

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008
(TRANSLATION)

(TRANSLATION)
AUDITOR'S REVIEW REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General has reviewed the balance sheets of the Export-Import Bank of Thailand as at March 31, 2008 , and the related statements of income, changes in capital, and cash flows for the three-month periods ended March 31, 2008 and 2007. 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, 2007 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 22, 2008. The balance sheet as of December 31, 2007, 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) *Sunan Wongmek*

(Ms. Sunan Wongmek)
Auditor in-charge

Office of the Auditor General

May 12, 2008

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2008 AND DECEMBER 31, 2007

Unit : Baht

	<u>Notes</u>	<u>MARCH 31, 2008</u>	<u>DECEMBER 31, 2007</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Assets</u>			
Cash		1,708,155.94	11,001,837.80
Interbank and money market items	4.1		
Domestic items			
Interest bearing		1,312,099,240.25	1,032,703,276.76
Non-interest bearing		455,132,153.09	354,322,963.23
Foreign items			
Interest bearing		2,740,438,182.94	3,516,033,922.56
Non-interest bearing		181,500,130.88	336,571,235.78
Total interbank and money market items-net		<u>4,689,169,707.16</u>	<u>5,239,631,398.33</u>
Securities purchased under resale agreements		-	300,000,000.00
Investments	4.2		
Current investments-net		967,968,691.53	1,563,962,604.76
Long-term investments-net		2,496,865,573.52	3,379,133,241.99
Total investments-net		<u>3,464,834,265.05</u>	<u>4,943,095,846.75</u>
Loans and accrued interest receivables	4.3		
Loans		51,085,892,704.18	52,751,798,136.63
Accrued interest receivables		811,827,617.33	835,656,630.27
Total loans and accrued interest receivables		<u>51,897,720,321.51</u>	<u>53,587,454,766.90</u>
<u>Less</u> Allowance for doubtful accounts	4.4	2,714,018,411.35	2,515,098,831.63
<u>Less</u> Revaluation allowance for debt restructuring	4.5	756,292,817.98	803,416,453.90
Total loans and accrued interest receivables-net		<u>48,427,409,092.18</u>	<u>50,268,939,481.37</u>
Loans under transfer-net	4.3.6	-	1,638,731,205.22
Properties foreclosed-net		867,823,723.37	891,294,134.37
Premises and equipment-net		962,077,183.81	969,274,165.01
Derivative revaluation	4.10	-	1,069,634,763.07
Accrued interest receivables not related to loans		28,728,527.31	35,299,354.73
Prepaid expenses		10,322,032.09	6,618,283.33
Leasehold premises and improvements		8,758,809.78	9,487,309.16
Other assets-net		7,834,866.17	7,887,665.62
Total assets		<u>58,468,666,362.86</u>	<u>65,390,895,444.76</u>

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

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2008 AND DECEMBER 31, 2007

Unit : Baht

	<u>Notes</u>	<u>MARCH 31, 2008</u>	<u>DECEMBER 31, 2007</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Liabilities and Capital</u>			
Deposits			
Deposits in baht		3,952,894,811.66	3,887,373,659.66
Deposits in foreign currencies		442,941,961.52	768,521,442.51
Total deposits		<u>4,395,836,773.18</u>	<u>4,655,895,102.17</u>
Interbank and money market items			
Domestic items			
Interest bearing		7,540,522,999.33	7,243,755,699.33
Non-interest bearing		13,759,704.38	16,617,103.30
Foreign items			
Interest bearing		971,645,915.70	397,531,237.49
Total interbank and money market items		<u>8,525,928,619.41</u>	<u>7,657,904,040.12</u>
Liability payable on demand		5,488,556.50	15,684,256.86
Borrowings			
	4.6		
Short-term borrowings		7,250,000,000.00	18,650,000,000.00
Long-term borrowings		29,181,873,000.00	25,061,172,000.00
Total borrowings		<u>36,431,873,000.00</u>	<u>43,711,172,000.00</u>
Derivative revaluation	4.10	233,604,912.66	-
Accrued interest payables		555,378,093.67	566,627,462.02
Advance Deposits	4.7	7,385,421.59	518,107,905.84
Export credit insurance reserve		217,519,683.72	210,227,738.67
Other liabilities		87,416,993.03	101,156,082.29
Total liabilities		<u>50,460,432,053.76</u>	<u>57,436,774,587.97</u>
Capital			
Capital	4.8	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		(82,828,509.77)	(85,408,548.74)
Revaluation surplus on investments	4.2.4	42,182,361.27	21,481,530.47
Retained earnings			
Appropriated			
Legal reserve		2,478,353,886.85	2,223,353,886.85
Unappropriated			
		(929,473,429.25)	(705,306,011.79)
Total capital		<u>8,008,234,309.10</u>	<u>7,954,120,856.79</u>
Total liabilities and capital		<u>58,468,666,362.86</u>	<u>65,390,895,444.76</u>

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

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT MARCH 31, 2008 AND DECEMBER 31, 2007

Unit : Baht

	<u>Notes</u>	<u>MARCH 31, 2008</u>	<u>DECEMBER 31, 2007</u>
		"UNAUDITED"	"AUDITED"
		"REVIEWED"	
<u>Off-Balance-Sheet Items-Contingencies</u>	4.9		
Liabilities under unmatured import bills		243,491,918.82	268,983,917.25
Letters of credit		2,766,018,734.26	895,500,902.08
Export bills insured		7,469,000,515.37	6,901,874,320.89
Other contingencies		78,156,749,460.03	70,041,172,419.29

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 MARCH 31, 2008 AND 2007

	Unit : Baht	
	<u>2008</u>	<u>2007</u>
Interest and dividend income		
Loans	711,623,971.14	898,844,830.08
Interbank and money market items	83,327,325.19	122,060,036.03
Investments	36,249,572.09	90,881,491.05
Total interest and dividend income	<u>831,200,868.42</u>	<u>1,111,786,357.16</u>
Interest expenses		
Deposits	14,774,103.80	49,003,561.61
Interbank and money market items	83,924,662.76	84,270,892.63
Short-term borrowings	170,697,618.79	118,636,636.29
Long-term borrowings	275,505,437.65	462,572,822.75
Total interest expenses	<u>544,901,823.00</u>	<u>714,483,913.28</u>
Net income from interest and dividend	286,299,045.42	397,302,443.88
Bad debt and doubtful accounts	246,012,256.21	445,455,191.67
Loss on debt restructuring	(40,493,817.94)	(142,830,312.36)
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>80,780,607.15</u>	<u>94,677,564.57</u>
Non-interest income		
Gain on investments	10,747,624.91	15,891,148.02
Fees and service income	48,798,539.01	54,353,930.09
Export credit insurance income	35,730,145.16	34,249,909.09
Gain on exchanges	42,003,147.98	50,016,637.11
Gain on sale of properties foreclosed	64,086.00	534,241.75
Written-off debt recovered	-	13,618,460.49
Other income	6,737,012.71	4,748,396.82
Total non-interest income	<u>144,080,555.77</u>	<u>173,412,723.37</u>
Non-interest expenses		
Personnel expenses	117,441,140.70	111,034,514.13
Premises and equipment expenses	22,143,382.89	21,804,172.05
Taxes and duties	14,541.35	43,632.68
Fees and service expenses	4,735,604.47	3,454,882.49
Expenses on export credit insurance	9,581,709.69	4,821,896.62
Directors' remuneration	949,260.64	1,060,751.60
Loss on impairment of properties foreclosed	23,250,997.00	-
Other expenses	15,911,943.64	16,598,177.44
Total non-interest expenses	<u>194,028,580.38</u>	<u>158,818,027.01</u>
Net income	<u>30,832,582.54</u>	<u>109,272,260.93</u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN CAPITAL
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

Unit : Baht

	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
Beginning balance as at January 1, 2007	6,500,000,000.00	(349,722,283.98)	3,272,164.41	2,223,353,886.85	(1,210,835,639.00)	7,166,068,128.28
Hedging reserve	-	405,738,233.19	-	-	-	405,738,233.19
Revaluation deficit on investments	-	-	(4,947,379.25)	-	-	(4,947,379.25)
Unrecognized items in income statements	-	405,738,233.19	(4,947,379.25)	-	-	400,790,853.94
Legal reserve	-	-	-	-	-	-
Remittance to the Ministry of Finance	-	-	-	-	-	-
Net income	-	-	-	-	109,272,260.93	109,272,260.93
Ending balance as at March 31, 2007	6,500,000,000.00	56,015,949.21	(1,675,214.84)	2,223,353,886.85	(1,101,563,378.07)	7,676,131,243.15
Beginning balance as at January 1, 2008	6,500,000,000.00	(85,408,548.74)	21,481,530.47	2,223,353,886.85	(705,306,011.79)	7,954,120,856.79
Hedging reserve	-	2,580,038.97	-	-	-	2,580,038.97
Revaluation surplus on investments	-	-	20,700,830.80	-	-	20,700,830.80
Unrecognized items in income statements	-	2,580,038.97	20,700,830.80	-	-	23,280,869.77
Legal reserve	-	-	-	255,000,000.00	(255,000,000.00)	-
Remittance to the Ministry of Finance	-	-	-	-	-	-
Net income	-	-	-	-	30,832,582.54	30,832,582.54
Ending balance as at March 31, 2008	6,500,000,000.00	(82,828,509.77)	42,182,361.27	2,478,353,886.85	(929,473,429.25)	8,008,234,309.10

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

	Unit : Baht	
	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Net income	30,832,582.54	109,272,260.93
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	18,312,991.57	16,398,287.23
Bad debt and doubtful accounts	244,225,496.97	445,455,191.67
Loss on debt restructuring (reversal)	(40,493,817.94)	(142,830,312.36)
Interest income from restructured debt (reversal)	(6,629,817.98)	(8,258,775.05)
(Gain) on disposal of assets	(759,787.00)	(1,168,007.09)
(Gain) on sale of properties foreclosed	(64,086.00)	(534,241.75)
Loss on impairment of properties foreclosed	23,250,997.00	-
(Gain) loss on exchanges	779,924,196.38	(396,905,478.37)
Derivative revaluation	534,044,893.36	(76,254,643.42)
(Gain) on sale of investments in securities	(10,747,624.91)	(15,891,148.02)
Deferred premium on investment-paid	(35,346,949.19)	(213,250,091.39)
Provision for contingent liabilities	(3,804,504.00)	-
Loss on claims and provision for claims against export credit insurance	7,861,943.55	3,112,019.12
Decrease in accrued income	224,845.11	114,365.52
(Increase) Decrease in accrued interest and dividend receivable	30,870,631.58	(56,203,134.54)
(Increase) in prepaid expenses	(3,852,679.68)	(3,392,161.77)
Increase (Decrease) in advanced interest income	356,632.89	(4,665,562.53)
(Decrease) in accrued interest payables	(4,071,213.07)	(17,046,475.96)
Increase (Decrease) in other accrued expenses	(8,541,773.22)	6,655,539.76
Income from operations before changes in operating assets and liabilities	1,555,592,957.96	(355,392,368.02)
(Increase) Decrease in operating assets		
Interbank and money market items	522,052,894.34	698,824,101.17
Securities purchased under resale agreements	300,000,000.00	200,000,000.00
Loans	1,085,063,236.04	2,235,579,711.47
Loans for sale-net	1,638,951,949.48	-
Properties foreclosed	283,500.00	(84,997,551.68)
Other assets	(2,122,079.92)	(7,558,068.19)

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

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2008 AND 2007

	Unit : Baht	
	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	(253,382,819.27)	712,416,859.15
Interbank and money market items	387,591,048.50	(1,966,730,645.02)
Liability payable on demand	(10,195,700.36)	12,471,239.06
Short-term borrowings	(11,400,000,000.00)	-
Other liabilities	(512,651,709.10)	(730,165.79)
Net cash provided by (used in) operating activities	<u>(6,688,816,722.33)</u>	<u>1,443,883,112.15</u>
Cash flows from investing activities		
(Increase) in investments in securities	(325,250,787.68)	(2,846,342,381.26)
Proceeds from sale of investments before due date	1,778,085,065.52	1,417,750,340.19
Purchase of premises and equipment	(10,049,279.17)	(17,935,330.55)
Proceeds from sale of premises and equipment	759,789.00	1,195,618.00
Net cash provided by (used in) investing activities	<u>1,443,544,787.67</u>	<u>(1,445,331,753.62)</u>
Cash flows from financing activities		
Increase in long-term borrowings	5,235,978,252.80	1,600,000.00
Net cash provided by financing activities	<u>5,235,978,252.80</u>	<u>1,600,000.00</u>
Net increase (decrease) in cash and cash equivalents	(9,293,681.86)	151,358.53
Cash and cash equivalents as of January 1	11,001,837.80	3,415,905.41
Cash and cash equivalents as of March 31	<u>1,708,155.94</u>	<u>3,567,263.94</u>
 Supplemental disclosure of cash flows information		
Cash paid during the year		
Interest expenses	556,151,191.35	733,708,086.22

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

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008 (UNAUDITED/REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2007 (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), with the objective 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 services for overseas investments of Thai investors who have received credits from the Bank.

The Bank’s Head Office is located at 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok. As at March 31, 2008 and December 31, 2007, the Bank had a total staffing of 643 and 653 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, 2007 to gain a full understanding of the Bank’s financial position.

The financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543) 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 for commercial banks dated May 10, 2001.

3. SUMMARY OF 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, 2007.

4. ADDITIONAL INFORMATION

4.1 Interbank and Money Market Items (Assets)

As at March 31, 2008 and December 31, 2007, the interbank and money market items (assets) included unclassified loans of Baht 1,504.12 million and Baht 1,340.32 million, respectively.

4.2 Investments

4.2.1 Current Investments

		Unit : Million Baht			
		<u>March 31, 2008</u>		<u>December 31, 2007</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	424.37	424.41	946.98	946.23
	Private enterprise debt instruments	<u>-</u>	<u>-</u>	<u>71.20</u>	<u>71.15</u>
	Total	424.37	424.41	1,018.18	1,017.38
<u>Add (Less)</u>	Allowance for revaluation	<u>0.04</u>	<u>-</u>	<u>(0.80)</u>	<u>-</u>
	Total	<u>424.41</u>	<u>424.41</u>	<u>1,017.38</u>	<u>1,017.38</u>
(2)	Held-to-maturity debt instruments				
	Government and state enterprise securities	99.99		99.99	
	Foreign debt instruments	<u>442.38</u>		<u>444.78</u>	
	Total	542.37		544.77	
<u>Add</u>	Allowance for revaluation	<u>1.19</u>		<u>1.81</u>	
	Total	<u>543.56</u>		<u>546.58</u>	
	Total current investments-net	<u>967.97</u>		<u>1,563.96</u>	

(TRANSLATION)

4.2.2 Long-term Investments

		Unit : Million Baht			
		<u>March 31, 2008</u>		<u>December 31, 2007</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	921.50	958.86	1,029.27	1,055.79
	Private enterprise debt instruments	225.46	228.70	701.19	694.58
	Foreign debt instruments	-	-	67.54	67.34
	Domestic marketable equity securities - listed securities	<u>1.07</u>	<u>2.71</u>	<u>1.07</u>	<u>3.08</u>
	Total	1,148.03	1,190.27	1,799.07	1,820.79
<u>Add</u>	Allowance for revaluation	<u>42.24</u>	<u>-</u>	<u>21.72</u>	<u>-</u>
	Total	<u>1,190.27</u>	<u>1,190.27</u>	<u>1,820.79</u>	<u>1,820.79</u>
(2) Held-to-maturity debt instruments					
	Government and state enterprise securities	40.99		41.26	
	Private enterprise debt instruments	70.00		70.00	
	Foreign debt instruments	<u>1,196.38</u>		<u>1,447.82</u>	
	Total	1,307.37		1,559.08	
<u>(Less)</u>	Allowance for revaluation	<u>(1.29)</u>		<u>(1.25)</u>	
	Total	<u>1,306.08</u>		<u>1,557.83</u>	
(3) General investments					
	Others	<u>0.52</u>		<u>0.51</u>	
	Total	<u>0.52</u>		<u>0.51</u>	
	Total long-term investments-net	<u>2,496.87</u>		<u>3,379.13</u>	

(TRANSLATION)

4.2.3 Time to Maturity of Debt Instruments

Unit : Million Baht

	<u>March 31, 2008</u>			Total	<u>December 31, 2007</u>			Total
	Time to Maturity				Time to Maturity			
	<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	424.37	921.50	-	1,345.87	946.98	1,029.27	-	1,976.25
Private enterprise debt								
instruments	-	125.46	100.00	225.46	71.20	499.65	201.54	772.39
Foreign debt instruments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67.54</u>	<u>-</u>	<u>67.54</u>
Total	424.37	1,046.96	100.00	1,571.33	1,018.18	1,596.46	201.54	2,816.18
<u>Add (Less) Allowance for revaluation</u>	<u>0.04</u>	<u>40.59</u>	<u>0.01</u>	<u>40.64</u>	<u>(0.80)</u>	<u>24.75</u>	<u>(5.04)</u>	<u>18.91</u>
Total	<u>424.41</u>	<u>1,087.55</u>	<u>100.01</u>	<u>1,611.97</u>	<u>1,017.38</u>	<u>1,621.21</u>	<u>196.50</u>	<u>2,835.09</u>
Held-to-maturity debt instruments								
Government and state								
enterprise securities	99.99	40.99	-	140.98	99.99	41.26	-	141.25
Private enterprise debt								
instruments	-	70.00	-	70.00	-	70.00	-	70.00
Foreign debt instruments	<u>442.38</u>	<u>1,196.38</u>	<u>-</u>	<u>1,638.76</u>	<u>444.78</u>	<u>1,447.82</u>	<u>-</u>	<u>1,892.60</u>
Total	542.37	1,307.37	-	1,849.74	544.77	1,559.08	-	2,103.85
<u>Add (Less) Allowance for revaluation</u>	<u>1.19</u>	<u>(1.29)</u>	<u>-</u>	<u>(0.10)</u>	<u>1.81</u>	<u>(1.25)</u>	<u>-</u>	<u>0.56</u>
Total	<u>543.56</u>	<u>1,306.08</u>	<u>-</u>	<u>1,849.64</u>	<u>546.58</u>	<u>1,557.83</u>	<u>-</u>	<u>2,104.41</u>
Total debt instruments	<u>967.97</u>	<u>2,393.63</u>	<u>100.01</u>	<u>3,461.61</u>	<u>1,563.96</u>	<u>3,179.04</u>	<u>196.50</u>	<u>4,939.50</u>

4.2.4 Revaluation Surplus on Investments

Unit : Million Baht

	<u>March 31, 2008</u>	<u>December 31, 2007</u>
Revaluation surplus on investments		
Debt instruments	40.54	19.47
Equity securities	<u>1.64</u>	<u>2.01</u>
Total	<u>42.18</u>	<u>21.48</u>

(TRANSLATION)

4.3 Loans and Accrued Interest Receivables

4.3.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>March 31, 2008</u>	<u>December 31, 2007</u>
Overdrafts	372.67	357.87
Domestic loans - customers	37,913.66	39,140.39
- export bills negotiation	1,456.66	1,791.49
- staff loans	204.40	203.19
Foreign loans - foreign government agencies	5,612.51	5,663.95
- foreign investors	<u>5,525.99</u>	<u>5,594.91</u>
Total	51,085.89	52,751.80
<u>Add</u> Accrued interest receivables	<u>811.83</u>	<u>835.65</u>
Total loans and accrued interest receivables	51,897.72	53,587.45
<u>(Less)</u> Allowance for doubtful accounts	(2,714.02)	(2,515.10)
Revaluation allowance for debt restructuring	<u>(756.29)</u>	<u>(803.41)</u>
Total	<u>48,427.41</u>	<u>50,268.94</u>

Foreign loans include loans extended to foreign government agencies in accordance with the Thai government policy, with interest charged from those borrowers at the rate of 1.50% p.a. and 3.00% p.a. The differences between such interest rate and the cost of fund of the Bank were subsidized by the Thai government or concerned state agencies. Moreover, in a certain project, the Bank received an additional operating fee at 0.75% p.a. apart from the interest revenue.

By the cabinet resolution passed on June 8, 2004, the Bank extended a loan of Baht 4,000 million to a foreign government agency and has been protected against potential loss therefrom in accordance with Section 23 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which reads "In the event that the Bank suffers damages from its business operation in compliance with government policies or cabinet resolutions, the Ministry of Finance shall appropriate fund from the annual budget to compensate the Bank for such damages." As at December 31, 2007, the drawdown of such loan totaled Baht 3,899.92 million. The Thai government policy on the said lending is currently under examination by the Asset Examination Committee (AEC).

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

	Unit : Million Baht	
	<u>March 31, 2008</u>	<u>December 31, 2007</u>
Within 1 year	31,895.27	33,081.60
Over 1 year	<u>19,190.62</u>	<u>19,670.20</u>
Total	<u>51,085.89</u>	<u>52,751.80</u>

(TRANSLATION)

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

Unit : Million Baht

	<u>March 31, 2008</u>			<u>December 31, 2007</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	35,207.62	4,992.86	40,200.48	36,155.52	4,910.48	41,066.00
US Dollars	4,597.04	6,145.64	10,742.68	5,170.21	6,348.38	11,518.59
Other currencies	<u>142.73</u>	<u>-</u>	<u>142.73</u>	<u>167.21</u>	<u>-</u>	<u>167.21</u>
Total	<u>39,947.39</u>	<u>11,138.50</u>	<u>51,085.89</u>	<u>41,492.94</u>	<u>11,258.86</u>	<u>52,751.80</u>

4.3.4 Classified by Loan Classification

Unit : Million Baht

	<u>March 31, 2008</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	38,758.52	38,758.52	1	387.59
Special mention	922.12	922.12	2	18.44
Sub-standard (IAS 39)	1,816.22	455.18	100	455.18
Doubtful (IAS 39)	990.67	550.21	100	550.21
Doubtful of loss (IAS 39)	<u>629.73</u>	<u>576.49</u>	100	<u>576.49</u>
Total	43,117.26	41,262.52		1,987.91
Allowance for doubtful accounts based on				
restructured debt quality	<u>2,640.04</u>	<u>2,146.26</u>	1,20,50	<u>65.82</u>
Total	<u>45,757.30</u>	<u>43,408.78</u>		2,053.73
Excess allowance for doubtful accounts over provision required				<u>660.29</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at March 31, 2008				<u>2,714.02</u>
	<u>December 31, 2007</u>			
	<u>Loans and Accrued Interest Receivables</u>	<u>Outstanding Debt after Deduction of Collateral Value</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
Pass	39,839.42	39,839.42	1	398.39
Special mention	1,425.12	1,425.12	2	28.50
Sub-standard (IAS 39)	1,787.38	427.16	100	427.16
Doubtful (IAS 39)	616.18	405.88	100	405.88
Doubtful of loss (IAS 39)	<u>521.71</u>	<u>470.99</u>	100	<u>470.99</u>
Total	44,189.81	42,568.57		1,730.92
Allowance for doubtful accounts based on				
restructured debt quality	<u>3,071.81</u>	<u>2,478.36</u>	1,20,50	<u>104.18</u>
Total	<u>47,261.62</u>	<u>45,046.93</u>		1,835.10
Excess allowance for doubtful accounts over provision required				<u>680.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2007				<u>2,515.10</u>

(TRANSLATION)

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.

Unit : Million Baht

<u>Loans</u>	<u>March 31, 2008</u>		<u>December 31, 2007</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	3,433.92	6.62	2,925.27	5.46
Unclassified loans	6,140.42	11.83	6,325.83	11.80

4.3.5 Troubled Debt Restructuring

For the three-month period ended March 31, 2008 and the year ended December 31, 2007, 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:

Unit : Million Baht

<u>Restructured</u>	<u>Cases</u>	<u>March 31, 2008</u>		<u>December 31, 2007</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	10	46.61	0.09	18	1,838.44	3.43
In - process	1	56.03	0.11	-	-	-
Outstanding of debt changed to normal at the end of period	24	2,640.04	5.09	29	3,196.63	5.97

(TRANSLATION)

For the three-month periods ended March 31, 2008 and 2007, the Bank restructured the debt as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>March 31, 2008</u>		
		<u>Outstanding Debt</u>		<u>As at</u> <u>March 31, 2008</u>
		<u>Before</u> <u>Restructuring</u>	<u>After</u> <u>Restructuring</u>	
Change of repayment conditions				
Terms of debt restructuring agreements				
- Less than 5 years	9	43.94	33.35	33.85
- 5 to 10 years	1	2.67	2.67	2.67
- Over 10 years	-	-	-	-
Total	<u>10</u>	<u>46.61</u>	<u>36.02</u>	<u>36.52</u>

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

For the three-month periods ended March 31, 2008 and 2007, the Bank has recognized interest income from debt restructuring in the amount of Baht 7.88 million and Baht 49.05 million, respectively.

As at March 31, 2008 and December 31, 2007, the Bank has commitments to extend additional loans to these borrowers for the amount of Baht 7.14 million and Baht 5.31 million, respectively.

For the three-month periods ended March 31, 2008 and 2007, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivables are as follows:

Unit : Million Baht

	<u>March 31, 2008</u>		<u>March 31, 2007</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	10	46.61	16	52.96
Loans and accrued interest receivables	1,123	51,897.72	1,534	55,603.76

(TRANSLATION)

For the three-month periods ended March 31, 2008 and 2007, the Bank wrote off bad debts in the amount of Baht 42.72 million and Baht 215.55 million respectively, of which the written-off bad debts for the three-month period ended March 31, 2007, in the amount of Baht 93.04 million was written-down accounts.

Based on the debt write-down policy currently terminated by the Bank, the outstanding balance of written-down accounts as at March 31, 2008 and December 31, 2007, which are not included in the financial statements, were Baht 330.06 million.

4.3.6 Loans Under Transfer-Net

In 2007, the Bank concluded an asset sale agreement on non-performing loans with Sukhumvit Asset Management Company Limited (Sukhumvit AMC). The outstanding debt balance as at September 30, 2007 amounted to Baht 6,864.39 million, deducted by allowance for doubtful accounts of Baht 5,210.93 million, resulting in net debt balance of Baht 1,653.46 million. Sukhumvit AMC paid a deposit of Baht 514.36 million as guarantee for the agreement.

As at December 31, 2007, the outstanding balance of loans under transfer-net was Baht 1,638.73 million. The Bank has transferred the right, ownership and any benefits over the debts, including all related title documents, to Sukhumvit AMC, the Buyer, completely on February 27, 2008.

4.4 Allowance for Doubtful Accounts

Unit : Million Baht

	<u>March 31, 2008</u>							<u>Total</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>	
Beginning balance	398.39	28.50	427.16	405.88	470.99	104.18	680.00	2,515.10
Doubtful accounts	(10.78)	(10.06)	28.00	144.33	105.50	(38.32)	(19.71)	198.96
Debts sold	-	-	-	-	-	-	-	-
Bad debts written off	-	-	-	-	-	(0.04)	-	(0.04)
Ending balance	<u>387.61</u>	<u>18.44</u>	<u>455.16</u>	<u>550.21</u>	<u>576.49</u>	<u>65.82</u>	<u>660.29</u>	<u>2,714.02</u>

	<u>December 31, 2007</u>							<u>Total</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>	
Beginning balance	409.33	50.94	199.56	125.81	3,845.81	41.45	1,865.47	6,538.37
Doubtful accounts	(10.94)	(22.44)	227.60	280.07	1,852.19	64.93	(1,185.47)	1,205.94
Debts sold	-	-	-	-	(5,210.93)	-	-	(5,210.93)
Bad debts written off	-	-	-	-	(16.08)	(2.20)	-	(18.28)
Ending balance	<u>398.39</u>	<u>28.50</u>	<u>427.16</u>	<u>405.88</u>	<u>470.99</u>	<u>104.18</u>	<u>680.00</u>	<u>2,515.10</u>

(TRANSLATION)

As at March 31, 2008 and December 31, 2007, the Bank's allowance for doubtful accounts on loans accounted for Baht 2,714.02 million and Baht 2,515.10 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>March 31, 2008</u>	<u>December 31, 2007</u>
Beginning balance	803.41	1,243.56
Increase	9.73	34.09
Decrease	<u>56.85</u>	<u>474.24</u>
Ending balance	<u>756.29</u>	<u>803.41</u>

4.6 Borrowings

	Unit : Million Baht		
	<u>March 31, 2008</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	6,000.00	-	6,000.00
- Others	<u>1,250.00</u>	<u>-</u>	<u>1,250.00</u>
Total short-term borrowings	<u>7,250.00</u>	<u>-</u>	<u>7,250.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	7,200.00	13,233.36	20,433.36
- Others	<u>8,748.51</u>	<u>-</u>	<u>8,748.51</u>
Total long-term borrowings	<u>15,948.51</u>	<u>13,233.36</u>	<u>29,181.87</u>
Total borrowings	<u>23,198.51</u>	<u>13,233.36</u>	<u>36,431.87</u>
	<u>December 31, 2007</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	16,000.00	-	16,000.00
- Others	<u>2,650.00</u>	<u>-</u>	<u>2,650.00</u>
Total short-term borrowings	<u>18,650.00</u>	<u>-</u>	<u>18,650.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	7,200.00	9,111.69	16,311.69
- Others	<u>8,749.48</u>	<u>-</u>	<u>8,749.48</u>
Total long-term borrowings	<u>15,949.48</u>	<u>9,111.69</u>	<u>25,061.17</u>
Total borrowings	<u>34,599.48</u>	<u>9,111.69</u>	<u>43,711.17</u>

(TRANSLATION)

The details of the long-term borrowings of Baht 29,181.87 million and Baht 25,061.17 million are as follows:

Type	Tenor (years)	Maturity (year)	Interest rate (% per annum)	Unit : Million Baht	
				March 31, 2008	December 31, 2007
EXIM Thailand bonds	5	2009-2011	4.00-5.95	7,200.00	7,200.00
Debt Instruments (FRN)	5	2010-2013	LIBOR+[(0.20)-0.10]	13,233.36	9,111.69
Others	2-10	2010-2016	0.50-5.75	<u>8,748.51</u>	<u>8,749.48</u>
Total				<u>29,181.87</u>	<u>25,061.17</u>

4.7 Advance Deposits

As at March 31, 2008 and December 31, 2007, the Bank had advance deposits of Baht 7.39 million and Baht 518.11 million, respectively. As at December 31, 2007, the advance deposit of Baht 514.36 million was the guarantee for the asset sale agreement on non-performing loans received from Sukhumvit AMC, which on February 27, 2008, was deducted from the total amount payable under the asset sale agreement.

4.8 Capital

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

4.9 Contingent Liabilities and Commitments

	Unit : Million Baht		
	March 31, 2008		
	Baht	Foreign Currencies	Total
Liabilities under unmatured import bills	1.47	242.02	243.49
Letters of credit	4.00	2,762.02	2,766.02
Export bills insured	7,401.98	67.02	7,469.00
Other guarantees	594.69	3,393.67	3,988.36
Overdraft accounts not yet drawn	472.77	-	472.77
FX forward purchase/sales contracts	17,887.74	18,013.03	35,900.77
FX swaps	1,799.51	1,315.82	3,115.33
Foreign currency and interest swaps	4,191.70	3,462.82	7,654.52
Interest rate swaps	20,990.00	-	20,990.00
Forward rate agreements	<u>6,035.00</u>	<u>-</u>	<u>6,035.00</u>
Total	<u>59,378.86</u>	<u>29,256.40</u>	<u>88,635.26</u>

(TRANSLATION)

Unit : Million Baht

December 31, 2007

	<u>Baht</u>	<u>Foreign Currencies</u>	<u>Total</u>
Liabilities under unmatured import bills	0.71	268.27	268.98
Letters of credit	-	895.50	895.50
Export bills insured	6,880.76	21.11	6,901.87
Other guarantees	1,784.43	3,739.58	5,524.01
Overdraft accounts not yet drawn	530.65	-	530.65
FX forward purchase/sales contracts	12,779.18	13,195.41	25,974.59
FX swaps	1,273.75	2,842.84	4,116.59
Foreign currency and interest swaps	4,191.70	8,428.75	12,620.45
Interest rate swaps	18,290.00	-	18,290.00
Forward rate agreements	<u>1,635.00</u>	<u>1,349.88</u>	<u>2,984.88</u>
Total	<u>47,366.18</u>	<u>30,741.34</u>	<u>78,107.52</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.

4.10 Derivatives

Derivatives as at March 31, 2008 and December 31, 2007 were as follows:

Unit : Million Baht

March 31, 2008

	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	35,900.77	(52.02)
FX swaps	3,115.33	24.66
Foreign currency and interest swaps	7,654.52	(103.64)
Interest rate swaps	20,990.00	(89.79)
Forward rate agreements	<u>6,035.00</u>	<u>(12.81)</u>
Total	<u>73,695.62</u>	<u>(233.60)</u>

Unit : Million Baht

December 31, 2007

	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	25,974.59	9.72
FX swaps	4,116.59	10.77
Foreign currency and interest swaps	12,620.45	1,108.27
Interest rate swaps	18,290.00	(60.17)
Forward rate agreements	<u>2,984.88</u>	<u>1.04</u>
Total	<u>63,986.51</u>	<u>1,069.63</u>
