

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

November 2, 2007

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT SEPTEMBER 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

|  | <u>Notes</u> | <u>SEPTEMBER 30, 2007</u>       | <u>DECEMBER 31, 2006</u>        |
|--|--------------|---------------------------------|---------------------------------|
|  |              | "UNAUDITED"                     | "AUDITED"                       |
|  |              | "REVIEWED"                      |                                 |
| <u>Assets</u>  |              |                                 |                                 |
| Cash   |              | 709,374.30                      | 3,415,905.41                    |
| Interbank and money market items                         | 4.1          |                                 |                                 |
| Domestic items   |              |                                 |                                 |
| Interest bearing   |              | 1,010,017,601.04                | 763,696,098.17                  |
| Non-interest bearing                                     |              | 358,931,361.41                  | 367,063,447.31                  |
| Foreign items  |              |                                 |                                 |
| Interest bearing   |              | 1,027,754,118.62                | 6,217,486,157.24                |
| Non-interest bearing                                     |              | 245,319,604.88                  | 175,524,437.25                  |
| Total interbank and money market items - net             |              | <u>2,642,022,685.95</u>         | <u>7,523,770,139.97</u>         |
| Securities purchased under resale agreements             |              | -                               | 200,000,000.00                  |
| Investments  | 4.2          |                                 |                                 |
| Current investments - net                                |              | 1,825,385,662.49                | 2,085,515,016.50                |
| Long-term investments - net                              |              | 3,382,109,681.94                | 4,381,904,067.24                |
| Total investments - net                                  |              | <u>5,207,495,344.43</u>         | <u>6,467,419,083.74</u>         |
| Loans and accrued interest receivables                   | 4.3          |                                 |                                 |
| Loans  |              | 55,983,905,548.97               | 57,286,578,736.61               |
| Accrued interest receivables                             |              | 860,845,359.98                  | 1,055,314,975.20                |
| Total loans and accrued interest receivables             |              | <u>56,844,750,908.95</u>        | <u>58,341,893,711.81</u>        |
| <u>Less</u> Allowance for doubtful accounts              | 4.4          | 7,554,052,736.12                | 6,538,365,509.80                |
| <u>Less</u> Revaluation allowance for debt restructuring | 4.5          | 853,443,664.80                  | 1,243,558,190.94                |
| Total loans and accrued interest receivable - net        |              | <u>48,437,254,508.03</u>        | <u>50,559,970,011.07</u>        |
| Properties foreclosed - net                              |              | 902,072,878.93                  | 401,269,466.47                  |
| Premises and equipment - net                             |              | 971,742,263.28                  | 954,507,994.30                  |
| Derivative Revaluation                                   | 4.9          | 1,230,715,587.97                | 1,159,459,969.05                |
| Accrued interest receivable not related to loans         |              | 59,956,517.35                   | 72,701,942.07                   |
| Prepaid expense  |              | 8,065,227.74                    | 7,529,783.20                    |
| Leasehold premises and improvements                      |              | 10,305,097.17                   | 13,040,871.27                   |
| Other assets - net                                       |              | 14,914,342.22                   | 7,511,302.25                    |
| Total assets   |              | <u><u>59,485,253,827.37</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 SEPTEMBER 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

|  | <u>Notes</u> | <u>SEPTEMBER 30, 2007</u> | <u>DECEMBER 31, 2006</u> |
|--|--------------|---------------------------|--------------------------|
|  |              | "UNAUDITED"               | "AUDITED"                |
|  |              | "REVIEWED"                |                          |
| <u>Liabilities and Capital</u>         |              |                           |                          |
| Deposits                               |              |                           |                          |
| Deposits in baht                       |              | 4,239,597,137.49          | 4,038,677,436.73         |
| Deposits in foreign currencies         |              | 522,104,383.38            | 1,835,103,597.49         |
| Total deposits                         |              | <u>4,761,701,520.87</u>   | <u>5,873,781,034.22</u>  |
| Interbank and money market items       |              |                           |                          |
| Domestic items                         |              |                           |                          |
| Interest bearing                       |              | 4,213,511,543.36          | 4,886,645,446.56         |
| Non-interest bearing                   |              | 1,500,265.65              | 4,171,058.97             |
| Foreign items                          |              |                           |                          |
| Interest bearing                       |              | 705,623,909.14            | 1,744,182,762.45         |
| Total interbank and money market items |              | <u>4,920,635,718.15</u>   | <u>6,634,999,267.98</u>  |
| Liability payable on demand            |              | 21,778,145.51             | 16,561,634.15            |
| Borrowings                             |              |                           |                          |
|  | 4.6          |                           |                          |
| Short-term borrowings                  |              | 12,650,000,000.00         | 8,350,000,000.00         |
| Long-term borrowings                   |              | 28,202,271,000.00         | 38,101,880,000.00        |
| Total borrowings                       |              | <u>40,852,271,000.00</u>  | <u>46,451,880,000.00</u> |
| Accrued interest payables              |              | 620,113,074.52            | 740,870,988.72           |
| Export credit insurance reserve        |              | 203,366,581.03            | 191,827,329.95           |
| Other liabilities                      |              | 118,297,991.03            | 294,608,085.50           |
| Total liabilities                      |              | <u>51,498,164,031.11</u>  | <u>60,204,528,340.52</u> |
| Capital                                |              |                           |                          |
| Capital                                | 4.7          | 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                        |              | 108,287,334.59            | (349,722,283.98)         |
| Revaluation surplus on investments     | 4.2.4        | 40,786,960.51             | 3,272,164.41             |
| Retained earnings                      |              |                           |                          |
| Appropriated                           |              |                           |                          |
| Legal reserve                          |              | 2,223,353,886.85          | 2,223,353,886.85         |
| Unappropriated                         |              |                           |                          |
|  |              | (885,338,385.69)          | (1,210,835,639.00)       |
| Total capital                          |              | <u>7,987,089,796.26</u>   | <u>7,166,068,128.28</u>  |
| Total liabilities and capital          |              | <u>59,485,253,827.37</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 SEPTEMBER 30, 2007 AND DECEMBER 31, 2006

Unit: Baht

|  | <u>Notes</u> | <u>SEPTEMBER 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       |              | 207,555,034.17            | 249,562,286.16           |
| Letters of credit                              |              | 754,156,717.91            | 999,687,772.89           |
| Export bills insured                           |              | 5,862,325,831.24          | 7,168,847,367.01         |
| Other contingencies                            |              | 52,493,507,137.04         | 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 PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit: Baht

|  | <u>2007</u>           | <u>2006</u>             |
|--|-----------------------|-------------------------|
| Interest and dividend income   |                       |                         |
| Loans  | 699,027,552.72        | 898,143,013.69          |
| Interbank and money market items   | 69,032,593.67         | 167,609,047.79          |
| Investments  | 67,170,223.79         | 83,599,536.89           |
| Total interest and dividend income   | <u>835,230,370.18</u> | <u>1,149,351,598.37</u> |
| Interest expenses  |                       |                         |
| Deposits   | 32,732,479.61         | 39,338,453.46           |
| Interbank and money market items   | 54,894,020.97         | 99,448,104.01           |
| Short-term borrowings  | 149,798,780.66        | 122,420,724.53          |
| Long-term borrowings   | 346,041,824.34        | 515,571,301.65          |
| Total interest expenses  | <u>583,467,105.58</u> | <u>776,778,583.65</u>   |
| Net income from interest and dividend  | 251,763,264.60        | 372,573,014.72          |
| Bad debt and doubtful accounts   | 321,476,801.97        | 187,914,941.52          |
| Loss on debt restructuring   | (197,844,335.38)      | (10,902,110.90)         |
| Net income from interest and dividend after bad debt and doubtful accounts<br>and loss on debt restructuring | <u>128,130,798.01</u> | <u>195,560,184.10</u>   |
| Non-interest income  |                       |                         |
| Gains on investments   | 8,214,412.18          | -                       |
| Fees and service income  | 47,730,225.00         | 56,975,988.88           |
| Export credit insurance income   | 37,197,947.31         | 41,419,658.46           |
| Gains on exchanges   | 33,871,793.12         | 43,997,935.16           |
| Gains on sale of properties foreclosed   | 3,622,049.88          | 353,642.00              |
| Written-off debt recovered   | 968,382.17            | 17,744,269.12           |
| Other income   | 13,514,592.97         | 7,361,694.53            |
| Total non-interest income  | <u>145,119,402.63</u> | <u>167,853,188.15</u>   |
| Non-interest expenses  |                       |                         |
| Personnel expenses   | 114,508,505.10        | 107,299,955.25          |
| Premises and equipment expenses  | 26,563,212.38         | 23,006,503.02           |
| Taxes and duties   | 23,636.36             | 29,012.87               |
| Fees and service expenses  | 5,722,553.72          | 4,405,007.99            |
| Expenses on export credit insurance  | 8,062,228.38          | 7,913,903.76            |
| Directors' remuneration  | (111,800.00)          | 890,259.00              |
| Other expenses   | 18,245,143.22         | 24,990,613.72           |
| Total non-interest expenses  | <u>173,013,479.16</u> | <u>168,535,255.61</u>   |
| Net income   | <u>100,236,721.48</u> | <u>194,878,116.64</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 PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit: Baht

|  | <u>2007</u>             | <u>2006</u>             |
|--|-------------------------|-------------------------|
| Interest and dividend income   |                         |                         |
| Loans  | 2,492,199,412.78        | 2,613,889,308.71        |
| Interbank and money market items   | 301,516,393.38          | 517,713,339.50          |
| Investments  | 246,663,480.70          | 205,095,515.37          |
| Total interest and dividend income   | <u>3,040,379,286.86</u> | <u>3,336,698,163.58</u> |
| Interest expenses  |                         |                         |
| Deposits   | 120,708,724.52          | 122,134,817.60          |
| Interbank and money market items   | 224,832,819.32          | 385,553,492.82          |
| Short-term borrowings  | 472,582,165.37          | 239,021,475.11          |
| Long-term borrowings   | 1,142,395,845.50        | 1,470,320,560.43        |
| Total interest expenses  | <u>1,960,519,554.71</u> | <u>2,217,030,345.96</u> |
| Net income from interest and dividend  | 1,079,859,732.15        | 1,119,667,817.62        |
| Bad debt and doubtful accounts   | 1,009,392,516.09        | 585,475,221.92          |
| Loss on debt restructuring   | (356,361,866.64)        | 190,139,663.30          |
| Net income from interest and dividend after bad debt and doubtful accounts<br>and loss on debt restructuring | <u>426,829,082.70</u>   | <u>344,052,932.40</u>   |
| Non-interest income  |                         |                         |
| Gains on investments   | 55,386,131.62           | -                       |
| Fees and service income  | 149,629,954.07          | 192,314,749.82          |
| Export credit insurance income   | 106,690,038.57          | 126,306,384.15          |
| Gains on exchanges   | 129,518,140.02          | 128,765,406.39          |
| Gains on sale of properties foreclosed   | 5,001,214.46            | 8,264,988.67            |
| Bad debt recovered   | 54,671.63               | 4,995.54                |
| Written-off debt recovered   | 24,972,074.89           | 23,626,985.98           |
| Other income   | 26,037,593.16           | 15,643,570.69           |
| Total non-interest income  | <u>497,289,818.42</u>   | <u>494,927,081.24</u>   |
| Non-interest expenses  |                         |                         |
| Personnel expenses   | 337,517,589.78          | 314,877,431.37          |
| Premises and equipment expenses  | 72,809,744.96           | 69,517,331.35           |
| Taxes and duties   | 108,521.45              | 115,500.43              |
| Fees and service expenses  | 13,830,401.72           | 20,363,950.51           |
| Expenses on export credit insurance  | 17,791,469.10           | 24,253,759.27           |
| Directors' remuneration  | 1,912,351.60            | 2,601,009.00            |
| Loss on impairment of properties foreclosed  | 100,797,714.47          | 9,350,704.54            |
| Other expenses   | 53,853,854.73           | 61,388,912.57           |
| Total non-interest expenses  | <u>598,621,647.81</u>   | <u>502,468,599.04</u>   |
| Net income   | <u>325,497,253.31</u>   | <u>336,511,414.60</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 PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit: Baht

|   | Capital          | Hedging Reserve  | Revaluation<br>Surplus on<br>Investments | Appropriated<br>Retained Earnings | Unappropriated<br>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                         | -                | 235,585,299.58   | -  | -                                 | -                                   | 235,585,299.58   |
| Revaluation surplus on investments      | -                | -                | 8,208,232.54                             | -                                 | -                                   | 8,208,232.54     |
| Unrecognized 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 |
| 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                         | -                | 458,009,618.57   | -  | -                                 | -                                   | 458,009,618.57   |
| Revaluation surplus on investments      | -                | -                | 37,514,796.10                            | -                                 | -                                   | 37,514,796.10    |
| Unrecognized items in income statements | -                | 458,009,618.57   | 37,514,796.10                            | -                                 | -                                   | 495,524,414.67   |
| Legal reserve                           | -                | -                | -  | -                                 | -                                   | -                |
| Remittance to the Ministry of Finance   | -                | -                | -  | -                                 | -                                   | -                |
| Net income                              | -                | -                | -  | -                                 | 325,497,253.31                      | 325,497,253.31   |
| Ending balance as at September 30, 2007 | 6,500,000,000.00 | 108,287,334.59   | 40,786,960.51                            | 2,223,353,886.85                  | (885,338,385.69)                    | 7,987,089,796.26 |

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



## EXPORT-IMPORT BANK OF THAILAND

"REVIEWED"

## STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit: Baht

|   | <u>2007</u>      | <u>2006</u>      |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                                   |                  |                  |
| Net income  | 325,497,253.31   | 336,511,414.60   |
| Adjustments to reconcile net income to net cash from operating activities     |                  |                  |
| Depreciation and amortization   | 48,820,055.03    | 49,832,224.32    |
| Bad debt and doubtful accounts  | 1,156,942,985.42 | 576,665,636.63   |
| Loss on debt restructuring  | (356,361,866.64) | 190,139,663.30   |
| (Reverse) Interest income from restructured debt                              | (33,752,659.50)  | (37,635,841.15)  |
| Written-off debt recovered  | 1,801,617.83     | (3,793,335.12)   |
| (Gain) on disposal of assets  | (5,074,835.97)   | (2,649,301.93)   |
| (Gain) on sale of properties foreclosed                                       | (5,001,214.46)   | (8,264,988.67)   |
| Loss on impairment of properties foreclosed                                   | 100,797,714.47   | 9,350,704.54     |
| (Gain) on exchanges   | (209,253,986.47) | (829,974,845.64) |
| Derivative revaluation  | 240,524,269.74   | (269,703,525.98) |
| (Gain) on sale of investments in securities                                   | (55,386,131.62)  | -                |
| Amortization of income - discount on bond value                               | (348,659,835.38) | 41,478,781.54    |
| Provision for contingent liabilities  | (193,929,476.00) | 5,289,300.00     |
| Loss on claims and provision for claims against export credit insurance       | 12,399,685.33    | 17,424,357.16    |
| (Increase) Decrease in other accrued income                                   | (5,883,007.52)   | 62,143.87        |
| (Increase) Decrease in accrued interest and dividend receivable               | 149,790,951.79   | (149,863,747.20) |
| (Increase) in prepaid expenses  | (498,534.33)     | (1,959,308.13)   |
| (Decrease) in advanced interest income  | (5,361,484.36)   | (16,737,090.46)  |
| Increase (Decrease) in accrued interest payable                               | (126,332,096.45) | 274,039,882.80   |
| Increase in other accrued expenses  | 10,735,131.48    | 11,645,812.75    |
| Net income from operations before changes in operating assets and liabilities | 701,814,535.70   | 191,857,937.23   |
| (Increase) Decrease in operating assets                                       |                  |                  |
| Interbank and money market items  | 4,874,686,725.60 | 1,434,431,180.62 |
| Securities purchased under resale agreements                                  | 200,000,000.00   | 1,600,000,000.00 |
| Loans   | 612,476,486.45   | 271,446,002.83   |
| Properties foreclosed   | (101,510,415.12) | 35,604,211.67    |
| Other assets  | (17,619,759.80)  | (21,184,527.14)  |

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

## EXPORT-IMPORT BANK OF THAILAND

"REVIEWED"

## STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

Unit: Baht

|  | <u>2007</u>               | <u>2006</u>                |
|--|---------------------------|----------------------------|
| <b>Cash flows from operating activities (continued)</b>      |                           |                            |
| Increase (Decrease) in operating liabilities                 |                           |                            |
| Deposits   | (1,121,644,985.39)        | (3,817,623,045.62)         |
| Interbank and money market items                             | (1,711,503,768.47)        | (5,438,976,785.86)         |
| Liability payable on demand                                  | 5,216,511.36              | 6,587,400.62               |
| Short-term borrowings  | 3,800,000,000.00          | 7,680,000,000.00           |
| Other liabilities  | (7,764,995.79)            | (9,331,904.70)             |
| Net cash provided by operating activities                    | <u>7,234,150,334.54</u>   | <u>1,932,810,469.65</u>    |
| <b>Cash flows from investing activities</b>                  |                           |                            |
| Purchase of debt securities                                  | (7,745,558,395.90)        | (3,455,449,465.52)         |
| Proceeds from disposal of debt securities                    | 9,486,281,222.49          | -                          |
| Purchase of premises and equipment                           | (63,135,252.24)           | (19,112,845.32)            |
| Proceeds from disposal of premises and equipment             | 5,104,560.00              | 68,471,152.24              |
| Net cash provided by (used in) investing activities          | <u>1,682,692,134.35</u>   | <u>(3,406,091,158.60)</u>  |
| <b>Cash flows from financing activities</b>                  |                           |                            |
| Increase (Decrease) in long-term borrowings                  | (8,919,549,000.00)        | 1,642,278,908.40           |
| Remittance to the Ministry of Finance                        | -                         | (161,000,000.00)           |
| Net cash provided by (used in) financing activities          | <u>(8,919,549,000.00)</u> | <u>1,481,278,908.40</u>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <u>(2,706,531.11)</u>     | <u>7,998,219.45</u>        |
| <b>Cash and cash equivalents as of January 1</b>             | <u>3,415,905.41</u>       | <u>1,583,094.16</u>        |
| <b>Cash and cash equivalents as of September 30</b>          | <u><u>709,374.30</u></u>  | <u><u>9,581,313.61</u></u> |
| <br><b>Supplemental disclosure of cash flows information</b> |                           |                            |
| Cash paid during the period                                  |                           |                            |
| Interest expense   | 2,081,277,468.91          | 1,948,629,505.38           |

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, 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 September 30, 2007 and December 31, 2006, the Bank had a total staffing of 664 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 September 30, 2007 and December 31, 2006, the interbank and money market items (assets) included unclassified loans of Baht 1,154.33 million and Baht 1,983.83 million, respectively.

#### 4.2 Investments

##### 4.2.1 Current Investments

|   | <u>September 30, 2007</u>       |                   | <u>December 31, 2006</u>        |                   |
|---|---------------------------------|-------------------|---------------------------------|-------------------|
|   | <u>Cost/<br/>Amortized Cost</u> | <u>Fair Value</u> | <u>Cost/<br/>Amortized Cost</u> | <u>Fair Value</u> |
| Unit: Million Baht                          |                                 |                   |                                 |                   |
| (1) Available-for-sale investments          |                                 |                   |                                 |                   |
| Government and state enterprise securities  | 839.91                          | 839.27            | -                               | -                 |
| Private enterprise debt instruments         | <u>84.48</u>                    | <u>85.05</u>      | <u>-</u>                        | <u>-</u>          |
| Total                                       | 924.39                          | 924.32            | -                               | -                 |
| <u>(Less)</u> Allowance for revaluation     | <u>(0.07)</u>                   | <u>-</u>          | <u>-</u>                        | <u>-</u>          |
| Total                                       | <u>924.32</u>                   | <u>924.32</u>     | <u>-</u>                        | <u>-</u>          |
| (2) Held-to-maturity debt instruments       |                                 |                   |                                 |                   |
| Government and state enterprise securities  | 99.99                           |                   | 89.66                           |                   |
| Private enterprise debt instruments         | -                               |                   | 100.00                          |                   |
| Foreign debt instruments                    | <u>798.65</u>                   |                   | <u>1,898.51</u>                 |                   |
| Total                                       | 898.64                          |                   | 2,088.17                        |                   |
| <u>Add (Less)</u> Allowance for revaluation | <u>2.43</u>                     |                   | <u>(2.65)</u>                   |                   |
| Total                                       | <u>901.07</u>                   |                   | <u>2,085.52</u>                 |                   |
| Total current investments-net               | <u>1,825.39</u>                 |                   | <u>2,085.52</u>                 |                   |

(TRANSLATION)

4.2.2 Long-term Investments

|                                       |   | Unit: Million Baht        |                   |                          |                   |
|---------------------------------------|---|---------------------------|-------------------|--------------------------|-------------------|
|                                       |   | <u>September 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                | 1,070.07                  | 1,107.07          | 69.38                    | 68.74             |
|                                       | Private enterprise debt instruments                       | 691.01                    | 691.31            | -                        | -                 |
|                                       | Domestic marketable equity securities - listed securities | <u>1.07</u>               | <u>3.41</u>       | <u>1.07</u>              | <u>2.09</u>       |
|                                       | Total   | 1,762.15                  | 1,801.79          | 70.45                    | 70.83             |
| <u>Add</u>                            | Allowance for revaluation                                 | <u>39.64</u>              | <u>-</u>          | <u>0.38</u>              | <u>-</u>          |
|                                       | Total   | <u>1,801.79</u>           | <u>1,801.79</u>   | <u>70.83</u>             | <u>70.83</u>      |
| (2) Held-to-maturity debt instruments |   |                           |                   |                          |                   |
|                                       | Government and state enterprise securities                | 41.52                     |                   | 2,989.04                 |                   |
|                                       | Private enterprise debt instruments                       | 70.00                     |                   | 459.21                   |                   |
|                                       | Foreign debt instruments                                  | <u>1,469.50</u>           |                   | <u>856.78</u>            |                   |
|                                       | Total   | 1,581.02                  |                   | 4,305.03                 |                   |
| <u>Add (Less)</u>                     | Allowance for revaluation                                 | <u>(1.21)</u>             |                   | <u>5.55</u>              |                   |
|                                       | Total   | <u>1,579.81</u>           |                   | <u>4,310.58</u>          |                   |
| (3) General investments               |   |                           |                   |                          |                   |
|                                       | Others  | <u>0.51</u>               |                   | <u>0.49</u>              |                   |
|                                       | Total   | <u>0.51</u>               |                   | <u>0.49</u>              |                   |
|                                       | Total long-term investments-net                           | <u>3,382.11</u>           |                   | <u>4,381.90</u>          |                   |

(TRANSLATION)

4.2.3 Time to Maturity of Debt Instruments

Unit: Million Baht

|   | <u>September 30, 2007</u> |                       |                     |                 | <u>December 31, 2006</u> |                       |                     |                 |
|---|---------------------------|-----------------------|---------------------|-----------------|--------------------------|-----------------------|---------------------|-----------------|
|   | <u>Time to Maturity</u>   |                       |                     | <u>Total</u>    | <u>Time to Maturity</u>  |                       |                     | <u>Total</u>    |
|   | <u>1 year</u>             | <u>Over 1-5 years</u> | <u>Over 5 years</u> |                 | <u>1 year</u>            | <u>Over 1-5 years</u> | <u>Over 5 years</u> |                 |
| Available-for-sale investments              |                           |                       |                     |                 |                          |                       |                     |                 |
| Government and state                        |                           |                       |                     |                 |                          |                       |                     |                 |
| enterprise securities                       | 839.91                    | 1,070.07              | -                   | 1,909.98        | -                        | 69.38                 | -                   | 69.38           |
| Private enterprise debt                     |                           |                       |                     |                 |                          |                       |                     |                 |
| instruments                                 | <u>84.48</u>              | <u>539.41</u>         | <u>151.60</u>       | <u>775.49</u>   | <u>-</u>                 | <u>-</u>              | <u>-</u>            | <u>-</u>        |
| Total                                       | 924.39                    | 1,609.48              | 151.60              | 2,685.47        | -                        | 69.38                 | -                   | 69.38           |
| <u>Add (Less) Allowance for revaluation</u> | <u>(0.07)</u>             | <u>40.47</u>          | <u>(3.17)</u>       | <u>37.23</u>    | <u>-</u>                 | <u>(0.64)</u>         | <u>-</u>            | <u>(0.64)</u>   |
| Total                                       | <u>924.32</u>             | <u>1,649.95</u>       | <u>148.43</u>       | <u>2,722.70</u> | <u>-</u>                 | <u>68.74</u>          | <u>-</u>            | <u>68.74</u>    |
| Held-to-maturity debt instruments           |                           |                       |                     |                 |                          |                       |                     |                 |
| Government and state                        |                           |                       |                     |                 |                          |                       |                     |                 |
| enterprise securities                       | 99.99                     | 41.52                 | -                   | 141.51          | 89.66                    | 2,989.04              | -                   | 3,078.70        |
| Private enterprise debt                     |                           |                       |                     |                 |                          |                       |                     |                 |
| instruments                                 | -                         | 70.00                 | -                   | 70.00           | 100.00                   | 459.21                | -                   | 559.21          |
| Foreign debt instruments                    | <u>798.65</u>             | <u>1,469.50</u>       | <u>-</u>            | <u>2,268.15</u> | <u>1,898.51</u>          | <u>856.78</u>         | <u>-</u>            | <u>2,755.29</u> |
| Total                                       | 898.64                    | 1,581.02              | -                   | 2,479.66        | 2,088.17                 | 4,305.03              | -                   | 6,393.20        |
| <u>Add (Less) Allowance for revaluation</u> | <u>2.43</u>               | <u>(1.21)</u>         | <u>-</u>            | <u>1.22</u>     | <u>(2.65)</u>            | <u>5.55</u>           | <u>-</u>            | <u>2.90</u>     |
| Total                                       | <u>901.07</u>             | <u>1,579.81</u>       | <u>-</u>            | <u>2,480.88</u> | <u>2,085.52</u>          | <u>4,310.58</u>       | <u>-</u>            | <u>6,396.10</u> |
| Total debt instruments                      | <u>1,825.39</u>           | <u>3,229.76</u>       | <u>148.43</u>       | <u>5,203.58</u> | <u>2,085.52</u>          | <u>4,379.32</u>       | <u>-</u>            | <u>6,464.84</u> |

4.2.4 Revaluation Surplus on Investments

Unit: Million Baht

|                                    | <u>September 30, 2007</u> | <u>December 31, 2006</u> |
|------------------------------------|---------------------------|--------------------------|
| Revaluation surplus on investments |                           |                          |
| Debt instruments                   | 38.45                     | 2.25                     |
| Equity securities                  | <u>2.34</u>               | <u>1.02</u>              |
| Total                              | <u>40.79</u>              | <u>3.27</u>              |

(TRANSLATION)

4.3 Loans and Accrued Interest Receivables

4.3.1 Classified by Type of Loan

|   | <u>September 30, 2007</u> | <u>December 31, 2006</u> |
|---|---------------------------|--------------------------|
|   |                           | Unit: Million Baht       |
| Overdrafts                                    | 453.05                    | 510.66                   |
| Domestic loans - customers                    | 42,309.96                 | 43,285.19                |
| - export bills negotiation                    | 1,313.71                  | 1,435.61                 |
| - staff loans                                 | 201.93                    | 181.38                   |
| Foreign loans - foreign government agencies   | 5,702.25                  | 5,484.88                 |
| - foreign investors                           | <u>6,003.00</u>           | <u>6,388.86</u>          |
| Total   | 55,983.90                 | 57,286.58                |
| <u>Add</u> Accrued interest receivables       | <u>860.85</u>             | <u>1,055.31</u>          |
| Total loans and accrued interest receivables  | 56,844.75                 | 58,341.89                |
| <u>(Less)</u> Allowance for doubtful accounts | (7,554.05)                | (6,538.36)               |
| Revaluation allowance for debt restructuring  | <u>(853.44)</u>           | <u>(1,243.56)</u>        |
| Total   | <u>48,437.26</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 3,708.26 million as at September 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>September 30, 2007</u> | <u>December 31, 2006</u> |
|---------------|---------------------------|--------------------------|
|               |                           | Unit: Million Baht       |
| Within 1 year | 35,097.84                 | 33,866.49                |
| Over 1 year   | <u>20,886.06</u>          | <u>23,420.09</u>         |
| Total         | <u>55,983.90</u>          | <u>57,286.58</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>September 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 | 9,003.44                  | 15.84                       | 7,924.83                 | 13.58                       |
| Unclassified loans   | 6,412.36                  | 11.28                       | 6,405.04                 | 10.98                       |

Unit: Million Baht

For the nine-month period ended September 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><br><u>Debts</u>      | <u>September 30, 2007</u> |               |                             | <u>December 31, 2006</u> |               |                             |
|--|---------------------------|---------------|-----------------------------|--------------------------|---------------|-----------------------------|
|  | <u>Cases</u>              | <u>Amount</u> | <u>As % of Loans</u>        | <u>Cases</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                                | 45                        | 1,977.45      | 3.48                        | 66                       | 1,883.60      | 3.23                        |
| Underway                                 | -                         | -             | -                           | 2                        | 27.60         | 0.05                        |
| Outstanding of debt<br>changed to normal | 38                        | 2,735.13      | 4.81                        | 45                       | 3,131.52      | 5.37                        |

Unit: Million Baht

(TRANSLATION)

For the nine-month periods ended September 30, 2007 and 2006, the Bank restructured the debt as follows:

Unit: Million Baht

| <u>Types of Restructuring</u>          | <u>Cases</u>     | <u>September 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>September 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                    | 43               | 1,442.86                  | 1,442.86               | 1,444.07                  |                           |              |
| - 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                 | 117.10                    | Land, Factory, Machinery  | 393.22       |
| - 5 to 10 years                        | -                | -                         | -                      | -                         |                           |              |
| - Over 10 years                        | -                | -                         | -                      | -                         |                           |              |
| <b>Total</b>                           | <b><u>45</u></b> | <b><u>1,977.45</u></b>    | <b><u>1,977.45</u></b> | <b><u>1,561.17</u></b>    |                           |              |

| <u>Types of Restructuring</u>          | <u>Cases</u>     | <u>September 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>September 30,</u>   |                           |              |
| Transfer of assets or owners'          | -                | -                         | -                      | -                      |                           |              |
| 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                        | -                | -                         | -                      | -                      |                           |              |
| <b>Total</b>                           | <b><u>54</u></b> | <b><u>1,460.60</u></b>    | <b><u>1,460.60</u></b> | <b><u>1,613.27</u></b> |                           |              |

(TRANSLATION)

The Bank recognized interest income from debt restructuring as follows:

|   | Unit: Million Baht                 |             |                                   |             |
|---|------------------------------------|-------------|-----------------------------------|-------------|
|   | <u>For The Three-Month Periods</u> |             | <u>For The Nine-Month Periods</u> |             |
|   | <u>Ended September 30,</u>         |             | <u>Ended September 30,</u>        |             |
|   | <u>2007</u>                        | <u>2006</u> | <u>2007</u>                       | <u>2006</u> |
| Interest income from debt restructuring | (42.82)                            | 48.20       | 43.77                             | 52.00       |

As at September 30, 2007 and December 31, 2006, the Bank has commitments to extend additional loans to these borrowers for the amount of Baht 3.11 million and Baht 2.23 million, respectively.

For the nine-month periods ended September 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>September 30, 2007</u> |               | <u>September 30, 2006</u> |               |
|  | <u>Cases</u>              | <u>Amount</u> | <u>Cases</u>              | <u>Amount</u> |
| Restructured debt                      | 45                        | 1,977.45      | 54                        | 1,460.60      |
| Loans and accrued interest receivables | 1,516                     | 56,844.75     | 1,563                     | 58,828.41     |

For the nine-month period ended September 30, 2007, the loss from the debt restructuring was decreased in the amount of Baht 356.36 million, which was already reversed in full. For the nine-month period ended September 30, 2006, the loss from the debt restructuring in the amount of Baht 190.14 million was already recognized in full.

For the nine-month periods ended September 30, 2007 and 2006, the Bank wrote off bad debts in the amount of Baht 215.55 million and Baht 69.10 million, respectively, of which the written-off bad debts for the nine-month period ended September 30, 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 September 30, 2007 and December 31, 2006, which have not yet been recorded in the financial statements, were Baht 1,649.10 million and Baht 1,766.15 million, respectively.

(TRANSLATION)

#### 4.4 Allowance for Doubtful Accounts

Unit: Million Baht

|                       | <u>September 30, 2007</u> |                            |                     |                 |                             |                              |                             |                 |
|-----------------------|---------------------------|----------------------------|---------------------|-----------------|-----------------------------|------------------------------|-----------------------------|-----------------|
|                       | <u>Pass</u>               | <u>Special<br/>Mention</u> | <u>Sub-Standard</u> | <u>Doubtful</u> | <u>Doubtful<br/>of Loss</u> | <u>Restructured<br/>Debt</u> | <u>Excess<br/>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     | (57.79)                   | 19.81                      | 1,041.40            | 622.61          | 768.40                      | 135.36                       | (1,509.47)                  | 1,020.32        |
| Bad debts written off | -                         | -                          | -                   | -               | (2.44)                      | (2.20)                       | -                           | (4.64)          |
| Ending balance        | <u>351.54</u>             | <u>70.75</u>               | <u>1,240.96</u>     | <u>748.42</u>   | <u>4,611.77</u>             | <u>174.61</u>                | <u>356.00</u>               | <u>7,554.05</u> |

|                       | <u>December 31, 2006</u> |                            |                     |                 |                             |                               |                             |                 |
|-----------------------|--------------------------|----------------------------|---------------------|-----------------|-----------------------------|-------------------------------|-----------------------------|-----------------|
|                       | <u>Pass</u>              | <u>Special<br/>Mention</u> | <u>Sub-Standard</u> | <u>Doubtful</u> | <u>Doubtful<br/>of Loss</u> | <u>Restructure<br/>d Debt</u> | <u>Excess<br/>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 September 30, 2007 and December 31, 2006, the Bank's allowance for doubtful accounts on loans accounted for Baht 7,554.05 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>September 30, 2007</u> | <u>December 31, 2006</u> |
|-------------------|---------------------------|--------------------------|
| Beginning balance | 1,243.56                  | 922.92                   |
| Increase          | 23.79                     | 629.56                   |
| Decrease          | <u>413.91</u>             | <u>308.92</u>            |
| Ending balance    | <u>853.44</u>             | <u>1,243.56</u>          |

(TRANSLATION)

#### 4.6 Borrowings

| Unit: Million Baht                     |                  |                 |                  |
|--|------------------|-----------------|------------------|
| <u>September 30, 2007</u>              |                  |                 |                  |
|  | <u>Domestic</u>  | <u>Foreign</u>  | <u>Total</u>     |
| Short-term borrowings                  |                  |                 |                  |
| - Export-Import Bank of Thailand bonds | 10,000.00        | -               | 10,000.00        |
| - Others                               | <u>2,650.00</u>  | <u>-</u>        | <u>2,650.00</u>  |
| Total short-term borrowings            | <u>12,650.00</u> | <u>-</u>        | <u>12,650.00</u> |
| Long-term borrowings                   |                  |                 |                  |
| - Export-Import Bank of Thailand bonds | 13,200.00        | 9,251.82        | 22,451.82        |
| - Others                               | <u>5,750.45</u>  | <u>-</u>        | <u>5,750.45</u>  |
| Total long-term borrowings             | <u>18,950.45</u> | <u>9,251.82</u> | <u>28,202.27</u> |
| Total borrowings                       | <u>31,600.45</u> | <u>9,251.82</u> | <u>40,852.27</u> |
| <br><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 28,202.27 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>September 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)    | 9,251.82                  | 9,731.88                 |
| Others                | 2-10           | 2008-2016       | 0.50-5.75            | <u>5,750.45</u>           | <u>5,170.00</u>          |
| Total                 |                |                 |                      | <u>28,202.27</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.



#### 4.9 Derivatives

Derivatives as at September 30, 2007 and December 31, 2006 were as follows:

Unit: Million Baht

|                                     | <u>September 30, 2007</u> |                              |
|-------------------------------------|---------------------------|------------------------------|
|                                     | <u>Contract Value</u>     | <u>Net Fair Value of the</u> |
|                                     |                           | <u>Derivative's Contract</u> |
| FX forward purchase/sales contracts | 15,383.33                 | 61.57                        |
| FX swaps                            | 1,874.66                  | 4.04                         |
| Foreign currency and interest swaps | 12,750.08                 | 1,060.52                     |
| Interest rate swaps                 | 15,290.00                 | 110.58                       |
| Forward rate agreements             | <u>1,635.00</u>           | <u>(5.99)</u>                |
| Total                               | <u>46,933.07</u>          | <u>1,230.72</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)                      |
| Forward rate agreements             | <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 nine-month period ended September 30, 2006 have been reclassified to conform to those presented in the statement of cash flow for the nine-month period ended September 30, 2007.

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