

THANACHART CAPITAL PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
(FORMERLY KNOWN AS “NATIONAL FINANCE PUBLIC COMPANY LIMITED”)
REPORT AND INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2006

Report of Independent Auditor

To The Board of Directors and Shareholders of
Thanachart Capital Public Company Limited
(Formerly known as “National Finance Public Company Limited”)

I have reviewed the consolidated balance sheet of Thanachart Capital Public Company Limited and its subsidiary companies as at 30 September 2006, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2006, the consolidated statements of changes in shareholders’ equity, and cash flows for the nine-month period then ended, and the separate financial statements of Thanachart Capital Public Company Limited. These financial statements are the responsibility of the Company’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 reviews.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiary companies for the year ended 31 December 2005, and the separate financial statements of Thanachart Capital Public Company Limited, were audited in accordance with generally accepted auditing standards by another auditor of the same firm who, under his report dated 23 February 2006, expressed an unqualified opinion on the financial statements, but drew attention to the financial business restructuring plan of the Thanachart Group. The balance sheet as at 31 December 2005, as presented herein for comparative purposes, formed an integral part of the financial statements which such auditor audited and reported on.

The consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2005, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Thanachart Capital Public Company Limited and its subsidiary companies, and the separate financial statements of Thanachart Capital Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements, were reviewed by another auditor of the same firm who, under his report dated 9 November 2005, stated that nothing has come to his attention that cause him to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles, but drew attention to the plan for financial business restructuring within Thanachart Group.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok : 9 November 2006

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

BALANCE SHEETS

AS AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Unit : Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CASH		2,153,854	800,954	40	40
INTERBANK AND MONEY MARKET ITEMS	2				
Domestic					
Interest bearing		845,569	348,517	106,199	-
Non-interest bearing		2,767,590	4,506,239	370,420	830,932
Foreign					
Interest bearing		10,927,715	-	-	-
Non-interest bearing		41,026	57,632	-	-
Total interbank and money market items - Net		14,581,900	4,912,388	476,619	830,932
SECURITIES PURCHASED UNDER RESALE AGREEMENTS		47,900,000	19,700,000	-	7,200,000
INVESTMENTS					
Current investments - Net	3	9,344,795	5,838,034	8,414	8,688
Long-term investments - Net	3	23,062,525	25,714,103	3,023,309	2,944,895
Investments in subsidiary and associated companies	4	1,771,786	1,651,306	22,860,790	21,780,437
Net investments		34,179,106	33,203,443	25,892,513	24,734,020
RECEIVABLES FROM CLEARING HOUSE		223,410	163,921	-	-
LOANS AND ACCRUED INTEREST RECEIVABLE	5				
Loans		192,945,864	160,366,136	56,679,057	83,114,934
Securities business receivable		2,049,207	2,355,891	-	-
Total loans		194,995,071	162,722,027	56,679,057	83,114,934
Accrued interest receivable/advance trading agreements		252,377	239,194	5,925	36,525
Total loans and accrued interest receivable		195,247,448	162,961,221	56,684,982	83,151,459
Less : Allowance for doubtful accounts	6	(6,926,404)	(6,914,239)	(2,676,798)	(3,244,647)
Less : Revaluation allowance for debt restructuring	7	(180,146)	(189,062)	(544)	(5)
Net loans and accrued interest receivable		188,140,898	155,857,920	54,007,640	79,906,807
PROPERTY FORECLOSED - Net	9	8,182,587	8,144,539	3,176,493	3,260,213
LAND, PREMISES AND EQUIPMENT - Net		1,515,016	1,277,893	357,809	559,768
INTANGIBLE ASSETS - LEASEHOLD RIGHT AND SOFTWARE		509,457	368,591	258,999	231,901
GOODWILL		2,478	3,407	-	-
AMOUNT BY WHICH VALUE OF INVESTMENTS IS					
LOWER THAN BOOK VALUE		(21,397)	(31,254)	-	-
VALUE ADDED TAX RECEIVABLE		1,518,389	2,324,185	-	-
OTHER ASSETS		1,777,159	1,347,014	192,765	212,073
TOTAL ASSETS		300,662,857	228,073,001	84,362,878	116,935,754

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

BALANCE SHEETS (Continued)

AS AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Unit : Thousand Baht)

Note	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS				
Deposits in Baht	219,925,348	148,366,837	-	-
Deposits in foreign currencies	219	4,372	-	-
Total deposits	219,925,567	148,371,209	-	-
INTERBANK AND MONEY MARKET ITEMS				
Domestic				
Interest bearing	2,950,246	2,555,752	43,850,600	75,700,135
Non-interest bearing	302,902	45,097	-	-
	3,253,148	2,600,849	43,850,600	75,700,135
Foreign - Interest bearing	23,628	-	-	-
Interbank and money market items - net	3,276,776	2,600,849	43,850,600	75,700,135
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	-	200,000	-	-
PAYABLE TO CLEARING HOUSE	464,276	25,439	-	-
SECURITIES BUSINESS PAYABLE	918,461	1,057,863	-	-
BORROWINGS				
Short-term borrowings	5,965,760	1,254,460	-	968,700
Long-term borrowings	34,341,022	40,695,575	15,665,300	16,138,300
Total borrowings	40,306,782	41,950,035	15,665,300	17,107,000
ACCRUED INTEREST PAYABLE	2,010,988	1,255,048	256,762	102,953
LIABILITIES PAYABLE ON DEMAND	664,231	997,155	-	-
CORPORATE INCOME TAX PAYABLE	211,581	470,714	55,206	299,647
UNEARNED PREMIUM RESERVE	876,289	704,371	-	-
LIFE PREMIUM RESERVE	3,372,568	3,131,826	-	-
OTHER LIABILITIES	4,543,432	3,922,901	1,298,390	1,087,190
TOTAL LIABILITIES	276,570,951	204,687,410	61,126,258	94,296,925

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

BALANCE SHEETS (Continued)

AS AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Unit : Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
Share capital	11				
Registered					
19,546 preference shares of Baht 10 each					
1,333,134,457 ordinary shares of Baht 10 each		13,331,540	23,331,540	13,331,540	23,331,540
(31 December 2005 : 19,546 preference shares of Baht 10 each and 2,333,134,457 ordinary shares of Baht 10 each)					
Issued and paid up					
19,546 preference shares of Baht 10 each		195	195	195	195
1,333,134,457 ordinary shares of Baht 10 each		13,331,345	13,331,345	13,331,345	13,331,345
		13,331,540	13,331,540	13,331,540	13,331,540
Share premium		2,065,645	2,065,645	2,065,645	2,065,645
Surplus from revaluation of assets of an associated company		516,238	540,420	516,238	540,420
Revaluation surplus on investments	12	235,936	321,008	235,936	321,008
Revaluation deficit on investments	12	(962,858)	(1,151,186)	(962,858)	(1,151,186)
Retained earnings					
Appropriated - statutory reserve		523,976	523,976	523,976	523,976
Unappropriated		7,526,143	7,007,426	7,526,143	7,007,426
Equity attributable to Company's shareholders		23,236,620	22,638,829	23,236,620	22,638,829
Minority interest - equity attributable to minority shareholders of subsidiaries		855,286	746,762	-	-
TOTAL SHAREHOLDERS' EQUITY		24,091,906	23,385,591	23,236,620	22,638,829
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		300,662,857	228,073,001	84,362,878	116,935,754
		0	0	0	0
OFF-BALANCE SHEET ITEMS - CONTINGENCIES					
	20.1				
Avals to bills and guarantees of loans		81,708	249,200	10,000	10,000
Liability under unmatured import bills		21,653	3,717	-	-
Letter of credits		66,373	635,370	-	-
Other contingencies		68,528,821	52,527,864	19,986,967	21,724,367

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

DIRECTORS

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht except earnings per share expressed in Baht)

Note	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
INTEREST AND DIVIDEND INCOME				
Loans	774,443	575,445	29,277	171,682
Interbank and money market items	590,675	151,804	2,653	95,902
Hire purchase and financial lease	2,741,168	1,815,301	1,005,905	1,631,961
Investments	351,267	225,646	25,224	35,425
Total interest and dividend income	4,457,553	2,768,196	1,063,059	1,934,970
INTEREST EXPENSES				
Deposits	2,271,663	786,844	-	183,370
Interbank and money market items	27,565	21,109	843,776	769,812
Short-term borrowings	27,682	7,011	-	6,050
Long-term borrowings	427,711	339,852	154,248	106,776
Total interest expenses	2,754,621	1,154,816	998,024	1,066,008
Net interest and dividend income	1,702,932	1,613,380	65,035	868,962
REVERSAL BAD DEBT AND DOUBTFUL ACCOUNTS				
(BAD DEBT AND DOUBTFUL ACCOUNTS)	(59,258)	78,630	198,873	225,361
LOSS ON DEBT RESTRUCTURING				
	(85,313)	(7,419)	(957)	-
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,558,361	1,684,591	262,951	1,094,323
NON-INTEREST INCOME				
Brokerage fees	137,099	127,076	-	-
Gains on investments	246,416	114,077	14,424	20,736
Share of profit from investments in subsidiary and associated companies accounted for under equity method - net	66,427	61,097	501,300	191,393
Fees and service income				
Acceptances, aval and guarantees	4,724	2,833	-	-
Others	139,180	91,333	106	7,374
Discounted income on insurance premium	141,361	116,050	13,263	22,361
Gains on debt settlement/property transferred of debts	313,860	143,194	7,197	6,084
Insurance premium / Life insurance premium income	815,398	516,129	-	-
Gains on property foreclosed	11,086	32,770	19,387	26,325
Other income	217,240	156,275	138,275	112,036
Total non-interest income	2,092,791	1,360,834	693,952	386,309

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF EARNINGS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht except earnings per share expressed in Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
OPERATING EXPENSES					
Personnel expenses		640,881	496,258	68,152	91,179
Premises and equipment expenses		299,656	226,086	80,746	98,273
Taxes and duties		135,198	87,331	4,856	10,412
Fees and service expenses		44,860	23,602	8,826	13,927
Directors' remuneration		4,906	4,786	2,340	2,074
Fund contributed to the Financial Institutions Development Fund		210,252	141,786	-	89,388
Commission and expenses charged on hire-purchase		457,678	303,567	35,123	41,474
Insurance / Life insurance expenses		617,773	402,391	-	-
Other expenses		543,785	347,718	229,429	236,351
Total operating expenses		2,954,989	2,033,525	429,472	583,078
EARNINGS BEFORE INCOME TAX AND MINORITY INTEREST		696,163	1,011,900	527,431	897,554
CORPORATE INCOME TAX		(159,190)	(301,510)	(51,099)	(200,041)
EARNINGS BEFORE MINORITY INTEREST		536,973	710,390	476,332	697,513
MINORITY INTEREST IN NET EARNINGS IN SUBSIDIARY COMPANIES					
		(60,641)	(12,877)	-	-
NET EARNINGS FOR THE PERIOD		476,332	697,513	476,332	697,513
EARNINGS PER SHARE (Baht)					
	17				
Basic earnings per share		0.36	0.52	0.36	0.52
Diluted earnings per share		0.36	0.52	0.36	0.52

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF EARNINGS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht except earnings per share expressed in Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
INTEREST AND DIVIDEND INCOME					
Loans		2,138,298	1,612,332	116,554	537,068
Interest and money market items		1,537,247	342,636	88,553	172,854
Hire purchase and financial lease		7,471,543	5,079,826	3,457,599	4,844,211
Investments		1,001,590	761,557	100,782	176,078
Total interest and dividend income		12,148,678	7,796,351	3,763,488	5,730,211
EXPENSES INTEREST					
Deposits		5,636,974	2,112,578	-	1,055,489
Interest and money market items	18	70,477	56,087	2,806,922	1,194,682
Short-term borrowings		39,634	14,148	8,205	9,689
Long-term borrowings		1,237,176	908,766	416,760	325,030
Total interest expenses		6,984,261	3,091,579	3,231,887	2,584,890
Net interest and dividend income		5,164,417	4,704,772	531,601	3,145,321
REVERSAL BAD DEBT AND DOUBTFUL ACCOUNTS					
(BAD DEBT AND DOUBTFUL ACCOUNTS)	13	(26,033)	224,638	568,094	(104,732)
LOSS ON DEBT RESTRUCTURING					
	14	(133,893)	(290,890)	(1,205)	-
Net interest and dividend income after					
bad debt and doubtful accounts and loss on debt restructuring		5,004,491	4,638,520	1,098,490	3,040,589
NON-INTEREST INCOME					
Brokerage fees		474,331	406,290	-	-
Gains (Loss) on investments		500,896	222,105	179,408	(25,130)
Share of profits from investments in subsidiary and associated companies accounted for under equity method - net		186,294	145,533	1,423,523	1,105,914
Fees and service income					
Acceptances, aval and guarantees		12,007	8,583	-	-
Others		351,544	237,682	1,086	19,551
Discounted income on insurance premium		454,679	364,002	64,888	233,598
Gains on debt settlement/property transferred of debts		634,482	380,823	29,601	14,723
Insurance premium / Life insurance premium income		2,031,033	1,240,401	-	-
Gains (loss) on property foreclosed		361,884	160,579	(40,609)	82,353
Other income		640,208	619,849	411,690	346,227
Total non-interest income		5,647,358	3,785,847	2,069,587	1,777,236

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF EARNINGS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht except earnings per share expressed in Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
OPERATING EXPENSES					
Personnel expenses		1,829,092	1,433,866	203,493	392,599
Premises and equipment expenses		839,876	611,328	257,744	292,686
Taxes and duties		404,306	218,167	14,242	67,611
Fees and service expenses		191,268	99,206	30,158	48,398
Directors' remuneration	15	29,025	26,124	17,805	15,748
Fund contributed to the Financial Institutions Development Fund		530,144	415,406	22,043	270,929
Commission and expenses charged on hire-purchase		1,368,735	849,425	98,664	526,262
Insurance / Life insurance expenses		1,640,835	981,295	-	-
Other expenses		1,350,145	831,990	671,297	595,381
Total operating expenses		8,183,426	5,466,807	1,315,446	2,209,614
EARNINGS BEFORE INCOME TAX AND MINORITY INTEREST		2,468,423	2,957,560	1,852,631	2,608,211
CORPORATE INCOME TAX	16	(762,881)	(771,806)	(267,496)	(442,238)
EARNINGS BEFORE MINORITY INTEREST		1,705,542	2,185,754	1,585,135	2,165,973
MINORITY INTEREST IN NET EARNINGS IN SUBSIDIARY COMPANIES					
		(120,407)	(19,781)	-	-
NET EARNINGS FOR THE PERIOD		1,585,135	2,165,973	1,585,135	2,165,973
EARNINGS PER SHARE (Baht)					
	17				
Basic earnings per share		1.19	1.62	1.19	1.62
Diluted earnings per share		1.19	1.62	1.19	1.62

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from operating activities				
Net earnings	1,585,135	2,165,973	1,585,135	2,165,973
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities :-				
Minority interest in earnings of subsidiary companies	120,407	19,781	-	-
Share of profits from investments in subsidiary and associated companies accounted for under equity method	-186,294	(145,533)	(1,423,523)	(1,105,914)
Depreciation and amortisation	263,453	185,696	86,013	97,174
Bad debt and doubtful accounts and loss on debt restructuring (reversal of bad debt and doubtful accounts and loss on debt restructuring)	159,926	66,252	(566,889)	104,732
Increase in provision for impairment of property foreclosed	187,288	43,425	76,197	36,324
Increase in provision for diminution in value of equipment/other assets	349,659	176,470	177,068	175,284
Increase in provision for impairment/revaluation of investment	11,170	37,383	19,723	1,265
Amortisation of deferred gain on disposal of property foreclosed	-61,377	(104,958)	(8,588)	(4,379)
Amortisation of premiums (discounts) on investments in debt securities and negotiable certificates of deposit	-125,743	95,534	-	7,044
Amortisation of deferred interest on borrowings	21,440	21,106	-	-
Amortisation of goodwill (amortisation of amount by which value of investments is lower than book value)	-8,928	(6,990)	-	-
Gains on exchange rate and financial derivatives	-21,795	-	-	-
Increase in unearned premium reserve / life insurance premium reserve	458,213	215,082	-	-
Gains on debt settlement / property transferred in settlement of debt	-10,206	(54,463)	-	(782)
Loss (gains) on disposal of equipment	-12,778	1,245	(8,098)	1,083
Decrease (increase) in accrued interest and dividend receivable	-142,097	(147,249)	27,876	42,974
Amortisation of deferred interest on hire-purchase and deferred income	-7,471,543	(5,086,845)	(3,457,599)	(4,844,211)
Decrease (increase) in other accrued income	63,410	(39,737)	3,201	53,752
Increase (decrease) in accrued interest payable	755,940	205,572	153,809	(125,127)
Loss from operating activities before changes in operating assets and liabilities	-4,064,720	(2,352,256)	(3,335,675)	(3,394,808)

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Decrease (increase) in operating assets				
Securities purchased under resale agreements	(28,200,000)	(5,700,000)	7,200,000	(7,200,000)
Interbank and money market items	(9,640,286)	(418,589)	354,313	(252,902)
Investment in trading securities	(264,272)	(39,677)	-	-
Receivables from clearing house	(59,490)	(546,009)	-	-
Loans and receivable	(26,922,918)	(16,208,144)	28,975,919	6,274,946
Property foreclosed	1,996,399	1,143,181	992,978	881,606
Other assets	72,407	(1,019,146)	(211,993)	315,000
Increase (decrease) in operating liabilities				
Deposits	71,554,358	8,711,153	-	(50,309,531)
Interbank and money market items	675,927	76,738	(31,849,535)	50,598,709
Short-term borrowings	4,711,300	843,700	-	968,700
Securities sold under repurchase agreements	(200,000)	-	-	-
Payable to clearing house	438,837	927	-	-
Securities business payable	(139,402)	646,707	-	-
Liabilities payable on demand	(332,924)	594,321	-	-
Other liabilities	(7,206)	872,757	(405,771)	147,420
Net cash flows from (used in) operating activities	9,618,010	(13,394,337)	1,720,236	(1,970,860)
Cash flows from investing activities				
Decrease (increase) in long-term investments	(830,915)	7,668,906	(184,264)	3,712,045
Net cash paid for purchase of investment in subsidiary companies	-	(132,165)	-	(249,997)
Cash received from dividend payment of subsidiary and associated companies	68,614	58,735	421,497	263,905
Cash paid for purchase of land and equipment	(677,002)	(479,387)	(67,768)	(256,042)
Cash received from disposal of equipment	231,485	31,288	218,471	810
Net cash flows from (used in) investing activities	(1,207,818)	7,147,377	387,936	3,470,721

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

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from financing activities				
Cash received (paid) from long - term borrowings	-6,375,992	7,166,688	(1,441,700)	(968,800)
Dividend paid	(666,472)	(532,127)	(666,472)	(532,127)
Dividend paid to minority interest	-14,828	-17,242	-	-
Net cash flows from (used in) financing activities	-7,057,292	6,617,319	(2,108,172)	(1,500,927)
Net increase (decrease) in cash	1,352,900	370,359	-	-1,066
Cash at beginning of the period	800,954	217,207	40	1,212
Cash at end of the period	<u>2,153,854</u>	<u>587,566</u>	<u>40</u>	<u>146</u>
Supplemental cash flows information :-				
Cash paid during the period for				
Interest	6,214,271	2,868,370	3,078,855	2,710,982
Corporate income tax	1,036,922	947,131	511,937	459,230
Non-cash transactions				
Property foreclosed and investment in securities transferred from loans and receivable and investment in purchased loans	2,148,006	1,406,661	984,404	931,113
Increase in assets from financial leases	-	132,299	-	132,299

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

(UNAUDITED BUT REVIEWED)

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED								
	Issued and paid up		Share premium	Surplus from revaluation of assets of an associated company	Revaluation surplus (deficit) on investments	Retained earnings		Minority interest	Total
	Preference shares	Ordinary shares				Appropriated statutory reserve	Unappropriated		
	shares	shares	Share premium	company	investments	reserve	Unappropriated	interest	Total
Balance - as at 1 January 2005	196	13,331,344	2,065,645	559,035	(571,290)	368,771	4,990,538	749,490	21,493,729
Appropriated earnings of 2004 - dividend paid	-	-	-	-	-	-	(533,262)	-	(533,262)
Reversal of dividend on shares held by shareholders (not right to receive dividend)	-	-	-	-	-	-	1,135	-	1,135
Decrease in surplus from revaluation of assets	-	-	-	(5,690)	-	-	-	-	(5,690)
Increase in revaluation deficit investments	-	-	-	-	(160,876)	-	-	-	(160,876)
Decrease in minority interest in subsidiary companies	-	-	-	-	-	-	-	(25,524)	(25,524)
Net earnings for the period	-	-	-	-	-	-	2,165,973	19,781	2,185,754
Balance - as at 30 September 2005	<u>196</u>	<u>13,331,344</u>	<u>2,065,645</u>	<u>553,345</u>	<u>(732,166)</u>	<u>368,771</u>	<u>6,624,384</u>	<u>743,747</u>	<u>22,955,266</u>
Balance - as at 1 January 2006	195	13,331,345	2,065,645	540,420	(830,178)	523,976	7,007,426	746,762	23,385,591
Appropriated earnings of 2005 and 2006 - dividend paid (Note 11)	-	-	-	-	-	-	(1,066,523)	-	(1,066,523)
Reversal of dividend on shares held by shareholders (not right to receive dividend)	-	-	-	-	-	-	105	-	105
Decrease in surplus from revaluation of assets	-	-	-	(24,182)	-	-	-	-	(24,182)
Decrease in revaluation deficit investments	-	-	-	-	103,256	-	-	-	103,256
Decrease in minority interest in subsidiary companies	-	-	-	-	-	-	-	(11,883)	(11,883)
Net earnings for the period	-	-	-	-	-	-	1,585,135	120,407	1,705,542
Balance - as at 30 September 2006	<u>195</u>	<u>13,331,345</u>	<u>2,065,645</u>	<u>516,238</u>	<u>(726,922)</u>	<u>523,976</u>	<u>7,526,143</u>	<u>855,286</u>	<u>24,091,906</u>

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

(UNAUDITED BUT REVIEWED)

THANACHART CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

(FORMERLY KNOWN AS "NATIONAL FINANCE PUBLIC COMPANY LIMITED")

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit : Thousand Baht)

THE COMPANY ONLY

	Issued and paid up		Share premium	Surplus from	Revaluation surplus (deficit) on investments	Retained earnings		Total
	Preference shares	Ordinary shares		of assets of an associated company		Appropriated		
						statutory reserve	Unappropriated	
Balance - as at 1 January 2005	196	13,331,344	2,065,645	559,035	(571,290)	368,771	4,990,538	20,744,239
Appropriated earnings of 2004 - dividend paid	-	-	-	-	-	-	(533,262)	(533,262)
Reversal of dividend on shares held by foreign shareholders (not right to receive dividend)	-	-	-	-	-	-	1,135	1,135
Decrease in surplus from revaluation of assets	-	-	-	(5,690)	-	-	-	(5,690)
Increase in revaluation deficit investments	-	-	-	-	(160,876)	-	-	(160,876)
Net earnings for the period	-	-	-	-	-	-	2,165,973	2,165,973
Balance - as at 30 September 2005	<u>196</u>	<u>13,331,344</u>	<u>2,065,645</u>	<u>553,345</u>	<u>(732,166)</u>	<u>368,771</u>	<u>6,624,384</u>	<u>22,211,519</u>
Balance - as at 1 January 2006	195	13,331,345	2,065,645	540,420	(830,178)	523,976	7,007,426	22,638,829
Appropriated earnings of 2005 and 2006 - dividend paid (Note 11)	-	-	-	-	-	-	(1,066,523)	(1,066,523)
Reversal of dividend on shares held by foreign shareholders (not right to receive dividend)	-	-	-	-	-	-	105	105
Decrease in surplus from revaluation of assets	-	-	-	(24,182)	-	-	-	(24,182)
Decrease in revaluation deficit investments	-	-	-	-	103,256	-	-	103,256
Net earnings for the period	-	-	-	-	-	-	1,585,135	1,585,135
Balance - as at 30 September 2006	<u>195</u>	<u>13,331,345</u>	<u>2,065,645</u>	<u>516,238</u>	<u>(726,922)</u>	<u>523,976</u>	<u>7,526,143</u>	<u>23,236,620</u>

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

(UNAUDITED BUT REVIEWED)

THANACHART CAPITAL PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
(FORMERLY KNOWN AS “NATIONAL FINANCE PUBLIC COMPANY LIMITED”)
NOTES TO INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 The Company’s information

The Company was incorporated as a public company limited under Thai laws and operates its business in Thailand. On 31 March 2006, the Company returned its finance business license to the Ministry of Finance, effective from 1 April 2006. The Company’s status was therefore changed from a finance company to a holding company, or the parent company of the Thanachart Group, and it will hold not less than 50% of the registered and paid-up share capital of each of the group companies. On 3 April 2006, the Company registered the change of its name to “Thanachart Capital Public Company Limited” and is the parent company of a financial business group which is under a consolidated supervision of the Bank of Thailand.

The Company’s registered address is 444 MBK Tower, 10-11 and 15-20 Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok.

All subsidiary companies are registered as company limited or public company limited under Thai laws and operate in Thailand. Their businesses include commercial bank business, securities business, assets management business, leasing and hire-purchase business, non-life insurance business, life insurance business and fund management business, among others.

1.2 Basis of preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

(UNAUDITED BUT REVIEWED)

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Basis of preparation of the interim consolidated financial statements

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2005, and there were no changes in shareholding structure during the period.

Total assets and total income of the subsidiary companies that have significant impact to and are included in the consolidated financial statements as at 30 September 2006 and 31 December 2005 and for the nine-month periods ended 30 September 2006 and 2005 are as follows :-

	(Unit : Million Baht)			
	Total assets		Total income for the nine-month	
	30 September	31 December	periods ended 30 September	
	2006	2005	2006	2005
Thanachart Bank Plc.	214,423	108,622	8,246	2,200
N.F.S. Asset Management Co., Ltd.	10,377	11,914	1,217	811
Thanachart Life Assurance Co., Ltd.	3,367	3,180	928	616
Thanachart Securities Plc.	3,518	3,387	669	484
Max Asset Management Co., Ltd.	2,066	2,048	332	153

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2005.

(UNAUDITED BUT REVIEWED)

2. INTERBANK AND MONEY MARKET ITEMS (ASSETS)

(Unit : Million Baht)

	Consolidated					
	30 September 2006			31 December 2005		
	At call	Term	Total	At call	Term	Total
Domestic :						
Bank of Thailand and Financial Institution Development Fund	2,235	-	2,235	4,031	-	4,031
Commercial banks	582	483	1,065	493	151	644
Other banks	28	100	128	1	-	1
Other financial institutions	178	40	218	62	157	219
Total	3,023	623	3,646	4,587	308	4,895
Add : Accrued interest receivables	1	9	10	-	2	2
Less : Allowance for doubtful accounts	(42)	(1)	(43)	(42)	(1)	(43)
Total interbank and money market - domestic	2,982	631	3,613	4,545	309	4,854
Foreign :						
USD Dollar	31	10,887	10,918	33	-	33
Others	29	-	29	25	-	25
Total	60	10,887	10,947	58	-	58
Add : Accrued interest receivables	-	22	22	-	-	-
Total interbank and money market - foreign	60	10,909	10,969	58	-	58
Total interbank and money market - net	3,042	11,540	14,582	4,603	309	4,912

(Unit : Million Baht)

	The Company Only					
	30 September 2006			31 December 2005		
	At call	Term	Total	At call	Term	Total
Domestic :						
Bank of Thailand and Financial Institution Development Fund	-	-	-	515	-	515
Commercial banks	446	-	446	290	-	290
Other banks	9	-	9	7	-	7
Other financial institutions	-	20	20	-	20	20
Total	455	20	475	812	20	832
Add : Accrued interest receivables	3	-	3	-	-	-
Less : Allowance for doubtful accounts	-	(1)	(1)	-	(1)	(1)
Total interbank and money market - domestic net	458	19	477	812	19	831

(UNAUDITED BUT REVIEWED)

As at 30 September 2006, a subsidiary company had loans to defunct financial institutions amounting to approximately Baht 42 million for which interest recognition has been ceased and full allowance for doubtful accounts has been provided for (31 December 2005 : Baht 42 million).

3. INVESTMENTS

3.1 Classified by type of investments

(Unit : Million Baht)

	Consolidated				The Company Only			
	30 September 2006		31 December 2005		30 September 2006		31 December 2005	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Current investments :								
Trading securities								
Government and state enterprise securities	329	328	264	264	-	-	-	-
Domestic marketable equity securities	251	250	52	53	-	-	-	-
	580	578	316	317	-	-	-	-
Add (less) : Allowance for change in value	(2)		1		-	-	-	-
	578		317		-	-	-	-
Available-for-sale securities								
Government and state enterprise securities	3,876	3,876	337	337	-	-	-	-
Private debt securities	309	309	203	204	-	-	-	-
Domestic marketable equity securities	17	18	10	12	7	8	7	9
	4,202	4,203	550	553	7	8	7	9
Add : Allowance for change in value	1		3		1		2	
	4,203		553		8		9	
Held-to-maturity debt securities - due within 1 year								
Government and state enterprise securities	3,477		4,948		-		-	
Private debt securities	43		20		-		-	
Foreign debt securities	1,044		-		-		-	
	4,564		4,968		-		-	
Total current investments - net	9,345		5,838		8		9	

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated				The Company Only			
	30 September 2006		31 December 2005		30 September 2006		31 December 2005	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Long-term investments :								
Available-for-sale securities								
Government and state enterprise securities	1,774	1,756	330	319	-	-	-	-
Private debt securities	572	568	522	509	-	-	-	-
Domestic marketable equity securities	2,814	2,737	5,394	5,326	894	929	1,357	1,390
	5,160	5,061	6,246	6,154	894	929	1,357	1,390
Add (less) : Allowance for change in value	(99)		(92)		35		33	
	5,061		6,154		929		1,390	
Held-to-maturity debt securities								
Government and state enterprise securities	12,798		14,826		510		1,004	
Private debt securities	277		400		-		-	
Foreign debt securities	1,314		1,400		-		-	
	14,389		16,626		510		1,004	
Less : Allowance for impairment	(362)		(344)		(137)		(119)	
	14,027		16,282		373		885	
Other investments								
Investments in receivables purchased	2,823		2,008		1,593		546	
Investments in property fund	1,141		1,259		-		-	
Domestic non-marketable equity securities	356		366		241		235	
	4,320		3,633		1,834		781	
Less : Allowance for impairment	(345)		(355)		(113)		(111)	
	3,975		3,278		1,721		670	
Total long-term investments - net	23,063		25,714		3,023		2,945	

(UNAUDITED BUT REVIEWED)

As at 30 September 2006, the Company and its subsidiary companies have a revaluation surplus and deficit amounting to Baht 47 million and Baht 645 million, respectively, as a result of the recategorisation of debt securities, and these are presented in shareholders' equity (the Company Only : Baht 22 million and Baht 136 million, respectively) (31 December 2005 : outstanding revaluation surplus amounting to Baht 54 million and outstanding revaluation deficit amounting to Baht 815 million in the consolidated financial statements, and a revaluation surplus amounting to Baht 24 million and a revaluation deficit amounting to Baht 153 million in the Company's financial statements).

- 3.2** As at 31 December 2005, the Company and a subsidiary company have investments of Baht 578 million in government bonds under the conditions of the Ministry of Finance's Tier II capital support scheme. These debt instruments are 10 year government bonds which carrying interest at rates of 2.5-4.0 percent per annum (the Company Only : Baht 473 million). During the current period, the Company and the subsidiary company early redeemed such investments and withdrew the related subordinated debentures as issued by the Company and the subsidiary company with net gains amounting to Baht 2 million in the consolidated financial statements (the Company Only : Baht 2 million).
- 3.3** As at 30 September 2006, long-term investments in held-to-maturity debt securities include Baht 1,828 million of non-transferable, 10 year promissory notes received in relation to the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC") (the Company Only : Baht 510 million) (31 December 2005 : Baht 2,411 million in the consolidated financial statements and Baht 531 million in the Company's financial statements). However, the amounts paid in the form of promissory notes may still be increased or reduced after TAMC reviews the prices, appraises the collateral values, or adjusts the prices. As at 30 September 2006, the Company and its subsidiary companies have estimated their share of losses which may arise from the management of non-performing assets at approximately Baht 362 million. Such losses have been shown as allowance for impairment under the caption of investments in held-to-maturity debt securities, classified by the type of promissory note (the Company Only : Baht 137 million) (31 December 2005 : Baht 344 million in the consolidated financial statements and Baht 119 million in the Company's financial statements).

(UNAUDITED BUT REVIEWED)

Additionally, the Company and its subsidiary companies also share joint responsibility with TAMC for future profits and losses arising from TAMC's management of the non-performing assets as described in Note 20.2 to the financial statements.

- 3.4** As at 30 September 2006, investments in government and state enterprise bonds of subsidiaries of approximately Baht 786 million have been placed as collateral for loans from commercial banks and as security with the Insurance Registrar (31 December 2005 : Baht 735 million).
- 3.5** As at 30 September 2006, investments in other equity securities amounting to approximately Baht 19 million, at cost, were received as a result of debt restructuring and prohibited from being sold for a period as specified in the agreements (the Company Only : Baht 10 million). (31 December 2005 : investments of Baht 20 million were prohibited from being sold for a period as specified in the agreements, and the debtors had first right to purchase the investments of Baht 14 million in the consolidated financial statements, and Baht 10 million in the Company's financial statements was prohibited from being sold for a period as specified in the agreements).

3.6 Investments in receivables purchased

Investments in receivables purchased are loans receivable purchased through bids from local financial institutions. The outstanding balances of loans receivable as at 30 September 2006 and 31 December 2005 can be summarised as follow :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Investments in receivables	2,823	2,008	1,593	546
Less : Allowance for impairment	(245)	(239)	(35)	(20)
Investments in receivables - net	2,578	1,769	1,558	526

(UNAUDITED BUT REVIEWED)

	30 September 2006				31 December 2005			
	Number of debtors	Balance per agreement Million Baht	Purchase price Million Baht	Yield Percent	Number of debtors	Balance per agreement Million Baht	Purchase price Million Baht	Yield Percent
<u>Consolidated</u>								
Total accumulated investments								
in receivables	1,645	33,034	7,526	6.50-18.97	1,578	29,404	6,386	6.50-18.97
Outstanding investments in								
receivables as at the								
balance sheet date	1,098	15,757	2,823		1,069	12,398	2,008	
<u>The Company Only</u>								
Total accumulated investments								
in receivables	689	8,190	1,937	11.94-18.97	622	4,559	797	12.43-18.97
Outstanding investments in								
receivables as at the								
balance sheet date	590	7,645	1,593		543	4,068	546	

During the nine-month period ended 30 September 2006, the Company purchased investments in receivables of Baht 1,140 million. Additionally, the Company and its subsidiary companies have restructured loans with a total of 25 troubled receivables with book balances before restructuring totaling approximately Baht 47 million (the Company Only : 20 debtors with book balances before restructuring of Baht 29 million), by means of various types of restructuring without any loss on debt restructuring, as summarised below :-

Pattern of restructuring	Number of receivables	Outstanding loan	Outstanding loan	Type of assets to be transferred	Fair value of
		balance before restructuring Million Baht	balance after restructuring Million Baht		assets to be transferred per agreement Million Baht
<u>Consolidated</u>					
Transfer of assets	1	2	2	Land	5
Modification of terms	24	45	45		
Total	25	47	47		
<u>The Company Only</u>					
Modification of terms	20	29	29		
Total	20	29	29		

(UNAUDITED BUT REVIEWED)

The remaining period to maturity of the restructured debts of the Company and its subsidiary companies, counting from the balance sheet date are as follow :-

Periods	Consolidated		The Company Only	
	Number of receivables	Outstanding loan balances after restructuring Million Baht	Number of receivables	Outstanding loan balances after restructuring Million Baht
Past due after debt restructuring	1	2	1	2
Due within 2006	24	45	19	27
Total	25	47	20	29

Restructured investments in receivables are transferred to the loans account on the debt restructuring agreement executed day, in accordance with the BOT's regulations. They are transferred at their book value, which is held to be fair value. Therefore, as at 30 September 2006, there were no restructured receivables outstanding in the balance of investments in receivables.

- 3.7** As at 30 September 2006 and 31 December 2005, investments in securities of the Company and its subsidiary companies, which are financial institutions (bank business and asset management business), include investments in securities of companies with weak financial positions and poor operating results, are summarised as below :-

(UNAUDITED BUT REVIEWED)

Consolidated								
Number of transactions		Cost		Fair value/collateral		Allowance for possible loss/impairment provided in the accounts		
30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	
Equity securities - common shares								
1. Listed companies vulnerable to delisting from the SET	2	3	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	6	4	-	-	-	-	-	-
3. Companies which have loan settlement problems or have defaulted the repayment of debts	2	2	1	1	1	1	-	-
4. Companies whose auditors' reports cited going concern issues	13	15	139	144	42	45	97	99
Investments in receivables								
1. Closed financial institutions	8	10	-	-	-	-	-	-
2. Listed companies vulnerable to delisting from the SET	4	2	38	38	38	38	-	-
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	1	7	7	7	7	-	-
4. Companies which have loan settlement problems or have defaulted the repayment of debts	379	359	1,676	1,207	2,860	2,115	159	164
5. Companies whose auditors' reports cited going concern issues	9	5	324	6	738	5	4	1

(UNAUDITED BUT REVIEWED)

The Company Only

	Number of transactions		Cost		Fair value/collateral		Allowance for possible loss/impairment provided in the accounts	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2006	2005	2006	2005	2006	2005	2006	2005
		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<u>Equity securities - common shares</u>								
1. Listed companies vulnerable to delisting from the SET	-	1	-	-	-	-	-	-
2. Companies which have loans settlement problems or have defaulted the repayment of debts	1	1	1	1	1	1	-	-
3. Companies whose auditors' reports cited going concern issues	6	7	113	113	35	35	78	78
<u>Investments in receivables</u>								
1. Closed financial institutions	7	7	-	-	-	-	-	-
2. Companies which have loan settlement problems or have defaulted the repayment of debts	179	154	836	252	1,639	692	11	3
3. Companies whose auditors' reports cited going concern issues	6	2	324	-	736	-	-	-

(UNAUDITED BUT REVIEWED)

4. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

4.1 As at 30 September 2006 and 31 December 2005, the Company and its subsidiary companies have the following investments in subsidiary and associated companies :-

(Unit : Million Baht)											
Company's name	Nature of business	Paid-up share capital		Percentage of holding (%)		Investment value				Dividend income	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005	Cost method		Equity method ⁽¹⁾		for the nine-month periods ended	
						30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Subsidiary companies directly held by the Company											
Thanachart Bank Plc.	Bank business	14,584	14,584	99.36	99.36	16,181	16,181	15,057	15,180	362	200
N.F.S. Asset Management Co., Ltd.	Non-performing assets management	1,000	1,000	100.00	100.00	1,000	1,000	997	429	-	-
Max Asset Management Co., Ltd.	Non-performing assets management	572	572	58.45	58.45	334	334	909	768	-	-
Thanachart Securities Plc.	Securities business	1,500	1,500	100.00	100.00	1,500	1,500	2,507	2,271	-	-
Thanachart Insurance Co., Ltd.	Non-life insurance	300	300	70.00	70.00	210	210	340	275	-	-
Pasara Co., Ltd.	Cease operation	30	30	100.00	100.00	181	181	145	141	-	-
Thanachart Fund Management Co., Ltd.	Fund management	100	100	75.00	75.00	113	113	124	130	38	45
Thanachart Broker Co., Ltd.	Non-life insurance broker	100	100	100.00	100.00	100	100	112	109	-	-
Thiravanit Co., Ltd.	Cease operation	6	6	99.90	99.90	34	34	12	11	-	-
Sinkahakarn Co., Ltd.	Cease operation	25	25	95.12	95.12	20	20	45	43	-	-
Bangkok Home Co., Ltd.	Cease operation	15	15	99.87	99.87	46	46	16	15	-	-
Thanachart Group											
Leasing Co., Ltd.	Leasing and hire purchase	360	360	100.00	100.00	360	360	442	439	-	-
Thanachart Management and Services Co., Ltd.	Services	6	6	100.00	100.00	8	8	16	6	-	-
Thanachart Legal and Appraisal Co., Ltd.	Legal services	10	10	100.00	100.00	10	10	12	11	-	-
NASSET Property Fund 6	Non-performing assets management	900	900	99.80	99.80	898	898	865	862	-	-
Thanachart SPV 01	Not yet operate	2	2	100.00	100.00	2	2	2	2	-	-
Thanachart Life Assurance Co., Ltd.	Life - insurance	500	500	100.00	100.00	500	500	933	628	-	-
Subsidiary companies directly held by the Company - exclude from consolidation											
Glas Haus Building Co., Ltd.	Office building rental	195	195	100.00	100.00	-	-	-	-	-	-
Less : Investment in an associated company (MBK Plc.) held by subsidiary companies						(681)	(681)	(1,445)	(1,191)	-	-
						20,816	20,816	21,089	20,129	400	245
Associated companies directly and indirectly held by the Company											
MBK Plc.	Property rental, hotel and services	2,000	2,000	19.23	19.23	992	992	1,771	1,650	69	59
Puen Pob Paet Co., Ltd.	Clinic	1	1	28.58	28.58	-	-	1	1	-	-
						992	992	1,772	1,651	69	59
						21,808	21,808	22,861	21,780	469	304

(1) Calculated by including shares of profits of the subsidiary and associated companies in which the Company has indirect holdings.

(UNAUDITED BUT REVIEWED)

- 4.2** The consolidated balance sheet and statement of earnings for the nine-month period ended 30 September 2006 included assets of a subsidiary company (Thanachart Life Assurance Co., Ltd.) amounting to Baht 3,367 million and income of Baht 928 million and net earnings of Baht 124 million of such subsidiary. The auditor of the subsidiary company issued a qualified report on its financial statements with regard to the effect to the financial statements of any adjustments which might be required as a result of a scope limitation imposed on the audit of insurance income and related expenses. However, the Company's management believes that there is no material impact to the Company's financial statements as a whole.
- 4.3** The consolidated financial statements as at 30 September 2006 and 31 December 2005 did not include the financial statements of Glas Haus Building Co., Ltd., as the Company intends to hold such subsidiary company as a temporary investment. The Company has no outstanding guarantees or commitments to give financial support to such company and the investment is therefore recorded at cost, with a full provision (of approximately Baht 0.2 million). As at 30 September 2006, based on financial statements prepared by management of such subsidiary, such subsidiary company has total assets of approximately Baht 148 million, total liabilities of Baht 461 million and a capital deficit of Baht 313 million (31 December 2005 : total assets of Baht 161 million, total liabilities of Baht 483 million and a capital deficit of Baht 322 million).
- 4.4** The share of profit of an associated company recognised in the current period (MBK Plc.) is determined based on financial statements of that associated company prepared for a different period, as a result of limitation on the availability of information. Share of profit for the current period amounting to Baht 186 million (or at 12 percent of consolidated and the Company's net earnings) is determined based on the financial statements of such company for the nine-month period ended 30 June 2006, prepared by the Company's management with reference to the financial statements as audited by its auditor (2005 : share of profit of Baht 150 million or at 7 percent).

(UNAUDITED BUT REVIEWED)

5. LOANS AND ACCRUED INTEREST RECEIVABLE

5.1 Classified by loan types

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Finance business loans</u>				
Overdrafts	861	372	-	-
Loans	35,128	33,883	866	2,263
Notes receivable	3,910	3,944	584	915
Hire-purchases receivable	152,123	121,251	55,229	79,937
Financial leases receivable	924	916	-	-
Total finance business loans	192,946	160,366	56,679	83,115
Add : Accrued interest receivable	251	238	6	37
Less : Allowance for doubtful accounts	(6,619)	(6,594)	(2,677)	(3,245)
Less : Revaluation allowance for debt restructuring	(180)	(189)	-	-
Finance business loans and accrued interest receivable – net	186,398	153,821	54,008	79,907
<u>Securities business receivable</u>				
Customer's accounts	1,145	867	-	-
Margin loans	595	1,167	-	-
Other receivables	309	322	-	-
Total securities business receivable	2,049	2,356	-	-
Add : Accrued interest receivable	1	1	-	-
Less : Allowance for doubtful accounts	(307)	(320)	-	-
Securities business receivable and accrued interest receivable – net	1,743	2,037	-	-
Loans and accrued interest receivable – net	188,141	155,858	54,008	79,907

(UNAUDITED BUT REVIEWED)

During the nine-month period ended 30 September 2006, the Company and its subsidiary companies transferred 25 investments in purchased receivables, which had been restructured, totaling Baht 47 million (the Company Only : transferred 20 investments in purchased receivables amounting to Baht 29 million) to loans, in accordance with the BOT's guidelines.

In addition, the Company transferred performing loans, excluding hire-purchase receivables, welfare loans and consumer loans, to Thanachart Bank (its subsidiary) totaling Baht 888 million at the agreed contracted rate.

5.2 Non-performing loans

As at 30 September 2006 and 31 December 2005, the Company and its subsidiary companies engaging in financial businesses (bank, asset management and securities) have non-performing loans, classified in accordance with the BOT's and SEC's regulations (debtors classified as substandard, doubtful and doubtful of loss) as follow :-

	(Unit : Million Baht)			
	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Non-performing loans (excluding accrued interest receivable)				
The Company	1,661	1,498	1,661	1,498
Banking business	3,036	3,582	-	-
Asset management business	4,733	4,643	-	-
Securities business	308	319	-	-

The above mentioned non-performing loans do not include receivables for which the Company and its subsidiary companies had already restructured and meet the conditions for classification as normal debts or special mentioned debts.

(UNAUDITED BUT REVIEWED)

Additionally, the Company and the subsidiary companies which are financial institutions (bank and securities business) have loans for which income recognition under an accrual basis has been discontinued, as follow :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
The Company	1,965	1,944	1,965	1,944
Bank business	2,041	1,750	-	-
Securities business	308	319	-	-

For subsidiary companies engaging in asset management business, income from loans is recognised under a cash basis.

5.3 Unearned income

As at 30 September 2006 and 31 December 2005, unearned income is summarised as follows :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Unearned interest income	122	132	-	-
Unearned income from hire purchase/ financial lease	21,663	15,254	4,766	8,414

5.4 Troubled Debt Restructuring

During the nine-month periods ended 30 September 2006, the Company and its subsidiary companies which are financial institutions (bank, securities and asset management companies) have entered into debt restructuring agreements with a total of 216 debtors, with total outstanding balances before restructuring amounting to approximately Baht 1,539 million (of these 71 debtors, representing a total outstanding balances before restructuring amounting to approximately Baht 704 million, had previously entered into debt restructuring agreements but were unable to make repayment, and therefore re-entered into new debt restructuring agreements during the period). In the course of such restructuring, losses amounting to Baht 134 million were incurred (of which Baht 40 million from hair-cuts granted at the restructuring date) (the Company Only : 42 debtors, with total outstanding balances before debt restructuring of Baht 57 million (of these 3 debtors, representing a total outstanding balances before restructuring amounting to approximately Baht 19 million, had previously entered into debt restructuring agreements but were unable to make repayment, and therefore re-entered into new debt restructuring agreements during the period) with losses amounting to Baht 1 million were incurred from hair-cuts granted at the restructuring date).

Type of restructuring	Number of receivables	Outstanding loan balance before restructuring ⁽¹⁾ Million Baht	Outstanding loan balance after restructuring ⁽¹⁾ Million Baht	Type of assets to be transferred	Value of assets to be transferred per agreement Million Baht
<u>Consolidated</u>					
Modification of terms	208	1,494	1,454		
Transfer of assets and/or equity securities and/or modification of terms	8	45	45	Land and premises thereon	47
Total	<u>216</u>	<u>1,539</u>	<u>1,499</u>		
<u>The Company Only</u>					
Modification of terms	42	57	56		
Total	<u>42</u>	<u>57</u>	<u>56</u>		

⁽¹⁾ Outstanding balance includes both principal and interest receivable

(UNAUDITED BUT REVIEWED)

The remaining period to maturity of the restructured debts of the Company and its subsidiary companies, counting from the balance sheet date are as follow :-

Periods	Consolidated		The Company Only	
	Number of	Outstanding loan	Number of	Outstanding loan
	receivables	balances after restructuring	receivables	balances after restructuring
		Million Baht		Million Baht
Past due after debt restructuring	25	143	-	-
Due within 2006	138	426	37	14
Less than 5 years	20	846	-	-
5 - 10 years	23	59	4	38
10 - 15 years	10	25	1	4
Total	<u>216</u>	<u>1,499</u>	<u>42</u>	<u>56</u>

Supplemental information for the current period relating to restructured receivables is as follows :-

	(Unit : Million Baht)	
	Consolidated	The Company Only
Interest income recognised in statements of earnings	532	9
Gains on debt repayment/disposals recognised in statements of earnings	141	30
Loss on debt restructurings recognised in statements of earnings	134	1
Gains on transfers of assets for debt repayment recognised in statements of earnings	10	-
Cash proceeds from collection/disposals of debts	1,689	339
Assets transferred from debtors	126	-

(UNAUDITED BUT REVIEWED)

The Company and its subsidiary companies cannot estimate the contingent loss of loans who are in the process of restructuring.

Additionally, as at 30 September 2006, the subsidiary companies have outstanding balance of assets which are to be transferred under debt restructuring agreements totaling Baht 331 million.

As at 30 September 2006, the Company and its subsidiary companies have the following restructured receivables balance (principal and interest receivable), including the restructuring debtors who transferred from investments in receivables as follows :-

	Total number of outstanding receivables	Restructured receivables		
		Number of receivables	Outstanding loans balance	Outstanding loans
				balance, net of
				collateral
		Million Baht	Million Baht	
Thanachart Capital Plc.	271,416	15	91	15
Thanachart Bank Plc.	281,722	289	3,020	577
N.F.S. Asset Management Co., Ltd.	1,564	369	1,692	357
Max Asset Management Co., Ltd.	88	88	430	87
Thanachart Securities Plc.	2,052	1	1	1

5.5 As at 30 September 2006 and 31 December 2005, the Company has the following loans to the subsidiary companies :-

Company	Type of credit	Contract period	Interest rate	Outstanding balance	
				30 September	31 December
				2006	2005
				Million Baht	Million Baht
Max Asset Management Co., Ltd.	Long-term loan	5 years (maturing August 2010)	Fixed at 11.51% per annum	441	708
National Leasing Co., Ltd.	Promissory note	5 years (maturing August 2008)	Fixed at 3.50% per annum	576	900
Total				1,017	1,608

(UNAUDITED BUT REVIEWED)

5.6 Classification of loans under the Bank of Thailand's guidelines

As at 30 September 2006 and 31 December 2005, the Company and its subsidiary companies, which are financial institutions (bank business and asset management business), classified and made allowances against their loans (including loans to financial institutions which presented as part of interbank and money market items) in accordance with the Bank of Thailand's guidelines as summarised below :-

(Unit : Million Baht)

	Consolidated ⁽¹⁾								
	Debt balance/ book value				Minimum percentage required by BOT ⁽²⁾	Allowance for doubtful accounts			
						Minimum amount to be provided under BOT's guidelines		Amount provided in the accounts	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	
Loans and accrued interest receivable (including interbank and money market items ⁽³⁾									
Normal	166,036	137,636	142,863	116,844	1	1,429	1,168	2,366	2,579
Special mention	14,497	10,290	14,102	9,645	2	282	193	282	193
Substandard	1,583	1,553	980	576	20	196	115	196	115
Doubtful	1,149	1,119	581	419	50	290	210	290	210
Doubtful of loss	1,968	2,442	1,229	1,045	100	1,229	1,045	1,229	1,045
Total	185,233	153,040	159,755	128,529		3,426	2,731	4,363	4,142
Additional allowance for possible uncollectable debts	-	-						583	693
	185,233	153,040						4,946	4,835

(1) Only the Company and those subsidiary companies overseen by the BOT.

(2) The provisioning rates required by the BOT's guidelines for loan balances net of collateral value.

(3) Debt balance/book value of normal and special mention loans excluding accrued interest receivable.

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated ⁽¹⁾								
	Debt balance/ book value				Minimum percentage required by BOT ⁽²⁾	Allowance for doubtful accounts			
						Minimum amount to be provided under BOT's guidelines		Amount provided in the accounts	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	
Loans of N.F.S. Asset									
<u>Management Co., Ltd.,</u>									
<u>which transferred from</u>									
<u>Thanachart Group</u>									
Normal	411	882	240	574	1	4	8	89	278
Special mention	7	57	-	2	2	-	-	-	-
Substandard	1,382	1,479	176	38	20	131	8	265	451
Doubtful	481	67	6	2	50	3	1	3	1
Doubtful of loss	2,461	2,720	721	711	100	721	711	1,091	764
Total	4,742	5,205	1,143	1,327		859	728	1,448	1,494
Additional allowance for possible uncollectable debts	-	-						33	33
	4,742	5,205						1,481	1,527
Total	189,975	158,245							
Revaluation allowance for debt restructuring	(180)	(189)							
Less : Intercompany gains	(283)	(502)							
Total	189,512	157,554							
<u>Investments in receivables</u>									
<u>transferred to loans</u>									
Normal	17	74	6	38	1	-	-	3	5
Special mention	-	156	-	1	2	-	-	-	4
Substandard	38	61	15	15	20	3	3	15	20
Doubtful	126	9	3	3	50	2	2	3	3
Doubtful of loss	307	344	71	111	100	71	111	71	159
Total	488	644	95	168		76	116	92	191
Total loans and accrued interest	190,000	158,198						6,519	6,553

(1) Only the Company and those subsidiary companies overseen by the BOT.

(2) The provisioning rates required by the BOT's guidelines for loan balances net of collateral value.

(3) Debt balance/book value of normal and special mention loans excluding accrued interest receivable.

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

The Company Only									
				Minimum percentage required by BOT ⁽¹⁾	Allowance for doubtful accounts				
Debt balance/ book value		Debt balance after collateral			Minimum amount to be provided under BOT's guidelines		Amount provided in the accounts		
30 September 2006	31 December 2005	30 September 2006	31 December 2005		30 September 2006	31 December 2005	30 September 2006	31 December 2005	
Loans and accrued interest (including interbank and money market items) ⁽²⁾									
Normal	47,860	72,664	47,856	72,113	1 ⁽³⁾	468	705	1,406	2,115
Special mention	7,178	8,949	7,172	8,641	2	143	173	143	173
Substandard	457	467	455	454	20	91	91	91	91
Doubtful	329	375	322	359	50	161	179	161	179
Doubtful of loss	840	645	811	620	100	811	620	811	620
Total	56,664	83,100	56,616	82,187		1,674	1,768	2,612	3,178
Additional allowance for possible uncollectable debts	-	-						66	66
Total	56,664	83,100						2,678	3,244
Investments in receivables transferred to loans									
Normal	-	24	-	24	1	-	-	-	1
Substandard	2	2	-	-	20	-	-	-	-
Doubtful of loss	33	9	-	-	100	-	-	-	-
Total	35	35	-	24		-	-	-	1
Total loans and accrued interest	56,699	83,135						2,678	3,245

(1) The provisioning rates required by the BOT's guidelines for loan balances net of collateral value.

(2) Debt balance/book value of normal and special mention loans is excluding accrued interest receivable.

(3) Under the equity method, debt balance/book value is excluding loans to subsidiary companies.

Allowances for doubtful accounts have been determined after taking into account the value of collaterals in accordance with the BOT's guidelines (most collaterals comprise land, buildings and premises which are appraised by external independent appraisers or internal appraisers, as per the BOT's guidelines).

(UNAUDITED BUT REVIEWED)

The above classified loans (including loans to financial institutions) included the following debts with weak financial positions and operating results :-

	Consolidated							
	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30	31	30	31	30	31	30	31
	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Closed financial institutions	4	4	-	-	-	-	-	-
2. Listed companies vulnerable to delisting from the SET	4	4	45	45	72	76	3	28
3. Non – listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	25	26	1,140	1,105	1,528	1,435	81	75
4. Companies which have loan settlement problems or have defaulted of the repayment of debts	497	387	3,314	3,847	3,981	4,897	822	712
5. Companies whose auditors' reports cited going concern issues	16	19	69	219	180	205	69	119

	The Company Only							
	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30	31	30	31	30	31	30	31
	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Non – listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	-	1	-	240	-	310	-	-
2. Companies which have loan settlement problems or have defaulted of the repayment of debts	263	197	158	137	44	-	92	86
3. Companies whose auditors' reports cited going concern issues	-	1	-	43	-	-	-	1

(UNAUDITED BUT REVIEWED)

5.7 Classification of securities business receivable in accordance with the Notification of the Office of the Securities and Exchange Commission

As at 30 September 2006 and 31 December 2005, a subsidiary company operating in the securities business classified its securities business receivable and accrued interest receivable and provided related allowance for doubtful accounts in accordance with the notification of the Office of the Securities and Exchange Commission (SEC) as follows :-

	(Unit : Million Baht)					
	Receivable and accrued interest receivable		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Doubtful	299	310	299	310	299	310
Substandard	10	10	-	-	-	-
Total	<u>309</u>	<u>320</u>	<u>299</u>	<u>310</u>	299	310
General reserve					8	10
Total allowance for doubtful accounts					<u>307</u>	<u>320</u>

The above substandard debts represent receivable balances with a value equivalent to that of their collaterals.

5.8 Hire-purchase receivable/financial lease receivable of subsidiaries separate by aging

As at 30 September 2006 and 31 December 2005, hire-purchase and financial lease receivable of three subsidiary companies engaged in hire-purchase and financial lease businesses are classified by the due date of the contracts as follows :-

	(Unit : Million Baht)	
	30 September 2006	31 December 2005
Current or overdue less than 90 days	2,788	2,071
Overdue 91 – 365 days	74	36
Overdue more than 1 year	8	2
Debtors under legal actions	<u>16</u>	<u>8</u>
Total	<u>2,886</u>	<u>2,117</u>
Allowance for doubtful accounts	<u>101</u>	<u>42</u>

(UNAUDITED BUT REVIEWED)

6. ALLOWANCE FOR DOUBTFUL ACCOUNTS

(Unit : Million Baht)

	Consolidated						
	For the nine-month period ended 30 September 2006						
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance – beginning of the period	2,880	199	592	218	2,299	726	6,914
Add : Increase (decrease) during the period	(397)	88	(79)	117	423	(110)	42
Reversal from disposals	-	-	(30)	-	-	-	(30)
Balance – end of the period	<u>2,483</u>	<u>287</u>	<u>483</u>	<u>335</u>	<u>2,722</u>	<u>616</u>	<u>6,926</u>

(Unit : Million Baht)

	Consolidated						
	For the year ended 31 December 2005						
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance – beginning of the year	2,847	128	786	336	2,326	1,139	7,562
Add : Increase (decrease) during the year	33	71	(194)	(118)	(29)	(413)	(650)
Bad debt recovery	-	-	-	-	2	-	2
Balance – end of the year	<u>2,880</u>	<u>199</u>	<u>592</u>	<u>218</u>	<u>2,299</u>	<u>726</u>	<u>6,914</u>

(Unit : Million Baht)

	The Company Only						
	For the nine-month period ended 30 September 2006						
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance – beginning of the period	2,116	173	91	179	620	66	3,245
Add : Increase (decrease) during the period	(711)	(30)	-	(18)	191	-	(568)
Balance – end of the period	<u>1,405</u>	<u>143</u>	<u>91</u>	<u>161</u>	<u>811</u>	<u>66</u>	<u>2,677</u>

(Unit : Million Baht)

	The Company Only						
	For the year ended 31 December 2005						
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	General reserve	Total
Balance – beginning of the year	2,466	127	107	139	314	436	3,589
Add : Increase (decrease) during the year	(350)	46	(16)	40	304	(370)	(346)
Bad debt recovery	-	-	-	-	2	-	2
Balance – end of the year	<u>2,116</u>	<u>173</u>	<u>91</u>	<u>179</u>	<u>620</u>	<u>66</u>	<u>3,245</u>

(UNAUDITED BUT REVIEWED)

7. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

(Unit : Million Baht)

	Consolidated		The Company Only	
	For the nine-month	For the	For the nine-month	For the
	period ended	year ended	period ended	year ended
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Balance - beginning of the period	189	254	-	-
Add : Increase during the period	9	8	-	-
Less : Amortised during the period	(16)	(73)	-	-
Reversal from hair cut	(2)	-	-	-
Balance – end of the period	180	189	-	-

8. CLASSIFICATION OF ASSETS

The quality of assets of the Company and its subsidiary companies engaging in financial business (bank business and asset management business) is classified in accordance with the announcements of the Bank of Thailand. These are as follows :-

(Unit : Million Baht)

	Consolidated											
	Loans and accrued interest receivable				Property foreclosed				Other assets		Total	
	30		31		30		31		30		31	
	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005		
Normal	166,464	138,592	-	-	-	-	71	50	166,535	138,642		
Special mention	14,504	10,503	-	-	-	-	67	46	14,571	10,549		
Substandard	3,003	3,093	-	-	-	-	6	4	3,009	3,097		
Doubtful	1,756	1,195	-	-	-	-	6	5	1,762	1,200		
Doubtful of loss	4,736	5,506	880	891	907	724	912	568	7,435	7,689		
Total	190,463	158,889	880	891	907	724	1,062	673	193,312	161,177		
Less: Revaluation allowance for debt restructuring	(180)	(189)										
Intercompany gain from loans transferred	(283)	(502)										
	190,000	158,198										

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	The Company Only									
	Loans and accrued		Investments		Property		Other assets		Total	
	interest receivable				foreclosed					
	30	31	30	31	30	31	30	31	30	31
September	December	September	December	September	December	September	December	September	December	
2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	
Normal	47,860	72,688	-	-	-	-	41	41	47,901	72,729
Special mention	7,178	8,949	-	-	-	-	43	43	7,221	8,992
Substandard	459	469	-	-	-	-	3	3	462	472
Doubtful	329	375	-	-	-	-	4	5	333	380
Doubtful of loss	873	654	301	274	432	356	715	538	2,321	1,822
Total	56,699	83,135	301	274	432	356	806	630	58,238	84,395

9. PROPERTY FORECLOSED

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
Cost	9,095	8,870	3,608	3,616
Less : Allowance for impairment	(912)	(725)	(432)	(356)
Property foreclosed - net	8,183	8,145	3,176	3,260

As at 30 September 2006, the Company and its subsidiary companies have obligations with regard to property foreclosed received in settlement of debts. For Baht 4 million, the debtors have an option to buy back the properties at prices and within periods specified in the agreements. For a further Baht 233 million, the debtors have first right of purchase (the Company Only : Baht 120 million).

As at 30 September 2006, for a further approximately Baht 500 million (at cost) of the property foreclosed of the Company and its subsidiary companies (the Company Only : Baht 400 million), sales agreements have been made with customers but the payment of installments or the transfer of ownership rights is still in progress. The Company and its subsidiary companies have not recognised any gain in these cases and these assets are still recorded as property foreclosed.

(UNAUDITED BUT REVIEWED)

10. BORROWINGS

(Unit : Million Baht)

Type of borrowings	Interest rate per annum	Maturity date	Consolidated		The Company Only	
			30 September	31 December	30 September	31 December
			2006	2005	2006	2005
<u>Short-term borrowings</u>						
Liabilities under commercial papers sold avaled by the Bank which is a subsidiary company	Fixed rate of 3.40 percent	2006	236	286	-	-
Bill of exchange	Fixed rate of 3.75-3.80 percent	2007	2,730	670	-	670
Promissory note	Floating rate based on the six-month Thai Baht swap offer rate	2006	-	299	-	299
Promissory note	3-months fixed deposit rate plus 1.25 percent	2007	3,000	-	-	-
Total short-term borrowings			5,966	1,255	-	969
<u>Long-term borrowings</u>						
Subordinated debenture						
Issued in accordance with the plan to establish the Restricted Bank	Fixed rate of 9 percent	2008	1,943	1,943	-	-
Issued under the scheme to increase Tier II capital	3.50 - 5.00 percent	2009 - 2010	-	578	-	473
Unsubordinated and unsecured debentures	Fixed rate of 2.95 percent	2008	1,000	1,000	1,000	1,000
Unsubordinated and unsecured debentures	Floating rate of the average MLR of 4 commercial banks minus the fixed rate	2010	3,985	4,000	4,000	4,000

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Type of borrowings	Interest rate per annum	Maturity date	Consolidated		The Company Only	
			30 September	31 December	30 September	31 December
			2006	2005	2006	2005
Long-term loan agreement	Fixed rate of 11.51 percent	2010	88	141	-	-
Bill of exchange	Fixed rate of 3.75 - 4.80 percent	2007 - 2010	11,260	13,968	-	-
Bill of exchange	Floating rate of the average MLR of 4 commercial banks minus the fixed rate	2008 - 2009	2,650	2,650	-	-
Bill of exchange	Floating rate THB-THBFIX-REUTERS plus the fixed rate	2010	750	750	-	-
Promissory notes	3.90 and 4.10 percent	2007	2,777	2,777	2,777	2,777
Promissory notes	3-months fixed deposit rate plus the fixed rate	2007	2,000	5,000	-	-
Promissory notes	Floating rate based on the six-month Thai Baht Swap offer rate but not over 4.50 percent at the fourth year and not over 5.00 percent at the fifth year	2007	158	158	158	158
Promissory notes	4.40 percent minus six-month Thai Baht Swap offer rate	2008	150	150	150	150
Promissory notes	Floating rate of the average MLR of 4 commercial banks minus the fixed rate	2008 - 2009	7,580	7,580	7,580	7,580
Total long-term borrowings			34,341	40,695	15,665	16,138
Total borrowings			40,307	41,950	15,665	17,107

(UNAUDITED BUT REVIEWED)

11. SHARE CAPITAL

As at 30 September 2006, 19,546 preference shares, with each preference share convertible to 1 ordinary share, remain unconverted which the conversion rights are unconditional and do not expire.

On 27 April 2006, the Annual General Meeting of the Company's shareholders have approved the payment of the dividend of Baht 0.50 per share to the ordinary shareholders and preference shareholders, a total of Baht 667 million. In addition, the Annual General Meeting of the Company also approved the reducing of the Company's registered share capital by Baht 10,000 million, by means of cancellation of the 1,000 million registered but not paid-up shares. The Company registered the reducing of these share capital on 9 May 2006. On 28 September 2006, the Board of Directors of the Company approved the interim dividend of Baht 0.30 per share to the ordinary shareholders and preference shareholders, a total of Baht 400 million.

Since 1 April 2006, the Company will not be required to maintain the capital funds in accordance with Section 4 of the Act on Undertaking of Finance Business because the Company has already returned its finance business license.

12. REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Revaluation surplus on investments :-				
Available-for-sale investments				
Debt instruments	38	21	-	-
Equity instruments	122	244	87	80
Held-to-maturity debt securities	47	54	22	24
Surplus recognised for subsidiary and associated companies - under equity method	29	2	127	217
Total	236	321	236	321

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Revaluation deficit on investments :-				
Available -for-sale investments				
Debt instruments	(123)	(30)	-	-
Equity instruments	(195)	(306)	(51)	(45)
Held-to-maturity debt securities	(645)	(815)	(136)	(153)
Deficit recognised for subsidiary and associated companies - under equity method	-	-	(776)	(953)
Total	(963)	(1,151)	(963)	(1,151)
Revaluation surplus (deficit) on investments	(727)	(830)	(727)	(830)

13. BAD DEBTS AND DOUBTFUL ACCOUNTS

Bad debts and doubtful accounts in the statements of earnings for the nine-month periods ended 30 September 2006 and 2005 consists of :-

	Consolidated		The Company Only	
	2006	2005	2006	2005
Bad debts and doubtful accounts (reversal of bad debt and doubtful accounts) from loans	42	(177)	(568)	105
Amortisation of revaluation allowance for debt restructuring during the period	(16)	(48)	-	-
Total	26	(225)	(568)	105

(UNAUDITED BUT REVIEWED)

14. LOSS FROM DEBT RESTRUCTURING

Loss from debt restructuring in the statements of earnings for the nine-month periods ended 30 September 2006 and 2005 consists of the following :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Loss from hair-cut	125	104	1	-
Increase in revaluation allowance for debt restructuring	9	187	-	-
Total loss from debt restructuring	134	291	1	-

15. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company and a public subsidiary company's directors in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

In addition, on 27 April 2006, the Annual General Meeting of shareholders had approved the payment of director's remuneration amounting to approximately Baht 11 million to the Company's directors.

16. CORPORATE INCOME TAX

Corporate income tax has been calculated based on the earnings for the period after adding back disallowable expenses and provisions deducting taxable expenses and tax-exempted income, and tax losses brought forward from prior years (if any) and multiplied with the estimated average tax rate for the year.

(UNAUDITED BUT REVIEWED)

17. RECONCILIATION OF DILUTED EARNINGS PER SHARE

Consolidated and the Company Only						
For the three-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
2006	2005	2006	2005	2006	2005	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net earnings	476,332	697,513	1,333,134	1,333,134	0.36	0.52
Effect of dilutive securities						
Preference shares convertible to ordinary shares	-	-	20	20		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming conversion of dilutive securities	<u>476,332</u>	<u>697,513</u>	<u>1,333,154</u>	<u>1,333,154</u>	<u>0.36</u>	<u>0.52</u>

Consolidated and the Company Only						
For the nine-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
2006	2005	2006	2005	2006	2005	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net earnings	1,585,135	2,165,973	1,333,134	1,333,134	1.19	1.62
Effect of dilutive securities						
Preference shares convertible to ordinary shares	-	-	20	20		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming conversion of dilutive securities	<u>1,585,135</u>	<u>2,165,973</u>	<u>1,333,154</u>	<u>1,333,154</u>	<u>1.19</u>	<u>1.62</u>

18. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiary companies had significant business transactions with its subsidiary, associated and related companies (related by way of common shareholders and/or common directors). Such transactions which have been concluded on the terms and basis as determined by the Company, its subsidiary companies and those companies, are summarised below :-

(Unit : Million Baht)

	For the three-month periods ended 30 September				Pricing Policies (For the year 2006)
	Consolidated		The Company Only		
	2006	2005	2006	2005	
Subsidiary companies :-					
Sales of investments in debt securities (2005 : with loss on sales of Baht 15 million)	-	-	-	325	
Transfer value of deposits of individual customers in form of promissory notes	-	-	-	47,726	
Transfer of assets	-	-	48	-	At the rate determined under appraisal value and book value
Interest income from loans	-	-	19	133	At interest rates of 3.50 and 11.51 percent per annum
Interest income from deposits	-	-	3	-	At the rate of 3.00 percent per annum
Rental and other service income	-	-	54	34	At the rate determined under the contract between related parties
Fees and other income	3	7	-	7	At the rate determined under the contract between related parties
Interest expenses	1	-	844	765	At interest rates of 6.5 - 7.125 percent per annum
Rental and other service expenses	6	5	64	58	At the rate determined under the contract between related parties
Insurance expenses	-	-	1	2	As insurance policy
Associated companies :-					
Interest income	-	1	-	-	
Other income	1	-	-	1	
Interest expenses	3	5	-	1	At interest rates of 11.51 percent per annum of borrowings balance
Other expenses	9	10	8	7	
Related companies:-					
Dividend income	1	5	-	-	As declared
Interest income	18	20	1	4	At interest rates of 0.50 - 8.25 percent per annum
Other income	1	26	-	1	
Interest expenses	16	6	-	2	At interest rates of 0.50 - 5.25 and 9 percent per annum
Project management expenses	15	13	8	6	At the rate determined under the contracts which based on the estimated time spent and charge-out rate
Other expenses	24	18	3	11	

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	For the nine-month periods ended 30 September				Pricing Policies (For the year 2006)
	Consolidated		The Company Only		
	2006	2005	2006	2005	
Subsidiary companies :-					
Sales of investments in debt securities (2006 : with loss on sales of Baht 0.3 million) (2005 : with loss on sales of Baht 118 million)	-	-	2,416	3,331	At market price
Purchase of investments in debt securities	-	-	3,987	-	At market price
Transfer value of loans	-	-	888	-	At contract rate, determined with reference to basis approved by financial advisor
Transfer value of deposits of individual customers in form of promissory notes	-	-	-	47,726	
Cash paid for purchase of investment in subsidiary companies	-	-	-	250	
Transfer of assets	-	-	213	-	At the rate determined under appraisal value and book value
Interest income from loans	-	-	69	408	At interest rates of 3.50 and 11.51 percent per annum
Interest income from deposits	-	-	6	-	At the rate of 3.00 percent per annum
Rental and other service income	-	-	143	92	At the rate determined under the contract between related parties
Fees and other income	18	7	1	17	At the rate determined under the contract between related parties
Interest expenses	1	-	2,807	1,201	At interest rates of 5.50 - 7.125 percent per annum
Rental and other service expenses	19	16	194	134	At the rate determined under the contract between related parties
Insurance expenses	-	-	4	5	As insurance policy
Associated companies :-					
Interest income	-	1	-	-	
Other income	1	1	-	1	
Interest expenses	10	15	-	1	At interest rates of 11.51 percent per annum of borrowings balance
Other expenses	33	31	27	21	
Related companies:-					
Dividend income	34	12	4	-	As declared
Interest income	70	59	3	13	At interest rates of 0.50 - 8.25 percent per annum
Other income	4	79	2	3	
Interest expenses	34	31	-	6	At interest rates of 0.50 - 5.25 and 9 percent per annum
Project management expenses	45	38	22	19	At the rate determined under the contracts which based on the estimated time spent and charge-out rate
Other expenses	64	46	14	27	

During the nine-month periods ended 30 September 2006, Thanachart Bank transferred additional non-performing loans amounting to Baht 773 million to N.F.S. Asset Management Co., Ltd.

(UNAUDITED BUT REVIEWED)

The outstanding balances of the above transactions during the nine-month periods ended 30 September 2006 and 2005 are below shown at the average month end balance :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
<u>Subsidiary companies</u>				
Interbank and money market items (Assets)	-	-	205	47
Loans	-	-	1,294	14,587
Deposits	22	28	-	2,178
Interbank and money market items (Liabilities)	-	-	57,732	37,160
<u>Associated companies</u>				
Investments in debt securities	17	24	-	-
Loans	3	5	-	-
Deposits	35	10	-	-
Borrowings	116	195	-	16
<u>Related companies</u>				
Interbank and money market items (Assets)	452	412	61	117
Investments in debt and equity securities	1,293	1,202	280	286
Loans	1,369	2,185	98	282
Deposits	895	1,197	-	462
Interbank and money market items (Liabilities)	86	42	3	25
Debentures	112	112	-	-

The outstanding balances of the above transactions are as follow :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
<u>Interbank and money market items (Assets)</u>				
Subsidiary company - Thanachart Bank Plc.	-	-	214	131
Related companies	226	289	59	94
Total	226	289	273	225

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Investments in debt securities</u>				
Associated company - MBK Plc.	-	24	-	-
Related companies	268	306	-	-
Total	268	330	-	-
<u>Loans</u>				
Subsidiary companies :-				
Max Asset Management Co., Ltd.	-	-	441	708
National Leasing Co., Ltd.	-	-	576	900
	-	-	1,017	1,608
Associated company - MBK Plc.	-	4	-	-
Related companies	1,100	1,645	14	269
Total	1,100	1,649	1,031	1,877
<u>Accrued interest receivable from deposits, investments and loans</u>				
Subsidiary companies :-				
Thanachart Bank Plc.	-	-	3	-
Max Asset Management Co., Ltd.	-	-	4	29
Related companies	12	10	-	1
Total	12	10	7	30

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Other assets</u>				
Subsidiary companies :-				
Thanachart Bank Plc.	-	-	10	4
Thanachart Securities Plc.	-	-	2	8
Other subsidiary companies	3	2	1	10
	3	2	13	22
Associated companies	8	9	4	4
Related companies	29	44	-	12
Total	40	55	17	38
<u>Deposits</u>				
Subsidiary companies	21	27	-	-
Associated companies :-				
MBK Plc.	8	20	-	-
Other associated companies	4	-	-	-
	12	20	-	-
Related companies	1,291	1,092	-	-
Total	1,324	1,139	-	-
<u>Interbank and money market items (Liabilities)</u>				
Subsidiary company - Thanachart Bank Plc.	-	-	43,850	75,500
Related companies	29	50	1	-
Total	29	50	43,851	75,500
<u>Borrowings and Debenture</u>				
Subsidiary company - Thanachart Insurance				
Co., Ltd.	-	-	15	-
Associated company - MBK Plc.	88	141	-	-
Related companies	112	112	-	-
Total	200	253	15	-

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Accrued interest payable</u>				
Subsidiary companies	1	-	-	-
Associated companies	1	6	-	-
Related companies	11	10	-	-
Total	<u>13</u>	<u>16</u>	<u>-</u>	<u>-</u>
<u>Other liabilities</u>				
Subsidiary companies :-				
Thanachart Bank Plc.	-	-	4	23
National Leasing Co., Ltd.	-	-	22	23
Thanachart Insurance Co., Ltd.	-	-	8	13
Other subsidiary companies	-	-	6	7
	<u>-</u>	<u>-</u>	<u>40</u>	<u>66</u>
Related companies	63	406	2	11
Total	<u>63</u>	<u>406</u>	<u>42</u>	<u>77</u>
<u>Guarantees of loans</u>				
Related companies	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

As at 30 September 2006, the Company and its subsidiary companies have investments amounting to approximately Baht 589 million (the Company Only : Baht 218 million) in companies to which they are related by means of members of their management being shareholders and/or directors of those companies.

(UNAUDITED BUT REVIEWED)

As at 30 September 2006 and 31 December 2005, the Company and its subsidiary companies had the following related parties transactions with executive employees from department manager level up :-

(Unit : Million Baht)

	Consolidated		The Company Only	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
Loans	53	42	6	7
Deposits	604	401	-	-

19. FINANCIAL INFORMATION BY SEGMENT

Financial information relating to the business as at 30 September 2006 and 31 December 2005 and for the three-month and nine-month periods ended 30 September 2006 and 2005 are summarized below :-

(Unit : Million Baht)

For the three-month periods ended 30 September

	The Company		Bank business		Asset management business		Securities business		Other business		Eliminations		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	263	1,094	1,266	441	(70)	73	22	16	86	63	(8)	(2)	1,559
Share of profits from investments accounted for under equity method	501	192	-	-	-	-	-	-	8	-	(443)	(130)	66	62
Non-interest income	192	195	349	216	186	185	282	201	848	612	169	(109)	2,026	1,300
Operating expenses	(429)	(583)	(1,550)	(743)	(36)	(34)	(220)	(194)	(857)	(593)	137	113	(2,955)	(2,034)
Corporate income tax	(51)	(200)	(8)	-	(81)	(60)	(25)	-	6	(42)	-	-	(159)	(302)
Minority interest in net earnings in subsidiary companies	-	-	-	-	-	-	-	-	-	-	(61)	(13)	(61)	(13)
Net earnings	<u>476</u>	<u>698</u>	<u>57</u>	<u>(86)</u>	<u>(1)</u>	<u>164</u>	<u>59</u>	<u>23</u>	<u>91</u>	<u>40</u>	<u>(206)</u>	<u>(141)</u>	<u>476</u>	<u>698</u>

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

For the nine-month periods ended 30 September

	Asset management													
	The Company		Bank business		business		Securities business		Other business		Eliminations		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	1,099	3,041	3,675	1,091	(16)	338	97	68	252	158	(102)	(57)	5,005	4,639
Share of profits from investments accounted for under equity method	1,423	1,106	-	-	-	-	-	-	28	-	(1,265)	(960)	186	146
Non-interest income	646	671	835	438	1,019	482	796	626	2,199	1,459	(34)	(36)	5,461	3,640
Operating expenses	(1,315)	(2,210)	(4,207)	(1,349)	(107)	(101)	(674)	(580)	(2,283)	(1,480)	403	253	(8,183)	(5,467)
Corporate income tax	(268)	(442)	(52)	-	(304)	(238)	(63)	(17)	(76)	(75)	-	-	(763)	(772)
Minority interest in net earnings in subsidiary companies	-	-	-	-	-	-	-	-	-	-	(121)	(20)	(121)	(20)
Net earnings	<u>1,585</u>	<u>2,166</u>	<u>251</u>	<u>180</u>	<u>592</u>	<u>481</u>	<u>156</u>	<u>97</u>	<u>120</u>	<u>62</u>	<u>(1,119)</u>	<u>(820)</u>	<u>1,585</u>	<u>2,166</u>

(Unit : Million Baht)

As at

	Asset management													
	The Company		Bank business		business		Securities business		Other business		Eliminations		Total	
	30	31	30	31	30	31	30	31	30	31	30	31	30	31
	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005	September 2006	December 2005
Investments - Net	25,893	24,734	19,028	17,415	5,076	6,237	1,374	1,194	5,539	5,069	(22,731)	(21,445)	34,179	33,204
Loans and accrued interest receivable - Net (including interbank and money market items)	54,484	80,738	195,006	160,622	3,876	4,473	2,314	2,271	4,686	3,577	(57,643)	(90,911)	202,723	160,770
Land, premises and equipment - Net	358	560	951	494	1	2	151	165	54	57	-	-	1,515	1,278
Other assets	3,628	10,904	53,647	16,948	3,897	3,974	342	265	782	810	(50)	(80)	62,246	32,821
Total assets	<u>84,363</u>	<u>116,936</u>	<u>268,632</u>	<u>195,479</u>	<u>12,850</u>	<u>14,686</u>	<u>4,181</u>	<u>3,895</u>	<u>11,061</u>	<u>9,513</u>	<u>(80,424)</u>	<u>(112,436)</u>	<u>300,663</u>	<u>228,073</u>

(UNAUDITED BUT REVIEWED)

20. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2006 and 31 December 2005, commitments and contingent liabilities which are significant consisted of :-

20.1

(Unit : Million Baht)

	Consolidated					
	30 September 2006			31 December 2005		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills	72	-	72	239	-	239
Guarantees of loans	10	-	10	10	-	10
Liability under unmatured import bills	-	22	22	-	4	4
Letters of credit	-	66	66	-	635	635
Other commitments						
Obligations under interest rate swap agreements	46,636	-	46,636	48,373	-	48,373
Obligations under forward exchange contracts						
Bought contracts	-	2,865	2,865	-	549	549
Sold contracts	-	14,170	14,170	-	625	625
Obligations under cross currency and interest rate swap contracts - sold contracts	-	2,200	2,200	-	1,389	1,389
Committed (but not drawn) overdraft	1,339	-	1,339	628	-	628
Other guarantees	1,309	10	1,319	963	-	963
Total contingencies and commitments	<u>49,366</u>	<u>19,333</u>	<u>68,699</u>	<u>50,213</u>	<u>3,202</u>	<u>53,415</u>

(Unit : Million Baht)

	The Company Only					
	30 September 2006			31 December 2005		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Guarantees of loans	10	-	10	10	-	10
Other commitments						
Obligation under interest rate swap agreements	19,986	-	19,986	21,723	-	21,723
Other guarantees	1	-	1	1	-	1
Total contingencies and commitments	<u>19,997</u>	<u>-</u>	<u>19,997</u>	<u>21,734</u>	<u>-</u>	<u>21,734</u>

- 20.2** During the years 2001 to 2003, the Company and its subsidiary companies have entered into agreements to sell loans with transfer prices totaling of approximately Baht 3,417 million to the Thai Asset Management Corporation (“TAMC”). The Company and its subsidiary companies are still jointly entitled to/liable for a share of the gains or losses arising from TAMC’s management of these non-performing assets, which is to be calculated at the end of fifth and tenth years, counting from 1 July 2001. In case of losses, the Company and its subsidiary companies are liable for all initial losses up to 20 percent of the transfer price, with the next 20 percent of such losses are to be shared equally between the Company or its subsidiary companies and TAMC. TAMC is liable for all remaining losses. Such gains or loss will be determined based on the cumulative value of the collections made on the assets as at the date of determination, minus transfer costs and all operating expenses of TAMC, including interest on the debt instruments issued to purchase the receivables. The gains or loss cannot be reliably estimated by the Company and its subsidiary companies at this stage. However, as at 30 September 2006, the Company and its subsidiary companies have estimated their share of the loss which may arise from the management of non-performing assets at approximately Baht 362 million (the Company Only : Baht 137 million) (31 December 2005 : of Baht 344 million and Baht 119 million, respectively). This is presented as a part of the allowance for impairment of investment in promissory notes.
- 20.3** The Company and a subsidiary company have entered into agreements to sell housing loans/to transfer rights to claim the housing debts to the Secondary Mortgage Corporation, under which they are committed to compensate the Corporation for loss from uncollected debts up to a maximum of 20 percent of the sell price of the said receivables, or approximately Baht 11 million (the Company Only : Baht 7 million).

(UNAUDITED BUT REVIEWED)

20.4 Thanachart Bank Plc., subsidiary company, is obliged to make contributions to the Financial Institutions Development Fund, at a rate of 0.2 percent of the total outstanding balance of the Bank's deposits and accrued interest arising from borrowings, as of the last day of the previous nine-month period before the contributions are to be made, every 30 June and 31 December of the year.

20.5 As at 30 September 2006, the Company and its subsidiary companies have obligations to pay service fees related to property foreclosed and other services including long-term rental and office services agreements which can be presented as follows :-

(Unit : Million Baht)

Year	Consolidated	The Company Only	
	Other companies	Other companies	Subsidiaries
2006	142	71	8
2007	297	129	7
2008 onward	383	178	15

In addition, the Company has an obligation to pay an administrative service fee to a subsidiary company at actual cost plus a margin according to period in agreement.

20.6 As at 30 September 2006, a subsidiary company has commitments under a research support and distribution services agreement made with an overseas company, whereby it must pay service charges of approximately USD 625,000 per quarter. The agreement will expire on 30 September 2008.

21. LITIGATION

As at 30 September 2006, the Company and its subsidiary companies have contingent liabilities amounting to approximately Baht 847 million as a result of litigation (the Company Only : Baht 346 million). However, the Company and its subsidiary companies' management expect that no loss will result and therefore no liabilities are currently recorded.

22. BANK GUARANTEE

As at 30 September 2006, there were outstanding bank guarantees of approximately Baht 6 million (the Company Only : Baht 5 million) issued by banks on behalf of the Company and its subsidiaries to guarantee the use of electricity and the rental of land.

23. FINANCIAL INSTRUMENTS

Financial instruments are any contracts which give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

As at 30 September 2006, the Company has no policy to speculate or trade in any off-balance sheet derivative financial instruments.

23.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiary companies to incur a financial loss. The maximum exposure to credit risk is the carrying amount of financial assets less provision for losses as stated in the balance sheet and off-balance sheet aval, guarantee of loans and other guarantees.

23.2 Market risk

a) Interest rate risk

As at 30 September 2006, financial assets and liabilities can be classified as follow by interest type :-

(Unit : Million Baht)

	Consolidated				The Company Only			
	Outstanding balances of financial instruments				Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Without interest	Total	Floating interest rate	Fixed interest rate	Without interest	Total
<u>Financial assets</u>								
Cash	-	-	2,154	2,154	-	-	-	-
Interbank and money market items	77	11,665	2,851	14,593	103	-	372	475
Securities purchased under resale agreements	-	47,900	-	47,900	-	-	-	-
Investments	2,823	26,937	5,227	34,987	1,593	510	24,003	26,106
Receivables from clearing house	-	-	223	223	-	-	-	-
Loans (include intercompany gains on loan transferred)	25,641	166,426	3,260	195,327	57	55,743	879	56,679
<u>Financial liabilities</u>								
Deposits	29,795	189,766	365	219,926	-	-	-	-
Interbank and money market items	622	2,352	303	3,277	43,851	-	-	43,851
Payable to clearing house	-	-	464	464	-	-	-	-
Securities business payable	-	-	918	918	-	-	-	-
Borrowings	5,000	35,307	-	40,307	-	15,665	-	15,665
Liabilities payable on demand	-	-	664	664	-	-	-	-

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition have been ceased, and are presented before deducting provisions.

(UNAUDITED BUT REVIEWED)

With respect to financial instruments that carry fixed interest rates, the periods from the balance sheet date to the repricing or maturity dates (whichever is the earlier) are presented below :-

(Unit : Million Baht)

Transactions	Consolidated						Weighted average interest rates Percentage
	At call	Repricing or maturity date				Total	
		0-3 months	3-12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	175	11,111	319	60	-	11,665	4.33-5.27
Securities purchased under resale agreements	-	47,900	-	-	-	47,900	4.99
Investments	-	7,353	4,581	8,190	6,813	26,937	4.26-4.56
Loans (include intercompany gains on loan transferred)	934	4,538	10,915	132,444	17,595	166,426	6.74-7.36
Financial liabilities							
Deposits	95	86,722	91,415	11,534	-	189,766	4.83
Interbank and money market items	-	860	482	1,010	-	2,352	4.65
Borrowings	-	13,951	5,175	16,181	-	35,307	3.84-4.68

(Unit : Million Baht)

Transactions	The Company Only						Weighted average interest rates Percentage
	At call	Repricing or maturity date				Total	
		0-3 months	3-12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	510	-	-	-	510	2.30
Loans	581	289	3,561	51,312	-	55,743	6.74
Financial liabilities							
Borrowings	-	9,415	650	5,600	-	15,665	3.84

(UNAUDITED BUT REVIEWED)

In addition, the Company and its subsidiary companies have interest bearing financial assets and financial liabilities. The monthly average balance of performing financial assets and liabilities of the Company and its subsidiary companies for the nine-month period ended 30 September 2006, and the average rate of interest and dividend income, can be summarised as follow :-

(Unit : Million Baht)

	Consolidated			The Company Only		
	Average balance	Interest and dividend	Average rate	Average balance	Interest and dividend	Average rate
<u>Interest earnings financial assets</u>						
Interbank and money market items	7,873	265	4.50	529	5	1.26
Securities purchased under resale agreements	36,539	1,272	4.64	3,208	83	3.45
Investments	33,733	1,002	3.96	3,410	101	3.95
Loans	170,846	9,610	7.50	67,890	3,574	7.02
<u>Interest bearing financial liabilities</u>						
Deposits	188,265	5,637	3.99	-	-	-
Interbank and money market items	2,119	66	4.15	57,899	2,807	6.46
Securities sold under repurchase agreements	125	5	4.79	-	-	-
Borrowings	41,316	1,277	4.12	16,468	425	3.44

(UNAUDITED BUT REVIEWED)

b) Foreign exchange risk

As at 30 September 2006, the Company and its subsidiary companies have foreign currency as follow :-

(Unit : Million Baht)

	Consolidated			The Company Only		
	Outstanding balances of financial instruments			Outstanding balances of financial instruments		
	US dollar	Euro	Others	US dollar	Euro	Others
<u>In-balance sheet foreign currency</u>						
<u>Financial assets</u>						
Cash	38	12	23	-	-	-
Interbank and money market items	10,940	13	16	-	-	-
Investments	2,102	-	256	-	-	-
Loans	24	5	-	-	-	-
Other assets	31	-	1	-	-	-
Total	13,135	30	296	-	-	-
<u>Financial liabilities</u>						
Interbank and money market items	24	-	-	-	-	-
Total	24	-	-	-	-	-
<u>Off-balance sheet foreign currency</u>						
Liabilities under unmatured import bills	16	6	-	-	-	-
Letters of credit	59	7	-	-	-	-
Forwards exchange contracts						
- Bought contracts	2,539	298	28	-	-	-
- Sold contracts	13,735	345	90	-	-	-
Cross currency and interest rate swap						
contracts - sold contracts	1,945	-	255	-	-	-
Others	7	-	3	-	-	-

A subsidiary company has entered into forward exchange contracts to fully hedge the exposure to foreign exchange risk on its foreign investments.

c) Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenues and in the values of financial assets.

23.3 Liquidity risk

Counting from the balance sheet date, the periods to maturity of financial instruments held as at 30 September 2006 are as follows :-

Transactions	Consolidated					The Company Only				
	Less than		Over	Unspecified	Total	Less than		Over	Unspecified	Total
	At call	1 year	1 year			At call	1 year	1 year		
Financial assets										
Cash	2,154	-	-	-	2,154	-	-	-	-	-
Interbank and money market items	3,085	11,380	80	48	14,593	455	-	20	-	475
Securities purchased under resale agreements	-	47,900	-	-	47,900	-	-	-	-	-
Investments	2,823	9,052	17,922	5,190	34,987	1,593	-	510	24,003	26,106
Receivables from clearing house	-	223	-	-	223	-	-	-	-	-
Loans ⁽¹⁾	13,184	11,888	170,255	-	195,327	2,016	3,737	50,926	-	56,679
Financial liabilities										
Deposits	29,627	178,533	11,766	-	219,926	-	-	-	-	-
Interbank and money market items	925	1,292	1,060	-	3,277	43,851	-	-	-	43,851
Payable to clearing house	-	464	-	-	464	-	-	-	-	-
Securities business payable	-	918	-	-	918	-	-	-	-	-
Borrowings	-	5,966	34,341	-	40,307	-	-	15,665	-	15,665
Liabilities payable on demand	664	-	-	-	664	-	-	-	-	-
Off-balance sheet items :-										
Avals to bills and guarantee of loans	33	49	-	-	82	10	-	-	-	10
Liability under unmaturing import bills	-	22	-	-	22	-	-	-	-	-
Letter of credit	14	52	-	-	66	-	-	-	-	-
Other commitments	1,410	27,197	39,556	366	68,529	1	-	19,986	-	19,987

(1) The outstanding balance of loans includes intercompany gain on loan transferred. Call loans include loans on which interest recognition has been ceased.

(UNAUDITED BUT REVIEWED)

23.4 Fair value

As at 30 September 2006, there are no material differences between the book value of the financial instruments and their fair values, except that the fair value of investments in held-to-maturity debt securities is Baht 299 million less than the net book value of such investments.

23.5 Financial derivatives

As at 30 September 2006, financial derivatives, which the Company and its subsidiary company had engaged, can be classified as follow by period to maturity :-

(Unit : Million Baht)

	Consolidated			The Company Only		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	2,865	-	2,865	-	-	-
- Sold	14,170	-	14,170	-	-	-
Cross currency swap contracts						
- Sold	886	1,314	2,200	-	-	-
Interest rate swap contracts						
- Fixed interest rate payment	1,630	12,378	14,008	-	7,508	7,508
- Floating interest rate payment	2,730	6,580	9,310	-	2,485	2,485
- Fixed interest rate receipt	2,730	9,780	12,510	-	5,685	5,685
- Floating interest rate receipt	1,630	9,178	10,808	-	4,308	4,308

24. PRESENTATION

Because the Company is the parent company of a financial business group, with its principal subsidiary being a commercial bank, it is under a consolidated supervision of the Bank of Thailand. Therefore, in order to present financial information of the Group in accordance with substance, the presentation of the financial statements has been made in compliance with the Notification of the Bank of Thailand relating to the format of the financial statements of commercial banks, dated 10 May 2001. Therefore, certain amounts in the financial statements as at 31 December 2005 and for the three-month and nine-month periods ended 30 September 2005 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings and shareholders' equity.

25. SUBSEQUENT EVENT

On 11 October 2006, the Federation of Accounting Professions ("FAP") issued the Notification No. 26/2549 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006, can continue to use the equity method through to the end of 2006 and adopt the cost method as from 1 January 2007.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

26. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements were authorised by the Board of Directors on 9 November 2006.