

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 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 June 30, 2007, and the related statements of income for the three-month periods and six-month periods ended June 30, 2007 and 2006, changes in capital, and cash flows for the six-month periods ended June 30, 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

August 9, 2007

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT JUNE 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>JUNE 30, 2007</u>	<u>DECEMBER 31, 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Assets</u>			
Cash		1,641,946.63	3,415,905.41
Interbank and money market items	4.1		
Domestic items			
Interest bearing		1,511,127,229.90	763,696,098.17
Non-interest bearing		528,447,449.35	367,063,447.31
Foreign items			
Interest bearing		5,104,100,213.74	6,217,486,157.24
Non-interest bearing		292,551,313.48	175,524,437.25
Total interbank and money market items - net		<u>7,436,226,206.47</u>	<u>7,523,770,139.97</u>
Securities purchased under resale agreements		800,000,000.00	200,000,000.00
Investments	4.2		
Current investments - net		2,064,229,448.77	2,085,515,016.50
Long-term investments - net		3,650,200,693.27	4,381,904,067.24
Total investments - net		<u>5,714,430,142.04</u>	<u>6,467,419,083.74</u>
Loans and accrued interest receivables	4.3		
Loans		53,762,980,716.03	57,286,578,736.61
Accrued interest receivables		903,340,106.72	1,055,314,975.20
Total loans and accrued interest receivables		<u>54,666,320,822.75</u>	<u>58,341,893,711.81</u>
<u>Less</u> Allowance for doubtful accounts	4.4	7,242,915,443.71	6,538,365,509.80
<u>Less</u> Revaluation allowance for debt restructuring	4.5	1,063,179,273.81	1,243,558,190.94
Total loans and accrued interest receivable - net		<u>46,360,226,105.23</u>	<u>50,559,970,011.07</u>
Properties foreclosed - net		906,069,501.93	401,269,466.47
Premises and equipment - net		975,118,456.94	954,507,994.30
Derivative Revaluation	4.9	1,798,223,290.25	1,159,459,969.05
Accrued interest receivable not related to loans		48,023,129.37	72,701,942.07
Prepaid expense		7,884,413.63	7,529,783.20
Leasehold premises and improvements		11,210,714.15	13,040,871.27
Other assets - net		10,907,008.38	7,511,302.25
Total assets		<u><u>64,069,960,915.02</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 JUNE 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>JUNE 30. 2007</u>	<u>DECEMBER 31. 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Liabilities and Capital</u>			
Deposits			
Deposits in baht		4,255,145,912.94	4,038,677,436.73
Deposits in foreign currencies		1,041,750,122.20	1,835,103,597.49
Total deposits		<u>5,296,896,035.14</u>	<u>5,873,781,034.22</u>
Interbank and money market items			
Domestic items			
Interest bearing		5,038,849,293.36	4,886,645,446.56
Non-interest bearing		1,786,401.35	4,171,058.97
Foreign items			
Interest bearing		526,562,070.33	1,744,182,762.45
Total interbank and money market items		<u>5,567,197,765.04</u>	<u>6,634,999,267.98</u>
Liability payable on demand		9,618,401.90	16,561,634.15
Borrowings 4.6			
Short-term borrowings		16,350,000,000.00	8,350,000,000.00
Long-term borrowings		27,977,400,000.00	38,101,880,000.00
Total borrowings		<u>44,327,400,000.00</u>	<u>46,451,880,000.00</u>
Accrued interest payables		680,563,730.07	740,870,988.72
Export credit insurance reserve		197,525,579.65	191,827,329.95
Other liabilities		96,823,077.18	294,608,085.50
Total liabilities		<u>56,176,024,588.98</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		132,148,673.22	(349,722,283.98)
Revaluation surplus (deficit) on investments	4.2.4	24,008,873.14	3,272,164.41
Retained earnings			
Appropriated			
Legal reserve		2,223,353,886.85	2,223,353,886.85
Unappropriated			
		(985,575,107.17)	(1,210,835,639.00)
Total capital		<u>7,893,936,326.04</u>	<u>7,166,068,128.28</u>
Total liabilities and capital		<u>64,069,960,915.02</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 JUNE 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

	<u>Notes</u>	<u>JUNE 30, 2007</u>	<u>DECEMBER 31, 2006</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Off-Balance-Sheet Items - Contingencies</u>	4.8		
Liabilities under unmatured import bills		198,709,336.18	249,562,286.16
Letters of credit		951,832,342.87	999,687,772.89
Export bills insured		5,814,359,592.77	7,168,847,367.01
Other contingencies		52,447,043,682.16	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 JUNE 30, 2007 AND 2006

	Unit: Baht	
	<u>2007</u>	<u>2006</u>
Interest and dividend income		
Loans	894,327,029.98	862,027,631.95
Interbank and money market items	110,423,763.68	199,642,264.55
Investments	88,611,765.86	77,791,609.92
Total interest and dividend income	<u>1,093,362,559.52</u>	<u>1,139,461,506.42</u>
Interest expenses		
Deposits	38,972,683.30	34,224,815.37
Interbank and money market items	85,667,905.72	153,354,415.07
Short-term borrowings	204,146,748.42	73,129,874.24
Long-term borrowings	333,781,198.41	532,342,729.97
Total interest expenses	<u>662,568,535.85</u>	<u>793,051,834.65</u>
Net income from interest and dividend	<u>430,794,023.67</u>	<u>346,409,671.77</u>
Bad debt and doubtful accounts	242,460,522.45	123,972,755.33
Loss on debt restructuring	(15,687,218.90)	184,713,486.02
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>204,020,720.12</u>	<u>37,723,430.42</u>
Non-interest income		
Gains on investments	31,280,571.42	-
Fees and service income	47,545,798.98	81,674,013.16
Export credit insurance income	35,242,182.17	41,072,700.68
Gains on exchanges	45,629,709.79	43,380,806.32
Gains on sale of properties foreclosed	844,922.83	7,031,353.67
Bad debt recovered	54,671.63	-
Written-off debt recovered	10,385,232.23	3,569,985.03
Other income	7,774,603.37	5,238,758.36
Total non-interest income	<u>178,757,692.42</u>	<u>181,967,617.22</u>
Non-interest expenses		
Personnel expenses	111,974,570.55	105,599,683.56
Premises and equipment expenses	24,442,360.53	24,074,282.66
Taxes and duties	41,252.41	16,372.28
Fees and service expenses	4,652,965.51	12,784,745.61
Expenses on export credit insurance	4,907,344.10	8,780,410.42
Directors' remuneration	963,400.00	846,750.00
Loss on impairment of properties foreclosed	100,797,714.47	9,350,704.54
Other expenses	19,010,534.07	19,489,629.15
Total non-interest expenses	<u>266,790,141.64</u>	<u>180,942,578.22</u>
Net income	<u>115,988,270.90</u>	<u>38,748,469.42</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 SIX-MONTH PERIOD ENDED JUNE 30, 2007 AND 2006

Unit: Baht

	<u>2007</u>	<u>2006</u>
Interest and dividend income		
Loans	1,793,171,860.06	1,715,746,295.02
Interbank and money market items	232,483,799.71	350,104,291.71
Investments	179,493,256.91	121,495,978.48
Total interest and dividend income	<u>2,205,148,916.68</u>	<u>2,187,346,565.21</u>
Interest expenses		
Deposits	87,976,244.91	82,796,364.14
Interbank and money market items	169,938,798.35	286,105,388.81
Short-term borrowings	322,783,384.71	116,600,750.58
Long-term borrowings	796,354,021.16	954,749,258.78
Total interest expenses	<u>1,377,052,449.13</u>	<u>1,440,251,762.31</u>
Net income from interest and dividend	828,096,467.55	747,094,802.90
Bad debt and doubtful accounts	687,915,714.12	397,560,280.40
Loss on debt restructuring	(158,517,531.26)	201,041,774.20
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>298,698,284.69</u>	<u>148,492,748.30</u>
Non-interest income		
Gains on investments	47,171,719.44	-
Fees and service income	101,899,729.07	135,338,760.94
Export credit insurance income	69,492,091.26	84,886,725.69
Gains on exchanges	95,646,346.90	84,767,471.23
Gains on sale of properties foreclosed	1,379,164.58	7,911,346.67
Bad debt recovered	54,671.63	4,995.54
Written-off debt recovered	24,003,692.72	5,882,716.86
Other income	12,523,000.19	8,281,876.16
Total non-interest income	<u>352,170,415.79</u>	<u>327,073,893.09</u>
Non-interest expenses		
Personnel expenses	223,009,084.68	207,577,476.12
Premises and equipment expenses	46,246,532.58	46,510,828.33
Taxes and duties	84,885.09	86,487.56
Fees and service expenses	8,107,848.00	15,958,942.52
Expenses on export credit insurance	9,729,240.72	16,339,855.51
Directors' remuneration	2,024,151.60	1,710,750.00
Loss on impairment of properties foreclosed	100,797,714.47	9,350,704.54
Other expenses	35,608,711.51	36,398,298.85
Total non-interest expenses	<u>425,608,168.65</u>	<u>333,933,343.43</u>
Net income	<u>225,260,531.83</u>	<u>141,633,297.96</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 SIX-MONTH PERIOD ENDED JUNE 30, 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	-	(8,021,933.98)	-	-	-	(8,021,933.98)
Revaluation surplus on investments	-	-	2,711,169.30	-	-	2,711,169.30
Unrecognized items in income statements	-	(8,021,933.98)	2,711,169.30	-	-	(5,310,764.68)
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	-	-	-	-	141,633,297.96	141,633,297.96
Ending balance as at June 30, 2006	<u>6,500,000,000.00</u>	<u>(694,733,029.81)</u>	<u>(1,668,445.51)</u>	<u>2,223,353,886.85</u>	<u>276,874,709.42</u>	<u>8,303,827,120.95</u>
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	-	481,870,957.20	-	-	-	481,870,957.20
Revaluation surplus on investments	-	-	20,736,708.73	-	-	20,736,708.73
Unrecognized items in income statements	-	481,870,957.20	20,736,708.73	-	-	502,607,665.93
Legal reserve	-	-	-	-	-	-
Remittance to the Ministry of Finance	-	-	-	-	-	-
Net income	-	-	-	-	225,260,531.83	225,260,531.83
Ending balance as at June 30, 2007	<u>6,500,000,000.00</u>	<u>132,148,673.22</u>	<u>24,008,873.14</u>	<u>2,223,353,886.85</u>	<u>(985,575,107.17)</u>	<u>7,893,936,326.04</u>

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

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007 AND 2006

Unit: Baht

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Net income	225,260,531.83	141,633,297.96
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	32,828,481.42	33,260,426.87
Bad debt and doubtful accounts	875,429,466.93	388,750,695.11
Loss on debt restructuring	(158,517,531.26)	201,041,774.20
(Reverse) Interest income from restructured debt	(21,861,385.87)	(26,235,442.49)
(Gain) on disposal of assets	(2,716,873.09)	(1,350,530.41)
(Gain) on sale of properties foreclosed	(1,379,164.58)	(7,911,346.67)
Loss on impairment of properties foreclosed	100,797,714.47	9,350,704.54
(Gain) on exchanges	(479,743,461.94)	(914,495,284.90)
Derivative revaluation	50,155,960.47	(34,975,497.09)
(Gain) on sale of investments in securities	(47,171,719.44)	-
Amortization of income - discount on bond value	(303,796,251.74)	32,973,961.23
Provision for contingent liabilities	(196,805,476.00)	5,289,300.00
Loss on claims and provision for claims against export credit insurance	6,211,893.80	11,263,591.05
Decrease in accrued income	136,503.90	46,885.93
(Increase) Decrease in accrued interest and dividend receivable	108,863,865.38	(61,666,602.16)
(Increase) in prepaid expenses	(375,067.72)	(2,728,622.56)
(Decrease) in advanced interest income	(9,171,602.06)	(10,925,036.20)
Increase (Decrease) in accrued interest payable	(62,985,032.84)	250,489,785.10
(Decrease) in other accrued expenses	(746,987.43)	(778,534.07)
Net income from operations before changes in operating assets and liabilities	114,413,864.23	13,033,525.44
(Increase) Decrease in operating assets		
Interbank and money market items	80,848,718.27	(402,265,556.13)
Securities purchased under resale agreements	(600,000,000.00)	1,600,000,000.00
Loans	2,802,505,236.35	316,843,831.45
Properties foreclosed	(113,704,087.00)	31,062,211.67
Other assets	(13,843,078.51)	(10,531,648.62)

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

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007 AND 2006

Unit: Baht

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities (continued)		
Increase (Decrease) in operating liabilities		
Deposits	(585,357,481.69)	(4,212,653,479.36)
Interbank and money market items	(1,061,277,118.76)	(3,580,606,982.46)
Liability payable on demand	(6,943,232.25)	14,596,802.88
Short-term borrowings	(4,150,000,000.00)	4,150,000,000.00
Other liabilities	(11,056,301.49)	(4,344,493.41)
Net cash (used in) operating activities	<u>(3,544,413,480.85)</u>	<u>(2,084,865,788.54)</u>
Cash flows from investing activities		
(Increase) in investments in securities	(6,788,145,926.00)	(3,629,906,879.50)
Proceeds from sale of investments in securities before due date	7,943,669,956.64	-
Purchase of premises and equipment	(47,229,014.57)	(12,238,357.24)
Proceeds from sale of premises and equipment	2,744,506.00	66,626,477.24
Net cash provided by (used in) investing activities	<u>1,111,039,522.07</u>	<u>(3,575,518,759.50)</u>
Cash flows from financing activities		
Increase in long-term borrowings	2,431,600,000.00	5,822,278,908.40
Remittance to the Ministry of Finance	-	(161,000,000.00)
Net cash provided by financing activities	<u>2,431,600,000.00</u>	<u>5,661,278,908.40</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,773,958.78)</u>	<u>894,360.36</u>
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 June 30	<u><u>1,641,946.63</u></u>	<u><u>2,477,454.52</u></u>
 Supplemental disclosure of cash flows information		
Cash paid during the year		
Interest expenses	1,437,359,707.78	1,195,205,368.47

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 SIX-MONTH PERIOD ENDED JUNE 30, 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 June 30, 2007 and December 31, 2006, the Bank had a total staffing of 676 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 cash flows 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 June 30, 2007 and December 31, 2006, the interbank and money market items (assets) included unclassified loans of Baht 1,703.46 million and Baht 1,983.83 million, respectively.

4.2 Investments

4.2.1 Current Investments

	<u>June 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Cost/</u>	<u>Fair Value</u>	<u>Cost/</u>	<u>Fair Value</u>
	<u>Amortized Cost</u>		<u>Amortized Cost</u>	
Unit: Million Baht				
(1) Available-for-sale investments				
Government and state enterprise				
securities	896.41	896.19	-	-
Private enterprise debt instruments	<u>19.37</u>	<u>19.73</u>	<u>-</u>	<u>-</u>
Total	915.78	915.92	-	-
<u>Add</u> Allowance for revaluation	<u>0.14</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>915.92</u>	<u>915.92</u>	<u>-</u>	<u>-</u>
(2) Held-to-maturity debt instruments				
Government and state enterprise				
securities	308.08		89.66	
Private enterprise debt instruments	12.50		100.00	
Foreign debt instruments	<u>827.73</u>		<u>1,898.51</u>	
Total	1,148.31		2,088.17	
<u>(Less)</u> Allowance for revaluation	<u>-</u>		<u>(2.65)</u>	
Total	<u>1,148.31</u>		<u>2,085.52</u>	
Total current investments-net	<u>2,064.23</u>		<u>2,085.52</u>	

(TRANSLATION)

4.2.2 Long-term Investments

		Unit: Million Baht			
		<u>June 30, 2007</u>		<u>December 31, 2006</u>	
		<u>Cost/</u>	<u>Fair Value</u>	<u>Cost/</u>	<u>Fair Value</u>
		<u>Amortized Cost</u>		<u>Amortized Cost</u>	
(1) Available-for-sale investments					
	Government and state enterprise securities	649.33	666.16	69.38	68.74
	Private enterprise debt instruments	164.34	164.19	-	-
	Domestic marketable equity securities - listed securities	<u>1.07</u>	<u>4.21</u>	<u>1.07</u>	<u>2.09</u>
	Total	814.74	834.56	70.45	70.83
<u>Add</u>	Allowance for revaluation	<u>19.82</u>	<u>-</u>	<u>0.38</u>	<u>-</u>
	Total	<u>834.56</u>	<u>834.56</u>	<u>70.83</u>	<u>70.83</u>
(2) Held-to-maturity debt instruments					
	Government and state enterprise securities	738.60		2,989.04	
	Private enterprise debt instruments	554.07		459.21	
	Foreign debt instruments	<u>1,518.44</u>		<u>856.78</u>	
	Total	2,811.11		4,305.03	
<u>Add</u>	Allowance for revaluation	<u>4.05</u>		<u>5.55</u>	
	Total	<u>2,815.16</u>		<u>4,310.58</u>	
(3) General investments					
	Others	<u>0.48</u>		<u>0.49</u>	
	Total	<u>0.48</u>		<u>0.49</u>	
	Total long-term investments-net	<u>3,650.20</u>		<u>4,381.90</u>	

(TRANSLATION)

4.2.3 Time to Maturity of Debt Instruments

Unit: Million Baht

	June 30, 2007		Total	December 31, 2006		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						
enterprise securities	896.41	649.33	1,545.74	-	69.38	69.38
Private enterprise debt						
instruments	<u>19.37</u>	<u>164.34</u>	<u>183.71</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	915.78	813.67	1,729.45	-	69.38	69.38
<u>Add (Less) Allowance for revaluation</u>	<u>0.14</u>	<u>16.68</u>	<u>16.82</u>	<u>-</u>	<u>(0.64)</u>	<u>(0.64)</u>
Total	<u>915.92</u>	<u>830.35</u>	<u>1,746.27</u>	<u>-</u>	<u>68.74</u>	<u>68.74</u>
Held-to-maturity debt instruments						
Government and state						
enterprise securities	308.08	738.60	1,046.68	89.66	2,989.04	3,078.70
Private enterprise debt						
instruments	12.50	554.07	566.57	100.00	459.21	559.21
Foreign debt instruments	<u>827.73</u>	<u>1,518.44</u>	<u>2,346.17</u>	<u>1,898.51</u>	<u>856.78</u>	<u>2,755.29</u>
Total	1,148.31	2,811.11	3,959.42	2,088.17	4,305.03	6,393.20
<u>Add (Less) Allowance for revaluation</u>	<u>-</u>	<u>4.05</u>	<u>4.05</u>	<u>(2.65)</u>	<u>5.55</u>	<u>2.90</u>
Total	<u>1,148.31</u>	<u>2,815.16</u>	<u>3,963.47</u>	<u>2,085.52</u>	<u>4,310.58</u>	<u>6,396.10</u>
Total debt instruments	<u>2,064.23</u>	<u>3,645.51</u>	<u>5,709.74</u>	<u>2,085.52</u>	<u>4,379.32</u>	<u>6,464.84</u>

4.2.4 Revaluation Surplus (Deficit) on Investments

Unit: Million Baht

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
Revaluation surplus (deficit) on investments		
Debt instruments	20.87	2.25
Equity securities	<u>3.14</u>	<u>1.02</u>
Total	<u>24.01</u>	<u>3.27</u>

(TRANSLATION)

4.3 Loans and Accrued Interest Receivables

4.3.1 Classified by Type of Loan

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
		Unit: Million Baht
Overdrafts	464.44	510.66
Domestic loans - customers	40,235.79	43,285.19
- export bill negotiation	1,305.03	1,435.61
- staff loans	193.86	181.38
Foreign loans - foreign government agencies	5,590.43	5,484.88
- foreign investors	<u>5,973.43</u>	<u>6,388.86</u>
Total	53,762.98	57,286.58
<u>Add</u> Accrued interest receivables	<u>903.34</u>	<u>1,055.31</u>
Total loans and accrued interest receivables	54,666.32	58,341.89
<u>(Less)</u> Allowance for doubtful accounts	(7,242.91)	(6,538.36)
Revaluation allowance for debt restructuring	<u>(1,063.18)</u>	<u>(1,243.56)</u>
Total	<u>46,360.23</u>	<u>50,559.97</u>

In compliance with the Thai government's policy, the Bank received interest payments from loans extended to foreign government agencies at the rates of 1.50% and 3.00% p.a. and also additional 0.75% p.a. from one of such foreign government agency loans. The difference between the interest received and cost of fund is being covered by the Thai government and other state agencies.

One of the foreign government agency loans with a credit line of Baht 4,000 million and a total aggregate drawdown amount of Baht 3,596.10 million as at June 30, 2007, is being examined by the Asset Examination Committee (AEC) as part of the AEC's scrutiny on the government's lending policy to such foreign government agency.

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

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
		Unit: Million Baht
Within 1 year	32,493.57	33,866.49
Over 1 year	<u>21,269.41</u>	<u>23,420.09</u>
Total	<u>53,762.98</u>	<u>57,286.58</u>

(TRANSLATION)

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

Unit: Million Baht

	<u>June 30, 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	35,931.99	4,331.06	40,263.05	37,938.65	3,774.71	41,713.36
US Dollars	5,880.42	7,208.47	13,088.89	6,970.41	8,072.03	15,042.44
Other currencies	<u>386.71</u>	<u>24.33</u>	<u>411.04</u>	<u>503.78</u>	<u>27.00</u>	<u>530.78</u>
Total	<u>42,199.12</u>	<u>11,563.86</u>	<u>53,762.98</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>June 30, 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	33,964.55	33,964.55	1	339.64
Special mention	2,774.38	2,774.38	2	55.49
Sub-Standard (IAS 39)	1,323.52	1,001.91	100	1,001.91
Doubtful (IAS 39)	782.83	477.01	100	477.01
Doubtful of loss (IAS 39)	<u>6,418.80</u>	<u>5,025.04</u>	100	<u>5,025.04</u>
Total	45,264.08	43,242.89		6,899.09
Allowance for doubtful accounts based on restructured debt quality	<u>3,030.37</u>	<u>2,379.82</u>	1,20,50	<u>163.82</u>
Total	<u>48,294.45</u>	<u>45,622.71</u>		7,062.91
Excess allowance for doubtful accounts over provision required				<u>180.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at June 30, 2007				<u>7,242.91</u>

	<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>

(TRANSLATION)

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 as at December 31, 2006.

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.

<u>Loans</u>	<u>June 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Loans and</u>	<u>As % of Loans</u>	<u>Loans and</u>	<u>As % of Loans</u>
	<u>Accrued Interest</u>	<u>and Accrued</u>	<u>Accrued Interest</u>	<u>and Accrued</u>
	<u>Receivables</u>	<u>Interest Receivables</u>	<u>Receivables</u>	<u>Interest Receivables</u>
Non-performing loans	8,525.15	15.59	7,924.83	13.58
Unclassified loans	6,371.87	11.66	6,405.04	10.98

Unit: Million Baht

For the six-month period ended June 30, 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:

<u>Restructured</u> <u>Debts</u>	<u>Cases</u>	<u>June 30, 2007</u>		<u>Cases</u>	<u>December 31, 2006</u>	
		<u>Amount</u>	<u>As % of Loans</u>		<u>Amount</u>	<u>As % of Loans</u>
		<u>and Accrued</u>			<u>and Accrued</u>	
		<u>Interest Receivables</u>			<u>Interest Receivables</u>	
Succeeded	29	1,838.32	3.36	66	1,883.60	3.23
Underway	-	-	-	2	27.60	0.05
Outstanding of debt changed to normal	43	3,030.37	5.54	45	3,131.52	5.37

Unit: Million Baht

(TRANSLATION)

For the six-month period ended June 30, 2007 and 2006, the Bank restructured the debt as follows:

Unit: Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>June 30, 2007</u>			<u>Transferred Assets</u>	
		<u>Outstanding Debt</u>			<u>Types</u>	<u>Fair</u>
		<u>Before</u>	<u>After</u>	<u>As at</u>		<u>Value</u>
		<u>Restructuring</u>	<u>Restructuring</u>	<u>June 30, 2007</u>		
Transfer of assets or owners' equity	1	174.15	174.15	-	Land, Factory, Machinery	294.21
Change of repayment conditions						
Terms of debt restructuring agreements						
- Less than 5 years	27	1,303.73	1,303.73	1,302.22		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Debt restructuring in various forms						
Terms of debt restructuring agreements						
- Less than 5 years	1	360.44	360.44	102.89		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Total	<u>29</u>	<u>1,838.32</u>	<u>1,838.32</u>	<u>1,405.11</u>		

<u>Types of Restructuring</u>	<u>Cases</u>	<u>June 30, 2006</u>			<u>Transferred Assets</u>	
		<u>Outstanding Debt</u>			<u>Types</u>	<u>Fair</u>
		<u>Before</u>	<u>After</u>	<u>As at</u>		<u>Value</u>
		<u>Restructuring</u>	<u>Restructuring</u>	<u>June 30, 2006</u>		
Transfer of assets or owners' equity	-	-	-	-		
Change of repayment conditions						
Terms of debt restructuring agreements						
- Less than 5 years	33	614.16	614.16	581.03		
- 5 to 10 years	4	567.88	567.88	712.13		
- Over 10 years	1	107.20	107.20	174.30		
Debt restructuring in various forms						
Terms of debt restructuring agreements						
- Less than 5 years	-	-	-	-		
- 5 to 10 years	-	-	-	-		
- Over 10 years	-	-	-	-		
Total	<u>38</u>	<u>1,289.24</u>	<u>1,289.24</u>	<u>1,467.46</u>		

(TRANSLATION)

The Bank recognized interest income from debt restructuring as follows:

	Unit: Million Baht			
	<u>For each of The Three-Month Periods</u>		<u>For each of The Six-Month Periods</u>	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Interest income from debt restructuring	37.54	(41.68)	86.59	3.80

As at June 30, 2007 and December 31, 2006, the Bank has commitments to extend additional loans to these borrowers for the amount of Baht 19.76 million and Baht 2.23 million, respectively.

For the six-month period ended June 30, 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>June 30, 2007</u>		<u>June 30, 2006</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	29	1,838.32	38	1,289.24
Loans and accrued interest receivables	1,551	54,666.32	1,522	58,893.10

For the six-month period ended June 30, 2007, the loss from the debt restructuring was decreased in the amount of Baht 158.52 million, which was already reversed in full. For the six-month period ended June 30, 2006, the loss from the debt restructuring in the amount of Baht 201.04 million was already recognized in full.

For the six-month period ended June 30, 2007 and 2006, the Bank wrote off bad debts in the amount of Baht 215.55 million and Baht 50.61 million, of which Baht 93.04 million and Baht 29.37 million, respectively, were written-off accounts.

Based on the debt write-off policy already dropped by the Bank, the outstanding balance of written-off accounts as at June 30, 2007 and December 31, 2006, which have not yet been recorded in the financial statements, were Baht 1,651.76 million and Baht 1,766.15 million, respectively.

(TRANSLATION)

4.4 Allowance for Doubtful Accounts

Unit: Million Baht

	<u>June 30, 2007</u>							
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Restructured Debt</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	409.33	50.94	199.56	125.81	3,845.81	41.45	1,865.47	6,538.37
Doubtful accounts	(69.69)	4.55	802.35	351.20	1,181.67	124.57	(1,685.47)	709.18
Bad debts written off	-	-	-	-	(2.44)	(2.20)	-	(4.64)
Ending balance	<u>339.64</u>	<u>55.49</u>	<u>1,001.91</u>	<u>477.01</u>	<u>5,025.04</u>	<u>163.82</u>	<u>180.00</u>	<u>7,242.91</u>

	<u>December 31, 2006</u>							
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Restructure d Debt</u>	<u>Excess Allowance</u>	<u>Total</u>
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 June 30, 2007 and December 31, 2006, the Bank's allowance for doubtful accounts on loans accounted for Baht 7,242.91 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

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
Beginning balance	1,243.56	922.92
Increase	17.36	629.56
Decrease	<u>197.74</u>	<u>308.92</u>
Ending balance	<u>1,063.18</u>	<u>1,243.56</u>

4.6 Borrowings

Unit: Million Baht			
<u>June 30, 2007</u>			
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	14,000.00	-	14,000.00
- Others	<u>2,350.00</u>	<u>-</u>	<u>2,350.00</u>
Total short-term borrowings	<u>16,350.00</u>	<u>-</u>	<u>16,350.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	13,200.00	9,325.80	22,525.80
- Others	<u>5,451.60</u>	<u>-</u>	<u>5,451.60</u>
Total long-term borrowings	<u>18,651.60</u>	<u>9,325.80</u>	<u>27,977.40</u>
Total borrowings	<u>35,001.60</u>	<u>9,325.80</u>	<u>44,327.40</u>

<u>December 31, 2006</u>			
	<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 27,977.40 million and Baht 38,101.88 million are as follows:

Unit: Million Baht					
<u>Type</u>	<u>Tenor</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>June 30, 2007</u>	<u>December 31, 2006</u>
	<u>(years)</u>	<u>(year)</u>	<u>(% per annum)</u>		
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)	9,325.80	9,731.88
Others	2-10	2008-2016	0.50-5.75	<u>5,451.60</u>	<u>5,170.00</u>
Total				<u>27,977.40</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 capital to Baht 6,500 million.

4.8 Contingent Liabilities and Commitments

	Unit: Million Baht		
	<u>June 30, 2007</u>		
	<u>Baht</u>	<u>Foreign currencies</u>	<u>Total</u>
Liabilities under unmatured import bills	2.41	196.30	198.71
Letters of credit	2.05	949.78	951.83
Export bills insured	5,792.75	21.61	5,814.36
Other guarantees	596.66	4,170.11	4,766.77
Overdraft accounts not yet drawn	465.22	-	465.22
FX forward purchase/sales contracts	3,541.50	10,183.64	13,725.14
FX swaps	1,861.47	1,491.53	3,353.00
Foreign currency and interest swaps	4,191.70	11,999.66	16,191.36
Interest rate swaps	12,310.00	-	12,310.00
FX forward purchase/sales rate agreement	1,635.00	-	1,635.00
Others	<u>-</u>	<u>0.55</u>	<u>0.55</u>
Total	<u>30,398.76</u>	<u>29,013.18</u>	<u>59,411.94</u>

	<u>December 31, 2006</u>		
	<u>Baht</u>	<u>Foreign currencies</u>	<u>Total</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
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 June 30, 2007 and December 31, 2006 were as follows:

Unit: Million Baht

	<u>June 30, 2007</u>	
	<u>Contract Value</u>	<u>Net Fair Value of the</u>
		<u>Derivative's Contract</u>
FX forward purchase/sales contracts	13,725.14	23.64
FX swaps	3,353.00	(0.50)
Foreign currency and interest swaps	16,191.36	1,632.74
Interest rate swaps	11,510.00	147.09
FX forward purchase/sales rate agreement	<u>1,635.00</u>	<u>(4.75)</u>
Total	<u>46,414.50</u>	<u>1,798.22</u>
	 <u>December 31, 2006</u>	
	<u>Contract Value</u>	<u>Net Fair Value of the</u>
		<u>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 six-month period ended June 30, 2006 have been reclassified to conform to those presented in the statement of cash flow for the six-month period ended June 30, 2007.
