

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD
ENDED SEPTEMBER 30, 2006 AND FOR THE YEAR ENDED DECEMBER 31, 2005
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REVIEW REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General has reviewed the balance sheets of the Export-Import Bank of Thailand as at September 30, 2006, and the related statements of income for the three-month periods and nine-month periods ended September 30, 2006 and 2005, changes in capital, and cash flows for the nine-month periods ended September 30, 2006 and 2005. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General is to issue a report on these financial statements based on the reviews.

The Office of the Auditor General conducted the reviews in accordance with generally accepted auditing standards applicable to review engagements. Those standards require that The Office of the Auditor General 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 the Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly the Office of the Auditor General does not express an audit opinion.

Based on these reviews, nothing has come to attention that causes the Office of the Auditor General to believe that the Bank's financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The Office of the Auditor General previously audited the financial statements for the year ended December 31, 2005 of the Export-Import Bank of Thailand in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in report dated February 14, 2006. The balance sheet as of December 31, 2005, presented for comparative purposes, is part of the financial statements which the Office of the Auditor General has audited and issued a report thereon as stated above. The Office of the Auditor General has not performed any other auditing procedures subsequent to the date of that report.

(Signed) *Wilailak Anyamaneerat*

(Wilailak Anyamaneerat)

Director of Audit Office

(Signed) *Wibulphen Hitaphan*

(Wibulphen Hitaphan)

Auditor In-charge

Office of the Auditor General

November 8, 2006

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT SEPTEMBER 30, 2006 AND DECEMBER 31, 2005

Unit: Baht

	<u>Notes</u>	<u>SEPTEMBER 30, 2006</u>	<u>DECEMBER 31, 2005</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Assets</u>			
Cash		347,893,032.47	488,353,248.98
Interbank and money market items	3.1		
Domestic items			
Interest bearing		575,925,186.63	48,074,583.57
Non-interest bearing		93,991,300.59	79,427,287.79
Foreign items			
Interest bearing		6,495,673,408.05	8,306,089,986.23
Non-interest bearing		258,323,884.95	246,766,373.05
Total interbank and money market items - net		<u>7,423,913,780.22</u>	<u>8,680,358,230.64</u>
Securities purchased under resale agreements		-	1,600,000,000.00
Investments	3.2		
Current investments - net		2,291,741,945.16	187,531,488.93
Long-term investments - net		4,352,629,991.97	3,065,143,085.61
Total investments - net		<u>6,644,371,937.13</u>	<u>3,252,674,574.54</u>
Loans and accrued interest receivables	3.3		
Loans		57,870,909,868.76	59,328,724,280.16
Accrued interest receivables		957,495,984.36	998,568,332.46
Total loans and accrued interest receivables		<u>58,828,405,853.12</u>	<u>60,327,292,612.62</u>
<u>Less</u> Allowance for doubtful accounts	3.4	4,887,981,007.17	4,455,336,648.10
<u>Less</u> Revaluation allowance for debt restructuring	3.5	1,075,427,472.09	922,923,649.94
Total loans and accrued interest receivable - net		<u>52,864,997,373.86</u>	<u>54,949,032,314.58</u>
Properties foreclosed - net		393,096,913.37	407,850,640.91
Premises and equipment - net		958,506,894.36	1,051,620,139.05
Derivative Revaluation	3.9	603,412,715.93	-
Accrued interest receivable not related to loans		96,538,652.14	29,551,646.93
Prepaid expense		10,924,526.43	9,093,898.26
Leasehold premises and improvements		14,048,565.37	17,907,014.36
Other assets - net		19,835,347.86	12,446,764.77
Total assets		<u><u>69,377,539,739.14</u></u>	<u><u>70,498,888,473.02</u></u>

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT SEPTEMBER 30, 2006 AND DECEMBER 31, 2005

Unit: Baht

	Notes	SEPTEMBER 30, 2006 "UNAUDITED" "REVIEWED"	DECEMBER 31, 2005 "AUDITED"
<u>Liabilities and Capital</u>			
Deposits			
Deposits in baht		4,073,021,688.27	3,838,626,797.89
Deposits in foreign currencies		972,478,800.77	5,019,249,465.58
Total deposits		<u>5,045,500,489.04</u>	<u>8,857,876,263.47</u>
Interbank and money market items			
Domestic items			
Interest bearing		5,072,542,364.97	8,185,907,900.00
Non-interest bearing		2,718,321.97	3,649,626.60
Foreign items			
Interest bearing		2,491,420,889.19	5,128,131,325.80
Total interbank and money market items		<u>7,566,681,576.13</u>	<u>13,317,688,852.40</u>
Liability payable on demand		25,065,771.48	18,478,370.86
Borrowings			
	3.6		
Short-term borrowings		8,350,000,000.00	670,000,000.00
Long-term borrowings		38,510,245,922.87	37,560,650,000.00
Total borrowings		<u>46,860,245,922.87</u>	<u>38,230,650,000.00</u>
Derivative Revaluation	3.9	-	900,231,793.93
Accrued interest payable		769,323,776.18	500,922,935.60
Export credit insurance reserve		188,417,162.46	178,562,182.31
Other liabilities		174,495,506.59	165,973,486.78
Total liabilities		<u>60,629,730,204.75</u>	<u>62,170,383,885.35</u>
Capital			
Capital	3.7	6,500,000,000.00	6,500,000,000.00
Paid-up capital		6,500,000,000.00	6,500,000,000.00
Hedging reserve		(451,125,796.25)	(686,711,095.83)
Revaluation surplus (deficit) on investments	3.2.4	3,828,617.73	(4,379,614.81)
Retained earnings			
Appropriated			
Legal reserve		2,223,353,886.85	1,993,353,886.85
Unappropriated			
		471,752,826.06	526,241,411.46
Total capital		<u>8,747,809,534.39</u>	<u>8,328,504,587.67</u>
Total liabilities and capital		<u>69,377,539,739.14</u>	<u>70,498,888,473.02</u>

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT SEPTEMBER 30, 2006 AND DECEMBER 31, 2005

Unit: Baht

	<u>Notes</u>	<u>SEPTEMBER 30, 2006</u>	<u>DECEMBER 31, 2005</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Off-Balance-Sheet Items - Contingencies</u>	3.8		
Liabilities under unmatured import bills		316,200,538.78	788,999,851.33
Letters of credit		1,073,150,871.29	3,109,898,431.57
Export bills insured		7,285,725,537.26	8,423,593,437.66
Other contingencies		56,751,625,568.04	60,644,247,423.10

The Notes to the Financial Statements are an integral part of these statements.

(signed) Virabongsa Ramangkura

(signed) Apichai Boontherawara

(Mr. Virabongsa Ramangkura)
Chairman of the Board of Directors

(Mr. Apichai Boontherawara)
President

EXPORT-IMPORT BANK OF THAILAND

"REVIEWED"

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

	Unit: Baht	
	<u>2006</u>	<u>2005</u>
Interest and dividend income		
Loans	898,143,013.69	637,306,174.61
Interbank and money market items	167,609,047.79	98,717,543.31
Investments	83,599,536.89	20,260,506.08
Total interest and dividend income	<u>1,149,351,598.37</u>	<u>756,284,224.00</u>
Interest expenses		
Deposits	39,338,453.46	20,799,121.34
Interbank and money market items	99,448,104.01	108,227,635.02
Short-term borrowings	122,420,724.53	9,977,458.05
Long-term borrowings	515,571,301.65	281,911,000.36
Total interest expenses	<u>776,778,583.65</u>	<u>420,915,214.77</u>
Net income from interest and dividend	372,573,014.72	335,369,009.23
Bad debt and doubtful accounts	187,914,941.52	291,372,563.67
Loss on debt restructuring	(10,902,110.90)	12,850,816.56
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>195,560,184.10</u>	<u>31,145,629.00</u>
Non-interest income		
Fees and service income	56,975,988.88	65,218,284.09
Export insurance income	41,419,658.46	42,358,402.76
Gains on exchanges	43,997,935.16	40,342,586.25
Gains on sale of properties foreclosed	353,642.00	7,134,740.00
Written-off debt recovered	17,744,269.12	18,239,894.70
Other income	7,361,694.53	5,331,733.60
Total non-interest income	<u>167,853,188.15</u>	<u>178,625,641.40</u>
Non-interest expenses		
Personnel expenses	107,299,955.25	93,419,992.42
Premises and equipment expenses	23,006,503.02	21,620,573.60
Taxes and duties	29,012.87	17,705.64
Fees and service expenses	4,405,007.99	3,075,956.82
Expenses on export insurance	7,913,903.76	12,329,788.39
Directors' remuneration	890,259.00	677,500.00
Other expenses	24,990,613.72	26,275,798.73
Total non-interest expenses	<u>168,535,255.61</u>	<u>157,417,315.60</u>
Net income	<u>194,878,116.64</u>	<u>52,353,954.80</u>

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND

"REVIEWED"

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

	Unit: Baht	
	<u>2006</u>	<u>2005</u>
Interest and dividend income		
Loans	2,613,889,308.71	1,742,609,879.27
Interbank and money market items	517,713,339.50	311,583,899.60
Investments	205,095,515.37	50,881,567.20
Total interest and dividend income	<u>3,336,698,163.58</u>	<u>2,105,075,346.07</u>
Interest expenses		
Deposits	122,134,817.60	43,538,189.53
Interbank and money market items	385,553,492.82	297,771,174.49
Short-term borrowings	239,021,475.11	59,061,095.82
Long-term borrowings	1,470,320,560.43	683,124,485.92
Total interest expenses	<u>2,217,030,345.96</u>	<u>1,083,494,945.76</u>
Net income from interest and dividend	1,119,667,817.62	1,021,580,400.31
Bad debt and doubtful accounts	585,475,221.92	667,252,999.81
Loss on debt restructuring	190,139,663.30	159,651,306.33
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>344,052,932.40</u>	<u>194,676,094.17</u>
Non-interest income		
Fees and service income	192,314,749.82	203,752,636.86
Export insurance income	126,306,384.15	115,150,263.38
Gains on exchanges	128,765,406.39	121,945,884.21
Gains on sale of properties foreclosed	8,264,988.67	8,815,125.92
Bad debt recovered	4,995.54	-
Written-off debt recovered	23,626,985.98	68,693,084.61
Other income	15,643,570.69	11,178,446.57
Total non-interest income	<u>494,927,081.24</u>	<u>529,535,441.55</u>
Non-interest expenses		
Personnel expenses	314,877,431.37	274,224,173.47
Premises and equipment expenses	69,517,331.35	66,316,402.95
Taxes and duties	115,500.43	105,164.87
Fees and service expenses	20,363,950.51	25,007,328.92
Expenses on export insurance	24,253,759.27	34,217,800.38
Directors' remuneration	2,601,009.00	2,434,005.32
Loss on impairment of properties foreclosed	9,350,704.54	6,324,252.56
Other expenses	61,388,912.57	60,101,301.52
Total non-interest expenses	<u>502,468,599.04</u>	<u>468,730,429.99</u>
Net income	<u>336,511,414.60</u>	<u>255,481,105.73</u>

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN CAPITAL
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

Unit: Baht

	Capital	Hedging reserve	Revaluation surplus (deficit) on investments	Appropriated retained earnings	Unappropriated retained earnings	Total
Beginning balance as at January 1, 2005	6,500,000,000.00	41,965,234.95	6,278,034.58	1,647,000,000.00	583,586,914.52	8,778,830,184.05
Hedging reserve	-	(629,470,225.44)	-	-	-	(629,470,225.44)
Revaluation deficit on investments	-	-	(10,567,515.69)	-	-	(10,567,515.69)
Un-recognized items in income statements	-	(629,470,225.44)	(10,567,515.69)	-	-	(640,037,741.13)
Legal reserve	-	-	-	346,353,886.85	(346,353,886.85)	-
Remittance to the Ministry of Finance	-	-	-	-	(168,000,000.00)	(168,000,000.00)
Net income	-	-	-	-	255,481,105.73	255,481,105.73
Ending balance as at September 30, 2005	6,500,000,000.00	(587,504,990.49)	(4,289,481.11)	1,993,353,886.85	324,714,133.40	8,226,273,548.65
Beginning balance as at January 1, 2006	6,500,000,000.00	(686,711,095.83)	(4,379,614.81)	1,993,353,886.85	526,241,411.46	8,328,504,587.67
Hedging reserve	-	235,585,299.58	-	-	-	235,585,299.58
Revaluation surplus on investments	-	-	8,208,232.54	-	-	8,208,232.54
Un-recognized items in income statements	-	235,585,299.58	8,208,232.54	-	-	243,793,532.12
Legal reserve	-	-	-	230,000,000.00	(230,000,000.00)	-
Remittance to the Ministry of Finance	-	-	-	-	(161,000,000.00)	(161,000,000.00)
Net income	-	-	-	-	336,511,414.60	336,511,414.60
Ending balance as at September 30, 2006	6,500,000,000.00	(451,125,796.25)	3,828,617.73	2,223,353,886.85	471,752,826.06	8,747,809,534.39

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

Unit: Baht

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities		
Net income	336,511,414.60	255,481,105.73
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation and amortization	49,832,224.32	47,922,473.10
Bad debt and doubtful accounts	576,665,636.63	670,538,922.15
Loss on debt restructuring	190,139,663.30	159,651,306.33
(Reverse) Interest income from restructured debt	(37,635,841.15)	(40,828,324.92)
Written-off debt recovered	(3,793,335.12)	(32,254,966.66)
(Gain) on disposal of assets	(2,649,301.93)	(1,963,923.48)
(Gain) on sale of properties foreclosed	(8,264,988.67)	(8,815,125.92)
Loss on impairment of properties foreclosed	9,350,704.54	6,324,252.56
(Gain) Loss on exchanges	(829,974,845.64)	(191,241,220.85)
Derivative revaluation	(269,703,525.98)	95,508,846.06
Amortization of income - discount on bond value	41,478,781.54	1,874,431.89
Provision for contingent liabilities	5,289,300.00	219,540.00
Loss on claims and provision for claims against export insurance	17,424,357.16	28,652,109.22
Decrease in accrued income	62,143.87	387,087.62
(Increase) in accrued interest and dividend receivable	(149,863,747.20)	(143,679,348.80)
(Increase) Decrease in prepaid expenses	(1,959,308.13)	776,850.37
Increase (Decrease) in advanced interest income	(16,737,090.46)	18,834,177.81
Increase in accrued interest payable	274,039,882.80	122,840,292.89
Increase in other accrued expenses	11,645,812.75	5,781,589.55
Net income from operations before changes in operating assets and liabilities	191,857,937.23	996,010,074.65
(Increase) Decrease in operating assets		
Interbank and money market items	1,285,972,744.66	(2,615,307,022.61)
Securities purchased under resale agreements	1,600,000,000.00	400,000,000.00
Loans	271,446,002.83	(7,340,730,391.31)
Properties foreclosed	35,604,211.67	84,467,769.19
Other assets	(21,184,527.14)	(23,210,465.19)

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

Unit: Baht

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities (continued)		
Increase (Decrease) in operating liabilities		
Deposits	(3,817,623,045.62)	1,334,977,710.24
Securities sold under repurchased agreements	-	760,000,000.00
Interbank and money market items	(5,438,976,785.86)	6,043,382,224.44
Liability payable on demand	6,587,400.62	56,942,440.83
Short-term borrowings	7,680,000,000.00	(7,030,000,000.00)
Other liabilities	(9,331,904.70)	(8,990,022.60)
Net cash from operating activities	<u>1,784,352,033.69</u>	<u>(7,342,457,682.36)</u>
Cash flows from investing activities		
(Increase) in investments in securities	(3,455,449,465.52)	(302,616,233.09)
Purchase of premises and equipment	(19,112,845.32)	(79,688,997.97)
Proceeds from sale of premises and equipment	68,471,152.24	3,729,932.00
Net cash from investing activities	<u>(3,406,091,158.60)</u>	<u>(378,575,299.06)</u>
Cash flows from financing activities		
Increase in long-term borrowings	1,642,278,908.40	7,816,826,159.35
Remittance to the Ministry of Finance	(161,000,000.00)	(168,000,000.00)
Net cash from financing activities	<u>1,481,278,908.40</u>	<u>7,648,826,159.35</u>
Net (decrease) in cash and cash equivalents	<u>(140,460,216.51)</u>	<u>(72,206,822.07)</u>
Cash and cash equivalents as of January 1	<u>488,353,248.98</u>	<u>549,362,627.64</u>
Cash and cash equivalents as of September 30	<u><u>347,893,032.47</u></u>	<u><u>477,155,805.57</u></u>
 Supplemental disclosure of cash flows information		
Cash paid during the year		
Interest expenses	1,948,629,505.38	956,163,074.93

The Notes to the Financial Statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2006
(UNAUDITED/REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2005 (AUDITED)

1. GENERAL INFORMATION

Export-Import Bank of Thailand (or "the Bank") was established by the Export-Import Bank of Thailand Act B.E. 2536 (A.D. 1993), which became effective on September 7, 1993, and its amendment by the Export-Import Bank of Thailand Act (No. 2) B.E. 2542 (A.D. 1999), taking effect on December 6, 1999. The Bank's objectives are to provide financial supports for exports, imports and investments relating to the development of the Thai economy. Its services include:

- export financing services provided through commercial banks;
- short-term and long-term credits provided directly to exporters;
- medium-term credits for export business expansion;
- short-term and medium-term credits to foreign banks to finance goods imports from Thailand;
- credit and equity financing to support Thai investments overseas;
- export credit insurance services to Thai exporters;
- credits for overseas projects yielding economic returns to Thailand; and
- investment insurance services for overseas investments of Thai investors who have received credits from the Bank.

The Bank's Head Office is located at 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok. As at September 30, 2006 and December 31, 2005, the Bank had a total staffing of 686 and 670 persons, respectively.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation of Financial Statements

The interim financial statements are prepared in accordance with minimum requirements of Accounting Standard No. 41: Interim Financial Reporting, covering the balance sheets, statements of income, changes in capital and cashflows as those of annual financial statements and selected explanatory notes.

An interim financial report provides details of recent events and changes to the annual financial statements on a year-to-date basis. As a result, a reader would need to access the Bank's most recent annual report ended December 31, 2005 to gain a full understanding of the Bank's financial position.

The financial statements are prepared in conformity with generally accepted accounting principles in Thailand and presented in accordance with the Notification issued by the Bank of Thailand prescribing the forms of balance sheet and statement of profit and loss of commercial banks dated May 10, 2001.

2.2 Significant Accounting Policies

The Bank's interim financial statements adopted uniform accounting policies and computation similar to those used for the year ended December 31, 2005.

3. ADDITIONAL INFORMATION

3.1 Interbank and Money Market Items (Assets)

As at September 30, 2006 and December 31, 2005, the interbank and money market items (assets) included unclassified loans of Baht 713.90 million and Baht 472.36 million respectively. Such loans are loans extended to corporate entities which are commercial banks, and loans extended in accordance with the government policy or the cabinet resolution and the risk insurance which are covered against losses under Sections 23 and 24 of the Export-Import Bank of Thailand Act B.E. 2536.

3.2 Investments

3.2.1 Current Investments

	September 30, 2006		December 31, 2005	
	Cost Value/ Amortized Cost Value	Market Value	Cost Value/ Amortized Cost Value	Market Value
				Unit: Million Baht
Held-to-maturity debt instruments				
Government and state enterprises securities	69.49		185.86	
Private enterprises debt instruments	100.00		-	
Foreign debt instruments	2,127.35		-	
Total	2,296.84		185.86	
Add Allowance for revaluation	(5.10)		1.67	
Total current investments-net	<u>2,291.74</u>		<u>187.53</u>	

3.2.2 Long-term Investments

	<u>September 30, 2006</u>		<u>December 31, 2005</u>	
	<u>Cost Value/ Amortized Cost Value</u>	<u>Market Value</u>	<u>Cost Value/ Amortized Cost Value</u>	<u>Market Value</u>
Unit: Million Baht				
(1) Available-for-sale investments				
Government and state enterprises securities	69.25	68.44	68.86	67.65
Domestic marketable equity securities - listed securities	<u>1.07</u>	<u>4.51</u>	<u>1.07</u>	<u>1.07</u>
Total	70.32	72.95	69.93	68.72
<u>Add</u> Allowance for revaluation	<u>2.63</u>	<u>-</u>	<u>(1.21)</u>	<u>-</u>
Total	<u>72.95</u>	<u>72.95</u>	<u>68.72</u>	<u>68.72</u>
(2) Held-to-maturity debt instruments				
Government and state enterprises securities	2,950.02		2,090.74	
Private enterprises debt instruments	505.97		110.84	
Foreign debt instruments	<u>816.90</u>		<u>799.20</u>	
Total	4,272.89		3,000.78	
<u>Add</u> Allowance for revaluation	<u>6.29</u>		<u>(4.84)</u>	
Total	<u>4,279.18</u>		<u>2,995.94</u>	
(3) General investments				
Domestic non-marketable equity securities	-		0.07	
Other	<u>0.50</u>		<u>0.41</u>	
Total	<u>0.50</u>		<u>0.48</u>	
Total long-term investments-net	<u>4,352.63</u>		<u>3,065.14</u>	

3.2.3 Time to Maturity of Debt Instruments

Unit: Million Baht

	September 30, 2006		Total	December 31, 2005		Total
	Time to maturity			Time to maturity		
	1 year	Over 1-5 years		1 year	Over 1-5 years	
Available-for-sale investments						
Government and state enterprises securities	-	69.25	69.25	-	68.86	68.86
<u>Add</u> Allowance for revaluation	<u>-</u>	<u>(0.81)</u>	<u>(0.81)</u>	<u>-</u>	<u>(1.21)</u>	<u>(1.21)</u>
Total	<u>-</u>	<u>68.44</u>	<u>68.44</u>	<u>-</u>	<u>67.65</u>	<u>67.65</u>
Held-to-maturity debt instruments						
Government and state enterprises securities	69.49	2,950.02	3,019.51	185.86	2,090.74	2,276.60
Private enterprises debt instruments	100.00	505.97	605.97	-	110.84	110.84
Foreign debt instruments	<u>2,127.35</u>	<u>816.90</u>	<u>2,944.25</u>	<u>-</u>	<u>799.20</u>	<u>799.20</u>
Total	2,296.84	4,272.89	6,569.73	185.86	3,000.78	3,186.64
<u>Add</u> Allowance for revaluation	<u>(5.10)</u>	<u>6.29</u>	<u>1.19</u>	<u>1.67</u>	<u>(4.84)</u>	<u>(3.17)</u>
Total	<u>2,291.74</u>	<u>4,279.18</u>	<u>6,570.92</u>	<u>187.53</u>	<u>2,995.94</u>	<u>3,183.47</u>
Total debt instruments	<u>2,291.74</u>	<u>4,347.62</u>	<u>6,639.36</u>	<u>187.53</u>	<u>3,063.59</u>	<u>3,251.12</u>

3.2.4 Revaluation Surplus (Deficit) on Investments

Unit: Million Baht

	September 30, 2006	December 31, 2005
Revaluation surplus (deficit) on investments		
Debt instruments	0.39	(4.38)
Equity securities	<u>3.44</u>	<u>-</u>
Total	<u>3.83</u>	<u>(4.38)</u>

3.3 Loans and Accrued Interest Receivables

3.3.1 Classified by Type of Loan

	Unit: Million Baht	
	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Overdraft loans	512.87	443.06
Domestic loans - customers	43,460.38	44,075.00
- export bill negotiation	1,470.83	1,638.19
- staff loans	180.96	159.65
Foreign loans - foreign government agencies	5,546.67	5,918.50
- foreign investors	<u>6,699.20</u>	<u>7,094.32</u>
Total	57,870.91	59,328.72
<u>Add</u> Accrued interest receivables	<u>957.50</u>	<u>998.57</u>
Total loans and accrued interest receivables	58,828.41	60,327.29
<u>Less</u> Allowance for doubtful accounts	4,887.98	4,455.34
Revaluation allowance for debt restructuring	<u>1,075.43</u>	<u>922.92</u>
Total	<u>52,865.00</u>	<u>54,949.03</u>

Foreign loans to foreign government agencies, the government subsidized the Bank in order to compensate for the difference between the interest rate receiving from Myanmar government (3%) and cost of fund of the Bank. However, it does not cover the expenditure of the project. The project is funding for buying machine for the sake of developing Myanmar.

For the nine-month period ended September 30, 2006, such supporting from government is recognized as interest income amounting to Baht 40.30 million.

3.3.2 Classified by Maturity of Contracts (Excluding Accrued Interest Receivables)

	Unit: Million Baht	
	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Within 1 year *	33,244.17	33,880.49
Over 1 year	<u>24,626.74</u>	<u>25,448.23</u>
Total	<u>57,870.91</u>	<u>59,328.72</u>

* Including loans without contract and those with contract expired.

3.3.3 Classified by Currencies and Residency of Borrowers (Excluding Accrued Interest Receivables)

	<u>September 30, 2006</u>			<u>December 31, 2005</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	37,701.13	3,396.53	41,097.66	36,412.93	2,809.45	39,222.38
US Dollars	7,405.91	8,821.48	16,227.39	9,297.81	10,174.19	19,472.00
Other currencies	<u>518.00</u>	<u>27.86</u>	<u>545.86</u>	<u>605.16</u>	<u>29.18</u>	<u>634.34</u>
Total	<u>45,625.04</u>	<u>12,245.87</u>	<u>57,870.91</u>	<u>46,315.90</u>	<u>13,012.82</u>	<u>59,328.72</u>

3.3.4 Classified by Loan Classification

Unit: Million Baht

	September 30, 2006			
	<u>Loans and accrued interest receivables</u>	<u>Outstanding debt after deduction of collateral value</u>	<u>Minimum provision rate (%)</u>	<u>Allowance for doubtful accounts</u>
Pass	42,245.57	41,562.37	1	415.62
Special mention	2,445.78	2,445.78	2	48.92
Sub-Standard	1,563.78	1,100.97	20	220.19
Doubtful	591.39	142.43	50	71.22
Doubtful of Loss	<u>5,829.54</u>	<u>3,954.08</u>	100	<u>3,954.08</u>
Total	<u>52,676.06</u>	<u>49,205.63</u>		4,710.03
Allowance for doubtful accounts based on restructured debt quality				69.95
Excess allowance for doubtful accounts over minimum provision required				<u>108.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at September 30, 2006				<u>4,887.98</u>

Debtor classified as doubtful of loss pass due more than twenty-four months and the Bank does not restructure loans or take any legal action or no exemption for legal proceeding, the Bank must raise the provision in the amount of 35% of the outstanding debt after less provision.

	December 31, 2005			
	<u>Loans and accrued interest receivables</u>	<u>Outstanding debt after deduction of collateral value</u>	<u>Minimum provision rate (%)</u>	<u>Allowance for doubtful accounts</u>
Pass	45,865.74	45,160.58	1	451.61
Special mention	933.57	933.57	2	18.67
Sub-Standard	992.49	933.92	20	186.78
Doubtful	598.34	170.44	50	85.22
Doubtful of Loss	<u>4,829.09</u>	<u>3,221.41</u>	100	<u>3,221.41</u>
Total	<u>53,219.23</u>	<u>50,419.92</u>		3,963.69
Allowance for doubtful accounts based on restructured debt quality				97.50
Excess allowance for doubtful accounts over minimum provision required				<u>394.15</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2005				<u>4,455.34</u>

Non-performing loans are loans on which principal repayments and/or interest payments are in arrears for over three months from the due date, or loans on which principal repayments or interest payments are in arrears for not over three months from the due date, but the principal repayment or interest payment capabilities are deemed uncertain, except there are reasonable grounds that loans could be performing based on the following:

- (1) Borrowers being analyzed for repayment capabilities and approved to extend the restructuring of the interest receivable as the loan principal or to relax or restructure the loan repayment terms and conditions.
- (2) Borrowers supported by the additional agreements or contracts of the new debt repayment terms and conditions under the debt restructuring agreements.

Unclassified loans are loans extended to corporate entities which are commercial banks and loans extended in accordance with the government policy or the cabinet resolution and the risk insurance which are covered against losses under Sections 23 and 24 of the Export-Import Bank of Thailand Act B.E. 2536.

<u>Loans</u>	<u>September 30, 2006</u>		<u>December 31, 2005</u>	
	<u>Loans and accrued interest receivables</u>	<u>As % of loans and accrued interest</u>	<u>Loans and accrued interest receivables</u>	<u>As % of loans and accrued interest</u>
Non-performing loans	7,984.71	13.57	6,419.92	10.64
Unclassified loans	6,152.35	10.46	7,108.06	11.78

For the nine-month period ended September 30, 2006 and the year ended December 31, 2005, the Bank had restructured debts applying the adjustment of repayment conditions and transfer of assets as restructuring method, in accordance with the Thai Accounting Standard No. 34, as follows:

<u>Restructured debts</u>	<u>Cases</u>	<u>September 30, 2006</u>		<u>Cases</u>	<u>December 31, 2005</u>	
		<u>Amount</u>	<u>As % of loans and accrued interest receivables</u>		<u>Amount</u>	<u>As % of loans and accrued interest receivables</u>
Succeeded	54	1,460.60	2.48	86	855.59	1.42
Underway	5	67.51	0.11	-	-	-
Outstanding						
-Pass	36	3,067.38	5.21	31	3,845.62	6.37
- Under	121	2,529.03	4.30	103	1,679.36	2.78

For the nine-month period ended September 30, 2006 and 2005, the Bank restructured the debt are as follows:

		September 30, 2006			Unit: Million Baht	
		The Outstanding Debt			Transferred Assets	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at September 30, 2006</u>	<u>Types</u>	<u>Fair Value</u>
Change of repayment conditions						
Terms of debt restructuring						
Agreements						
- Less than 5 years	48	768.68	768.68	707.95		
- 5 to 10 years	5	584.72	584.72	729.50		
- Over 10 years	1	107.20	107.20	175.82		
Debt restructuring in various forms						
Terms of debt restructuring						
Agreements						
- Less than 5 years	-	-	-	-		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Total	<u>54</u>	<u>1,460.60</u>	<u>1,460.60</u>	<u>1,613.27</u>		
		September 30, 2005				
		The Outstanding Debt			Transferred Assets	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at September 30, 2005</u>	<u>Types</u>	<u>Fair Value</u>
Change of repayment conditions						
Terms of debt restructuring						
Agreements						
- Less than 5 years	58	374.17	374.17	327.34		
- 5 to 10 years	8	99.28	99.28	102.96		
- Over 10 years	-	-	-	-		
Debt restructuring in various forms						
Terms of debt restructuring						
Agreements						
- Less than 5 years	1	5.60	5.60	5.60	Land, Premises	8.03
- 5 to 10 years	1	18.81	18.81	9.50	Land, Premises	4.08
- Over 10 years	-	-	-	-		-
Total	<u>68</u>	<u>497.86</u>	<u>497.86</u>	<u>445.40</u>		<u>12.11</u>

The bank recognized interest income from debt restructuring as follow:

				Unit: Million Baht			
				<u>For each of The Three-Month</u>		<u>For each of The Nine-Month Periods</u>	
				<u>Ended September 30,</u>		<u>Ended September 30,</u>	
				<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Interest	income	from	debt	48.20	51.43	52.00	175.27

As at September 30, 2006 and December 31, 2005, the Bank has commitments to extend additional loans to these borrowers for the amount of Baht 2.15 million and Baht 98.27 million, respectively.

For the nine-month period ended September 30, 2006 and 2005, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivable are as follows:

				Unit: Million Baht			
				<u>September 30, 2006</u>		<u>September 30, 2005</u>	
				<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt				54	1,460.60	68	497.86
Loans and accrued interest receivables				1,563	58,828.41	2,023	57,643.76

For the nine-month period ended September 30, 2006 and 2005, the loss from the debt restructuring in the amount of Baht 190.14 million and Baht 159.65 million respectively, which was already recognized in full.

For the nine-month period ended September 30, 2006 and 2005, the Bank wrote off bad debts in the amount of Baht 69.10 million and Baht 332.26 million respectively. The wrote off bad debts for the nine-month period ended September 30, 2005 in the amount of Baht 306.09 million was written-off accounts.

Based on the debt write off policy and already dropped by the Bank, the outstanding balance of written off accounts as at September 30, 2006 and December 31, 2005, which have not yet been recorded in the financial statements were Baht 1,777.28 million and Baht 1,798.45 million respectively.

3.4 Allowance for Doubtful Accounts

	September 30, 2006							Unit: Million Baht	
	Pass	Special mention	Sub-Standard	Doubtful	Doubtful of loss	Restructured debt	Excess allowance	Total	
Beginning balance	451.61	18.67	186.78	85.22	3,221.41	97.50	394.15	4,455.34	
Doubtful accounts	(35.99)	30.25	33.41	(14.00)	732.67	(26.91)	(286.15)	433.28	
Bad debts recovered	-	-	-	-	-	-	-	-	
Bad debts written off	-	-	-	-	-	(0.64)	-	(0.64)	
Others	-	-	-	-	-	-	-	-	
Ending balance	<u>415.62</u>	<u>48.92</u>	<u>220.19</u>	<u>71.22</u>	<u>3,954.08</u>	<u>69.95</u>	<u>108.00</u>	<u>4,887.98</u>	

	December 31, 2005							Unit: Million Baht	
	Pass	Special mention	Sub-Standard	Doubtful	Doubtful of loss	Restructure d debt	Excess allowance	Total	
Beginning balance	377.85	5.92	51.00	256.87	2,212.61	166.70	592.16	3,663.11	
Doubtful accounts	73.76	12.75	135.78	(171.65)	1,015.63	(69.20)	(198.01)	799.06	
Bad debts recovered	-	-	-	-	-	-	-	-	
Bad debts written off	-	-	-	-	(6.83)	-	-	(6.83)	
Others	-	-	-	-	-	-	-	-	
Ending balance	<u>451.61</u>	<u>18.67</u>	<u>186.78</u>	<u>85.22</u>	<u>3,221.41</u>	<u>97.50</u>	<u>394.15</u>	<u>4,455.34</u>	

As at September 30, 2006 and December 31, 2005, the Bank's allowance for doubtful accounts on loans accounted for Baht 4,887.98 million and Baht 4,455.34 million, respectively, which was greater than the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand because the Bank considered the allowance on a prudent banking basis.

3.5 Revaluation Allowance for Debt Restructuring

	Unit: Million Baht	
	September 30, 2006	December 31, 2005
Beginning balance	922.92	740.52
Increase	436.83	282.28
Decrease	<u>284.32</u>	<u>99.88</u>
Ending balance	<u>1,075.43</u>	<u>922.92</u>

3.6 Borrowings

	Unit: Million Baht		
	September 30, 2006		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	7,500.00	-	7,500.00
- Others	<u>850.00</u>	<u>-</u>	<u>850.00</u>
Total short-term borrowings	<u>8,350.00</u>	<u>-</u>	<u>8,350.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	23,200.00	10,140.25	33,340.25
- Others	<u>5,170.00</u>	<u>-</u>	<u>5,170.00</u>
Total long-term borrowings	<u>28,370.00</u>	<u>10,140.25</u>	<u>38,510.25</u>
Total borrowings	<u>36,720.00</u>	<u>10,140.25</u>	<u>46,860.25</u>

	December 31, 2005		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	-	-	-
- Others	<u>670.00</u>	<u>-</u>	<u>670.00</u>
Total short-term borrowings	<u>670.00</u>	<u>-</u>	<u>670.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	27,500.00	6,160.65	33,660.65
- Others	<u>3,900.00</u>	<u>-</u>	<u>3,900.00</u>
Total long-term borrowings	<u>31,400.00</u>	<u>6,160.65</u>	<u>37,560.65</u>
Total borrowings	<u>32,070.00</u>	<u>6,160.65</u>	<u>38,230.65</u>

The details of the long-term borrowings of Baht 38,510.25 million and Baht 37,560.65 million are as follows:

				Unit: Million Baht	
<u>Lender</u>	<u>Tenor</u>	<u>Maturity</u>	<u>Interest rate</u>	<u>September 30, 2006</u>	<u>December 31, 2005</u>
	(years)	(year)	(% per annum)		
EXIM Thailand bonds	3-5	2008-2011	2.43-5.95	23,200.00	27,500.00
Debt Instrument (FRN)	5	2010-2011	LIBOR+0.10-0.20	10,140.25	6,160.65
Others	2-10	2008-2016	0.50-5.75	<u>5,170.00</u>	<u>3,900.00</u>
Total				<u>38,510.25</u>	<u>37,560.65</u>

3.7 Capital The Bank had an initial capital of Baht 2,500 million (of which Baht 843.47 million was supported by the Ministry of Finance and Baht 1,656.53 million by the Bank of Thailand). On July 31, 1998, it increased the capital by another Baht 4,000 million, which was contributed in full by the Ministry of Finance, thereby bringing the total registered capital to Baht 6,500 million.

3.8 Contingent Liabilities and Commitments

	Unit: Million Baht		
	September 30, 2006		
	Baht	Foreign currencies	Total
Liabilities under unmatured import bills	40.94	275.26	316.20
Letters of credit	38.12	1,035.03	1,073.15
Export bills insured	6,727.08	558.65	7,285.73
Other guarantees	563.09	10,900.85	11,463.94
Overdraft accounts not yet drawn	524.29	-	524.29
FX forward purchase/sales contracts	4,539.93	5,074.89	9,614.82
FX swaps	1,984.27	481.64	2,465.91
Foreign currency and interest swaps	4,191.70	17,984.61	22,176.31
Interest rate swaps	9,250.00	1,253.45	10,503.45
Others	-	2.91	2.91
Total	<u>27,859.42</u>	<u>37,567.29</u>	<u>65,426.71</u>

	December 31, 2005		
	Baht	Foreign currencies	Total
Liabilities under unmatured import bills	27.29	761.71	789.00
Letters of credit	20.17	3,089.73	3,109.90
Export bills insured	7,295.17	1,128.42	8,423.59
Other guarantees	491.89	5,812.07	6,303.96
Overdraft accounts not yet drawn	532.45	-	532.45
FX forward purchase/sales contracts	5,003.48	5,303.95	10,307.43
FX swaps	5,007.58	663.77	5,671.35
Foreign currency and interest swaps	4,191.70	23,016.62	27,208.32
Interest rate swaps	9,250.00	1,370.74	10,620.74
Others	-	-	-
Total	<u>31,819.73</u>	<u>41,147.01</u>	<u>72,966.74</u>

Other guarantees, The Bank faced a civil suit in the normal course of its business operations. The Bank received the court's order to suspend the payment under the obligation from the advance payment guarantee issued for a client's construction project which now the court's result has the outcome that the client (plaintiff) could ask the guarantee' receiver to return the bank guarantee. Bank will follow up this matter.

3.9 Derivatives

Derivatives as at September 30, 2006 and December 31, 2005 were as follows:

Unit: Million Baht

	<u>September 30, 2006</u>	
	<u>Contract value</u>	<u>Net fair value of the derivative's contract</u>
FX forward purchase/sales contracts	9,614.82	(11.47)
FX swaps	2,465.91	1.46
Foreign currency and interest swaps	22,176.31	685.18
Interest rate swaps	<u>10,503.45</u>	<u>(71.76)</u>
Total	<u>44,760.49</u>	<u>603.41</u>

	<u>December 31, 2005</u>	
	<u>Contract value</u>	<u>Net fair value of the derivative's contract</u>
FX forward purchase/sales contracts	10,307.43	18.26
FX swaps	5,671.35	20.47
Foreign currency and interest swaps	27,208.32	(758.25)
Interest rate swaps	<u>10,620.74</u>	<u>(180.71)</u>
Total	<u>53,807.84</u>	<u>(900.23)</u>
