

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007
(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 March 31, 2007, and the related statements of income, changes in capital, and cash flows for the three-month periods ended March 31, 2007 and 2006. 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, 2006 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 21, 2007. The balance sheet as of December 31, 2006, 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) *Kanya Wilailuckana*

(Ms. Kanya Wilailuckana)

Director of Audit Office

(Signed) *Wibulphen Hitaphan*

(Ms. Wibulphen Hitaphan)

Auditor In-charge

Office of the Auditor General

May 9, 2007

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>MARCH 31, 2007</u>	<u>DECEMBER 31, 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Assets</u>			
Cash		3,567,263.94	3,415,905.41
Interbank and money market items	4.1		
Domestic items			
Interest bearing		133,249,270.55	763,696,098.17
Non-interest bearing		283,570,615.45	367,063,447.31
Foreign items			
Interest bearing		6,058,549,740.83	6,217,486,157.24
Non-interest bearing		354,607,190.24	175,524,437.25
Total interbank and money market items - net		<u>6,829,976,817.07</u>	<u>7,523,770,139.97</u>
Securities purchased under resale agreements		-	200,000,000.00
Investments	4.2		
Current investments - net		2,294,234,628.09	2,085,515,016.50
Long-term investments - net		5,795,782,447.61	4,381,904,067.24
Total investments - net		<u>8,090,017,075.70</u>	<u>6,467,419,083.74</u>
Loans and accrued interest receivables	4.3		
Loans		54,664,880,649.66	57,286,578,736.61
Accrued interest receivables		938,877,726.45	1,055,314,975.20
Total loans and accrued interest receivables		<u>55,603,758,376.11</u>	<u>58,341,893,711.81</u>
<u>Less</u> Allowance for doubtful accounts	4.4	6,830,290,512.29	6,538,365,509.80
<u>Less</u> Revaluation allowance for debt restructuring	4.5	1,092,469,103.53	1,243,558,190.94
Total loans and accrued interest receivable - net		<u>47,680,998,760.29</u>	<u>50,559,970,011.07</u>
Properties foreclosed - net		618,980,582.47	401,269,466.47
Premises and equipment - net		958,857,473.27	954,507,994.30
Derivative Revaluation	4.9	2,002,938,508.45	1,159,459,969.05
Accrued interest receivable not related to loans		111,752,931.75	72,701,942.07
Prepaid expense		10,883,532.32	7,529,783.20
Leasehold premises and improvements		12,122,045.71	13,040,871.27
Other assets - net		11,666,511.99	7,511,302.25
Total assets		<u><u>66,331,761,502.96</u></u>	<u><u>67,370,596,468.80</u></u>

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

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>MARCH 31, 2007</u>	<u>DECEMBER 31, 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Liabilities and Capital</u>			
Deposits			
Deposits in baht		4,040,107,260.43	4,038,677,436.73
Deposits in foreign currencies		2,526,703,697.05	1,835,103,597.49
Total deposits		<u>6,566,810,957.48</u>	<u>5,873,781,034.22</u>
Interbank and money market items			
Domestic items			
Interest bearing		4,009,260,113.74	4,886,645,446.56
Non-interest bearing		4,948,688.95	4,171,058.97
Foreign items			
Interest bearing		634,251,428.10	1,744,182,762.45
Total interbank and money market items		<u>4,648,460,230.79</u>	<u>6,634,999,267.98</u>
Liability payable on demand		29,032,873.21	16,561,634.15
Borrowings 4.6			
Short-term borrowings		19,750,000,000.00	8,350,000,000.00
Long-term borrowings		26,432,034,411.09	38,101,880,000.00
Total borrowings		<u>46,182,034,411.09</u>	<u>46,451,880,000.00</u>
Accrued interest payables		721,646,815.78	740,870,988.72
Export credit insurance reserve		194,464,387.92	191,827,329.95
Other liabilities		313,180,583.54	294,608,085.50
Total liabilities		<u>58,655,630,259.81</u>	<u>60,204,528,340.52</u>
Capital			
Capital	4.7	<u>6,500,000,000.00</u>	<u>6,500,000,000.00</u>
Paid-up capital		6,500,000,000.00	6,500,000,000.00
Hedging reserve		56,015,949.21	(349,722,283.98)
Revaluation surplus (deficit) on investments	4.2.4	(1,675,214.84)	3,272,164.41
Retained earnings			
Appropriated			
Legal reserve		2,223,353,886.85	2,223,353,886.85
Unappropriated			
		(1,101,563,378.07)	(1,210,835,639.00)
Total capital		<u>7,676,131,243.15</u>	<u>7,166,068,128.28</u>
Total liabilities and capital		<u>66,331,761,502.96</u>	<u>67,370,596,468.80</u>

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

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>MARCH 31, 2007</u>	<u>DECEMBER 31, 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Off-Balance-Sheet Items - Contingencies</u>	4.8		
Liabilities under unmatured import bills		293,422,442.62	249,562,286.16
Letters of credit		932,501,163.85	999,687,772.89
Export bills insured		5,429,344,073.82	7,168,847,367.01
Other contingencies		53,199,513,152.86	56,409,025,639.64

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

(signed) Narongchai Akrasanee

(signed) Apichai Boontherawara

(Mr. Narongchai Akrasanee)
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 MARCH 31, 2007 AND 2006

	Unit: Baht	
	<u>2007</u>	<u>2006</u>
Interest and dividend income		
Loans	898,844,830.08	853,718,663.07
Interbank and money market items	122,060,036.03	150,462,027.16
Investments	90,881,491.05	43,704,368.56
Total interest and dividend income	<u>1,111,786,357.16</u>	<u>1,047,885,058.79</u>
Interest expenses		
Deposits	49,003,561.61	48,571,548.77
Interbank and money market items	84,270,892.63	132,750,973.74
Short-term borrowings	118,636,636.29	43,470,876.34
Long-term borrowings	462,572,822.75	422,406,528.81
Total interest expenses	<u>714,483,913.28</u>	<u>647,199,927.66</u>
Net income from interest and dividend	397,302,443.88	400,685,131.13
Bad debt and doubtful accounts	445,455,191.67	273,587,525.07
Loss on debt restructuring	(142,830,312.36)	16,328,288.18
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>94,677,564.57</u>	<u>110,769,317.88</u>
Non-interest income		
Gains on investments	15,891,148.02	-
Fees and service income	54,353,930.09	53,664,747.78
Export credit insurance income	34,249,909.09	43,814,025.01
Gains on exchanges	50,016,637.11	41,386,664.91
Gains on sale of properties foreclosed	534,241.75	879,993.00
Bad debt recovered	-	4,995.54
Written-off debt recovered	13,618,460.49	2,312,731.83
Other income	4,748,396.82	3,043,117.80
Total non-interest income	<u>173,412,723.37</u>	<u>145,106,275.87</u>
Non-interest expenses		
Personnel expenses	111,034,514.13	101,977,792.56
Premises and equipment expenses	21,804,172.05	22,436,545.67
Taxes and duties	43,632.68	70,115.28
Fees and service expenses	3,454,882.49	3,174,196.91
Expenses on export credit insurance	4,821,896.62	7,559,445.09
Directors' remuneration	1,060,751.60	864,000.00
Other expenses	16,598,177.44	16,908,669.70
Total non-interest expenses	<u>158,818,027.01</u>	<u>152,990,765.21</u>
Net income	<u>109,272,260.93</u>	<u>102,884,828.54</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 THREE-MONTH PERIOD ENDED MARCH 31, 2007 AND 2006

Unit: Baht

	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
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	-	21,381,266.57	-	-	-	21,381,266.57
Revaluation surplus on investments	-	-	1,357,013.75	-	-	1,357,013.75
Unrecognized items in income statements	-	21,381,266.57	1,357,013.75	-	-	22,738,280.32
Legal reserve	-	-	-	230,000,000.00	(230,000,000.00)	-
Remittance to the Ministry of Finance	-	-	-	-	-	-
Net income	-	-	-	-	102,884,828.54	102,884,828.54
Ending balance as at March 31, 2006	6,500,000,000.00	(665,329,829.26)	(3,022,601.06)	2,223,353,886.85	399,126,240.00	8,454,127,696.53
Beginning balance as at January 1, 2007	6,500,000,000.00	(349,722,283.98)	3,272,164.41	2,223,353,886.85	(1,210,835,639.00)	7,166,068,128.28
Hedging reserve	-	405,738,233.19	-	-	-	405,738,233.19
Revaluation deficit on investments	-	-	(4,947,379.25)	-	-	(4,947,379.25)
Unrecognized items in income statements	-	405,738,233.19	(4,947,379.25)	-	-	400,790,853.94
Legal reserve	-	-	-	-	-	-
Remittance to the Ministry of Finance	-	-	-	-	-	-
Net income	-	-	-	-	109,272,260.93	109,272,260.93
Ending balance as at March 31, 2007	6,500,000,000.00	56,015,949.21	(1,675,214.84)	2,223,353,886.85	(1,101,563,378.07)	7,676,131,243.15

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007 AND 2006

	Unit: Baht	
	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Net income	109,272,260.93	102,884,828.54
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	16,398,287.23	16,539,120.58
Bad debt and doubtful accounts	445,455,191.67	273,587,525.07
Loss on debt restructuring	(142,830,312.36)	16,328,288.18
(Reverse) Interest income from restructured debt	(8,258,775.05)	(14,995,716.32)
(Gain) on disposal of assets	(1,168,007.09)	(49,175.57)
(Gain) on sale of properties foreclosed	(534,241.75)	(879,993.00)
(Gain) Loss on exchanges	(396,905,478.37)	(285,154,001.82)
Derivative revaluation	(76,254,643.42)	(41,334,995.12)
(Gain) on sale of investments in securities	(15,891,148.02)	-
Amortization of income - discount on bond value	(213,250,091.39)	43,073,136.25
Loss on claims and provision for claims against export credit insurance	3,112,019.12	5,151,053.00
Decrease in accrued income	114,365.52	91,858.35
(Increase) in accrued interest and dividend receivable	(56,203,134.54)	(86,257,068.73)
(Increase) in prepaid expenses	(3,392,161.77)	(4,254,099.41)
(Decrease) in advanced interest income	(4,665,562.53)	(6,341,523.62)
Increase (Decrease) in accrued interest payable	(17,046,475.96)	45,366,289.04
Increase in other accrued expenses	6,655,539.76	11,660,756.14
Net income from operations before changes in operating assets and liabilities	(355,392,368.02)	75,416,281.56
(Increase) Decrease in operating assets		
Interbank and money market items	698,824,101.17	1,760,677,344.36
Securities purchased under resale agreements	200,000,000.00	1,100,000,000.00
Loans	2,235,579,711.47	(1,400,766,294.00)
Properties foreclosed	(84,997,551.68)	3,303,405.00
Other assets	(7,558,068.19)	(3,970,979.94)

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

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007 AND 2006

Unit: Baht

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities (continued)		
Increase (Decrease) in operating liabilities		
Deposits	712,416,859.15	(621,125,757.77)
Interbank and money market items	(1,966,730,645.02)	(748,459,106.68)
Liability payable on demand	12,471,239.06	(1,614,676.76)
Other liabilities	(730,165.79)	(5,681,067.56)
Net cash provided by (used in) operating activities	<u>1,443,883,112.15</u>	<u>157,779,148.21</u>
Cash flows from investing activities		
(Increase) in investments in securities	(2,846,342,381.26)	(2,251,692,352.31)
Proceeds from sale of investments in securities before due date	1,417,750,340.19	-
Purchase of premises and equipment	(17,935,330.55)	(3,360,592.73)
Proceeds from sale of premises and equipment	1,195,618.00	50,870.00
Net cash (used in) investing activities	<u>(1,445,331,753.62)</u>	<u>(2,255,002,075.04)</u>
Cash flows from financing activities		
Increase in long-term borrowings	1,600,000.00	2,100,000,000.00
Net cash provided by financing activities	<u>1,600,000.00</u>	<u>2,100,000,000.00</u>
Net increase in cash and cash equivalents	151,358.53	2,777,073.17
Cash and cash equivalents as of January 1	<u>3,415,905.41</u>	<u>1,583,094.16</u>
Cash and cash equivalents as of March 31	<u><u>3,567,263.94</u></u>	<u><u>4,360,167.33</u></u>
 Supplemental disclosure of cash flows information		
Cash paid during the year		
Interest expenses	733,708,086.22	609,135,060.02

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 ENDED MARCH 31, 2007 (UNAUDITED/REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2006 (AUDITED)

1. GENERAL INFORMATION

Export-Import Bank of Thailand (or "the Bank") was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which became effective on September 7, 1993, and its amendment by the Export-Import Bank of Thailand Act (No. 2), 1999 (B.E. 2542), taking effect on December 6, 1999. The Bank's objective is to provide financial supports for exports, imports and investments related 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 service 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 March 31, 2007 and December 31, 2006, the Bank had a total staffing of 695 and 694 persons, respectively.

2. 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, 2006 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.

3. 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, 2006.

4. ADDITIONAL INFORMATION

4.1 Interbank and Money Market Items (Assets)

As at March 31, 2007 and December 31, 2006, the interbank and money market items (assets) included unclassified loans of Baht 275.83 million and Baht 1,983.83 million, respectively.

4.2 Investments

4.2.1 Current Investments

	<u>March 31, 2007</u>		Unit: Million Baht <u>December 31, 2006</u>	
	<u>Cost Value/</u>	<u>Fair Value</u>	<u>Cost Value/</u>	<u>Fair Value</u>
	<u>Amortized Cost Value</u>		<u>Amortized Cost Value</u>	
(1) Available-for-sale investments				
Government and state enterprise securities	69.51	69.67	-	-
<u>Add</u> Allowance for revaluation	<u>0.16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>69.67</u>	<u>69.67</u>	<u>-</u>	<u>-</u>
(2) Held-to-maturity debt instruments				
Government and state enterprise securities	330.87		89.66	
Private enterprise debt instruments	-		100.00	
Foreign debt instruments	<u>1,894.04</u>		<u>1,898.51</u>	
Total	2,224.91		2,088.17	
<u>(Less)</u> Allowance for revaluation	<u>(0.35)</u>		<u>(2.65)</u>	
Total	<u>2,224.56</u>		<u>2,085.52</u>	
Total current investments-net	<u>2,294.23</u>		<u>2,085.52</u>	

4.2.2 Long-term Investments

	<u>March 31, 2007</u>		Unit: Million Baht <u>December 31, 2006</u>	
	<u>Cost Value/ Amortized Cost Value</u>	<u>Fair Value</u>	<u>Cost Value/ Amortized Cost Value</u>	<u>Fair Value</u>
(1) Available-for-sale investments				
Government and state enterprise securities	1,687.96	1,676.83	69.38	68.74
Domestic marketable equity securities - listed securities	<u>1.07</u>	<u>5.90</u>	<u>1.07</u>	<u>2.09</u>
Total	1,689.03	1,682.73	70.45	70.83
Add (Less) Allowance for revaluation	<u>(6.30)</u>	<u>-</u>	<u>0.38</u>	<u>-</u>
Total	<u>1,682.73</u>	<u>1,682.73</u>	<u>70.83</u>	<u>70.83</u>
(2) Held-to-maturity debt instruments				
Government and state enterprise securities	2,763.54		2,989.04	
Private enterprise debt instruments	472.47		459.21	
Foreign debt instruments	<u>871.74</u>		<u>856.78</u>	
Total	4,107.75		4,305.03	
Add Allowance for revaluation	<u>4.81</u>		<u>5.55</u>	
Total	<u>4,112.56</u>		<u>4,310.58</u>	
(3) General investments				
Others	<u>0.49</u>		<u>0.49</u>	
Total	<u>0.49</u>		<u>0.49</u>	
Total long-term investments-net	<u>5,795.78</u>		<u>4,381.90</u>	

4.2.3 Time to Maturity of Debt Instruments

Unit: Million Baht

	March 31, 2007			Total	December 31, 2006			Total
	Time to Maturity				Time to Maturity			
	1 year	Over 1-5 years	Over 5 years		1 year	Over 1-5 years	Over 5 years	
Available-for-sale investments								
Government and state enterprise securities	69.51	-	1,687.96	1,757.47	-	69.38	-	69.38
<u>Add (Less)</u> Allowance for revaluation	<u>0.16</u>	<u>-</u>	<u>(11.13)</u>	<u>(10.97)</u>	<u>-</u>	<u>(0.64)</u>	<u>-</u>	<u>(0.64)</u>
Total	<u>69.67</u>	<u>-</u>	<u>1,676.83</u>	<u>1,746.50</u>	<u>-</u>	<u>68.74</u>	<u>-</u>	<u>68.74</u>
Held-to-maturity debt instruments								
Government and state enterprise securities	330.87	2,730.63	32.91	3,094.41	89.66	2,989.04	-	3,078.70
Private enterprise debt instruments	-	472.47	-	472.47	100.00	459.21	-	559.21
Foreign debt instruments	1,894.04	871.74	-	2,765.78	1,898.51	856.78	-	2,755.29
Total	2,224.91	4,074.84	32.91	6,332.66	2,088.17	4,305.03	-	6,393.20
<u>Add (Less)</u> Allowance for revaluation	<u>(0.35)</u>	<u>4.81</u>	<u>-</u>	<u>4.46</u>	<u>(2.65)</u>	<u>5.55</u>	<u>-</u>	<u>2.90</u>
Total	<u>2,224.56</u>	<u>4,079.65</u>	<u>32.91</u>	<u>6,337.12</u>	<u>2,085.52</u>	<u>4,310.58</u>	<u>-</u>	<u>6,396.10</u>
Total debt instruments	<u>2,294.23</u>	<u>4,079.65</u>	<u>1,709.74</u>	<u>8,083.62</u>	<u>2,085.52</u>	<u>4,379.32</u>	<u>-</u>	<u>6,464.84</u>

4.2.4 Revaluation Surplus (Deficit) on Investments

Unit: Million Baht

	March 31, 2007	December 31, 2006
Revaluation surplus (deficit) on investments		
Debt instruments	(6.51)	2.25
Equity securities	4.83	1.02
Total	<u>(1.68)</u>	<u>3.27</u>

4.3 Loans and Accrued Interest Receivables

4.3.1 Classified by Type of Loan

	<u>March 31, 2007</u>	<u>December 31, 2006</u>
		Unit: Million Baht
Overdrafts	547.92	510.66
Domestic loans - customers	40,784.32	43,285.19
- export bill negotiation	1,312.28	1,435.61
- staff loans	187.95	181.38
Foreign loans - foreign government agencies	5,879.00	5,484.88
- foreign investors	<u>5,953.41</u>	<u>6,388.86</u>
Total	54,664.88	57,286.58
<u>Add</u> Accrued interest receivables	<u>938.88</u>	<u>1,055.31</u>
Total loans and accrued interest receivables	55,603.76	58,341.89
<u>(Less)</u> Allowance for doubtful accounts	(6,830.29)	(6,538.36)
Revaluation allowance for debt restructuring	<u>(1,092.47)</u>	<u>(1,243.56)</u>
Total	<u>47,681.00</u>	<u>50,559.97</u>

Concerning foreign loans to foreign government agencies, the Thai government subsidized the Bank in order to compensate for the difference between the interest rate received and the cost of fund as follows:

- The loan to the government of Myanmar for the purchase of capital goods for national development, the Bank was subsidized for the difference between the interest rate received (3%) and the cost of fund of the Bank.
- The loan to the government of Cambodia for the development of Road No.67 (Anlong Veng - Siem Reap), the Bank was subsidized for the difference between the interest rate received (1.50%) and the cost of fund of the Bank plus the premium (0.75%).

For the three-month period ended March 31, 2007, such support from the government is recognized as interest income totaling Baht 18.54 million.

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

	<u>March 31, 2007</u>	<u>December 31, 2006</u>
		Unit: Million Baht
Within 1 year	32,029.56	33,866.49
Over 1 year	<u>22,635.32</u>	<u>23,420.09</u>
Total	<u>54,664.88</u>	<u>57,286.58</u>

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

Unit: Million Baht

	<u>March 31, 2007</u>			<u>December 31, 2006</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	36,188.21	4,225.52	40,413.73	37,938.65	3,774.71	41,713.36
US Dollars	6,195.69	7,581.30	13,776.99	6,970.41	8,072.03	15,042.44
Other currencies	<u>448.57</u>	<u>25.59</u>	<u>474.16</u>	<u>503.78</u>	<u>27.00</u>	<u>530.78</u>
Total	<u>42,832.47</u>	<u>11,832.41</u>	<u>54,664.88</u>	<u>45,412.84</u>	<u>11,873.74</u>	<u>57,286.58</u>

4.3.4 Classified by Loan Classification

Unit: Million Baht

	<u>March 31, 2007</u>			
	<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	35,172.97	35,172.97	1	351.73
Special mention	2,474.06	2,474.06	2	260.65
Sub-Standard				
- Not conformed with IAS 39	737.56	383.10	20	76.62
- Conformed with IAS 39	995.37	837.01	100	837.01
Doubtful				
- Not conformed with IAS 39	-	-	-	-
- Conformed with IAS 39	272.01	153.00	100	153.00
Doubtful of loss				
- Not conformed with IAS 39	-	-	-	-
- Conformed with IAS 39	<u>6,308.61</u>	<u>4,631.96</u>	100	<u>4,642.01</u>
Total	45,960.58	43,652.10		6,321.02
Allowance for doubtful accounts based on restructured debt quality	<u>2,777.57</u>	<u>2,253.18</u>	1,20,50	<u>63.27</u>
Total	<u>48,738.15</u>	<u>45,905.28</u>		6,384.29
Excess allowance for doubtful accounts over provision required				<u>446.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at March 31, 2007				<u>6,830.29</u>

The classification by type of loan as at March 31, 2007 are presented in accordance with the circular of the Bank of Thailand No. PhorNorSor. (21) Wor. 83/2550 dated February 23, 2007 Re: Clarification on disclosure the information in notes to financial statement and notifications of balance sheet.

Unit: Million Baht

	<u>December 31, 2006</u>			
	<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	41,465.15	40,932.71	1	409.33
Special mention	2,546.88	2,546.88	2	50.94
Sub-Standard	1,454.88	997.80	20	199.56
Doubtful	951.81	251.62	50	125.81
Doubtful of loss	<u>5,518.14</u>	<u>3,845.81</u>	100	<u>3,845.81</u>
Total	<u>51,936.86</u>	<u>48,574.82</u>		4,631.45
Allowance for doubtful accounts based on restructured debt quality				41.45
Excess allowance for doubtful accounts over minimum provision required				<u>1,865.47</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2006				<u>6,538.37</u>

In 2006, debtors classified as doubtful of loss with an overdue amount exceeding 24 months of which the Bank has not restructured loans or taken any legal action or issued an order to exemption from legal proceeding, the Bank made additional provisions in the amount of 35% of the outstanding balance less allowance having provided. As at December 31, 2006 in the amount of Baht 16.94 million.

The Bank of Thailand has required commercial banks to make provision of 100% for the difference between the book value of loan and the present value of expected cash flows from the debtor or the present value of expected cash flows from the sale of collateral to comply with the International Accounting Standard No.39 – Financial Instruments : Recognition and Measurement. Therefore, the Bank made addition provision over the minimum requirement in the amount of Baht 1,848.53 million.

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.

Loans	March 31, 2007		December 31, 2006	
	Loans and Accrued Interest Receivables	As % of Loans and Accrued Interest Receivables	Loans and Accrued Interest Receivables	As % of Loans and Accrued Interest Receivables
Non-performing loans	8,313.54	14.95	7,924.83	13.58
Unclassified loans	6,865.61	12.35	6,405.04	10.98

For the three-month period ended March 31, 2007 and the year ended December 31, 2006, 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:

Restructured Debts	Cases	March 31, 2007		Cases	December 31, 2006	
		Amount	As % of Loans and Accrued Interest Receivables		Amount	As % of Loans and Accrued Interest Receivables
Succeeded	16	52.96	0.10	66	1,883.60	3.23
Underway	-	-	-	2	27.60	0.05
Outstanding of debt changed to normal	42	2,791.52	5.02	45	3,131.52	5.37

For the three-month period ended March 31, 2007 and 2006, the Bank restructured the debt as follows:

Types of Restructuring	Cases	March 31, 2007			Transferred Assets	
		Before Restructuring	After Restructuring	As at March 31, 2007	Types	Fair Value
Change of repayment conditions						
Terms of debt restructuring agreements						
- Less than 5 years	16	52.96	52.96	44.83		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Debt restructuring in various forms						
Terms of debt restructuring agreements						
- Less than 5 years	-	-	-	-		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Total	<u>16</u>	<u>52.96</u>	<u>52.96</u>	<u>44.83</u>		

Unit: Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>March 31, 2006</u>			<u>Transferred Assets</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at March 31, 2006</u>	<u>Types</u>	<u>Fair Value</u>
Change of repayment conditions						
Terms of debt restructuring agreements						
- Less than 5 years	12	250.91	250.91	249.38		
- 5 to 10 years	1	23.44	23.44	22.82		
- Over 10 years	-	-	-	-		
Debt restructuring in various forms						
Terms of debt restructuring agreements						
- Less than 5 years	-	-	-	-		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Total	<u>13</u>	<u>274.35</u>	<u>274.35</u>	<u>272.20</u>		

The Bank recognized interest income from debt restructuring as follows:

Unit: Million Baht

	<u>For The Three-Month Period</u>	<u>For The Three-Month Period</u>
	<u>Ended March 31, 2007</u>	<u>Ended March 31, 2006</u>
Interest income from debt	49.05	45.47

As at March 31, 2007 and December 31, 2006, the Bank has commitments to extend additional loans to these borrowers for the amount of Baht 2.63 million and Baht 2.23 million, respectively.

For the three-month period ended March 31, 2007 and 2006, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivables are as follows:

Unit: Million Baht

	<u>March 31, 2007</u>		<u>March 31, 2006</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	16	52.96	13	274.35
Loans and accrued interest receivables	1,534	55,603.76	1,508	60,850.82

For the three-month period ended March 31, 2007, the loss from the debt restructuring was decreased in the amount of Baht 142.83 million, which was already reversed in full. For the three-month period ended March 31, 2006, the loss from the debt restructuring in the amount of Baht 16.33 million was already recognized in full.

For the three-month period ended March 31, 2007 and 2006, the Bank wrote off bad debts in the amount of Baht 215.55 million and Baht 5.19 million, respectively, of which the written-off bad debts for the three-month period ended March 31, 2007 in the amount of Baht 93.04 million was written-off accounts.

Based on the debt write-off policy already dropped by the Bank, the outstanding balance of written-off accounts as at March 31, 2007 and December 31, 2006, which have not yet been recorded in the financial statements, were Baht 1,660.38 million and Baht 1,766.15 million, respectively.

4.4 Allowance for Doubtful Accounts

	Unit: Million Baht							
	March 31, 2007							
	Pass	Special Mention	Sub-Standard	Doubtful	Doubtful of Loss	Restructured Debt	Excess Allowance	Total
Beginning balance	409.33	50.94	199.56	125.81	3,845.81	41.45	1,865.47	6,538.37
Doubtful accounts	(57.60)	209.71	714.07	27.19	798.64	24.02	(1,419.47)	296.56
Bad debts written off	-	-	-	-	(2.44)	(2.20)	-	(4.64)
Ending balance	<u>351.73</u>	<u>260.65</u>	<u>913.63</u>	<u>153.00</u>	<u>4,642.01</u>	<u>63.27</u>	<u>446.00</u>	<u>6,830.29</u>
	December 31, 2006							
	Pass	Special Mention	Sub-Standard	Doubtful	Doubtful of Loss	Restructured d 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	(42.28)	32.27	12.78	40.59	624.40	(55.41)	1,471.32	2,083.67
Bad debts written off	-	-	-	-	-	(0.64)	-	(0.64)
Ending balance	<u>409.33</u>	<u>50.94</u>	<u>199.56</u>	<u>125.81</u>	<u>3,845.81</u>	<u>41.45</u>	<u>1,865.47</u>	<u>6,538.37</u>

As at March 31, 2007 and December 31, 2006, the Bank's allowance for doubtful accounts on loans accounted for Baht 6,830.29 million and Baht 6,538.37 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.

4.5 Revaluation Allowance for Debt Restructuring

	Unit: Million Baht
	March 31, 2007 December 31, 2006
Beginning balance	1,243.56 922.92
Increase	10.19 629.56
Decrease	<u>161.28</u> <u>308.92</u>
Ending balance	<u>1,092.47</u> <u>1,243.56</u>

4.6 Borrowings

	Unit: Million Baht		
	March 31, 2007		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	17,500.00	-	17,500.00
- Others	<u>2,250.00</u>	<u>-</u>	<u>2,250.00</u>
Total short-term borrowings	<u>19,750.00</u>	<u>-</u>	<u>19,750.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	13,200.00	9,460.43	22,660.43
- Others	<u>3,771.60</u>	<u>-</u>	<u>3,771.60</u>
Total long-term borrowings	<u>16,971.60</u>	<u>9,460.43</u>	<u>26,432.03</u>
Total borrowings	<u>36,721.60</u>	<u>9,460.43</u>	<u>46,182.03</u>
	December 31, 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	9,731.88	32,931.88
- Others	<u>5,170.00</u>	<u>-</u>	<u>5,170.00</u>
Total long-term borrowings	<u>28,370.00</u>	<u>9,731.88</u>	<u>38,101.88</u>
Total borrowings	<u>36,720.00</u>	<u>9,731.88</u>	<u>46,451.88</u>

The details of the long-term borrowings of Baht 26,432.03 million and Baht 38,101.88 million are as follows:

Type	Tenor (years)	Maturity (year)	Interest Rate (% per annum)	Unit: Million Baht	
				March 31, 2007	December 31, 2006
EXIM Thailand bonds	3-5	2008-2011	2.43-5.95	13,200.00	23,200.00
Debt Instrument (FRN)	5	2010-2011	LIBOR+0.10-0.20	9,460.43	9,731.88
Others	2-10	2008-2016	0.50-5.75	3,771.60	5,170.00
Total				<u>26,432.03</u>	<u>38,101.88</u>

4.7 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.

4.8 Contingent Liabilities and Commitments

	Unit: Million Baht		
	Baht	March 31, 2007 Foreign currencies	Total
Liabilities under unmatured import bills	12.34	281.08	293.42
Letters of credit	15.39	917.11	932.50
Export bills insured	5,407.42	21.92	5,429.34
Other guarantees	618.98	4,509.76	5,128.74
Overdraft accounts not yet drawn	436.83	-	436.83
FX forward purchase/sales contracts	5,513.22	6,466.69	11,979.91
FX swaps	3,988.16	591.75	4,579.91
Foreign currency and interest swaps	4,191.70	15,552.55	19,744.25
Interest rate swaps	9,250.00	643.84	9,893.84
FX forward purchase/sales rate agreement	1,435.00	-	1,435.00
Others	-	1.04	1.04
Total	<u>30,869.04</u>	<u>28,985.74</u>	<u>59,854.78</u>

Unit: Million Baht

	December 31, 2006		Total
	Baht	Foreign currencies	
Liabilities under unmatured import bills	37.43	212.13	249.56
Letters of credit	24.20	975.49	999.69
Export bills insured	7,146.29	22.56	7,168.85
Other guarantees	658.86	7,944.62	8,603.48
Overdraft accounts not yet drawn	464.72	-	464.72
FX forward purchase/sales contracts	6,348.86	7,131.56	13,480.42
FX swaps	3,268.54	489.05	3,757.59
Foreign currency and interest swaps	4,191.70	15,998.80	20,190.50
Interest rate swaps	9,250.00	662.31	9,912.31
FX forward purchase/sales rate agreement	-	-	-
Others	-	-	-
Total	<u>31,390.60</u>	<u>33,436.52</u>	<u>64,827.12</u>

Other guarantees: The Bank received a court's order to suspend the payment under the obligation from the advance payment guarantee issued for a client's construction project. The court's judgment was that the client (plaintiff) could ask the guarantee receiver to return the bank guarantee. The Bank will continue to follow up on this matter.

4.9 Derivatives

Derivatives as at March 31, 2007 and December 31, 2006 were as follows:

Unit: Million Baht

	March 31, 2007	
	Contract Value	Net Fair Value of the Derivative's Contract
FX forward purchase/sales contracts	11,979.91	5.62
FX swaps	4,579.91	(47.45)
Foreign currency and interest swaps	19,744.25	1,923.45
Interest rate swaps	9,893.84	126.48
FX forward purchase/sales rate agreement	<u>1,435.00</u>	<u>(5.16)</u>
Total	<u>47,632.91</u>	<u>2,002.94</u>

Unit: Million Baht

	<u>December 31, 2006</u>	
	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	13,480.42	(30.87)
FX swaps	3,757.59	(95.29)
Foreign currency and interest swaps	20,190.50	1,330.02
Interest rate swaps	9,912.31	(44.40)
FX forward purchase/sales rate agreement	<u>-</u>	<u>-</u>
Total	<u>47,340.82</u>	<u>1,159.46</u>

4.10 Reclassification of Accounts

Some of the items in the statement of cash flow for the three-month period ended March 31, 2006 have been reclassified to conform to those presented in the statement of cash flow for the three-month period ended March 31, 2007.
