

REVIEW REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE THREE – MONTH PERIOD AND THE SIX – MONTH PERIOD ENDED JUNE 30, 2012  
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The Office of the Auditor General has reviewed the statements of financial position, in which the equity method is applied to investment and the Bank's statements of financial position of the Export-Import Bank of Thailand as at June 30, 2012, and the related statements of comprehensive income, changes in shareholders' equity and cash flows, in which the equity method is applied to investment and the Bank's statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month and six-month periods ended June 30, 2012 and 2011 (Revised). The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting. The responsibility of the Office of the Auditor General is to express a conclusion on this interim financial information based on the reviews.

**Scope of review**

The Office of the Auditor General conducted the reviews in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable to obtain assurance that the Office of the Auditor General would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General does not express an audit opinion.

**Conclusion**

Based on the reviews, nothing has come to the attention that causes the Office of the Auditor General to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting.

Statements of financial position as at December 31, 2011 for comparative purposes

The Office of the Auditor General has previously audited the financial statements, in which the equity method is applied to investment and the Bank's financial statements of the Export-Import Bank of Thailand for the year ended December 31, 2011 in accordance with Thai auditing standards and expressed an unqualified opinion on those statements in report dated February 29, 2012. The financial statements, in which the equity method is applied to investment and the Bank's financial statements of the Export-Import Bank of Thailand as at December 31, 2011, as presented herein for comparative purposes, are components of the above mentioned financial statements. The Office of the Auditor General has not performed any auditing procedures since the date of audit report.

(Signed) *Janya Pengpreecha*

(Miss Janya Pengpreecha)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION  
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

		Unit : Baht			
	Notes	<u>Financial statements in which</u>		<u>The Bank's</u>	
		<u>the equity method is applied to investment</u>		<u>Financial statements</u>	
		<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>	<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>			<u>"Reviewed"</u>
<b><u>Assets</u></b>					
Cash		234,759	216,866	234,759	216,866
Interbank and money market items, net		8,148,241,737	5,060,907,518	8,148,241,737	5,060,907,518
Derivative assets	5.2	578,298,090	637,049,455	578,298,090	637,049,455
Investments, net	5.3	3,596,149,431	3,411,851,704	3,596,149,431	3,411,851,704
Investments in associates, net	5.4	-	4,498,193	-	4,286,500
Loans to customers and accrued interest receivables, net	5.5				
Loans to customers		65,165,955,928	65,449,452,596	65,165,955,928	65,449,452,596
Accrued interest receivables		587,055,286	517,440,360	587,055,286	517,440,360
Total loans to customers and accrued interest receivables		<u>65,753,011,214</u>	<u>65,966,892,956</u>	<u>65,753,011,214</u>	<u>65,966,892,956</u>
<u>Less</u> Deferred revenue		6,488,820	6,499,168	6,488,820	6,499,168
<u>Less</u> Allowance for doubtful accounts	5.6	2,772,980,587	2,764,691,971	2,772,980,587	2,764,691,971
<u>Less</u> Revaluation allowance for debt restructuring	5.7	448,647,517	238,729,510	448,647,517	238,729,510
Total loans to customers and accrued interest receivables, net		<u>62,524,894,290</u>	<u>62,956,972,307</u>	<u>62,524,894,290</u>	<u>62,956,972,307</u>
Properties foreclosed, net		1,018,730,723	1,083,395,503	1,018,730,723	1,083,395,503
Premises and equipment, net		859,664,830	868,106,486	859,664,830	868,106,486
Intangible assets, net		50,870,046	38,644,364	50,870,046	38,644,364
Accrued interest receivables not related to loans		4,179,602	5,641,576	4,179,602	5,641,576
Revenue receivables		75,000	13,694,504	75,000	13,694,504
Prepaid expenses		10,146,562	10,628,356	10,146,562	10,628,356
Other assets, net		17,444,986	17,378,808	17,444,986	17,378,808
Total Assets		<u><u>76,808,930,056</u></u>	<u><u>74,108,985,640</u></u>	<u><u>76,808,930,056</u></u>	<u><u>74,108,773,947</u></u>

The notes to the financial statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

	Notes	<u>Financial statements in which</u> <u>the equity method is applied to investment</u>		<u>The Bank's</u> <u>Financial statements</u>	
		<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>	<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>		<u>"Reviewed"</u>	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
Deposits		8,950,480,020	7,818,030,313	8,950,480,020	7,818,030,313
Interbank and money market items, net		7,448,238,545	6,172,063,578	7,448,238,545	6,172,063,578
Liabilities payable on demand		301,770,705	173,808,499	301,770,705	173,808,499
Derivative liabilities	5.2	217,047,645	315,383,489	217,047,645	315,383,489
Debt issued and borrowings	5.8	42,823,970,398	43,275,265,784	42,823,970,398	43,275,265,784
Provisions	5.9	245,930,649	242,664,965	245,930,649	242,664,965
Accrued interest payables		341,271,479	322,522,944	341,271,479	322,522,944
Allowance for export credit insurance		173,674,816	162,867,281	173,674,816	162,867,281
Other liabilities		731,363,339	348,282,988	731,363,339	348,282,988
Total Liabilities		<u>61,233,747,596</u>	<u>58,830,889,841</u>	<u>61,233,747,596</u>	<u>58,830,889,841</u>
Shareholders' equity					
Capital	5.10	12,800,000,000	12,800,000,000	12,800,000,000	12,800,000,000
Paid-up capital		<u>12,800,000,000</u>	<u>12,800,000,000</u>	<u>12,800,000,000</u>	<u>12,800,000,000</u>
Other components of equity		1,521,446	1,700,281	1,521,446	1,700,281
Retained earnings					
Appropriated					
Legal reserve		3,126,853,887	2,824,553,887	3,126,853,887	2,824,553,887
Unappropriated		(353,192,873)	(348,158,369)	(353,192,873)	(348,370,062)
Total shareholders' equity		<u>15,575,182,460</u>	<u>15,278,095,799</u>	<u>15,575,182,460</u>	<u>15,277,884,106</u>
Total Liabilities and Shareholders' Equity		<u><u>76,808,930,056</u></u>	<u><u>74,108,985,640</u></u>	<u><u>76,808,930,056</u></u>	<u><u>74,108,773,947</u></u>

The notes to the financial statements are an integral part of these statements.

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(Mr. Prasong Poontaneat)

Chairman of the Board of Directors

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(Mr. Kanit Sukonthaman)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	Unit : Baht			
	<u>Financial statements in which</u>		<u>The Bank's</u>	
	<u>the equity method is applied to investment</u>		<u>Financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>(Revised)</u>		<u>(Revised)</u>	
Interest revenue	724,049,914	708,519,194	724,049,914	708,519,194
Interest expenses	301,760,075	252,874,744	301,760,075	252,874,744
Net interest income	<u>422,289,839</u>	<u>455,644,450</u>	<u>422,289,839</u>	<u>455,644,450</u>
Fees and service revenue	153,965,313	175,113,035	153,965,313	175,113,035
Fees and service expenses	27,582,106	34,520,181	27,582,106	34,520,181
Net fees and service income	<u>126,383,207</u>	<u>140,592,854</u>	<u>126,383,207</u>	<u>140,592,854</u>
Gain on trading and foreign exchange transactions	133,288,071	83,532,926	133,288,071	83,532,926
Loss on investments	(5,129,925)	(2,029,540)	(5,129,925)	(2,029,540)
Share of profit from investments on equity method	2,084	1,129,510	-	-
Written-down debt recovered	19,589,103	17,509,906	19,589,103	17,509,906
Other operating revenue	5,056,237	2,797,979	5,282,284	2,797,979
Total operating revenue	<u>152,805,570</u>	<u>102,940,781</u>	<u>153,029,533</u>	<u>101,811,271</u>
Other operating expenses				
Personnel expenses	132,544,257	132,116,445	132,544,257	132,116,445
Directors' remuneration	932,500	860,000	932,500	860,000
Premises and equipment expenses	13,522,166	18,686,952	13,522,166	18,686,952
Taxes and duties	42	39	42	39
Loss on claims and provision for insurance service	(8,645,793)	55,386,342	(8,645,793)	55,386,342
Loss on impairment of properties foreclosed	(20,631,552)	-	(20,631,552)	-
Others	138,598,402	(64,448,559)	138,598,402	(64,448,559)
Total operating expenses	<u>256,320,022</u>	<u>142,601,219</u>	<u>256,320,022</u>	<u>142,601,219</u>
Impairment loss of loans and debt securities	94,748,244	395,603,177	94,748,244	395,603,177
Net income	<u>350,410,350</u>	<u>160,973,689</u>	<u>350,634,313</u>	<u>159,844,179</u>
Other comprehensive income				
Gain on revaluation of available-for-sale investments	197,028	116,461	197,028	116,461
Total other comprehensive income	<u>197,028</u>	<u>116,461</u>	<u>197,028</u>	<u>116,461</u>
Total comprehensive income	<u><u>350,607,378</u></u>	<u><u>161,090,150</u></u>	<u><u>350,831,341</u></u>	<u><u>159,960,640</u></u>

The notes to the financial statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	<u>Notes</u>	<u>Financial statements in which</u>		<u>The Bank's</u>	
		<u>the equity method is applied to investment</u>		<u>Financial statements</u>	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
			<u>(Revised)</u>		<u>(Revised)</u>
Interest revenue	5.17	1,660,021,207	1,322,403,866	1,660,021,207	1,322,403,866
Interest expenses	5.18	594,854,760	486,319,951	594,854,760	486,319,951
Net interest income		<u>1,065,166,447</u>	<u>836,083,915</u>	<u>1,065,166,447</u>	<u>836,083,915</u>
Fees and service revenue		326,095,110	329,498,892	326,095,110	329,498,892
Fees and service expenses		68,966,963	58,344,128	68,966,963	58,344,128
Net fees and service income	5.19	<u>257,128,147</u>	<u>271,154,764</u>	<u>257,128,147</u>	<u>271,154,764</u>
Gain on trading and foreign exchange transactions	5.20	117,121,124	78,731,809	117,121,124	78,731,809
Loss on investments	5.21	(1,085,843)	(12,226,961)	(1,085,843)	(12,226,961)
Share of profit from investments on equity method		14,354	354,682	-	-
Written-down debt recovered		101,989,338	97,929,613	101,989,338	97,929,613
Other operating revenue		9,023,869	13,064,036	9,249,916	13,064,036
Total operating revenue		<u>227,062,842</u>	<u>177,853,179</u>	<u>227,274,535</u>	<u>177,498,497</u>
Other operating expenses					
Personnel expenses		265,987,607	263,147,085	265,987,607	263,147,085
Directors' remuneration		1,679,600	1,575,000	1,679,600	1,575,000
Premises and equipment expenses		27,177,059	35,544,320	27,177,059	35,544,320
Taxes and duties		2,538	2,541	2,538	2,541
Loss on claims and provision for insurance service		22,570,488	61,314,056	22,570,488	61,314,056
Loss on impairment of properties foreclosed		54,503,781	39,419,733	54,503,781	39,419,733
Others		142,333,313	(33,833,177)	142,333,313	(33,833,177)
Total operating expenses		<u>514,254,386</u>	<u>367,169,558</u>	<u>514,254,386</u>	<u>367,169,558</u>
Impairment loss of loans and debt securities	5.22	525,737,554	607,065,175	525,737,554	607,065,175
Net income		<u>509,365,496</u>	<u>310,857,125</u>	<u>509,577,189</u>	<u>310,502,443</u>
Other comprehensive income (loss)					
Gain (loss) on revaluation of available-for-sale investments		(178,835)	5,316,299	(178,835)	5,316,299
Total other comprehensive income (loss)		<u>(178,835)</u>	<u>5,316,299</u>	<u>(178,835)</u>	<u>5,316,299</u>
Total comprehensive income		<u><u>509,186,661</u></u>	<u><u>316,173,424</u></u>	<u><u>509,398,354</u></u>	<u><u>315,818,742</u></u>

The notes to the financial statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED TO INVESTMENT

Notes	Capital	Other Components of Equity		Appropriated	Unappropriated	Total
		Hedging Reserves	Revaluation Surplus (Deficit) on Investments	Retained Earnings	Retained Earnings	
				Unit : Baht		
Beginning balance as at January 1, 2011	12,800,000,000	40,637,218	(6,092,885)	2,752,153,887	(733,421,701)	14,853,276,519
Effect of change in accounting policies	-	(40,637,218)	-	-	-	(40,637,218)
Effect of change in accounting policies regarding TAS19	-	-	-	-	(95,795,499)	(95,795,499)
Balance as at January 1, 2011 after adjustment	12,800,000,000	-	(6,092,885)	2,752,153,887	(829,217,200)	14,716,843,802
Legal reserve	-	-	-	72,400,000	(72,400,000)	-
Remittance to the Ministry of Finance	-	-	-	-	(51,150,000)	(51,150,000)
Total comprehensive income (Adjusted)	-	-	5,316,299	-	310,857,125	316,173,424
Ending balance as at June 30, 2011 (Adjusted)	12,800,000,000	-	(776,586)	2,824,553,887	(641,910,075)	14,981,867,226
Beginning balance as at January 1, 2012	12,800,000,000	-	1,700,281	2,824,553,887	(348,158,369)	15,278,095,799
Legal reserve	-	-	-	302,300,000	(302,300,000)	-
Remittance to the Ministry of Finance	5.11	-	-	-	(212,100,000)	(212,100,000)
Total comprehensive income	-	-	(178,835)	-	509,365,496	509,186,661
Ending balance as at June 30, 2012	12,800,000,000	-	1,521,446	3,126,853,887	(353,192,873)	15,575,182,460

The notes to the financial statements are an integral part of these statements.



EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

THE BANK'S FINANCIAL STATEMENTS

Notes	Capital	Other Components of Equity		Appropriated Retained Earnings	Unappropriated Retained Earnings	Total		
		Hedging Reserves	Revaluation Surplus (Deficit) on Investments					
							Unit : Baht	
Beginning balance as at January 1, 2011	12,800,000,000	40,637,218	(6,092,885)	2,752,153,887	(733,593,729)	14,853,104,491		
Effect of change in accounting policies	-	(40,637,218)	-	-	-	(40,637,218)		
Effect of change in accounting policies regarding TAS19	-	-	-	-	(95,795,499)	(95,795,499)		
Balance as at January 1, 2011 after adjustment	12,800,000,000	-	(6,092,885)	2,752,153,887	(829,389,228)	14,716,671,774		
Legal reserve	-	-	-	72,400,000	(72,400,000)	-		
Remittance to the Ministry of Finance	-	-	-	-	(51,150,000)	(51,150,000)		
Total comprehensive income (Adjusted)	-	-	5,316,299	-	310,502,443	315,818,742		
Ending balance as at June 30, 2011 (Adjusted)	12,800,000,000	-	(776,586)	2,824,553,887	(642,436,785)	14,981,340,516		
Beginning balance as at January 1, 2012	12,800,000,000	-	1,700,281	2,824,553,887	(348,370,062)	15,277,884,106		
Legal reserve	-	-	-	302,300,000	(302,300,000)	-		
Remittance to the Ministry of Finance	-	-	-	-	(212,100,000)	(212,100,000)		
Total comprehensive income	-	-	(178,835)	-	509,577,189	509,398,354		
Ending balance as at June 30, 2012	12,800,000,000	-	1,521,446	3,126,853,887	(353,192,873)	15,575,182,460		

The notes to the financial statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS  
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	<u>Financial Statements in which</u>		<u>The Bank's Financial Statements</u>	
	<u>the equity method is</u>			
	<u>applied to investment</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Revised)		(Revised)
Unit : Baht				
<b>Cash flows from operating activities</b>				
Net income	509,365,496	310,857,125	509,577,189	310,502,443
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization Expenses	27,079,119	25,882,187	27,079,119	25,882,187
Bad debt and doubtful accounts	302,799,415	566,607,592	302,799,415	566,607,592
Loss on debt restructuring	222,938,249	38,980,183	222,938,249	38,980,183
Reversal of written-down debt recovered	(77,054,336)	(10,410,507)	(77,054,336)	(10,410,507)
Gain on disposal of assets	(132,833)	(2,327,573)	(132,833)	(2,327,573)
Gain on sale of properties foreclosed	(6,221,659)	(8,400,311)	(6,221,659)	(8,400,311)
Loss on impairment of properties foreclosed	54,503,781	39,419,733	54,503,781	39,419,733
Loss on revaluation of foreign currencies	221,634,981	156,674,243	221,634,981	156,674,243
Derivative revaluation	(112,723,844)	42,151,790	(112,723,844)	42,151,790
Loss on disposal of investments	-	1,943,058	-	1,943,058
Gain on liquidation of invested company - Associated Company	(14,354)	-	(226,047)	-
Loss on impairment of investments	1,085,843	10,283,902	1,085,843	10,283,902
Share of profit from investments on equity method	-	(354,682)	-	-
Amortization of premium (discount) on debt securities	(3,025,864)	3,114,953	(3,025,864)	3,114,953
Increase (decrease) in provisions	3,184,745	(73,471,024)	3,184,745	(73,471,024)
Bad debt and provision for other receivables	83,418,483	2,970,090	83,418,483	2,970,090
Loss on claims and provision for insurance service	48,873,666	58,984,172	48,873,666	58,984,172
Increase in revenue receivables	(4,523,710)	(3,996,060)	(4,523,710)	(3,996,060)
Decrease in prepaid expenses	387,970	296,895	387,970	296,895
Increase (decrease) in other accrued expenses	345,031	(2,967,666)	345,031	(2,967,666)
	1,271,920,179	1,156,238,100	1,271,920,179	1,156,238,100
Net interest income	(1,065,166,447)	(836,083,915)	(1,065,166,447)	(836,083,915)
Proceeds from interest income	1,584,598,908	1,255,355,134	1,584,598,908	1,255,355,134
Interest expenses paid	(575,855,488)	(478,319,614)	(575,855,488)	(478,319,614)
Income from operations before changes in operating assets and liabilities	1,215,497,152	1,097,189,705	1,215,497,152	1,097,189,705
(Increase) decrease in operating assets				
Interbank and money market items	(3,106,345,971)	1,305,444,672	(3,106,345,971)	1,305,444,672
Loans, net	71,009,121	(4,609,348,547)	71,009,121	(4,609,348,547)
Properties foreclosed, net	20,382,659	16,312,311	20,382,659	16,312,311
Other assets, net	(13,390,437)	(1,155,713)	(13,390,437)	(1,155,713)

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 SIX - MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	Unit : Baht			
	<u>Financial Statements in which</u>		<u>The Bank's Financial Statements</u>	
	<u>the equity method is</u>			
	<u>applied to investment</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Revised)		(Revised)
<b>Cash flows from operating activities (continued)</b>				
Increase (decrease) in operating liabilities				
Deposits	1,135,098,809	457,581,322	1,135,098,809	457,581,322
Interbank and money market items	1,253,393,495	(2,032,299,751)	1,253,393,495	(2,032,299,751)
Liabilities payable on demand	127,962,207	43,033,002	127,962,207	43,033,002
Short-term debt issued and borrowings	(566,607,919)	397,498,538	(566,607,919)	397,498,538
Other liabilities	287,501,003	216,395,738	287,501,003	216,395,738
Net cash provided by (used in) operating activities	424,500,119	(3,109,348,723)	424,500,119	(3,109,348,723)
<b>Cash flows from investing activities</b>				
Purchases of available-for-sale securities	-	(5,170,600,000)	-	(5,170,600,000)
Proceeds from disposal of available-for-sale securities	15,000,000	8,515,056,942	15,000,000	8,515,056,942
Purchases of held-to-maturity debt securities	(4,700,000,000)	(1,681,014,762)	(4,700,000,000)	(1,681,014,762)
Proceeds from disposal of held-to-maturity debt securities	4,502,740,445	168,832,776	4,502,740,445	168,832,776
Proceeds from liquidation of investments in associated company	4,512,547	-	4,512,547	-
Purchases of premises and equipment	(16,328,419)	(13,490,674)	(16,328,419)	(13,490,674)
Proceeds from sales of premises and equipment	259,319	2,330,309	259,319	2,330,309
Purchases of intangible assets	(16,515,650)	(12,770,493)	(16,515,650)	(12,770,493)
Net cash provided by (used in) investing activities	(210,331,758)	1,808,344,098	(210,331,758)	1,808,344,098
<b>Cash flows from financing activities</b>				
Proceeds from long-term debt issued and borrowings	-	9,513,889,430	-	9,513,889,430
Repayments of long-term debt issued and borrowings	(2,050,468)	(8,213,905,972)	(2,050,468)	(8,213,905,972)
Remittance to the Ministry of Finance	(212,100,000)	-	(212,100,000)	-
Net cash provided by (used in) financing activities	(214,150,468)	1,299,983,458	(214,150,468)	1,299,983,458
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,893</b>	<b>(1,021,167)</b>	<b>17,893</b>	<b>(1,021,167)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>216,866</b>	<b>2,711,230</b>	<b>216,866</b>	<b>2,711,230</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>234,759</b>	<b>1,690,063</b>	<b>234,759</b>	<b>1,690,063</b>

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 AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011  
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND  
NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011  
(UNAUDITED/REVIEWED)

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**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 was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542), 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 imported from Thailand;
- credit and equity financing to support Thai investments overseas that are beneficial to the country;
- export credit insurance services to Thai exporters;
- credits for overseas projects yielding economic returns to Thailand;
- investment insurance services for overseas investments of Thai investors who have been granted credit lines from the Bank; and
- stand-by claims purchase agreement services.

The Bank's Head Office is located at 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW THAI ACCOUNTING STANDARDS**

**2.1 Basis of Preparation of the Financial Statements**

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2009): Interim Financial Reporting, covering the statements of financial position, statements of comprehensive income, changes in shareholders' equity and cash flows as those of annual financial statements and notes on only material item.

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, 2011 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, No. SOR NOR SOR 11/2553 dated December 3, 2010 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups.

## 2.2 Adoption of New Thai Accounting Standards

In 2011 the Bank has adopted TAS 19 Employee Benefits. The estimated past service cost as at December 31, 2010 was Baht 95.80 million, which the Bank recognized as expense spanning 5 years starting 2011. On November 7, 2011, the Bank received the Ministry of Finance's letter No. KOR KHOR 0805.1/WOR95 dated October 20, 2011 regarding Adoption of New Accounting Standards and Financial Reporting Standards which stipulated that State Enterprises must record the total amount of past employee benefit obligation by adjusting with brought forward retained earnings of the year 2011. The Bank has therefore changed the policy to conform with the Ministry of Finance's letter for the financial statements for the year ended December 31, 2011

The financial statements for the three-month and six-month period ended June 30, 2011 for comparative purposes was adjusted by decreasing the past service cost, which was presented under personnel expenses in the statement of comprehensive income, amounted Baht 4.79 million and Baht 9.58 million, respectively. Thus, total comprehensive income was increased by the corresponding amount as follow :

			Unit: Baht
Personnel expenses	Before adjustment	After adjustment	Increase (decrease)
For three-month period	136,906,220	132,116,445	(4,789,775)
For six-month period	272,726,635	263,147,085	(9,579,550)

## 3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS AND BASEI II STANDARD

### 3.1 Capital under the Ministerial Regulations

As at June 30, 2012, the Bank's capital adequacy ratio (CAR) stood at 20.19 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8%) and the Bank's capital to insurance service contingent liabilities ratio stood at 42.56%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20%).

#### Capital Adequacy Ratio Based on the Ministerial Regulations

		Unit: Million Baht
	<u>Ministerial Regulations</u>	<u>June 30, 2012</u> <u>December 31, 2011</u>
1. Capital *		15,064.08      14,671.61
2. Risk assets **		74,596.20      69,222.35
3. Insurance service contingent liabilities		35,399.03      31,955.45
4. Capital to risk assets (1)/(2)	Not less than 8%	20.19%      21.19%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	42.56%      45.91%

Remarks : \* Capital includes only capital under the Ministerial Regulations.

\*\* Risk assets have been calculated from credit risk assets, which excluded insurance service contingent liabilities, and the risk weight used in calculation is different from Basel II approach.

### 3.2 Capital under Basel II Standard (continued)

The Bank's capital adequacy ratio has been calculated according to the guidelines and approach of Bank of Thailand. As at June 30, 2012, the Bank's total capital to risk assets ratio stood at 14.41%, exceeding the minimum ratio stipulated in the BOT's regulation (not less than 8.5%), and the Bank's tier 1 capital to risk assets ratio stood at 13.16%, exceeding the minimum tier 1 capital to risk asset ratio stipulated in the BOT's regulation (not less than 4.25%).

#### Capital Adequacy Ratio Based on Basel II

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Total capital to risk assets	14.41%	15.41%
Tier 1 capital to risk assets	13.16%	14.16%

#### Capital Structure Based on Basel II

	Unit: Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	3,126.85	2,824.55
Cumulative loss	<u>(862.77)</u>	<u>(952.94)</u>
Total Tier 1 Capital	15,064.08	14,671.61
Tier 2 Capital		
Allowance for pass asset-classification	1,430.57	1,295.04
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	0.26	0.08
<u>(Less)</u> Revaluation deficit on investments in available-for-sale equity securities	<u>-</u>	<u>-</u>
Total Tier 2 Capital	<u>1,430.83</u>	<u>1,295.12</u>
Total Capital Fund	<u>16,494.91</u>	<u>15,966.73</u>

The Bank discloses information about Basel II capital requirement according to the Bank of Thailand's Notification No. Sor Nor Sor. 25/2552 : Information Disclosures regarding Capital Fund Maintenance for Commercial Banks on the website as follows:

Location of disclosure : [www.exim.go.th](http://www.exim.go.th) > About Exim Thailand > Disclosure of Capital Adequacy Information > Disclosure of Capital Adequacy Information calculated according to Basel II

Date of disclosure : April 11, 2012

Information as at : December 31, 2011

#### 4. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity to Generally Accepted Accounting Principles (GAAP), the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Therefore, the actual results may differ from these estimates.

The Bank reviews the estimates and assumptions on a regular basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected.

#### 5. ADDITIONAL INFORMATION

##### 5.1 Supplementary Information of Cash Flow

Significant non-cash items for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million Baht	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Increase (decrease) in revaluation surplus on investments		
in shareholders' equity	(0.18)	3.04
Increase in properties foreclosed from loan payment	4.00	7.65

##### 5.2 Derivatives

As at June 30, 2012 and December 31, 2011, the fair value and notional amount classified by type of risk are as follows:

	Unit: Million Baht		
	<u>June 30, 2012</u>		<u>Notional Amount</u>
<u>Type of Risk</u>	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	304.96	132.00	18,876.83
Interest rate	<u>273.34</u>	<u>85.05</u>	<u>11,803.48</u>
Total	<u>578.30</u>	<u>217.05</u>	<u>30,680.31</u>
	<u>December 31, 2011</u>		
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	428.17	230.44	23,454.42
Interest rate	<u>208.88</u>	<u>84.94</u>	<u>11,960.75</u>
Total	<u>637.05</u>	<u>315.38</u>	<u>35,415.17</u>



## 5.2 Derivatives (continued)

As at June 30, 2012 and December 31, 2011, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Financial institutions	81.78%	81.28%
Third parties	<u>18.22%</u>	<u>18.72%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

## 5.3 Investments, Net

### 5.3.1 Available-for-Sale Investments

Unit: Million Baht

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Government and state enterprise securities	198.53	213.31
Domestic marketable equity securities	<u>1.64</u>	<u>1.26</u>
Total	<u>200.17</u>	<u>214.57</u>

### 5.3.2 Held-to-Maturity Debt Securities

Unit: Million Baht

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,844.43	2,416.79
Private enterprise debt securities	-	70.00
Foreign debt securities	<u>424.83</u>	<u>582.85</u>
Total	3,269.26	3,069.64
(Less) Allowance for revaluation	<u>-</u>	<u>(0.18)</u>
Total	<u>3,269.26</u>	<u>3,069.46</u>

### 5.3 Investments, Net (continued)

#### 5.3.3 General Investments

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
	<u>Cost</u>	<u>Cost</u>
Mutual funds	140.11	140.11
Others	<u>0.41</u>	<u>0.43</u>
Total	140.52	140.54
(Less) Allowance for impairment	<u>(13.80)</u>	<u>(12.72)</u>
Total	<u>126.72</u>	<u>127.82</u>
Total investments, net	<u>3,596.15</u>	<u>3,411.85</u>

Unit: Million Baht

General investments amounted Baht 140.11 million, consists of two open-ended funds as follows:

1. Mutual fund that mobilizes funds from institutional investors for investment in energy or alternative energy-related businesses. The Mutual Fund's redemption will start in the 6th year (2013) onwards in case the Fund has earned dividend income, income from sale of securities or its properties, or other income, which are not deployed for reinvestment.

As at June 30, 2012, the Bank had 6.31 million investment units, which based on the par value of 10 Baht per unit, represented Baht 63.11 million of investments.

2. Mutual fund for long-term investment in industries crucial to national development with a focus on investments in companies having high capacity in innovations and technologies for infrastructure development, manufacturing companies for import substitution, as well as companies expanding their businesses and investments overseas.

As at June 30, 2012, the Bank had 214,281.64 investment units, represented Baht 77 million of investments.

#### 5.4 Investment in Associates, Net

As at December 31, 2011, the investment in Thai EXIM International Company Limited presented in financial statement in which the equity method is applied to investment is Baht 4.5 million. Thai EXIM International Company Limited had formally filed for the liquidation on November 8, 2011, according to the resolution of the extraordinary meeting of shareholders of Thai EXIM International Company Limited No. 2/2554 on October 28, 2011, and had already liquidated on June 19, 2012.

5.5 Loans to Customers and Accrued Interest Receivables, Net

5.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Overdrafts	268.67	241.11
Domestic loans - customers	49,372.38	49,928.22
- export bills negotiation	938.07	835.22
- staff loans	280.89	254.29
Overseas loans - foreign government agencies	3,999.85	4,328.24
- customers operating overseas	10,253.96	9,706.95
Others	<u>52.14</u>	<u>155.42</u>
Total loans to customers	65,165.96	65,449.45
<u>(Less)</u> Deferred revenue	<u>(6.49)</u>	<u>(6.50)</u>
Total loans to customers, net of deferred revenue	65,159.47	65,442.95
<u>Add</u> Accrued interest receivables	<u>587.05</u>	<u>517.44</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	65,746.52	65,960.39
<u>(Less)</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(1,314.98)	(1,306.69)
- Excess allowance	(1,458.00)	(1,458.00)
Revaluation allowance for debt restructuring	<u>(448.65)</u>	<u>(238.73)</u>
Total loans to customers and accrued interest receivables, net	<u>62,524.89</u>	<u>62,956.97</u>

### 5.5.1 Classified by Type of Loan (continued)

Overseas loans extended to foreign government agencies of amount Baht 3,999.85 million were 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 rates 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 also received an additional operating fee at 0.75% p.a. apart from the interest revenue subsidy.

The Bank provided loan facility of Baht 4,000 million to a foreign government agency in accordance with the cabinet resolution on June 8, 2004. In this regard, under Section 23 of Export-Import Bank of Thailand Act 1993 (B.E. 2536), the Bank will receive fund from Ministry of Finance to compensate the Bank for any damage from this particular loan. However, the total drawdown amount was Baht 3,946.14 million, while, the loan outstanding as at June 30, 2012 was Baht 2,536.81 million. After having investigated the government's policy regarding such loan, the Asset Examination Committee (ACE) filed a lawsuit with the Supreme Court's Criminal Division for Person Holding Political Positions against a particular government officer. In addition, on July 30, 2008, the Supreme Court accepted the lawsuit and imposed a temporary dismissal on the case on September 16, 2008.

### 5.5.2 Classified by Loan Classification

	Unit : Million Baht			
	<u>June 30, 2012</u>			
	<u>Loans and</u>	<u>Outstanding Debt</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued Interest</u>	<u>after Deduction</u>	<u>Provision</u>	<u>for Doubtful</u>
	<u>Receivables</u>	<u>of Collateral Value</u>	<u>Rate (%)</u>	<u>Accounts</u>
1. Minimum allowance by BOT's regulation				
Pass	58,114.71	57,574.52	1,20,50	793.89
Special mentioned	213.07	211.11	2	4.22
Substandard	484.47	404.06	100	404.06
Doubtful	45.15	20.75	100	20.75
Doubtful of loss	<u>2,565.97</u>	<u>92.06</u>	100	<u>92.06</u>
Total minimum allowance by BOT's regulation	61,423.37	58,302.50		1,314.98
2. Excess allowance	-	-		<u>1,458.00</u>
Total	<u>61,423.37</u>	<u>58,302.50</u>		<u>2,772.98</u>

5.5.2 Classified by Loan Classification (continued)

Unit : Million Baht

	<u>December 31, 2011</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>
1. Minimum allowance by BOT's regulation				
Pass	58,112.23	57,726.95	1,20,50	758.09
Special mentioned	25.97	25.51	2	0.51
Substandard	5.20	3.87	100	3.87
Doubtful	369.42	54.26	100	54.26
Doubtful of loss	<u>2,965.21</u>	<u>489.96</u>	100	<u>489.96</u>
Total minimum allowance by BOT's regulation	61,478.03	58,300.55		1,306.69
2. Excess allowance	-	-		1,458.00
Total	<u>61,478.03</u>	<u>58,300.55</u>		<u>2,764.69</u>

As at June 30, 2012 and December 31, 2011, the outstanding classified loans and loans which were not required to be classified (unclassified loans) are as follows:

Unit : Million Baht

	<u>June 30, 2012</u>		<u>December 31, 2011</u>	
	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>
Classified loans	61,423.37	93.42	61,478.03	93.20
Unclassified loans	<u>4,323.15</u>	6.58	<u>4,482.36</u>	6.80
Total	<u>65,746.52</u>		<u>65,960.39</u>	

Loans which are not required to be classified are loans extended to individual persons or corporate entities in accordance with the government's policy or directive or the cabinet resolution which are covered against losses under Section 23 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), and loans which are covered by the export credit insurance.

### 5.5.2 Classified by Loan Classification (continued)

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>June 30, 2012</u>		<u>December 31, 2011</u>	
	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>
Non-performing loans	3,095.60	4.71	3,339.83	5.06

For the six-month period ended June 30, 2012 and for the year ended December 31, 2011, the Bank wrote-down debt accounts in the amount of Baht 275.28 million and Baht 964.98 million, respectively. As at June 30, 2012 and December 31, 2011, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,386.75 million and Baht 4,201.54 million, respectively. For the six-month periods ended June 30, 2012 and 2011, the Bank recorded the recovery of written-down debt accounts in the amount of Baht 101.99 million and Baht 97.93 million, respectively, which the Bank received cash from such accounts in the amount of Baht 24.94 million and Baht 87.52 million, respectively.

For the six-month periods ended June 30, 2012 and 2011, the Bank wrote-off of bad debts in the amount of Baht 23.21 million and Baht 5.86 million, respectively.

### 5.5.3 Troubled Debt Restructuring

For the six-month period ended June 30, 2012 and for the year ended December 31, 2011, the Bank had restructured debts applying the adjustment of repayment conditions method as follows:

Unit : Million Baht

<u>Restructured</u> <u>Debts</u>	<u>Cases</u>	<u>June 30, 2012</u>		<u>Cases</u>	<u>December 31, 2011</u>	
		<u>Amount</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>		<u>Amount</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>
Succeeded	9	476.69	0.73	7	16.96	0.03
In - process	14	348.56	0.53	44	1,077.01	1.63

As at June 30, 2012 and December 31, 2011, the Bank had outstanding restructured loan reclassified to normalcy for 26 cases amounting to Baht 1,645.75 million and for 24 cases amounting to Baht 1,585.61 million, respectively.

For the six-month periods ended June 30, 2012 and 2011, the Bank restructured the debt as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>June 30, 2012</u>		
		<u>Before</u> <u>Restructuring</u>	<u>After</u> <u>Restructuring</u>	<u>As at</u> <u>June 30, 2012</u>
Change of repayment conditions	9	476.69	476.69	756.90

  

<u>Types of Restructuring</u>	<u>Cases</u>	<u>June 30, 2011</u>		
		<u>Before</u> <u>Restructuring</u>	<u>After</u> <u>Restructuring</u>	<u>As at</u> <u>June 30, 2011</u>
Change of repayment conditions	2	2.61	2.61	5.22

For the six-month periods ended June 30, 2012 and 2011, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	9	476.69	2	2.61
Loans and accrued interest receivables net of deferred revenue	728	65,746.52	878	61,686.64

### 5.5.3 Troubled Debt Restructuring (continued)

The Bank recognized interest income from debt restructuring as follows:

	Unit : Million Baht			
	For three-month periods		For six-month periods	
	Ended June 30		Ended June 30	
	2012	2011	2012	2011
Interest income from debt restructuring	109.25	40.31	277.15	77.55

As at June 30, 2012 and December 31, 2011, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 113.30 million and Baht 129.77 million, respectively.

### 5.6 Allowance for Doubtful Accounts

	Unit : Million Baht						
	June 30, 2012						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	758.09	0.51	3.87	54.26	489.96	1,458.00	2,764.69
Increase (decrease) in allowance							
for doubtful accounts	35.80	3.71	400.19	(33.51)	(122.62)	-	283.57
Debts written down	-	-	-	-	(275.28)	-	(275.28)
Ending balance	<u>793.89</u>	<u>4.22</u>	<u>404.06</u>	<u>20.75</u>	<u>92.06</u>	<u>1,458.00</u>	<u>2,772.98</u>
	December 31, 2011						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	647.51	0.86	390.36	530.10	33.94	610.00	2,212.77
Increase (decrease) in allowance							
for doubtful accounts	110.58	(0.35)	(386.49)	(475.84)	1,421.00	848.00	1,516.90
Debts written down	-	-	-	-	(964.98)	-	(964.98)
Ending balance	<u>758.09</u>	<u>0.51</u>	<u>3.87</u>	<u>54.26</u>	<u>489.96</u>	<u>1,458.00</u>	<u>2,764.69</u>

As at June 30, 2012 and December 31, 2011, the Bank's allowance for doubtful accounts on loans accounted for Baht 2,772.98 million and Baht 2,764.69 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand of amount Baht 1,458.00 million and Baht 1,458.00 million, respectively (Note 5.5.2). The amount of allowance for doubtful accounts exceeds the minimum requirement due to the bank considered setting the allowance based on a prudent banking principle.



### 5.7 Revaluation Allowance for Debt Restructuring

	Unit : Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Beginning balance	238.73	220.66
Increase	304.90	77.91
Decrease	<u>(94.98)</u>	<u>(59.84)</u>
Ending balance	<u>448.65</u>	<u>238.73</u>

### 5.8 Debt Issued and Borrowings

#### 5.8.1 Classified by Type of Instrument and Source of Fund

	Unit : Million Baht		
	<u>June 30, 2012</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	27,688.71	27,688.71
Bills of exchange	52.18	-	52.18
Others	<u>15,083.08</u>	<u>-</u>	<u>15,083.08</u>
Total debt issued and borrowings	<u>15,135.26</u>	<u>27,688.71</u>	<u>42,823.97</u>

  

	<u>December 31, 2011</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	27,571.34	27,571.34
Bills of exchange	51.39	-	51.39
Others	<u>15,652.53</u>	<u>-</u>	<u>15,652.53</u>
Total debt issued and borrowings	<u>15,703.92</u>	<u>27,571.34</u>	<u>43,275.26</u>

#### 5.8.2 Classified by Type of Instrument, Currency, Maturity and Interest Rate

	Unit : Million Baht				
	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		<u>(year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2013 - 2017	LIBOR	27,688.71	27,571.34
Bills of exchange	THB	2012	2.85 - 3.25%	52.18	51.39
Others	THB	2012 - 2021	2.40 - 4.75%	11,833.08	12,402.53
		2012 - 2019	6M THBFIX	<u>3,250.00</u>	<u>3,250.00</u>
Total debt issued and borrowings				<u>42,823.97</u>	<u>43,275.26</u>

## 5.9 Provisions

As at June 30, 2012 and December 31, 2011, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Employee benefits	115.74	107.46
Provisions for contingent liabilities	<u>130.19</u>	<u>135.20</u>
Total provisions	<u>245.93</u>	<u>242.66</u>

The Bank assesses the provision for employee benefits by using the Projected Unit Credit method.

The details of the Bank's employee benefits for the period are as follows:

	Unit : Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Beginning Balance	107.46	95.80
Current service cost*	6.30	8.36
Interest cost*	1.98	3.97
Employees benefit paid in the period	<u>-</u>	<u>(0.67)</u>
Ending Balance	<u>115.74</u>	<u>107.46</u>

\*These items present as expenses in the statement of comprehensive income.

Principal actuarial assumptions for the Bank's employee benefits are as follows:

Average salary increase	5% - 7.5%
Average turnover rate	5% - 19%
Discount rate	2.38% - 4.27%

## 5.10 Capital

The Bank had an initial capital of Baht 2,500 million (of which Baht 843.47 million was provided by the Ministry of Finance and Baht 1,656.53 million by the Bank of Thailand).

The Bank received additional capital from the Ministry of Finance on July 31, 1998 of amount Baht 4,000 million, then, on December 30, 2008 received additional capital of amount Baht 1,300 million and on September 21, 2009 also received additional capital of amount Baht 5,000 million. Thereby, the Bank has total capital amounting to Baht 12,800 million.

#### 5.11 Remittance to the Ministry of Finance

On June 29, 2012 the Bank remitted part of the net income for the year 2011 of amount Baht 212.10 million to the Ministry of Finance in accordance with the State Enterprise Entity Policy Office's letter No. Kor Khor 0806.3/2338 directive dated June 29, 2012 regarding the Appropriation of the EXIM Bank's Net Income for the Year 2011.

#### 5.12 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Liabilities under immature import bills	129.28	167.52
Letters of credit	2,451.73	1,962.70
Export bills insured	34,704.87	31,250.64
Other contingencies		
Overdraft accounts not yet drawn	488.76	532.69
Other guarantees	3,132.12	3,853.95
Investment insurance	891.13	887.35
Stand-by claims purchase agreement	<u>9,428.47</u>	<u>3,778.45</u>
Total other contingencies	<u>13,940.48</u>	<u>9,052.44</u>
Total	<u>51,226.36</u>	<u>42,433.30</u>

#### 5.13 Related Party Transactions

There were some transactions between related business entities and the Bank. The Bank is related to these entities through equity participation and/or joint board directorship. Significant transactions between the Bank and related business entities were charged at market price as similarly as with other normal business or the price as stipulated in the agreement if market price was not available.

For the six-month periods ended June 30, 2012 and 2011 revenue and expenses occurring between the Bank and its associated company being Thai EXIM International Company Limited are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Office rent revenue	-	0.02
Consulting fee expense	-	2.50

#### 5.14 Other Benefits to Directors and Executives

The Bank pay no further benefits to directors and executives other than normal remuneration such as meeting allowance and bonus for director (if any), salary for executives, special monthly allowance for executives (if any).

### 5.15 Long-Term Leasing Contracts

The Bank has commitment arising from building lease agreement. The remaining rental and service expenses for the lease agreements which subsequently due after the statement of financial position date are as follow:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Within 1 year	4.57	5.02
Over 1 - 5 years	8.39	9.86
Over 5 years	0.98	1.61

### 5.16 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

As the Bank has no foreign branches, its financial position and operational performance are totally related to local branches.

### 5.17 Interest Revenue

Interest revenue, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Interbank and money market items	47.88	45.33
Investment in debt securities	52.16	45.13
Loans	<u>1,559.98</u>	<u>1,231.94</u>
Total interest revenue	<u>1,660.02</u>	<u>1,322.40</u>

### 5.18 Interest Expenses

Interest expenses, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Deposits	65.83	50.87
Interbank and money market items	55.75	74.77
Debt issued		
- Domestic bonds	-	63.64
- Foreign bonds	173.63	131.64
- Bills of exchange	0.76	4.25
- Other	298.44	150.38
- Borrowing fee	<u>0.44</u>	<u>10.77</u>
Total interest expenses	<u>594.85</u>	<u>486.32</u>

#### 5.19 Fee and Service Revenue, Net

Net fee and service revenue, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Fee and service revenue		
- Acceptance aval and guarantee	23.25	26.36
- Revenue from insurance	117.57	128.18
- Others	<u>185.28</u>	<u>174.96</u>
Total fee and service revenue	<u>326.10</u>	<u>329.50</u>
Fee and service expenses		
- Expense on insurance	66.39	56.11
- Others	<u>2.58</u>	<u>2.24</u>
Total fees and service expenses	<u>68.97</u>	<u>58.35</u>
Total fee and service revenue, net	<u>257.13</u>	<u>271.15</u>

#### 5.20 Gain on Trading and Foreign Exchange Transactions

Gain on trading and foreign exchange transactions, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Foreign exchanges and derivatives	59.03	66.22
Interest rate derivatives	<u>58.09</u>	<u>12.51</u>
Total gain on trading and foreign exchange transactions	<u>117.12</u>	<u>78.73</u>

#### 5.21 Gain (Loss) on Investments

Gain (loss) on investments, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Gain (loss) on disposal of available-for-sale investment	-	(1.94)
Reversal (loss) on impairment of general investment	<u>(1.09)</u>	<u>(10.29)</u>
Total gain (loss) on investments	<u>(1.09)</u>	<u>(12.23)</u>

## 5.22 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt Securities, which included in the statement of comprehensive income, for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Interbank and money market items	19.24	-
Loans		
- Bad debts and doubtful accounts	283.56	566.63
- Loss on restructuring	<u>222.94</u>	<u>40.44</u>
Total impairment loss of loans and debt securities	<u>525.74</u>	<u>607.07</u>

## 5.23 Reclassification of Accounts

Some accounts in the statements of financial position as at December 31, 2011, statements of comprehensive income and the statement of cash flows for the three-month and six-month period ended June 30, 2011 are reclassified in order to conform with the presentation of the statements of financial position as at June 30, 2012, statements of comprehensive income and the statement of cash flows for the three-month and six-month period ended June 30, 2012.

## 5.24 Approval of the Financial Statements

These financial statements were approved by the Chairman of the Board of Directors and President on September 10, 2012.

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