Add : Accrued interest receivables	1,943	31	28	29	11	2,042
Total loans and accrued interest receivables	319,180	5,625	3,211	7,266	579	335,861

(Unit : Million Baht)

The Bank only						
31 December 2005						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	2,546	65	7	3	8	2,629
Manufacturing and commerce	66,554	3,495	319	2,933	1,335	74,636
Real estate and construction	25,754	855	171	60	92	26,932
Public utilities and services	70,242	816	99	121	23	71,301
Housing loans	18,981	498	187	131	250	20,047
Others	99,391	314	1,719	106	27	101,557
Total loans	283,468	6,043	2,502	3,354	1,735	297,102
Less : Unearned income	(24)	-	-	-	-	(24)
Add : Accrued interest receivables	1,694	49	4	21	6	1,774
Total loans and accrued interest receivables	285,138	6,092	2,506	3,375	1,741	298,852

(Unit : Million Baht)

The Bank only						
31 December 2004						
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	2,276	49	9	6	120	2,460
Manufacturing and commerce	68,977	3,561	384	6,913	208	80,043
Real estate and construction	23,515	915	92	32	49	24,603
Public utilities and services	62,015	338	79	42	16	62,490
Housing loans	17,617	408	214	168	162	18,569
Others	142,801	323	2,405	76	13	145,618
Total loans	317,201	5,594	3,183	7,237	568	333,783
Less : Unearned income	(47)	-	-	-	-	(47)
Add : Accrued interest receivables	1,943	31	28	29	11	2,042
Total loans and accrued interest receivables	319,097	5,625	3,211	7,266	579	335,778

8.5 Classified by loan classification

Consolidated								
	31 December 2005				31 December 2004			
	Loans and accrued interest receivables	Balance after collateral	The minimum rate of loan loss provisioning per BOT	Provision amount provided in the accounts	Loans and accrued interest receivables	Balance after collateral	The minimum rate of loan loss provisioning per BOT	Provision amount provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
Pass	285,279	82,246	1	812	319,227	74,804	1	748
Special-mention	6,092	1,349	2	25	5,625	2,125	2	42
Sub-standard	2,507	159	20	32	3,211	975	20	196
Doubtful	3,375	2,200	50	1,670	7,266	6,242	50	3,737
Doubtful of loss	1,794	1,148	100	1,150	579	199	100	199
Less : Unearned income	(24)	-		-	(47)	-		-
Total	299,023	87,102		3,689	335,861	84,345		4,922
Additional specific provision for some customers				3,339				3,140
Additional provision				236				185
Total				7,264				8,247

The Bank only								
	31 December 2005				31 December 2004			
	Loans and accrued interest receivables	Balance after collateral	The minimum rate of loan loss provisioning per BOT	Provision amount provided in the accounts	Loans and accrued interest receivables	Balance after collateral	The minimum rate of loan loss provisioning per BOT	Provision amount provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
Pass	285,162	82,133	1	812	319,144	74,774	1	748
Special-mention	6,092	1,349	2	25	5,625	2,125	2	42
Sub-standard	2,506	158	20	32	3,211	975	20	195
Doubtful	3,375	2,200	50	1,670	7,266	6,242	50	3,737
Doubtful of loss	1,741	1,096	100	1,098	579	147	100	148
Less : Unearned income	(24)	-		-	(47)	-		-
Total	298,852	86,936		3,637	335,778	84,263		4,870
Additional specific provision for some customers				3,339				3,140
Additional provision				236				185
Total				7,212				8,195

8.6 Non-performing loans

As at 31 December 2005 and 2004, the Bank has the following non-performing loans :-

(Unit : Million Baht)

The Bank Only		
	31 December 2005	31 December 2004
Non-performing loan (principal only)	7,591	10,988
Percentage of non-performing loans to total loans	2.56%	3.29%
Percentage of non-performing loans to total loans, excluded promissory notes issued by SAM	3.31%	5.20%

Non-performing loans as at 31 December 2005 and 2004 as presented above are in accordance with the notification of the BOT dated 16 January 2003, defining the non-performing loans to be classified as substandard, doubtful and doubtful loss, and exclude outstanding loans for which debt restructuring agreements have been made and which have already met the conditions for upgrade to “pass” or “special-mention” under the Bank of Thailand’s criteria.

8.7 Debtors which have problems relating to financial position and operating results

As at 31 December 2005 and 2004, the Bank had the following loans and accrued interest receivables due from debtors which have problems relating to their financial position and operating results and fulfil delisting conditions :-

(Unit : Million Baht)

The Bank only						
	31 December 2005			31 December 2004		
	Loans and accrued interest receivables	Collateral Value	Allowance for doubtful debts	Loans and accrued interest receivables	Collateral Value	Allowance for doubtful debts
Listed companies fulfilling delisting conditions	4,461	1,878	2,557	8,447	1,579	4,010

The Bank has inadequate information to disclose transactions in respect of companies whose auditors’ reports indicating that there is substantial doubt about their ability to continue their operations as a going concern and the unlisted companies which the financial position and results of operations are the same as the companies which are under the Stock Exchange of Thailand delisting criteria. However, the Bank already took into accounts these factors in classifying the debtors and making provision for possible loan losses according to the guidelines of the Bank of Thailand.

8.8 Troubled debt restructuring

The Bank has established a policy for debt restructuring with the objective of maximizing the opportunity for debt recovery while the debtors are able to continue their business in order to reduce the Bank's non-performing loan level and loan loss reserve, and to support the recovery of the national economy. The Bank has established policies and procedures for selecting debtors for restructuring, setting criteria for term and conditions relaxation, assigning responsible officers for each process, and monitoring the debtors' performance after restructuring.

For the years ended 31 December 2005 and 2004, troubled debt restructuring agreements executed with debtors (only those with losses on debt restructuring) can be summarized as follows:

(Unit : Million Baht)

The Bank only				
For the years ended 31 December				
	2005		2004	
	Number of debtors	Debt balances before restructuring	Number of debtors	Debt balances before restructuring
Debtors executing debt restructuring agreements	26	2,391	26	9,124

The restructured debtors discussed above can be classified by method of debt restructuring as follows :-

(Unit : Million Baht)

The Bank only							
For the year ended 31 December 2005							
	Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on debt restructuring ⁽¹⁾	Present value loss from debt restructuring
		Before restructuring	After restructuring				
Modification of terms of payments	21	2,260	2,260		-	-	358
Combination of methods	5	131	131		-	-	15
Total restructured debts during the year	26	2,391	2,391		-	-	373
Loans and accrued interest receivables as at 31 December 2005		209,338	298,852				

⁽¹⁾ Loss on debt restructuring is determined after deducting allowance for doubtful debts already provided in the accounts for the troubled debtor on the restructuring date.

(Unit : Million Baht)

The Bank only							
For the year ended 31 December 2004							
	Number of debtors	Debt balances		Type of assets transferred	Fair value	Loss on debt restructuring ⁽¹⁾	Present value loss from debt restructuring
		Before restructuring	After restructuring				
Modification of terms of payments	25	7,674	7,674		-	-	561
Combination of methods	1	1,450	445	Common shares	1	542 ⁽¹⁾	-
Total restructured debts during the year	26	9,124	8,119		1	542	561
Loans and accrued interest receivables as at 2004		175,189	335,987				

⁽¹⁾ Loss on debt restructuring is determined after deducting allowance for doubtful debts already provided in the accounts for the troubled debtor on the restructuring date.

For the year ended 31 December 2005, the Bank reversed the revaluation allowance for debt restructuring recorded for 45 debtors, amounting to Baht 418 million (2004 : 11 debtors amounting to Baht 757 million), and amortized revaluation allowance for debt restructuring totaling Baht 197 million to interest income based on the yield rate from each restructured debtor (2004 : Baht 187 million).

The debts restructured by means of modification of the terms of repayment and combination of methods referred to above can be classified by the term of repayment under the restructuring agreements as follows :-

(Unit : Million Baht)

The Bank Only						
For the years ended 31 December						
Term of repayment under restructuring agreement	2005			2004		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring	After restructuring		Before restructuring	After restructuring
Less than 5 years	6	132	132	6	6,600	6,613
5 - 10 years	13	570	570	11	2,153	1,075
10 - 15 years	2	1,685	1,685	6	370	430
More than 15 years	5	4	4	3	1	1
Total	26	2,391	2,391	26	9,124	8,119

Supplemental information for the years ended 31 December 2005 and 2004 relating to the restructured debts is as follows :-

(Unit : Million Baht)

The Bank Only				
	For the years ended 31 December			
	2005		2004	
	Number of debtors	Amounts	Number of debtors	Amounts
Losses on debt restructuring due to debtors being able to comply with debt restructuring conditions	3	1,077	12	640
Cash settlement by debtors				
Principal	5,442	7,698	4,811	3,423
Interest	6,069	1,055	5,206	1,103

As at 31 December 2005 and 2004, troubled debtors which the Bank has completed restructuring can be summarized as follows :-

(Unit : Million Baht)

The Bank Only		
	Number of debtors	Debt balances after restructuring
Balance of restructured debts up to 2005	5,452	22,543
Balance of restructured debts up to 2004	4,448	23,760

As at 31 December 2005 and 2004, the bank had no outstanding commitments to provide additional loan facilities after restructuring.

9. ALLOWANCE FOR DOUBTFUL DEBTS

(Unit : Million Baht)

Consolidated								
31 December 2005								
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional specific provision for some customers	Additional provision	Total
Balance - beginning of the year	748	42	196	3,737	199	3,140	185	8,247
Increase during the year	-	-	-	-	-	-	300	300
Transferred to allowance for doubtful debts of interbank and money market transactions	(24)	-	-	-	-	-	-	(24)
Bad debts written off	-	(24)	(86)	(1,149)	-	-	-	(1,259)
Increase (decrease) due to changes in debt classification, collateral value or debt balances	88	7	(78)	(918)	951	199	(249)	-
Balance - end of the year	812	25	32	1,670	1,150	3,339	236	7,264

(Unit : Million Baht)

Consolidated								
31 December 2004								
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional specific provision for some customers	Additional provision	Total
Balance - beginning of the year	585	62	46	4,057	336	3,586	185	8,857
Increase during the year	-	-	-	-	-	203	-	203
Reversal of bad debts	-	-	-	-	-	4	-	4
Bad debts written off	-	-	-	-	-	(681)	-	(681)
Increase (decrease) due to changes in debt classification, collateral value or debt balances	163	(20)	150	(320)	(137)	28	-	(136)
Balance - end of the year	748	42	196	3,737	199	3,140	185	8,247

(Unit : Million Baht)

The Bank Only								
31 December 2005								
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional specific provision for some customers	Additional provision	Total
Balance - beginning of the year	748	42	195	3,737	148	3,140	185	8,195
Increase during the year	-	-	-	-	-	-	300	300
Transferred to allowance for doubtful debts of interbank and money market transactions	(24)	-	-	-	-	-	-	(24)
Bad debts written off	-	(24)	(86)	(1,149)	-	-	-	(1,259)
Increase (decrease) due to changes in debt classification, collateral value or debt balances	88	7	(77)	(918)	950	199	(249)	-
Balance - end of the year	812	25	32	1,670	1,098	3,339	236	7,212

(Unit : Million Baht)

The Bank Only								
31 December 2004								
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Additional specific provision for some customers	Additional provision	Total
Balance - beginning of the year	585	62	45	4,057	282	3,586	185	8,802
Increase during the year	-	-	-	-	-	205	-	205
Reversal of bad debts	-	-	-	-	-	4	-	4
Bad debts written off	-	-	-	-	-	(681)	-	(681)
Increase (decrease) due to changes in debt classification, collateral value or debt balances	163	(20)	150	(320)	(134)	26	-	(135)
Balance - end of the year	748	42	195	3,737	148	3,140	185	8,195

10. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

(Unit : Million Baht)

Consolidated and the Bank only		
	For the years ended 31 December	
	2005	2004
Balance at beginning of the years	2,311	2,694
Additional present value loss from debt restructuring during the years	373	561
Amortization of revaluation allowance for debt restructuring	(197)	(187)
Reversal of transactions during the years	(418)	(757)
Balance at the end of the years	2,069	2,311

11. PROPERTIES FORECLOSED

Properties foreclosed represent properties foreclosed from debtors as a result of debt restructuring, or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or assets awaiting disposal.

Under the debt restructuring agreements, in cases where the debtors restructure their debts by means of a debt/asset swap, the Bank grants buyback options or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

As at 31 December 2005 and 2004, properties foreclosed can be summarized as follows :-

(Unit : Million Baht)

Consolidated and the Bank only					
	For the year ended 31 December 2005				
	Beginning balances	Additions	Disposals	Ending balances	Portion is subject to buyback option or first refusal rights
Immovable assets	14,316	15	(1,630)	12,701	127
Movable assets	31	1	-	32	-
Total	14,347	16	(1,630)	12,733	127
Others	514	-	(214)	300	-
Total properties foreclosed	14,861	16	(1,844)	13,033	127
Less : Allowance for impairment	(2,292)	(300)	563	(2,029)	(25)
Properties foreclosed - net	12,569	(284)	(1,281)	11,004	102

(Unit : Million Baht)

Consolidated and the Bank only					
For the year ended 31 December 2004					
	Beginning balances	Additions	Disposals	Ending balances	Portion is subject to buyback option or first refusal rights
Immovable assets	15,483	156	(1,323)	14,316	693
Movable assets	31	-	-	31	-
Total	15,514	156	(1,323)	14,347	693
Others	778	9	(273)	514	-
Total properties foreclosed	16,292	165	(1,596)	14,861	693
Less : Allowance for impairment	(2,569)	-	277	(2,292)	(71)
Properties foreclosed - net	13,723	165	(1,319)	12,569	622

12. PREMISES AND EQUIPMENT

(Unit : Million Baht)

Consolidated					
	Land	Buildings	Equipment	Assets in process	Total
Cost :					
31 December 2004	2,740	3,373	4,159	538	10,810
Additions	6	24	583	159	772
Disposals/write off	-	(1)	(98)	-	(99)
Transfer in	6	295	53	5	359
Transfer out	-	(41)	(21)	(385)	(447)
31 December 2005	2,752	3,650	4,676	317	11,395
Reappraised value - incremental :					
31 December 2004	2,753	1,014	-	-	3,767
Disposals	(8)	(2)	-	-	(10)
31 December 2005	2,745	1,012	-	-	3,757
Reappraised value - decremental :					
31 December 2004	1,044	804	-	-	1,848
31 December 2005	1,044	804	-	-	1,848

(Unit : Million Baht)

Consolidated					
	Land	Buildings	Equipment	Assets in process	Total
Accumulated depreciation :					
31 December 2004	-	1,507	2,761	-	4,268
Disposals/write off	-	(1)	(89)	-	(90)
Transfer in	-	-	3	-	3
Transfer out	-	(6)	(5)	-	(11)
Depreciation charged for the year - cost	-	138	433	-	571
Depreciation charged for the year - incremental	-	60	-	-	60
Depreciation charged for the year - decremental	-	(29)	-	-	(29)
31 December 2005	-	1,669	3,103	-	4,772
Allowance for damage, loss and impairment :					
31 December 2004	1	7	-	-	8
Additions	-	-	4	-	4
Transfer out	-	(7)	-	-	(7)
31 December 2005	1	-	4	-	5
Net book value :					
31 December 2005	4,452	2,189	1,569	317	8,527
31 December 2004	4,448	2,069	1,398	538	8,453
Net book value of unutilised fixed assets					
31 December 2005	560	-	-	-	560
Depreciation included in the statements of earnings for the years ended 31 December					
2005					602
2004					487

(Unit : Million Baht)

The Bank Only

	Land	Buildings	Equipment	Assets in process	Total
Cost :					
31 December 2004	2,740	3,373	4,067	538	10,718
Additions	-	19	524	159	702
Disposals/write off	-	(1)	(91)	-	(92)
Transfer in	6	295	46	5	352
Transfer out	-	(41)	(21)	(385)	(447)
31 December 2005	2,746	3,645	4,525	317	11,233
Reappraised value - incremental :					
31 December 2004	2,753	1,014	-	-	3,767
Disposals	(8)	(2)	-	-	(10)
31 December 2005	2,745	1,012	-	-	3,757
Reappraised value - decremental :					
31 December 2004	1,044	804	-	-	1,848
31 December 2005	1,044	804	-	-	1,848
Accumulated depreciation :					
31 December 2004	-	1,507	2,731	-	4,238
Disposals/write off	-	(1)	(87)	-	(88)
Transfer in	-	-	1	-	1
Transfer out	-	(6)	(5)	-	(11)
Depreciation charged for the year - cost	-	138	405	-	543
Depreciation charged for the year - incremental	-	60	-	-	60
Depreciation charged for the year - decremental	-	(29)	-	-	(29)
31 December 2005	-	1,669	3,045	-	4,714
Allowance for damage, loss and impairment :					
31 December 2004	1	7	-	-	8
Additions	-	-	3	-	3
Transfer out	-	(7)	-	-	(7)
31 December 2005	1	-	3	-	4
Net book value :					
31 December 2005	4,446	2,184	1,477	317	8,424
31 December 2004	4,448	2,069	1,336	538	8,391
Net book value of unutilized fixed assets					
31 December 2005	560	-	-	-	560
Depreciation included in the statements of earnings for the years ended 31 December					
2005					574
2004					473

13. INTANGIBLE ASSETS

(Unit : Million Baht)

Consolidated								
For the year ended 31 December 2005								
	Remaining periods	Balance as at 31 December 2004	Increase	Net transfer in/(out)	Amortization	Balance as at 31 December 2005	Less : Allowance for impairment	Intangible assets - net
Expenses in connection with development and improvement of computer systems - under development		115	100	(132)	-	83	-	83
Computer software	2 months - 9.5 years	323	54	146	(99)	424	(57)	367
Leasehold rights	1 month - 22 years	443	22	151	(95)	521	(8)	513
Goodwill	7 years	73	-	-	(9)	64	-	64
Intangible assets - net		954	176	165	(203)	1,092	(65)	1,027

(Unit : Million Baht)

The Bank Only								
For the year ended 31 December 2005								
	Remaining periods	Balance as at 31 December 2004	Increase	Net transfer in/(out)	Amortization	Balance as at 31 December 2005	Less : Allowance for impairment	Intangible assets - net
Expenses in connection with development and improvement of computer systems - under development		115	100	(132)	-	83	-	83
Computer software	2 months - 9.5 years	308	51	146	(93)	412	(57)	355
Leasehold rights	1 month - 22 years	444	22	151	(96)	521	(8)	513
Intangible assets - net		867	173	165	(189)	1,016	(65)	951

14. OTHER ASSETS

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Suspense accounts - debtors	363	303	363	303
Miscellaneous debtors	134	113	126	102
Suspense accounts between head office and branches	164	633	164	633
Others	654	1,047	626	1,009
Total	1,315	2,096	1,279	2,047
Less : Allowance for doubtful accounts/impairment	(314)	(122)	(313)	(120)
Other assets - net	1,001	1,974	966	1,927

15. DEPOSITS

15.1 Classified by types of deposits

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Deposits - at call	6,183	6,406	6,183	6,413
Saving deposits	114,826	134,317	114,843	135,400
Time deposits				
- Less than 6 months	142,741	115,952	142,741	115,952
- 6 months and up to 1 year	26,871	14,905	26,871	14,905
- Over 1 year	80,615	96,626	80,615	96,626
Certificates of deposits	10,912	16,174	10,912	16,174
Total deposits	382,148	384,380	382,165	385,470

15.2 Classified by the remaining periods of deposit contracts

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Not over 1 year	342,295	317,163	342,312	318,253
Over 1 year	39,853	67,217	39,853	67,217
Total	382,148	384,380	382,165	385,470

15.3 Classified by currency and residency of depositors

(Unit : Million Baht)

	Consolidated					
	31 December 2005			31 December 2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	381,986	-	381,986	384,122	-	384,122
US dollar	127	20	147	234	19	253
Other currencies	11	4	15	4	1	5
Total	382,124	24	382,148	384,360	20	384,380

(Unit : Million Baht)

	The Bank Only					
	31 December 2005			31 December 2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	382,003	-	382,003	385,212	-	385,212
US dollar	127	20	147	234	19	253
Other currencies	11	4	15	4	1	5
Total	382,141	24	382,165	385,450	20	385,470

16. INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

(Unit : Million Baht)

Consolidated						
	31 December 2005			31 December 2004		
	At call	Term	Total	At call	Term	Total
Domestic :-						
Bank of Thailand and the FIDF	-	3,478	3,478	-	-	-
Commercial banks	245	-	245	271	1,900	2,171
Other banks	4,043	-	4,043	1,108	1,000	2,108
Finance, finance and securities, securities, credit foncier companies	826	30	856	2,271	1	2,272
Other financial institutions	8,157	1,009	9,166	10,200	2,636	12,836
Total domestic items	13,271	4,517	17,788	13,850	5,537	19,387
Foreign :-						
US dollar	-	1,643	1,643	-	4,961	4,961
Other currencies	21	-	21	53	-	53
Total foreign items	21	1,643	1,664	53	4,961	5,014
Total domestic and foreign items	13,292	6,160	19,452	13,903	10,498	24,401

(Unit : Million Baht)

The Bank Only						
	31 December 2005			31 December 2004		
	At call	Term	Total	At call	Term	Total
Domestic :-						
Bank of Thailand and the FIDF	-	3,478	3,478	-	-	-
Commercial banks	245	-	245	271	2,000	2,271
Other banks	4,043	-	4,043	1,108	1,000	2,108
Finance, finance and securities, securities, credit foncier companies	943	30	973	2,271	1	2,272
Other financial institutions	8,229	1,009	9,238	10,200	2,636	12,836
Total domestic items	13,460	4,517	17,977	13,850	5,637	19,487
Foreign :-						
US dollar	-	1,643	1,643	-	4,961	4,961
Other currencies	21	-	21	53	-	53
Total foreign items	21	1,643	1,664	53	4,961	5,014
Total domestic and foreign items	13,481	6,160	19,641	13,903	10,598	24,501

17. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

(Unit : Million Baht)

Consolidated and The Bank only		
	31 December 2005	31 December 2004
Government bonds and Bank of Thailand bonds	3,000	18,000
Total securities sold under repurchase agreements	3,000	18,000

18. BORROWINGS

As at 31 December 2005, the Bank had short-term borrowings in the form of bills of exchange amounting to Baht 100 million with six-month maturities, and non-interest bearing long-term loan of Baht 87 million from the Department of Alternative Energy Development and Efficiency with a term of 10 years, under a credit line of Baht 170 million.

19. OTHER LIABILITIES

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Suspense accounts - creditors	1,228	1,170	1,228	1,170
Tax payable	296	399	270	345
Miscellaneous creditors	307	219	307	219
Life policy reserve	2,465	1,403	-	-
Provision for contingent liabilities	244	73	244	73
Others	658	477	411	339
Total	5,198	3,741	2,460	2,146

20. REVALUATION SURPLUS ON INVESTMENTS

(Unit : Million Baht)

Consolidated and the Bank only		
	31 December 2005	31 December 2004
Revaluation surplus on investments :-		
Debt securities	956	1,575
Equity securities	494	64
Total	1,450	1,639
Revaluation deficit on investments :-		
Debt securities	(322)	(53)
Equity securities	(478)	(396)
Total	(800)	(449)
Revaluation surplus on investments	650	1,190

21. STATUTORY RESERVE

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside to a statutory reserve at least 5 percent of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. Each allocation to the reserve will be recorded in the accounts when it has been approved by the shareholders meeting. Such statutory reserve cannot be used to pay dividends.

22. CAPITAL FUNDS

As at 31 December 2005 and 2004, the capital funds maintained by the Bank in accordance with Section 4 of the Banking Business Undertaking Act B.E. 2505, as reported to the Bank of Thailand, were as follows: -

(Unit : Million Baht)

The Bank Only		
	31 December 2005	31 December 2004
Tier I		
Issued and paid up share capital	21,128	21,128
Retained earnings		
Appropriated - statutory reserve	578	260
Unappropriated	5,451	2,509
Total	27,157	23,897
Tier II		
Surplus on revaluation of assets	1,976	2,009
Reserve for assets classified as "pass"	837	748
Total	2,813	2,757
Total Tier I and Tier II capital funds	29,970	26,654
Less : Revaluation deficit on available-for-sale equity securities	(393)	(346)
Total capital funds	29,577	26,308

The Bank has maintained its capital funds in proportion to its risk assets in compliance with the rules, standards and conditions as set by the Bank of Thailand. As at 31 December 2005 and 2004, the ratio of tier I capital fund to total risk assets stood at 10.94% and 10.24%, respectively.

23. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits, exclusive of salaries and related benefits, payable to directors who hold executive positions of the Bank and its subsidiaries, paid to the Bank's and its subsidiaries' directors in accordance with Section 90 of the Public Company Limited Act. Directors' remuneration for the year ended 31 December 2005 consisted of meeting allowance for the year 2005 amounted to Baht 12.1 million and Directors' emoluments for the year 2004 and 2005 amounted to Baht 7.9 million and Baht 8.0 million, respectively.

24. CORPORATE INCOME TAX

No corporate income tax was payable on the Bank's net earnings for the year ended 31 December 2005, after adding back certain expenses and provisions non-deductible for tax computation purposes and deducting tax exempted income, as the tax losses brought forward by the Bank exceeded net earnings for the year.

Corporate income tax for the year ended 31 December 2005 as stated in the earnings statement (the Bank Only) represents corporate income tax of the BIBF business of the Bank, which has to be calculated as a separate unit from the Bank.

25. DIVIDEND PAYMENT

On 7 April 2005, the Annual General Meeting of the Bank's shareholders passed a resolution approving the following appropriation of the 2004 net earnings :-

- (a) Appropriation of approximately Baht 318.4 million, determined at the rate of 5 percent of the 2004 net earnings to the statutory reserve.
- (b) Appropriation for the payment of a dividend of Baht 1.40 per share. Interim dividend of Baht 0.70 per share was paid on 16 September 2004, and the remaining Baht 0.70 per share, or a total of Baht 1,479 million, which was calculated on the basis of 2,112,810,676 issued ordinary shares was paid on 18 April 2005.

On 24 August 2005, Meeting No.719 of the Bank's Board of Directors passed a resolution approving the payment of an interim dividend of Baht 0.70 per share from the net earnings of the first half year of 2005, or a total of Baht 1,479 million calculated on the basis of the 2,112,810,676 issued ordinary shares.

26. ENCUMBRANCE OF ASSETS

26.1 Cash at bank and investments in debt securities

The Bank and its subsidiaries have placed assets such as government and state enterprises bonds (presented at par value) as collateral against the following :-

(Unit : Million Baht)				
	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
As bond posted with court	8	9	8	9
Guarantee placed with the registrar	20	20	-	-
Placed as insurance reserve	360	110	-	-
Collateral for interest rate swap contracts	495	274	-	-
Placed to secure extension of credit in local branches	4,679	5,000	4,679	5,000
Placed to secure securities sold under repurchase agreements	3,088	17,213	3,088	17,213
Total	8,650	22,626	7,775	22,222

26.2 Investments in equity securities

The Bank has certain investments in equity securities, presented as general investments, which were acquired as a result of debt restructuring, and which the Bank may dispose of only after the passage of certain periods of time as determined in the debt restructuring agreements. As at 31 December 2005, the investments subject to such restrictions are as follows: -

(Unit : Million Baht)

The Bank only		
31 December 2005		
Year in which restrictions end	Number of companies	Cost
2006	1	43
Total	1	43

The Bank has certain investments in equity securities, presented as general investments, which the Bank may dispose of only after the passage of certain periods of time in accordance with shares sale and purchase agreement. As at 31 December 2005, the investments subject to such restrictions are as follows: -

(Unit : Million Baht)

The Bank only		
31 December 2005		
Year in which restrictions end	Number of companies	Cost
2007	1	332
Total	1	332

26.3 Properties foreclosed

The Bank has properties foreclosed which are subject to restrictions under the debt restructuring agreements, whereby buyback options or first refusal rights are granted to debtors, as mentioned in Note 11 to the financial statements.

27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 Commitments

As at 31 December 2005 and 2004, significant commitments of the Bank consist of: -

(Unit : Million Baht)

Consolidated						
	31 December 2005			31 December 2004		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills	1,080	-	1,080	1,008	-	1,008
Guarantees of loans	743	419	1,162	512	678	1,190
Other guarantees	18,302	884	19,186	17,216	1,514	18,730
Liability under unmatured import bills	86	682	768	162	664	826
Letters of credit	131	1,623	1,754	198	4,902	5,100
Forward and spot contracts						
- Bought	-	5,860	5,860	-	8,575	8,575
- Sold	-	28,710	28,710	-	21,314	21,314
Cross currency and interest rate swap contracts						
- Bought	-	1,446	1,446	-	-	-
- Sold	-	3,058	3,058	-	1,197	1,197
Interest rate swap contracts						
- Fixed rate payer	-	5,728	5,728	-	-	-
- Fixed rate payee	-	7,028	7,028	-	-	-
- Floating rate payer	-	7,728	7,728	-	-	-
- Floating rate payee	-	6,428	6,428	-	-	-
Undrawn bank overdrafts	31,576	-	31,576	31,473	-	31,473
Others	377	3,912	4,289	518	971	1,489
Total	52,295	73,506	125,801	51,087	39,815	90,902

(Unit : Million Baht)

The Bank Only						
	31 December 2005			31 December 2004		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills	1,080	-	1,080	1,008	-	1,008
Guarantees of loans	743	419	1,162	512	678	1,190
Other guarantees	18,302	884	19,186	17,216	1,514	18,730
Liability under unmatured import bills	86	682	768	162	664	826
Letters of credit	131	1,623	1,754	198	4,902	5,100
Forward and spot contracts						
- Bought	-	5,860	5,860	-	8,575	8,575
- Sold	-	28,710	28,710	-	21,314	21,314
Cross currency and interest rate swap contracts						
- Bought	-	1,446	1,446	-	-	-
- Sold	-	3,058	3,058	-	1,197	1,197
Interest rate swap contracts						
- Fixed rate payer	-	5,728	5,728	-	-	-
- Fixed rate payee	-	5,728	5,728	-	-	-
- Floating rate payer	-	5,728	5,728	-	-	-
- Floating rate payee	-	5,728	5,728	-	-	-
Undrawn bank overdrafts	31,576	-	31,576	31,473	-	31,473
Others	377	3,912	4,289	518	971	1,489
Total	52,295	69,506	121,801	51,087	39,815	90,902

27.2 Contingent liabilities

As at 31 December 2005, lawsuits totaling Baht 21,002 million have been filed against the Bank as defendant or co-defendant. These comprise both lawsuits directly involving the Bank and obligations arising as a result of the transfer of business from BMB. Baht 10,927 million relates to the Bank's own lawsuits, with Baht 8,594 million of this amount relating to a tort case in which the factual loss is only Baht 201 million. The total sum of cases relating directly to the Bank's business, after deducting this tort case, is thus Baht 2,333 million. The remaining portion of Baht 10,075 million represents cases in which the Bank is involved as a result of the transfer of business from BMB, and the Bank is entitled to compensation for all actual losses incurred, as discussed under Note 4.1 to the financial statements (Baht 9,586 million of this amount relates a single case brought by a debtor which BMB transferred to PAM before the Bank received the transfer of business from BMB and the Bank believes that the lawsuit has been brought against the wrong party. The Bank therefore has no liability in respect of such case).

The Bank has already made provision for contingent liabilities totaling Baht 37 million in the balance sheet as at 31 December 2005 for lawsuits where the court of first instance has already judged in favor of the plaintiff. The Bank believes that there will be no significant losses in the future as a result of the remaining cases.

27.3 Commitments under long-term leases agreements

The Bank has commitments with regard to the leases for branch offices with leasing terms ranging from 1 to 30 years. As at 31 December 2005, the Bank has obligations to pay future rentals totaling Baht 204 million.

The Bank has entered into long-term asset lease agreements with its affiliated companies and other companies. These agreements are for the leases of computers, computer software, motor vehicles and other assets with leasing terms ranging from 1 - 6 years. As at 31 December 2005, the Bank has obligations to pay future rentals totaling Baht 250 million and USD 1 million.

27.4 Other commitments

The Bank has entered into various agreements relating to computer system development consultancy services and computer system and software development and installation services with total contract values of USD 2 million and Baht 459 million. As at 31 December 2005, the Bank is obligated to pay a further USD 1 million and Baht 64 million, respectively.

28. PROVIDENT FUND

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 3 - 10 percent of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 3 - 10 percent depending on number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. For the years ended 31 December 2005 and 2004, respective amounts of Baht 121 million and Baht 102 million were contributed to the fund by the Bank and its subsidiaries (The Bank only : Baht 117 million and Baht 99 million, respectively).

29. RELATED PARTY TRANSACTIONS

During the years, the Bank had significant business transactions with its subsidiaries, associated, related companies (related by way of common shareholders and/or common directors) and related persons (directors or employees from level of first vice president level upwards). Such transactions, which have been concluded on the terms and basis as determined by the Bank, its subsidiaries and those parties, are summarized below :-

(Unit : Million Baht)

	Consolidated		The Bank only	
	For the years ended 31 December			
	2005	2004	2005	2004
Subsidiaries				
Revenues				
Interest income	-	-	-	-
Non-interest income	-	-	216	210
Expenses				
Interest expenses	-	-	5	7
Non-interest expenses	-	-	120	149
Associated companies				
Revenues				
Interest income	-	-	-	-
Dividend income	7	7	7	7
Non- interest income	6	10	6	10
Expenses				
Interest expenses	1	-	1	-
Non-interest expenses	29	8	29	8
Related parties and persons				
Revenues				
Interest income	205	140	205	140
Non- interest income	2	1	2	1
Expenses				
Interest expenses	3	2	3	2
Non-interest expenses	-	-	-	-

In addition, the Bank conducted securities trading through a subsidiary engaged in the securities business. The volume of such trades for the year ended 31 December 2005 was Baht 1,555 million and related commission fees were charged at a rate of 0.25 percent of the trading value.

The outstanding balances of significant transactions with subsidiaries and associated companies as at 31 December 2005 and 2004 are as follows: -

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Subsidiaries and associated companies				
Assets				
Loans	-	16	2	20
Other assets	1	1	23	14
Total	1	17	25	34
Liabilities				
Domestic deposits - interest bearing	105	110	306	1,294
Domestic deposits - non-interest bearing	6	4	27	27
Other liabilities	-	-	13	10
Total	111	114	346	1,331

The outstanding balance of significant transactions with related companies as at 31 December 2005 and 2004 are as follows :-

(Unit : Million Baht)

	The Bank Only								Pricing policy for loans	Pricing policy for deposits
	31 December 2005				31 December 2004					
	Average outstanding loans	Outstanding loans	Obligations	Deposits	Average outstanding loans	Outstanding loans	Obligations	Deposits		
Related companies										
Thai Nam Plastic Plc.	35	36	-	-	30	31	14	-	MOR, MRR	0.75%
Thai-German Products Plc.	493	481	48	1	519	519	17	8	MOR, MRR	0.75%
PRC Plast (Thailand) Co., Ltd.	42	41	2	1	42	42	1	-	MOR, 2%	-
Ua Withya Plc.	-	-	19	113	-	-	30	98	MOR	0.75%- 3.25%
Thai Hua Rubber Plc.	94	97	99	33	100	100	65	34	MRR, 1.25%	0.75%, 1.25%
Thai Identity Sugar Factory Co., Ltd.	34	33	-	6	35	35	-	-	6%	0.75%
Kaset Thai Sugar Co., Ltd.	131	127	-	-	142	142	-	-	6%	-
Srithai Superware Plc.	276	230	19	130	419	319	57	19	MOR, 3%, 4%	2.75%
Siam Tire Cord Co., Ltd.	495	490	5	3	499	499	5	8	MOR,	0.75%
Ladprao Hospital Co., Ltd.	82	128	17	7	-	-	-	-	2.25%-2.5%, 5% MOR, MLR, 1.25%-2%	0.75%

(Unit : Million Baht)

The Bank Only										
	31 December 2005				31 December 2004				Pricing policy for loans	Pricing policy for deposits
	Average outstanding loans	Outstanding loans	Obligations	Deposits	Average outstanding loans	Outstanding loans	Obligations	Deposits		
Magic Enterprise Co., Ltd.	311	302	3	9	314	314	-	-	MOR, 1.25%, 7.25%	1.75%
Siam Leasing Factoring Plc.	176	120	-	6	-	-	-	-	MLR	0.75%, 2.25%
Ratchaburi Electricity Generating Holding plc.	-	-	-	146	-	-	-	-	-	2.5%
Others		1	2	6		1	2	-		
		2,086	214	461		2,002	191	167		

As at 31 December 2005, loans to directors and employees at first vice president level upwards amounted to Baht 78 million, which included staff loans of Baht 60 million.

30. FINANCIAL POSITION AND RESULTS OF OPERATIONS CLASSIFIED BY DOMESTIC AND FOREIGN OPERATIONS

30.1 Financial position classified by business activity

(Unit : Million Baht)

The Bank only						
	31 December 2005			31 December 2004		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
Total assets	445,368	6,459	451,827	469,363	2,462	471,825
Interbank and money market items	14,918	33	14,951	2,189	10	2,199
Loans	297,071	7	297,078	333,726	10	333,736
Investments	99,528	6,330	105,858	88,070	1,734	89,804
Deposits	382,165	-	382,165	385,470	-	385,470
Interbank and money market items	17,998	1,643	19,641	19,930	4,571	24,501
Borrowings	187	-	187	107	-	107
Total commitments	121,801	-	121,801	90,901	-	90,901

30.2 Results of operations classified by business activity

(Unit : Million Baht)

The Bank only						
For the years ended 31 December						
	2005			2004		
	Domestic operations	Foreign operations	Total	Domestic operations	Foreign operations	Total
Interest and dividend income	17,586	247	17,833	14,959	720	15,679
Interest expenses	6,305	106	6,411	5,720	47	5,767
Doubtful debt and present value loss from debt restructuring	265	-	265	486	-	486
Net interest income	11,016	141	11,157	8,753	673	9,426
Non-interest income	3,173	2	3,175	4,067	104	4,171
Non-interest expenses	8,057	6	8,063	7,219	6	7,225
Earnings before income tax	6,132	137	6,269	5,601	771	6,372

31. FINANCIAL INSTRUMENTS

Financial instruments are any contracts which give rise to both a financial asset of one enterprise and a financial liability or equity security of another enterprise. The Bank treats financial instruments in accordance with Accounting Standard No. 48 concerning presentation and disclosure of financial instruments.

31.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument or a borrower will be unable to comply or will intentionally fail to comply with the conditions or provisions stipulated in the financial instrument, resulting in a loss to the Bank.

The Bank has implemented credit risk management processes, to both measure and control credit risk. The Bank uses credit risk rating tools to measure credit risk, taking into account the quality of the borrower, which is determined based on the probability of default and the value of the expected loss if such default occurs. The application of credit risk rating tools helps support the quality of the Bank's credit approval process, to increase the efficiency of credit control and monitoring, and in the future will facilitate the determination of an appropriate return or interest rate for the level of credit risk determined.

The Bank has a Risk Management Committee, which is responsible for designing risk management strategies and ensuring that risk management operations are carried out within the framework of the Board of Directors' policies. Furthermore, the Bank has two departments under Risk Management Group responsible for credit risk, which are the Credit Risk Management Department and the Credit Review Department. The Credit Risk Management Department is responsible for (a) providing suggestions and recommendations on the improvement of credit policies, working regulations, the authorization structure and risk management, (b) developing systems and tools for risk evaluation as well as procedures for auditing, reporting and monitoring risks, and (c) reviewing and rendering opinions on credit risks as analyzed by credit officers prior to submission to the Bank's executives or Credit Committee for further consideration and approval. The

Credit Review Department is responsible for reviewing credit quality to ensure that all loans have already been processed in accordance with the procedures established within the Bank, which include those for reviewing the correctness of loan classification, procedures for dealing with troubled debtors, and evaluating systems for monitoring borrowers in term of qualitative criteria after credit has been granted.

The Bank has a policy to grant credit to all business types and industries which have potential and make significant contributions to the country's economic growth. Furthermore, the Bank also focuses on the provision of credit to small and retail enterprises in order to diversify risk. In addition, the Bank puts emphasis on risk management both before and after credit is approved. For example, credit officers are required to check the credit information of customers with the Credit Bureau before submitting a credit application for approval of lending to new borrowers or to increase a credit limit to an existing borrower.

The maximum credit risk exposure is the carrying value of the financial assets after deducting allowance for losses as presented in the balance sheets, and the risk from off-balance sheet commitments arising as a result of loan guarantees and other guarantees.

As at 31 December 2005 and 2004, the Bank had the following off-balance sheet commitments as summarised by the remaining periods to maturity of the contracts, counting from the balance sheet dates :-

(Unit : Million Baht)

Consolidated and the Bank only						
	Counting from 31 December 2005			Counting from 31 December 2004		
	Not more than 1 year	Over 1 year	Total	Not more than 1 year	Over 1 year	Total
Aval to bills	1,064	16	1,080	985	23	1,008
Guarantees of loans	1,121	41	1,162	1,190	-	1,190
Liabilities under unmatured import bills	768	-	768	826	-	826
Letters of credit	1,496	258	1,754	5,100	-	5,100
Other guarantees	18,284	902	19,186	17,189	1,541	18,730
Others	33,401	2,464	35,865	32,962	-	32,962

31.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or securities prices will affect on the Bank's foreign currency position or investment position, and cause the Bank to incur a financial loss. As such, market risk consists of interest rate risk, foreign exchange risk and equity position risk.

The Bank's Assets and Liabilities Management Committee is responsible for determining strategies and operating guidelines for the management of liquidity risk, interest rate risk and foreign exchange risk, while the Bank's Risk Management Department is entrusted with the responsibilities of (a) managing market risk, liquidity risk, and operational risk in line with strategies and guidelines laid down by the Assets and Liabilities Management Committee, and (b) developing tools for risk evaluation, and procedures for risk auditing, reporting and monitoring, to ensure risk management is effective.

31.2.1 Interest rate risk

Interest rate risk is the risk that changes in market interest rates may affect the value of financial instruments, or cause fluctuations in revenue or the value of the Bank's financial assets and liabilities. Interest rate risk arises as a result of interest rate structure and the characteristics and structure of the Bank's assets, liabilities and capital.

The Bank's policy is to manage the adverse effects of interest rate changes to keep them within acceptable levels, and they are closely monitored by the Assets and Liabilities Management Committee. Repricing gap analysis is used as a tool to help the Bank evaluate the impact of interest rate changes on its assets and liabilities and sensitivity analysis is used to help the Bank evaluate the potential impact of interest rate changes on the Bank's operating results over the next twelve months.

As at 31 December 2005, financial assets and liabilities classified by type of interest rate are as follows :-

(Unit : Million Baht)

The Bank only				
31 December 2005				
Descriptions	Floating interest rates	Fixed interest rates	Non-interest bearing	Total
Financial Assets				
Cash	-	-	9,143	9,143
Interbank and money market items	895	7,726	6,350	14,971
Securities purchased under resale agreements	-	8,800	-	8,800
Investments	9,292	83,323	13,243	105,858
Loans ⁽¹⁾	251,328	45,750	-	297,078
Financial Liabilities				
Deposits	115,271	260,711	6,183	382,165
Interbank and money market items	9,197	10,160	284	19,641
Securities sold under repurchase agreements	-	3,000	-	3,000
Liability payable on demand	-	-	738	738
Borrowings	-	100	87	187

⁽¹⁾ Of the loans a total of Baht 7,386 million carrying interest at floating rates and Baht 205 million carrying interest at fixed rates are loans from which the Bank has ceased recognition of income.

The remaining periods from 31 December 2005 to the repricing dates or maturity dates (whichever is sooner) of financial instruments carrying interest at fixed rates are as follow :-

(Unit : Million Baht)

The Bank Only							
Counting from 31 December 2005							
Descriptions	Remaining periods to repricing dates or maturity dates					Total	Interest rate
	At call	0 - 6 months	6 - 12 months	1 - 3 years	Over 3 years		
Financial Assets							%
Interbank and money market items	100	5,955	475	1,196	-	7,726	4.23 - 4.75
Securities purchased under resale agreements	-	8,800	-	-	-	8,800	3.91 - 4.03
Investments	-	11,098	11,746	21,713	38,766	83,323	2.05 - 6.90
Loans	10	20,726	450	473	24,091	45,750	6.00 - 21.00
Financial Liabilities							
Deposits	-	198,259	22,714	39,738	-	260,711	0.00 - 3.50
Interbank and money market items	4,000	6,012	101	47	-	10,160	0.00 - 4.68
Securities sold under repurchase agreements	-	3,000	-	-	-	3,000	3.97
Borrowings	-	100	-	-	-	100	-

In addition, the average balances of the financial assets or liabilities of the Bank generating revenues or incurring expenses, calculated based on the average balances outstanding during the years, and the average interest and dividend rates for the years ended 31 December 2005 and 2004 can be summarized as follows :-

(Unit : Million Baht)

The Bank Only						
	31 December 2005			31 December 2004		
	Average balances	Interest and dividend	Average Rate (%)	Average balances	Interest and dividend	Average Rate (%)
Performing financial assets						
Interbank and money market items	11,001	162	1.47	11,583	49	0.42
Securities purchased under resale agreements	14,192	200	1.41	16,933	126	0.74
Investments	97,696	4,516	4.63	97,348	4,512	4.63
Loans	307,109	12,955	4.22	320,548	10,993	3.43
Performing financial liabilities						
Deposits	384,984	5,748	1.49	403,353	5,530	1.37
Interbank and money market items	23,622	471	1.99	14,409	108	0.75
Securities sold under repurchase agreements	8,734	189	2.16	12,033	130	1.08
Borrowings	143	3	2.20	63	-	-

31.2.2 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

The Bank has no policy to speculate and engages in financial derivative transactions in order to manage foreign exchange and interest rate risks that may arise as a result of financial derivative transactions executed in providing service to its customers.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 31 December 2005 and 2004, the Bank has the following net foreign currency positions categorized by major foreign currencies :-

(Unit : USD Million)

The Bank only						
	31 December 2005			31 December 2004		
	USD	Euro *	Other currencies*	USD	Euro *	Other currencies*
Spot	561.53	20.09	18.95	301.84	16.54	23.69
Forward	(553.50)	(20.18)	(19.27)	(307.06)	(15.32)	(24.03)
Net position	8.03	(0.09)	(0.32)	(5.22)	1.22	(0.34)

* Balances denominated in Euro and other currencies are stated in USD equivalents.

31.2.3 Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenue or the value of financial assets.

The Bank's Securities Management Department manages risk in accordance with the guidelines stipulated by the Assets and Liabilities Management Committee, which sets various risk control limits, such as total exposure limits, individual limits and stop loss limits. Value at risk is used by the Assets and Liabilities Management Committee as a tool for estimating and controlling maximum acceptable losses for the Bank.

31.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank's Liquidity Management Committee is responsible for keeping a close watch on the financial and liquidity management of the Bank in line with the risk management guidelines stipulated by the Assets and Liabilities Management Committee. Daily liquidity is managed based on consideration of daily cash demand, liquidity in excess of the mandatory level of 6% required by the Bank of Thailand, the structure of deposits and withdrawals, depositor behaviour, competitive position, economic conditions within and outside the country and the expected returns of the Bank. Furthermore, the committee takes into consideration the maximum cumulative outflow under normal conditions and during a crisis, based on a comparative analysis of the Bank's cash position, the credit lines granted but unused at other banks, and the Bank's reserve levels. The Bank also has contingency plans for cases where it may face liquidity problems.

The remaining periods to maturity, counting from 31 December 2005 and 2004, of financial instruments are as follows :-

(Unit : Million Baht)

The Bank only						
Descriptions	Counting from 31 December 2005					
	At call	Within 6 month	Within 1 year	More than 1 year	No maturity	Total
Financial Assets						
Cash	9,143	-	-	-	-	9,143
Interbank and money market items	6,451	6,099	475	1,946	-	14,971
Securities purchased under resale agreements	-	8,800	-	-	-	8,800
Investments	-	11,098	12,454	69,063	13,243	105,858
Loans ⁽¹⁾	20,880	118,359	8,676	149,163	-	297,078
Financial Liabilities						
Deposits	121,044	198,421	22,847	39,853	-	382,165
Interbank and money market items	13,481	5,898	209	53	-	19,641
Securities sold under repurchase agreements	-	3,000	-	-	-	3,000
Liability payable on demand	738	-	-	-	-	738
Borrowings	-	100	-	87	-	187

⁽¹⁾ Of the loans which mature all call, within 6 months, within 1 year and more than 1 year, amounts of Baht 1,477 million, Baht 148 million, Baht 1,602 million and Baht 4,364 million, respectively, represent default loans from which the Bank has ceased recognition of income. Therefore, the term of these loans depends upon the results of debt restructuring.

(Unit : Million Baht)

The Bank only

Counting from 31 December 2004

Descriptions	Counting from 31 December 2004					Total
	At call	Within 6 month	Within 1 year	More than 1 year	No maturity	
Financial Assets						
Cash	10,212	-	-	-	-	10,212
Interbank and money market items	2,002	197	-	-	-	2,199
Securities purchased under resale agreements	-	17,600	-	-	-	17,600
Investments	-	-	18,011	58,136	13,657	89,804
Loans	17,338	98,397	10,145	207,856	-	333,736
Financial Liabilities						
Deposits	141,813	139,295	37,145	67,217	-	385,470
Interbank and money market items	13,903	10,597	-	-	-	24,500
Securities sold under repurchase agreements	-	18,000	-	-	-	18,000
Liability payable on demand	1,029	-	-	-	-	1,029
Borrowings	-	50	-	57	-	107

31.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of financial instruments as follows :-

(a) Financial assets

Determination of the fair value is dependent upon the characteristics of the financial instruments. The fair values of most financial assets, including cash, interbank and money market items, securities purchased under resale agreements, and loans, are presented at the amount stated in the balance sheets. The fair value of these financial assets is approximated at their respective carrying values since the values of such financial instruments are predominantly subject to market interest rates. Financial instruments with standard terms and conditions which are traded on an active and liquid market, such as investments, have their fair values determined by the quoted market prices.

(b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, interbank and money market items, securities sold under repurchase agreements, and liabilities payable on demand are considered to approximate their respective carrying values for the same reasons as determined for financial assets above.

As at 31 December 2005, the differences between the estimated fair value and book value of the Bank's and its subsidiaries' financial instruments are considered to be immaterial. However, the fair value of debt securities intended to be held to maturity are Baht 73,285 million (the Bank only : Baht 70,890 million).

31.5 Financial derivatives

The Bank engages in financial derivative activities, as required in the normal course of business of the Bank, to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

As at 31 December 2005 and 2004, financial derivatives as classified by their maturities are as follows :-

(Unit : Million Baht)

Consolidated						
	31 December 2005			31 December 2004		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	5,794	66	5,860	8,575	-	8,575
- Sold	28,342	368	28,710	21,314	-	21,314
Cross currency and interest rate swap contracts						
- Bought	1,446	-	1,446	-	-	-
- Sold	1,456	1,602	3,058	-	1,197	1,197
Interest rate swap contracts						
- Fixed rate payer	-	5,728	5,728	-	-	-
- Fixed rate payee	-	7,028	7,028	-	-	-
- Floating rate payer	-	7,728	7,728	-	-	-
- Floating rate payee	-	6,428	6,428	-	-	-

(Unit : Million Baht)

The Bank Only

	31 December 2005			31 December 2004		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	5,794	66	5,860	8,575	-	8,575
- Sold	28,342	368	28,710	21,314	-	21,314
Cross currency and interest rate swap contracts						
- Bought	1,446	-	1,446	-	-	-
- Sold	1,456	1,602	3,058	-	1,197	1,197
Interest rate swap contracts						
- Fixed rate payer	-	5,728	5,728	-	-	-
- Floating rate payee	-	5,728	5,728	-	-	-
- Floating rate payer	-	5,728	5,728	-	-	-
- Fixed rate payee	-	5,728	5,728	-	-	-

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank realizes that financial derivatives involve credit risk and manages it by setting credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates and interest rates, which can fluctuate materially as the market situation changes.

32. ADJUSTMENT AGAINST RETAINED EARNINGS

During the current year, the Bank made adjustments totaling Baht 209 million against 2004 brought forward retained earnings as a result of differences noted for loan and receivable accounts, which related to the prior years before 2004. In addition, the Bank adjusted gains of Baht 9 million on disposal of treasury stocks in 2004 to share premium on treasury stocks in the financial statements.

33. SUBSEQUENT EVENT

On 22 February 2006, the Bank's Board of Directors passed a resolution approving the following appropriation of the 2005 net earnings, which are to be recorded in the second quarter of 2006 :-

- (a) Set aside to a statutory reserve at least 5 percent of the 2005 net earnings after deducting deficit.
- (b) Appropriation for the payment of a dividend of Baht 1.40 per share. On 24 August 2005, a meeting of the Bank's Board of Directors passed a resolution approving the payment of an interim dividend of Baht 0.70 per share.

34. PRESENTATION

The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Bank of Thailand relating to the format of the financial statements of commercial banks dated 10 May 2001.

Certain amounts in the financial statements, as presented herein for comparative purposes, have been reclassified to conform to the current year's classification, with no effect on the net earnings or shareholders' equity as previously reported by other auditors except for the adjustments as discussed in Note 32 to the financial statements.

35. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Bank's Board of Directors on 22 February 2006.

List of Branches

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Head Office	0-2208-5000, 0-2253-0200-43	0-2253-1240	
Petchburi Office	0-2208-6085-6, 0-2253-7068	0-2253-6198	petburi_off@scib.co.th
Suan Mali Office	0-2225-9999, 0-2223-0561, 0-2220-2222 Ext. 2107, 2229, 2817, 2115	0-2224-3810	reg101@scib.co.th
District 1	0-2221-9347-9	0-2221-9344	reg01@scib.co.th
Sampeng	0-2222-7396, 0-2222-7551, 0-2223-2898	0-2225-8468	br005@scib.co.th
Yao Waraj	0-2221-1236, 0-2221-7194-5, 0-2225-0578	0-2225-0580	br008@scib.co.th
Charoen Krung (Sub-Branch)	0-2221-0784, 0-2224-1839, 0-2225-7194, 0-2225-1934	0-2224-2059	br050@scib.co.th
Tien Kua Tien	0-2221-3575-6	0-2221-3575	br146@scib.co.th
Sam Yaek	0-2223-2704-8	0-2223-2705	br102@scib.co.th
Anu Wong	0-2222-0161-4, 0-2222-0169, 0-2622-4077-8	0-2225-8931	br027@scib.co.th
Pha Hu Rad (Sub-Branch)	0-2221-2069, 0-2221-5239, 0-2225-3594	0-2221-5128	br712@scib.co.th
Rajawong	0-2224-5705, 0-2224-5870, 0-2224-5897	0-2224-5792	br134@scib.co.th
Leng Noi Jee	0-2221-1248, 0-2221-3501, 0-2222-8531	0-2223-3211	br110@scib.co.th
Sikak Phraya Sri	0-2222-4477-8, 0-2623-8521-2	0-2225-7036	br121@scib.co.th
Werng Nakorn Kasem	0-2222-2430, 0-2221-7201-4	0-2222-6475	br140@scib.co.th
Bamrung Muang	0-2216-9794-7, 0-2214-0606-8	0-2216-9798	br006@scib.co.th
Bo Bei (Sub-Branch)	0-2628-1693-5, 0-2628-1690	0-2628-1696	br068@scib.co.th
District 2	0-2280-7745-47	0-2280-7748	reg02@scib.co.th
Pra Tu Nam	0-2251-6018, 0-2251-6852, 0-2252-6937, 0-2252-6979, 0-2252-7690, 0-2251-6019	0-2252-6935	br105@scib.co.th
Charoen Phol	0-2215-6628-30	0-2215-6627	br136@scib.co.th
Samyarn	0-2215-1549, 0-2215-4199, 0-2215-4225, 0-2216-4739, 0-2216-6017	0-2216-6170	br109@scib.co.th
Hua Lamphong	0-2237-9710-4	0-2237-9713	br007@scib.co.th
Nang Lerng	0-2281-0842, 0-2281-2169, 0-2281-2320, 0-2281-2321	0-2281-2322	br113@scib.co.th
Charu Muang	0-2214-1488, 0-2214-1739, 0-2216-6981, 0-2216-6980, 0-2216-6880, 0-2611-7902	0-2214-2038	br112@scib.co.th
Siam Square	0-2251-6763, 0-2252-5252, 0-2252-5308, 0-2252-7080	0-2253-9429	br119@scib.co.th
The Ves	0-2628-7240-4, 0-2628-7247	0-2282-8810	br025@scib.co.th
Racha Damnern	0-2221-3391, 0-2223-6010, 0-2226-0178-9, 0-2222-5880, 0-2226-0182	0-2222-9635	br002@scib.co.th
Bang Lamphu	0-2281-6821, 0-2281-6332	0-2281-7457	br104@scib.co.th
Tha Prachand	0-2221-6486, 0-2225-4466, 0-2225-8934, 0-2623-6160-2	0-2225-8933	br015@scib.co.th
Pakklong Talad (Sub-Branch)	0-2221-7511, 0-2222-0686, 0-2222-7467	0-2222-4794	br062@scib.co.th
District 3	0-2944-7066-7	0-2944-7068	reg03@scib.co.th
Lad Prao	0-2512-2343-4, 0-2938-2433, 0-2511-1312, 0-2511-1160	0-2512-2342	br013@scib.co.th
Central Plaza	0-2541-1297, 0-2541-1300, 0-2541-1490, 0-2541-1617	0-2541-1718	br151@scib.co.th
Lad Prao 118	0-2539-2925-7	0-2530-4348	br177@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Lad Prao 53 (Sub-Branch)	0-2539-1167, 0-2539-1507, 0-2539-2857, 0-2539-9785	0-2539-2261	br174@scib.co.th
Appeal Court	0-2938-3421-6	0-2938-3428	br081@scib.co.th
Chokchai 4 (Sub-Branch)	0-2931-0895-7	0-2931-0798	br060@scib.co.th
Rachada-Huay Khwang	0-2694-1489-91, 0-2694-1495	0-2694-1496	br091@scib.co.th
Lad pra0 80 (Sub-Branch)	0-2933-9170-2, 0-2933-9174-5	0-2933-9178	br064@scib.co.th
Thanon Nawamin	0-2519-5724, 0-2519-4616, 0-2519-5696	0-2519-4627	br042@scib.co.th
Klong Chan	0-2377-1364, 0-2377-1368-9	0-2377-3609	br141@scib.co.th
Indraruk (Sub-Branch)	0-2375-1281-2, 0-2375-1284	0-2375-1285	br169@scib.co.th
Thanon Serithai	0-2374-8984-5, 0-2374-8987-8	0-2374-8986	br037@scib.co.th
Bang Khen	0-2579-1340, 0-2579-3483, 0-2579-4526, 0-2579-7485	0-2579-6794	br125@scib.co.th
District 4	0-2616-3543, 0-2616-2200, 0-2616-3563	0-2616-3544	reg04@scib.co.th
Anusavaree Chai Samornraphoom	0-2644-7474-6, 0-2354-9330-1	0-2354-9351	br018@scib.co.th
Racha Prarop	0-2245-4968-9, 0-2642-6054-5	0-2245-0882	br127@scib.co.th
Ratchawat	0-2241-0868, 0-2243-6183, 0-2243-7980-1	0-2241-1483	br111@scib.co.th
Bang Sue	0-2587-0616, 0-2587-0686, 0-2587-8216	0-2585-9659	br128@scib.co.th
Saphan Kwai	0-2279-3942, 0-2279-5633, 0-2279-6060-1, 0-2279-7533, 0-2616-6748	0-2616-6747	br108@scib.co.th
Suthi San	0-2616-3553-8 Ext. 120, 121, 127, 129	0-2616-3561	br055@scib.co.th
Talad Mochit	0-2278-5300-1, 0-2270-0308, 0-2618-5656-7	0-2279-3411	br021@scib.co.th
Huay Kwang	0-2692-0061, 0-2692-2098, 0-2692-2099, 0-2692-2100	0-2276-1134	br012@scib.co.th
Huay Kwang (2)	0-2277-4728, 0-2276-3596, 0-2277-3142	0-2277-1074	br117@scib.co.th
Pracha Utid (Huay Kwang)	0-2934-4181-3	0-2934-4184	br176@scib.co.th
Thanon Pra Ram 9	0-2246-7829-30	0-2246-8473	br165@scib.co.th
Asoke-Dindaeng	0-2641-7544, 0-2641-7546-9	0-2641-7566	br080@scib.co.th
District 5	0-2291-4631, 0-2291-4847	0-2291-0407	reg05@scib.co.th
Wat Phrayakrai	0-2289-3026-7, 0-2289-5033	0-2289-5032	br150@scib.co.th
Pra Ram 3	0-2682-7322-6, 0-2682-7328-9	0-2682-7327	br079@scib.co.th
Bangkhlo	0-2289-4223, 0-2289-4236, 0-2289-4253	0-2289-4159	br157@scib.co.th
Sathupradit	0-2682-0610-8	0-2682-0619	br071@scib.co.th
Trok Chan	0-2211-1286, 0-2211-4511, 0-2674-8257-8	0-2211-4653	br114@scib.co.th
South Sathorn Road (Thai C.C. Tower)	0-2675-5697-9, 0-2675-5700	0-2675-5701	br183@scib.co.th
Si Lom (Thanon Pun)	0-2237-9317-20, 0-2235-5800-2, 0-2237-9661-2	0-2237-9321	br010@scib.co.th
Si Lom	0-2635-1150-4	0-2635-1155	br103@scib.co.th
Racha Dhamri	0-2251-4314, 0-2251-4348-9	0-2251-4316	br154@scib.co.th
Center World Plaza	0-2255-6163, 0-2255-9658-9	0-2255-9657	br161@scib.co.th
Si Phraya	0-2233-5305-7, 0-2267-2191-4	0-2233-4174	br003@scib.co.th
Tha Niya	0-2236-3520-1, 0-2236-5339, 0-2236-9129-30	0-2236-9119	br053@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
District 6	0-2260-2431, 0-2661-2673, 0-2260-2738	0-2258-8995	reg06@scib.co.th
Praram 4	0-2249-4201-3, 0-2249-0330, 0-2249-0325, 0-2249-0360, 0-2671-0260	0-2249-4204	br019@scib.co.th
Kluaynumtai	0-2258-6620-1	0-2258-5505	br130@scib.co.th
Klong Toey	0-2240-0163, 0-2249-2633, 0-2249-2911	0-2249-4789	br106@scib.co.th
Ploenchit Center	0-2656-8403-7	0-2656-8400	br072@scib.co.th
Asoke	0-2260-7830-4, 0-2260-7836-8	0-2260-7839	br031@scib.co.th
Na Na Nua	0-2252-0709, 0-2252-6540, 0-2253-4835, 0-2254-5538	0-2253-5668	br133@scib.co.th
Eka Mai	0-2392-2831, 0-2392-7278-9, 0-2711-4842	0-2392-2832	br126@scib.co.th
Thong Lor (2) (Sub-Branch)	0-2392-0527-8	0-2391-1862	br175@scib.co.th
Petchaburi Tat Mai	0-2308-2955-8, 0-2718-1834	0-2308-2950	br044@scib.co.th
Thong Lor (Sub-Branch)	0-2381-8672, 0-2381-2209, 0-2391-0273-4, 0-2391-2821	0-2381-4090	br054@scib.co.th
Thai Summit Tower (Thanon Petchburitatmai)	0-2252-6458, 0-2251-1327, 0-2255-3385, 0-2251-1498	0-2251-1357	br115@scib.co.th
Ratchada Phisek	0-2641-2225-8	0-2641-3233	br052@scib.co.th
Thanon Witthayu (All Seasons Place) (Sub-Branch)	0-2252-6784-5	0-2252-6786	mgr186@scib.co.th
District 7	0-2719-4585-6	0-2719-4587	reg07@scib.co.th
Ramkhamhaeng	0-2375-2126-7, 0-2374-9644	0-2375-2452	br041@scib.co.th
Sukha Phibal 3 (Sub-Branch)	0-2373-0005, 0-2373-0007-8, 0-2373-5454	0-2373-0004	br059@scib.co.th
Lamsali	0-2735-2060-3	0-2735-2067	br170@scib.co.th
Hua Mark	0-2314-0086, 0-2314-2627, 0-2319-5700	0-2314-7277	br135@scib.co.th
Phathanakarn	0-2719-4580-2	0-2719-4591	br051@scib.co.th
Klong Ton (Sub-Branch)	0-2381-3114-5, 0-2381-3121-2	0-2381-3124	br056@scib.co.th
Thanon Phathanakarn 22	0-2318-7241-2, 0-2318-7620, 0-2318-7969	0-2318-7393	br148@scib.co.th
On Nuch (Sub-Branch)	0-2322-1557-9	0-2322-1556	br179@scib.co.th
Sukhumvit 71	0-2391-6067, 0-2392-5944, 0-2392-8102	0-2392-2534	br118@scib.co.th
Pra Ves	0-2321-1181, 0-2322-2223, 0-2321-1184	0-2322-8943	br024@scib.co.th
Seacon Square	0-2721-8548-50, 0-2721-8552-3	0-2721-8551	br164@scib.co.th
Pra Ves (On Nuch) (Sub-Branch)	0-2328-8023-5	0-2328-8027	br181@scib.co.th
King Kaew	0-2316-1990-2	0-2317-1312	br030@scib.co.th
District 8	0-2412-2797, 0-2418-2723, 0-2866-2442	0-2412-2798	reg08@scib.co.th
Phetcasem 69	0-2809-3034-8	0-2809-3041	br075@scib.co.th
Nongkeam	0-2445-4788, 0-2445-4790-2	0-2445-4789	br160@scib.co.th
Bangyeerua	0-2472-2664-7	0-2472-2668	br004@scib.co.th
Siyaek Bankaek	0-2465-2115, 0-2466-1950, 0-2465-5072, 0-2466-1673, 0-2466-3552	0-2465-5071	br009@scib.co.th
Tha Dindaeng (Sub-Branch)	0-2863-1283-8	0-2863-1289	br074@scib.co.th
Bangkae	0-2454-6225-7, 0-2454-2790-2, 0-2454-0041	0-2413-1329	br017@scib.co.th
Talad Bangkae (Sub-Branch)	0-2801-1004-6	0-2801-1007	br172@scib.co.th
Sam Yaek Fai Shai	0-2411-3446, 0-2418-3575-6	0-2411-2321	br116@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Charan Sanitwong 35 (Sub-Branch)	0-2411-0511, 0-2411-0545, 0-2411-0605	0-2411-0607	br048@scib.co.th
Wongwienyai	0-2437-0188, 0-2437-2596, 0-2438-6148	0-2437-5784	br107@scib.co.th
Chareon Nakhon (Sub-Branch)	0-2862-5010-6	0-2862-5017	br078@scib.co.th
The Mall Bangkae (Sub-Branch)	0-2487-0457-8	0-2487-0459	mgr185@scib.co.th
District 9	(034) 812-620-4	(034) 426-992	reg09@scib.co.th
Kratumban	(034) 472-422, (034) 472-651-2	(034) 471-511	br016@scib.co.th
Sam Phran	(034) 322-781, (034) 322-783, (034) 323-800	(034) 322-782	br022@scib.co.th
Omnoi	0-2420-1450, 0-2420-1811, 0-2420-2565-6	0-2420-1132	br124@scib.co.th
Samutsakorn	(034) 837-586-9, (034) 411-225-6, (034) 425-205-8	(034) 425-204	br325@scib.co.th
Klongkru (Sub-Branch)	(034) 827-086-8	(034) 827-094	br069@scib.co.th
Mahachaimuangmai	(034) 812-620-4	(034) 426-989	br034@scib.co.th
Talad Mahachai (Sub-Branch)	(034) 810-287-8	(034) 810-467	br061@scib.co.th
Thanon Seattrakit I (Omnoi)	0-2810-4596-9, 0-2810-4600	0-2810-4605	br066@scib.co.th
Watthiandad (Sub-Branch)	0-2429-0216, 0-2429-0813	0-2429-0847	br097@scib.co.th
Nakornchaisri	(034) 331-350-1, (034) 332-117	(034) 331-349	br147@scib.co.th
Taladtana (Nakornchaisri)	(034) 331-107-9	(034) 331-151	br026@scib.co.th
Salaya (Sub-Branch)	0-2441-4557-9	0-2441-4560	br100@scib.co.th
District 10	0-2709-8010, 0-2709-8506	0-2709-8011	reg10@scib.co.th
Poo Chao Saming Prai (2)	0-2394-3188, 0-2394-3192, 0-2394-4860	0-2394-4861	br142@scib.co.th
Samrong Nur	0-2384-7141, 0-2384-7244, 0-2384-7419, 0-2394-2246-50	0-2384-7678	br131@scib.co.th
Huachiew Chlermprakiet University	0-2312-6600-5, 0-2312-6533	0-2312-6603	br168@scib.co.th
Udomsuk	0-2393-7123, 0-2393-5781-2	0-2399-2399	br137@scib.co.th
Mueang Mai - Bang Phli	0-2706-0322-6	0-2706-0329	br092@scib.co.th
Bang Pu Industrial Estate	0-2324-0360, 0-2324-0364, 0-2324-0806-7, 0-2709-8106-7	0-2324-0805	br158@scib.co.th
Bang Pu	0-2323-2960-3	0-2323-2964	br040@scib.co.th
Samrong	0-2396-0278-80, 0-2745-3482-3	0-2399-5103	br011@scib.co.th
Talad Somrong (Sub-Branch)	0-2756-8411-4	0-2756-8419	br067@scib.co.th
Samut Prakarn	0-2388-0099, 0-2395-0045, 0-2702-8086	0-2395-2021	br123@scib.co.th
Talad Paknam (Sub-Branch)	0-2702-8380-4	0-2702-8388	br046@scib.co.th
Theparak	0-2759-6061-4, 0-2759-6066	0-2759-6067	br039@scib.co.th
Namdaeng (Sub-Branch)	0-2385-2511-2, 0-2385-2920, 0-2385-2936	0-2385-2921	br171@scib.co.th
Big-C Bang Plee (Sub-Branch)	0-2752-5632-3	0-2752-5635	mgr189@scib.co.th
Central Bangna (Sub-Branch)	0-2398-9572-3	0-2398-9574	mgr193@scib.co.th
Distict 11	0-2582-0872-4	0-2582-0875	reg11@scib.co.th
Haryaek Pakkred	0-2583-7574, 0-2583-9144, 0-2582-3634	0-2584-3959	br152@scib.co.th
Pracha Chuen	0-2585-7231, 0-2585-9656, 0-2585-6811	0-2585-2666	br129@scib.co.th
Minburi	0-2517-9321, 0-2517-8014-5	0-2517-8016	br163@scib.co.th
Bang Bua Thong	0-2571-3373-5, 0-2571-3598-9, 0-2571-7843-4, 0-2571-7159, 0-2920-1965	0-2571-7845	br014@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Rattana Thibet (Sub-Branch)	0-2969-9046, 0-2969-9040-3	0-2969-9048	br063@scib.co.th
Pak Kred	0-2583-7246, 0-2583-7876, 0-2960-9928-30	0-2583-7562	br023@scib.co.th
Thanon Samakhee (Sub-Branch)	0-2574-2794-5	0-2574-2793	br166@scib.co.th
Chaeng Wattana	0-2982-9192-3, 0-2573-7625-6, 0-2982-9438-40	0-2982-9441	br038@scib.co.th
Song Prapha (Sub-Branch)	0-2928-8542-5	0-2928-8546	br076@scib.co.th
Ram Intra	0-2519-0824-5, 0-2943-5630-2	0-2519-0826	br035@scib.co.th
Fashion Island (Sub-Branch)	0-2947-6402-5	0-2947-6410	br065@scib.co.th
Ram Intra (Km.8)	0-2510-9874, 0-2510-1093, 0-2510-6900, 0-2510-2342	0-2510-9875	br149@scib.co.th
Ram Intra Km.7 (Sub-Branch)	0-2510-9882, 0-2510-9788, 0-2510-9610	0-2510-9197	br180@scib.co.th
District 12	0-2531-3509, 0-2531-3464, 0-2531-9774	0-2531-9845	reg12@scib.co.th
Simum Muang Rangsit	0-2531-9774, 0-2531-3445, 0-2531-3509, 0-2531-3447	0-2531-9636	br036@scib.co.th
Zeer Rangsit	0-2992-6807-9	0-2992-6810	br173@scib.co.th
Don Muang	0-2929-7004, 0-2566-1950-1	0-2566-3425	br122@scib.co.th
Rangsit Khong 3	0-2990-8806-8	0-2533-1659	br058@scib.co.th
Rangsit	0-2531-0988, 0-2532-3725, 0-2531-3176	0-2532-0016	br173@scib.co.th
Lumlukka	0-2994-5747-51	0-2994-5753	br090@scib.co.th
Talad Saphan Mai Don Muang	0-2521-1670, 0-2521-0612-3, 0-2552-2822	0-2521-0611	br143@scib.co.th
Saphan Mai Don Muang (Sub-Branch)	0-2970-4400-3	0-2970-4408	br070@scib.co.th
Pathum Thani	0-2581-5766, 0-2581-6976	0-2581-6925	br155@scib.co.th
Bang Kadee Industrial Park (Sub-Branch)	0-2501-1254-6	0-2501-1257	br099@scib.co.th
Klong Luang	0-2516-1230-2, 0-2516-1202	0-2516-1203	br029@scib.co.th
Navanakorn (Sub-Branch)	0-2909-0620-3, 0-2909-0626	0-2909-0625	br082@scib.co.th
Future Park Rungsit (Sub-Branch)	0-2958-0914-5	0-2958-0917	mgr188@scib.co.th
IT Square (Sub-Branch)	0-2 576-0104-5	0-2576-0106	mgr190@scib.co.th
District 13	0-2435-4676, 0-2886-5095-6	0-2435-4675	reg13@scib.co.th
Bang Khun Non	0-2424-9778-9, 0-2433-6028-9	0-2434-9772	br153@scib.co.th
Thanon Borommarat Chachonnani (Pin Klao)	0-2446-8061-4	0-2446-8065	br184@scib.co.th
Bang Phlad	0-2435-6808-10, 0-2435-7205	0-2435-6807	br159@scib.co.th
Bang Kruai (Sub-Branch)	0-2447-2897, 0-2447-5095, 0-2447-2775	0-2883-8619	br182@scib.co.th
Pin Klao	0-2435-7374, 0-2435-4530, 0-2435-4273-4, 0-2435-4577-8	0-2435-4518	br033@scib.co.th
Talingchan (Sub-Branch)	0-2882-7790-4	0-2882-7796	br085@scib.co.th
Thanon Arun Amarin	0-2424-0888, 0-2424-0999, 0-2883-3981-2	0-2433-7061	br139@scib.co.th
Pran Nok (Sub-Branch)	0-2418-0785, 0-2418-0787, 0-2418-0782	0-2418-0786	br162@scib.co.th
Bang Bon	0-2899-8533-5	0-2899-8540	br073@scib.co.th
Non Traburi (Sub-Branch)	0-2527-0255-60	0-2527-0254	br047@scib.co.th
Wutakas	0-2466-9981-2, 0-2466-6160, 0-2465-4236, 0-2472-5839	0-2472-5838	br020@scib.co.th
Talad Plu (Sub-Branch)	0-2466-7404, 0-2466-7423, 0-2466-8196, 0-2466-9511	0-2465-1767	br057@scib.co.th
Wong Sawang	0-2585-9646-8, 0-2586-0420-2, 0-2910-8700	0-2910-7949	br032@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
District 14	0-2477-2416-7, 0-2477-2487	0-2477-2486	reg14@scib.co.th
Bang Mod	0-2428-7014-6, 0-2428-6913-5	0-2428-6994	br043@scib.co.th
Thanon Rama 2 (Soi 3)	0-2427-1552-3	0-2427-1551	br138@scib.co.th
Phrapradaeng	0-2463-3940-1, 0-2463-8415-7	0-2463-6897	br028@scib.co.th
Pracha Uthit (Sub-Branch)	0-2873-4721-3, 0-2873-5848	0-2873-5849	br084@scib.co.th
Krunai	0-2462-8020, 0-2462-8034, 0-2464-2454	0-2462-6193	br144@scib.co.th
Bang Kru (Sub-Branch)	0-2817-5417-9	0-2817-5423	br088@scib.co.th
Samyaek Phrapradaeng	0-2463-2156-7, 0-2462-6284	0-2462-5355	br120@scib.co.th
Thanam Phrapradaeng	0-2463-0488, 0-2463-2228, 0-263-3577-8	0-2464-2156	br167@scib.co.th
Ratchadaphisek - Thaphra	0-2878-8845-50	0-2878-8852	br077@scib.co.th
Charan Sanitwong 13	0-2864-1560-5	0-2864-1566	br083@scib.co.th
Samre	0-2468-0609, 0-2468-1008-9, 0-2476-5422	0-2476-5423	br132@scib.co.th
Talad Samre (Sub-Branch)	0-2472-2045-50	0-2472-2052	br049@scib.co.th
The Mall Thaphra (Sub-Branch)	0-2477-7295-6	0-2477-7297	mgr187@scib.co.th
District 15	(038) 876-610-1	(038) 876-612	reg15@scib.co.th
Chandhaburi	(039) 325-525, (039) 322-048, (039) 311-079, (039) 312-276	(039) 325-926	br312@scib.co.th
Trat	(039) 525-731-5	(039) 525-734	br414@scib.co.th
Huay Sa Thon	(039) 395-381-3	(039) 395-384	br378@scib.co.th
Rayong	(038) 614-913-4	(038) 612-342	br332@scib.co.th
Mab Ta Put	(038) 682-531-3	(038) 681-995	br382@scib.co.th
Nikhom Phattana	(038) 636-090-1	(038) 636-092	br710@scib.co.th
Ban Phe	(038) 651-995, (038) 651-997, (038) 651-978	(038) 651-993	br559@scib.co.th
Klaeng	(038) 887-003-9	(038) 678-002	br578@scib.co.th
Sattahip	(038) 437-321, (038) 437-986	(038) 437-717	br531@scib.co.th
Koh Chang (Sub-Branch)	(039) 551-026-29	(039) 551-030	br415@scib.co.th
District 16	(038) 275-498-9	(038) 273-243	reg16@scib.co.th
Pattaya	(038) 720-334, (038) 720-339	(038) 429-973	br377@scib.co.th
Chonburi	(038) 276-930-7	(038) 276-935	br380@scib.co.th
Bangprasoi	(038) 271-819, (038) 276-651, (038) 283-719, (038) 283-919	(038) 276-652	br507@scib.co.th
Sriracha	(038) 773-415-20	(038) 773-421	br399@scib.co.th
Thanon Surasak I (Sriracha)	(038) 311-872-3, (038) 312-206-7	(038) 311-871	br508@scib.co.th
Laem Chabang	(038) 400-740-3	(038) 400-745	br404@scib.co.th
Cha Choeng Sao	(038) 515-835-7	(038) 515-838	br388@scib.co.th
Nong Mon	(038) 392-302, (038) 392-125, (038) 392-131	(038) 392-501	br514@scib.co.th
Ban Bung	(038) 443-060-1, (038) 444-015-6	(038) 443-713	br519@scib.co.th
Bowin Industrial Estate	(038) 345-456-8, (038) 345-828	(038) 345-829	br435@scib.co.th
Haad Pattaya Nua (Sub-Branch)	(038) 415-772-4, (038) 415-884	(038) 415-885	br437@scib.co.th
Tuk Com Pattaya (Sub-Branch)	(038) 724-108	(038) 724-108	br440@scib.co.th
Middle Pattaya (Sub-Branch)	(038) 426-312, (038) 426-343, (038) 426-467	(038) 421-325	br444@scib.co.th
District 17	(037) 421-888-9	(037) 421-345	reg17@scib.co.th
Prachin Buri	(037) 211-300, (037) 213-855-9	(037) 213-080	br334@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Nakorn Nayok	(037) 311-131, (037) 311-201	(037) 312-610	br357@scib.co.th
Sa Kaew	(037) 241-061, (037) 241-585-6	(037) 241-062	br367@scib.co.th
Wang Nam Yen	(037) 251-543-7	(037) 251-546	br387@scib.co.th
Wang Somboon (Sub-Branch)	(037) 449-193-4	(037) 449-195	br701@scib.co.th
Aranya Prathet	(037) 223-505-7	(037) 223-511	br397@scib.co.th
Na Dee	(037) 289-069, (037) 411-201-2	(037) 289-069	br398@scib.co.th
Kabin Buri	(037) 281-156, (037) 281-333	(037) 281-155	br520@scib.co.th
Phanom Sarakham	(038) 551-005, (038) 551-824-5, (038) 836-991	(038) 551-659	br528@scib.co.th
Industrial 304 Zone (Sub-Branch)	(037) 414-378-80	(037) 414-381	br438@scib.co.th
Kabin Buri Industrial Zone (Nongki) (Sub-Branch)	(037) 455-428, (037) 455-429, (037) 455-420, (037) 455-421	(037) 455-439	br439@scib.co.th
District 18	(056) 225-257, (056) 228-415	(056) 225-258	reg18@scib.co.th
Paknam Pho	(056) 212-082, (056) 212-189, (056) 213-388, (056) 212-678, (056) 212-847-8	(056) 213-516	br302@scib.co.th
Nakorn Sawan	(056) 222-998, (056) 227-835	(056) 222-150	br504@scib.co.th
Ta Klee	(056) 261-093, (056) 261-133, (056) 262-381-3	(056) 262-383	br349@scib.co.th
Hangnam Sakorn (Sub-Branch)	(056) 431-232, (056) 431-233	(056) 431-234	br708@scib.co.th
Chong Khae	(056) 269-163, (056) 269-128-30	(056) 269-127	br702@scib.co.th
Han Kha	(056) 451-040, (056) 451-042, (056) 451-499, (056) 451-500	(056) 451-499	br544@scib.co.th
Nong Ben (Sub-Branch)	(056) 296-163-5	(056) 296-166	br700@scib.co.th
Chai Nat	(056) 416-650-3	(056) 416-654	br424@scib.co.th
U Thai Thani	(056) 571-616-9	(056) 571-620	br433@scib.co.th
Phaisalee (Sub-Branch)	(056) 259-721-3	(056) 259-723	br443@scib.co.th
District 19	(055) 246-788, (055) 251-881	(055) 219-997	reg19@scib.co.th
Phisanulok	(055) 243-871-2, (055) 259-322	(055) 244-268	br372@scib.co.th
Phi Chit	(056) 611-033, (056) 611-127	(056) 611-127	br513@scib.co.th
Phet Chaboon	(056) 723-103, (056) 723-104	(056) 723-104	br572@scib.co.th
Kamphang Phet	(055) 712-753-4, (055) 712-770, (055) 712-803	(055) 712-830	br390@scib.co.th
Sawarn Kalok	(055) 641-478-9, (055) 642-512, (055) 642-515	(055) 641-480	br353@scib.co.th
Sukho Thai	(055) 616-200-4	(055) 616-200	br422@scib.co.th
Tak	(055) 511-275, (055) 511-360, (055) 513-484-5	(055) 513-486	br323@scib.co.th
Mae Sod	(055) 533-311-8, (055) 533-319	(055) 533-320	br381@scib.co.th
Lumsak (Sub-Branch)	(056) 701-540, (056) 701-878, (056) 704-207, (056) 704-267	(056) 704-513	br572@scib.co.th
Wang Chao (Sub-Branch)	(055) 556-059, (055) 556-061	(055) 556-063	br706@scib.co.th
District 20	(054) 230-422, (054) 230-051	(054) 230-593	reg20@scib.co.th
Lampang	(054) 226-041-4	(054) 226-045	br301@scib.co.th
Thanon Boonywat	(054) 217-444, (054) 217-666, (054) 218-790, (054) 224-668, (054) 214-666	(054) 224-667	br502@scib.co.th
Sob Tui	(054) 228-040-3	(054) 228-044	br342@scib.co.th
Pha Yao	(054) 431-124, (054) 482-386-8	(054) 431-272	br341@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Prae	(054) 522-004, (054) 522-006	(054) 522-005	br546@scib.co.th
Nan	(054) 711-095-9	(054) 711-098	br419@scib.co.th
Uttaradit	(055) 403-103-7	(055) 403-107	br418@scib.co.th
Lampoon	(053) 510-371, (053) 512-060-1	(053) 510-372	br307@scib.co.th
Bhumibhon Dam	(055) 549-598-9, (055) 599-004-5	(055) 599-021	br352@scib.co.th
Lam Phun Industrial (Sub-Branch)	(053) 581-662-3	(053) 581-664	br449@scib.co.th
District 21	(053) 273-352, (053) 272-732, (053) 275-737, (053) 285-343, (053) 276-528	(053) 272-733	reg21@scib.co.th
Chieng Mai	(053) 273-352, (053) 275-737, (053) 276-528	(053) 272-733	br300@scib.co.th
Mae Sai	(053) 731-675, (053) 731-879, (053) 731-904, (053) 733-165-6	(053) 731-905	br391@scib.co.th
San Pakoi	(053) 244-157, (053) 249-167-8, (053) 246-157, (053) 247-157, (053) 249-170-1	(053) 241-157	br345@scib.co.th
San Sai	(053) 491-457, (053) 491-928, (053) 491-934, (053) 491-969	(053) 491-728	br711@scib.co.th
Kwuang Sing	(053) 210-826-8, (053) 216-586	(053) 222-718	br555@scib.co.th
Chiengrai	(053) 717-100-6, (053) 717-108-9	(053) 717-107	br375@scib.co.th
Hangdong (Sub-Branch)	(053) 434-035-7	(053) 434-038	br577@scib.co.th
Mae Hongson	(053) 614-441-2, (053) 614-444-5	(053) 614-443	br425@scib.co.th
Chang Klan	(053) 274-634, (053) 274-934-5	(053) 274-635	br505@scib.co.th
Pai (Sub-Branch)	(053) 699-505, (053) 699-886	(053) 699-252	br448@scib.co.th
Central Airport Plaza (Sub-Branch)	(053) 271-700, (053) 271-801	(053) 272-154	br441@scib.co.th
District 22	(043) 227-280-1, (043) 227-274	(043) 227-282	reg22@scib.co.th
Udorn Thani	(042) 221-703, (042) 221-381, (042) 247-211-2	(042) 247-209	br333@scib.co.th
Nong Khai	(042) 412-890-4	(042) 412-895	br389@scib.co.th
Thanon Udondusadee	(042) 247-574, (042) 247-732, (042) 247-775	(042) 247-510	br561@scib.co.th
Khon Kaen	(043) 221-163, (043) 223-234, (043) 224-201-2	(043) 221-822	br339@scib.co.th
Thanon Srichan	(043) 227-275-8	(043) 227-279	br522@scib.co.th
Chum Phae	(043) 311-684, (043) 312-292, (043) 312-393	(043) 312-395	br563@scib.co.th
Ban Phai	(043) 274-038-40	(043) 274-043	br589@scib.co.th
Srang Khom	(042) 276-223-4	(042) 276-225	br580@scib.co.th
Loei	(042) 861-450-3	(042) 861-454	br431@scib.co.th
Nong Bua Lamphoo	(042) 311-107, (042) 311-166, (042) 311-385, (042) 311-588	(042) 311-657	br427@scib.co.th
Kan Ra Sin	(043) 812-024, (043) 812-026, (043) 812-034, (043) 812-044	(043) 812-066	br423@scib.co.th
Wang Sam Mo (Sub-Branch)	(042) 387-486-7	(042) 387-488	br446@scib.co.th
Suwankhuha (Sub-Branch)	(042) 372-515-6	(042) 372-517	br445@scib.co.th
District 23	(045) 244-914, (045) 254-116-7	(045) 254-348	reg23@scib.co.th
Ubon Ratchathani	(045) 244-910-4, (045) 244-917	(045) 244-919	br383@scib.co.th
Thanon Sabpasit	(045) 244-315, (045) 244-729, (045) 245-744, (045) 245-855	(045) 243-193	br585@scib.co.th
Ya So Thorn	(045) 714-051-6	(045) 714-054	br591@scib.co.th
Amnat Charoen	(045) 511-721-4	(045) 511-726	br586@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Warin Chamrab	(045) 322-788, (045) 322-791-3	(045) 322-790	br564@scib.co.th
Roiet	(043) 511-521, (043) 513-520-1	(043) 511-520	br361@scib.co.th
Muk Da Harn	(042) 631-367-70	(042) 631-374	br402@scib.co.th
Maha Sarakham	(043) 725-485, (043) 725-661, (043) 723-653, (043) 725-418	(043) 723-692	br420@scib.co.th
Nakhon Phanom	(042) 516-125-8	(042) 516-129	br395@scib.co.th
Sri Sa Ket	(045) 617-861-4	(045) 617-860	br434@scib.co.th
Sakon Nakorn	(042) 716-446-50	(042) 716-451	br592@scib.co.th
District 24	(044) 267-291-2, (044) 257-094	(044) 257-095	reg24@scib.co.th
Nakorn Rachasrima	(044) 241-545, (044) 251-376, (044) 259-003-4, (044) 272-600-1	(044) 259-002	br359@scib.co.th
Thanon Suranaree	(044) 242-560, (044) 242-904, (044) 256-705, (044) 267-312	(044) 256-706	br503@scib.co.th
Thanon Mitapap (Sub-Branch)	(044) 268-631-6	(044) 268-634	br576@scib.co.th
Pak Chong	(044) 313-798-9, (044) 313-855-6, (044) 313-976-7	(044) 313-255	br386@scib.co.th
Samyaeak Pak Thongchai	(044) 213-993-5, (044) 281-815	(044) 213-994	br394@scib.co.th
Nang Rong	(044) 631-049, (044) 631-586-8	(044) 631-050	br369@scib.co.th
Burirum	(044) 601-555, (044) 602-000, (044) 602-111	(044) 602-123	br401@scib.co.th
Plubplachai (Burirum)	(044) 608-012-5	(044) 608-016	br587@scib.co.th
Surin	(044) 514-455-8	(044) 514-459	br376@scib.co.th
Chaiyaphum	(044) 813-251-5	(044) 813-253	br429@scib.co.th
District 25	(036) 221-094, (036) 316-264, (036) 318-277	(036) 220-407	reg25@scib.co.th
Sara Buri	(036) 211-166, (036) 211-454, (036) 212-420, (036) 315-227	(036) 212-421	br331@scib.co.th
Pakpiew	(036) 211-833-4, (036) 221-286, (036) 220-312	(036) 221-884	br509@scib.co.th
Kaeng Koi	(036) 244-176, (036) 244-179, (036) 245-127-8	(036) 244-178	br521@scib.co.th
Nong Khae	(036) 371-504, (036) 371-517, (036) 371-859	(036) 371-516	br535@scib.co.th
Ban Mo	(036) 201-141, (036) 201-391-2	(036) 201-142	br370@scib.co.th
Sing Buri	(036) 511-199, (036) 521-200-1	(036) 521-202	br385@scib.co.th
Lop Buri	(036) 411-233, (036) 411-595, (036) 421-020-2	(036) 421-023	br340@scib.co.th
Ta Rua Ayudhaya	(035) 341-019, (035) 341-029, (035) 341-729	(035) 341-795	br356@scib.co.th
District 26	(035) 336-622, (035) 336-623	(035) 336-624	reg26@scib.co.th
Ayudhaya	(035) 252-431-6, (035) 252-359, (035) 252-438	(035) 252-437	br343@scib.co.th
Talad Chaophorm	(035) 244-768, (035) 245-162-3, (035) 246-101, (035) 246-109	(035) 245-441	br570@scib.co.th
Roj Chana	(035) 213-892-4	(035) 242-136	br392@scib.co.th
Lad Bua Luang	(035) 379-290-1	(035) 379-292	br703@scib.co.th
Bang Pa Han	(035) 381-023-5	(035) 381-026	br554@scib.co.th
Se Na	(035) 201-035, (035) 201-291, (035) 201-748, (035) 201-590	(035) 201-749	br348@scib.co.th
Bang Sai (Sub-Branch)	(035) 282-118, (035) 375-226	(035) 375-144	br707@scib.co.th
Ang Thong	(035) 611-099, (035) 612-301-3	(035) 611-100	br363@scib.co.th
Wises Chai Chan	(035) 632-801-4	(035) 632-805	br421@scib.co.th
District 27	(034) 621-231-2	(034) 621-233	reg27@scib.co.th
Kanchana Buri	(034) 515-096-100	(034) 515-102	br335@scib.co.th
Thanon Bavorn (Sub-Branch)	(034) 511-022, (034) 512-387, (034) 514-205, (034) 512-201	(034) 511-597	br713@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Tarua Kanchanaburi	(034) 561-130, (034) 561-040, (034) 562-074	(034) 562-073	br338@scib.co.th
Ta Muang	(034) 611-119, (034) 611-403, (034) 612-417-8	(034) 612-419	br337@scib.co.th
Thong Pha Poom	(034) 599-073, (034) 599-352	(034) 599-613	br400@scib.co.th
Suphan Buri	(035) 511-330, (035) 511-590, (035) 523-882-3	(035) 523-881	br324@scib.co.th
Thanon Phrapanvasa	(035) 521-575, (035) 521-963	(035) 521-964	br537@scib.co.th
Sri Pra Chan	(035) 581-150, (035) 581-160	(035) 581-140	br540@scib.co.th
U Thong	(035) 551-299, (035) 551-618, (035) 552-106-7	(035) 551-868	br538@scib.co.th
Dan Chang	(035) 595-497-9	(035) 595-499	br384@scib.co.th
Sam Chook	(035) 571-644, (035) 571-655, (035) 571-666	(035) 571-099	br346@scib.co.th
Song Phi Nong	(035) 532-890-4	(035) 532-894	br417@scib.co.th
Thuhg Khok (Sub-Branch)	(035) 568-086-7	(035) 568-069	br447@scib.co.th
District 28	(032) 201-487, (032) 200-466, (032) 342-983	(032) 201-488	reg28@scib.co.th
Nakorn Prathom	(034) 255-317-9	(034) 254-915	br320@scib.co.th
Thanon Ratchawithi (Nakorn Prathom)	(034) 242-348, (034) 251-080	(034) 251-081	br529@scib.co.th
Bang Len	(034) 391-026-9	(034) 391-030	br371@scib.co.th
Kam Phaeng Saen	(034) 351-100, (034) 351-614	(034) 351-094	br358@scib.co.th
Rachaburi	(032) 337-142, (032) 338-280, (032) 325-802-5, (032) 337-777	(032) 325-801	br314@scib.co.th
Ban Pong	(032) 200-429-31, (032) 211-993	(032) 211-035	br316@scib.co.th
Thanon Songphon	(032) 200-427, (032) 211-899, (032) 211-900, (032) 342-986	(032) 200-426	br517@scib.co.th
Photharam	(032) 231-089, (032) 231-255, (032) 233-283-4	(032) 231-090	br326@scib.co.th
Damnern Sa Duak	(032) 253-810-5	(032) 253-813	br315@scib.co.th
Pho Hak (Sub-Branch)	(032) 387-021-2	(032) 387-023	br709@scib.co.th
District 29	(034) 720-735, (034) 720-758	(034) 720-736	reg29@scib.co.th
Samut Songkram	(034) 711-361, (034) 711-444, (034) 711-510, (034) 715-444	(034) 715-555	br321@scib.co.th
Ban Phaeo	(034) 481-088, (034) 481-099, (034) 480-111, (034) 480-112, (034) 481-605	(034) 481-606	br368@scib.co.th
Umpava	(034) 751-177-8, (034) 751-640-1, (034) 481-605	(034) 751-642	br322@scib.co.th
Khaowang	(032) 425-350, (032) 426-086, (032) 428-352	(032) 428-351	br360@scib.co.th
Petcha Buri	(032) 427-023-5	(032) 424-200	br547@scib.co.th
Tha Yang	(032) 461-445-6, (032) 461-823-4	(032) 461-447	br545@scib.co.th
Cha Am	(032) 434-130-1, (032) 471-158, (032) 471-094	(032) 471-185	br523@scib.co.th
Hua Hin	(032) 511-098, (032) 511-203, (032) 512-218, (032) 512-470-1	(032) 512-219	br350@scib.co.th
Pran Buri	(032) 621-643, (032) 622-373-4	(032) 622-055	br515@scib.co.th
Prachuab khiri Khan	(032) 604-464-7	(032) 604-468	br428@scib.co.th
District 30	(077) 283-804, (077) 283-171, (077) 283-067	(077) 282-150	reg30@scib.co.th
Chumphon	(077) 571-935-9, (077) 501-060	(077) 571-940	br408@scib.co.th
Lang Suan	(077) 541-965, (077) 541-975, (077) 581-417-8	(077) 541-987	br319@scib.co.th
Ban Don	(077) 210-365, (077) 272-006, (077) 273-663, (077) 281-551, (077) 281-552, (077) 282-151	(077) 210-366	br308@scib.co.th
Ban Na-Doem (Sub-Branch)	(077) 359-013, (077) 359-067, (077) 359-015	(077) 359-014	br704@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Surat Thani	(077) 283-627-30	(077) 284-080	br560@scib.co.th
Phunpin	(077) 311-449, (077) 311-377, (077) 312-368-70	(077) 311-537	br354@scib.co.th
Koh Samui	(077) 421-110, (077) 421-111, (077) 420-363, (077) 420-365	(077) 421-112	br313@scib.co.th
Chaweng Beach	(077) 230-405, (077) 231-089-90	(077) 422-051	br714@scib.co.th
Haad La Mai (Sub-Branch)	(077) 458-159-61	(077) 458-165	br432@scib.co.th
Koh Pha-Ngan	(077) 377-051, (077) 377-054, (077) 238-186-7	(077) 377-052	br373@scib.co.th
Haad Rin (Sub-Branch)	(077) 375-477, (077) 375-476	(077) 375-476	br412@scib.co.th
Koh Tao (Sub-Branch)	(077) 456-533-4	(077) 456-784	br413@scib.co.th
District 31	(076) 396-807, (076) 396-808	(076) 396-807	reg31@scib.co.th
Ra Nong	(077) 811-198, (077) 811-299, (077) 811-752, (077) 812-299	(077) 811-751	br366@scib.co.th
Phuket	(076) 212-077, (076) 212-385, (076) 222-838-41	(076) 211-355	br374@scib.co.th
Thanon Montri	(076) 212-993, (076) 212-999, (076) 215-393, (076) 222-846	(076) 213-149	br539@scib.co.th
Haad Ka Ron	(076) 396-981, (076) 396-095, (076) 396-485-6	(076) 396-980	br705@scib.co.th
Haad Pa Tong	(076) 292-116-8	(076) 345-687	br396@scib.co.th
Thlang	(076) 311-020, (076) 311-040, (076) 311-432, (076) 274-176	(076) 311-433	br365@scib.co.th
Phang Nga	(076) 411-295, (076) 411-527-8	(076) 411-326	br364@scib.co.th
Thai Muang	(076) 571-234-7	(076) 571-215	br355@scib.co.th
Ta Kua Pa	(076) 431-503-5, (076) 421-666	(076) 421-777	br317@scib.co.th
Khao Lak (Sub-Branch)	(076) 423-493-5, (076) 423-559	(076) 423-560	br416@scib.co.th
District 32	(075) 216-252, (075) 216-484	(075) 216-638	reg32@scib.co.th
Trang	(075) 218-059, (075) 218-590, (075) 211-321, (075) 214-033	(075) 211-320	br304@scib.co.th
Kantang	(075) 251-250, (075) 251-640, (075) 251-038	(075) 251-644	br329@scib.co.th
Huay Yod	(075) 235-033-5, (075) 271-013	(075) 271-064	br327@scib.co.th
Yarn Ta Khao	(075) 281-003, (075) 281-101	(075) 281-102	br344@scib.co.th
Nakhon Sri Thamaraj	(075) 342-779-80, (075) 356-119, (075) 356-761	(075) 356-741	br305@scib.co.th
Pak Pa Nang	(075) 517-132, (075) 517-298, (075) 518-023, (075) 517-979, (075) 517-969	(075) 518-021	br306@scib.co.th
Thong Song	(075) 411-087, (075) 411-287, (075) 411-956, (075) 411-808	(075) 411-054	br328@scib.co.th
Kra Bi	(075) 611-320-1, (075) 620-520, (075) 620-546-51, (075) 611-764	(075) 620-549	br330@scib.co.th
Koh Lanta	(075) 684-225-6	(075) 684-225	br403@scib.co.th
Ao Luk	(075) 681-169, (075) 634-335-7	(075) 681-170	br379@scib.co.th
Ao Nang (Sub-Branch)	(075) 695-550-3	(075) 695-554	br430@scib.co.th
District 33	(074) 355-400, (074) 355-399	(074) 355-400	reg33@scib.co.th
Haad Yai	(074) 235-549, (074) 239-907, (074) 355-396-7	(074) 243-648	br303@scib.co.th
Thanon Nipatuthit I	(074) 244-898-9	(074) 232-485	br501@scib.co.th
Songkhla	(074) 311-638, (074) 323-735-6	(074) 313-543	br362@scib.co.th
Phata Lung	(074) 613-082, (074) 613-951-2	(074) 611-918	br318@scib.co.th
Pattani	(073) 335-950-1, (073) 331-851	(073) 335-949	br310@scib.co.th
Sai Buri	(073) 411-021, (073) 411-314-5	(073) 411-138	br347@scib.co.th
Nara Thivas	(073) 512-013, (073) 511-030, (073) 514-463-5	(073) 512-014	br311@scib.co.th
Su Ngei Golok	(073) 611-359, (073) 611-002, (073) 613-611	(073) 613-632	br351@scib.co.th

OFFICE / BRANCH	TELEPHONE	FAX	E-MAIL
Ya La	(073) 212-592, (073) 213-375, (073) 211-692	(073) 211-691	br309@scib.co.th
Be Tong	(073) 231-120, (073) 231-416	(073) 230-914	br336@scib.co.th
Sa Tun	(074) 725-251-3	(074) 725-254	br426@scib.co.th
Lee Gardens Plaza (Sub-Branch)	(074) 239-010, (074) 239-349	(074) 230-414	br442@scib.co.th

Trade Finance Department

OFFICE	TELEPHONE	FAX
Head Office	0-2253-3630	0-2253-1240
Thaniya Center	0-2233-2377	0-2236-7341
Samutsakorn Center	(034) 837-615-7	(034) 837-619
Bangpoo Industrial Estate Center	0-2709-8106-7	0-2324-0805
Haad Yai Center	(074) 235-400	(074) 235-403

Currency Exchange Office

Bangkok

Khao Sarn Road Booth	Khao Sarn Road 2 Booth	Sukhumvit Road, Soi 15 Booth
Wat Arunrachavararamvoravivarn Booth	Metro Shopping Center Booth	Patpong Road Booth
Nana Tai Booth	World Trade Center Booth	Vimanmek Mansion Dusit Palace Booth
Prompong Train Station Booth	Nana Nua Branch	Thaprachand Branch
Bamrungmuang Branch	Thaniya Branch (Silom Road)	Bobae Sub-Branch
Rajdamnern Branch	Ratchada Huay Kwang Branch	

Krabi

Krabi Branch	Tarua-Chaofa	Ao Nang Sub-Branch
Ao Phra Nang	Koh Luntha Branch	Ban-Phra-Ae

Ayudhaya Branch

Wat Yai Chai Mongkol	Mobile Wat Mongkol Borpit
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Chiangmai

Chiangmai Branch	Chang Klan Branch	Ta-pae
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Chonburi

Pattaya Branch	Pattaya 2	Pattaya Tai Soi 14
Pattaya Beach	Pattaya Klang Sub-Branch	

Trad

Khao-Chang Sub-Branch

Khao-Chang

Prachuapkhirikhan

Hua-Hin Branch

Hua-Hin 2

Hua-Hin 3

Phang-Nga

Khao-lug Sub-Branch

Phuket

Karon Beach Branch

Soi Bangla Karon Beach

Kata Beach

Patong Beach

Patong-Bangla

Patong Tai

Thanon Montre Branch

Surathani

Koh Samui Branch

Tarua Pha-Yai

Lamai Sub-Branch (Koh Samui)

Lamai Beach 1 (Week-Ender, Koh Samui)

Lamai Beach 2 (Koh Samui)

Chaweng Beach Sub-Branch (Koh Samui)

Chaweng Beach (Koh Samui)

Chaweng Klang (Koh Samui)

Koh Pha-Ngan Branch

Tarua Koh Pha-Ngan

Haad-Rin Sub-Branch (Koh Pha-Ngan)

Haad-Rin 2 (Koh Pha-Ngan)

Koh Tao Sub-Branch

Ban Haad-Sairi (Koh Tao)

Major Correspondent Banks

EUROPE

DENMARK

COPENHAGEN

DANSKE BANK A/S
NORDEA BANK DANMARK A/S

THE NETHERLANDS

AMSTERDAM

ABN AMRO BANK N.V.
ING BANK N.V.

NORWAY

OSLO

NORDEA BANK NORGE ASA

BELGIUM

BRUSSELS

FORTIS BANK
ING BANK N.V.

FRANCE

PARIS

BNP PARIBAS
NATEXIS BANQUES POPULAIRES

GERMANY

FRANKFURT

AMERICAN EXPRESS BANK GMBH
COMMERZBANK AG
DEUTSCHE BANK
DRESDNER BANK

MUNICH

BAYERISCHE HYPO - UND VEREINSBANK AG
BAYERISCHE LANDESBANK

SWITZERLAND

ZURICH

CREDIT SUISSE
UBS AG

SWEDEN

GOTHENBURG

SVENSKA HANDELSBANKEN

STOCKHOLM

SKANDINAVISKA ENSKILDABANKEN
SVENSKA HANDELSBANKEN

SPAIN

MADRID

BANCO DE SABADELL
COMMERZBANK AG

UNITED KINGDOM

LONDON

BARCLAYS BANK
HSBC BANK PLC
ROYAL BANK OF SCOTLAND
STANDARD CHARTERED BANK

ITALY

ROME

BANCA INTESA
BANCA NAZIONALE DEL LAVORO

MILAN

BANCA INTESA
BANCA NAZIONALE DEL LAVORO

AUSTRIA

VIENNA

BANK AUSTRIA CREDITANSTALT AG
RZB AUSTRIA

NORTH AMERICA

CANADA

TORONTO

BANK OF NOVA SCOTIA
CANADIAN IMPERIAL BANK OF COMMERCE
ROYAL BANK OF CANADA

UNITED STATES OF AMERICA

SAN FRANCISCO

BANK OF AMERICA S.A.

PHILADELPHIA

WACHOVIA BANK N.A.

NEW YORK

AMERICAN EXPRESS BANK
BANK OF AMERICA S.A.
BANK OF NEW YORK
CITIBANK N.A.
HSBC BANK USA
JPMORGAN CHASE BANK
STANDARD CHARTERED BANK
WACHOVIA BANK N.A.

LOS ANGELES

BANK OF AMERICA S.A.

AFRICA

SOUTH AFRICA

JOHANNESBURG

STANDARD BANK OF SOUTH AFRICA

ASIA

SAUDI ARABIA

RIYADH

SAUDI BRITISH BANK
RIYADH BANK

JAPAN

TOKYO

BANK OF NOVA SCOTIA
BANK OF TOKYO MITSUBISHI UFJ LTD
MIZUHO CORPORATE BANK
RESONA BANK
SUMITOMO MITSUI BANKING CORP.

OSAKA

MIZUHO CORPORATE BANK
RESONA BANK

TAIWAN

TAIPEI

BANK OF NEW YORK
WACHOVIA BANK N.A.

REPUBLIC OF KOREA

SEOUL

AMERICAN EXPRESS BANK
BANK OF NEW YORK
KOREA EXCHANGE BANK

SINGAPORE

SINGAPORE

OVERSEA - CHINESE BANKING CORP.
STANDARD CHARTERED BANK
UNITED OVERSEAS BANK

UNION OF MYANMAR

YANGON

MYANMA FOREIGN TRADE BANK
MYANMA INVESTMENT AND COMMERCIAL BANK

INDIA

MUMBAI

AMERICAN EXPRESS BANK
BANK OF NOVA SCOTIA
AMERICAN EXPRESS BANK

ASIA

MALAYSIA

KUALA LUMPUR

RHB BANK BERHAD

UNITED OVERSEAS BANK (MALAYSIA) BHD.

PENANG

OVERSEA - CHINESE BANKING CORP.

RHB BANK BERHAD

THE PEOPLE'S REPUBLIC OF CHINA

BEIJING

BANK OF CHINA

HONGKONG AND SHANGHAI BANKING CORP.

INDONESIA

JAKARTA

BANK NEGARA INDONESIA

HONGKONG AND SHANGHAI BANKING CORP.

STANDARD CHARTERED BANK

HONG KONG

HONG KONG

BANK OF EAST ASIA

HONGKONG AND SHANGHAI BANKING CORP.

WACHOVIA BANK N.A.

AUSTRALIA

AUSTRALIA

SYDNEY

COMMONWEALTH BANK OF AUSTRALIA

NATIONAL AUSTRALIA BANK

WESTPAC BANKING CORP.

MELBOURNE

AUSTRALIA AND NEW ZEALAND BANKING GROUP

NATIONAL AUSTRALIA BANK

NEW ZEALAND

WELLINGTON

ANZ BANKING GROUP (NEW ZEALAND) LTD

BANK OF NEW ZEALAND

Items as required in format 56-2 in the 2004 Annual Report

Items	Page
1. General information	
1.1 Company	83
1.2 Juristic entities in which the company holds over 10% of shares	83
1.3 Other referral parties	86
2. Message from the Board of Directors	4
3. Report of the Audit Committee	7
4. Financial highlights	
4.1 Information from Financial Statement	3
4.2 Financial ratio	36
5. Characteristics of business operations	
5.1 Characteristics of business operations of the company and its affiliated and policy on division of works among the companies in the group	39
5.2 Income Structure	41
5.3 Changes in the past year	37
6. Situation of industrial sector and competition	42
7. Shareholders and management	
7.1 Shareholders	46
7.2 Management structure	47
7.3 Nomination of Director and Executives	59
7.4 Executives	8
7.5 Executives remuneration	60
8. Corporate governance	62
9. Related transactions	144
10. Other factors that may affect decisions on investment	-
11. Risk factors	78
12. Information on debentures or promissory note (in case of issue and not yet redeemed debentures or promissory notes)	-
13. Explanation and analysis of financial position and operational performance	27
14. Financial Statements	89

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