

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, 2010  
(TRANSLATION)

(TRANSLATION)  
AUDITOR'S REVIEW REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General has reviewed the balance sheets, in which the equity method is applied to investment and the Bank's balance sheets of the Export-Import Bank of Thailand as at June 30, 2010, and the related statements of income, in which the equity method is applied to investment and the Bank's statements of income for the three-month periods and six-month periods ended June 30 2010 and 2009, changes in capital and cash flows for the six-month periods ended June 30, 2010 and 2009. 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 in which the equity method is applied to investment and the Bank's financial statements for the year ended December 31, 2009 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 18, 2010. The balance sheet, in which the equity method is applied to investment and the Bank's balance sheets as of December 31, 2009, presented for comparative purposes, is part of the financial statements in which the equity method is applied to investment and the Bank's 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) *Jiraporn Piriyaakitpaiboon*

(Ms. Jiraporn Piriyaakitpaiboon)

Director of Audit Office

(Signed) *Sunan Wongmek*

(Ms. Sunan Wongmek)

Auditor-in-charge

EXPORT-IMPORT BANK OF THAILAND  
BALANCE SHEETS  
AS AT JUNE 30, 2010 AND DECEMBER 31, 2009

Unit : Baht

	Notes	Financial statements in which the equity method is applied to investment		The Bank's Financial statements	
		June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"		"Reviewed"	
<b>Assets</b>					
Cash		2,196,987.35	193,786.23	2,196,987.35	193,786.23
Interbank and money market items	4.1				
Domestic items					
Interest bearing		3,331,168,993.07	3,611,189,117.97	3,331,168,993.07	3,611,189,117.97
Non-interest bearing		38,281,928.57	75,746,302.66	38,281,928.57	75,746,302.66
Foreign items					
Interest bearing		1,498,042,367.41	2,337,395,600.71	1,498,042,367.41	2,337,395,600.71
Non-interest bearing		329,278,754.77	304,832,203.99	329,278,754.77	304,832,203.99
Total interbank and money market items-net		<u>5,196,772,043.82</u>	<u>6,329,163,225.33</u>	<u>5,196,772,043.82</u>	<u>6,329,163,225.33</u>
Investments	4.2				
Current investments-net		2,633,124,320.53	618,217,911.20	2,633,124,320.53	618,217,911.20
Long-term investments-net		861,895,052.36	5,854,688,299.92	861,895,052.36	5,854,688,299.92
Investments in associated company-net		7,316,334.04	4,195,031.84	4,286,500.00	4,286,500.00
Total investments-net		<u>3,502,335,706.93</u>	<u>6,477,101,242.96</u>	<u>3,499,305,872.89</u>	<u>6,477,192,711.12</u>
Loans and accrued interest receivables	4.3				
Loans		54,001,951,666.76	53,190,587,074.84	54,001,951,666.76	53,190,587,074.84
Accrued interest receivables		437,466,576.73	387,795,582.19	437,466,576.73	387,795,582.19
Total loans and accrued interest receivables		<u>54,439,418,243.49</u>	<u>53,578,382,657.03</u>	<u>54,439,418,243.49</u>	<u>53,578,382,657.03</u>
Less Allowance for doubtful accounts	4.4	1,978,516,801.83	2,507,189,525.36	1,978,516,801.83	2,507,189,525.36
Less Revaluation allowance for debt restructuring	4.5	441,095,522.31	398,241,441.72	441,095,522.31	398,241,441.72
Total loans and accrued interest receivables-net		<u>52,019,805,919.35</u>	<u>50,672,951,689.95</u>	<u>52,019,805,919.35</u>	<u>50,672,951,689.95</u>
Properties foreclosed-net		1,170,541,538.95	1,215,928,294.35	1,170,541,538.95	1,215,928,294.35
Premises and equipment-net		897,052,772.36	897,040,827.63	897,052,772.36	897,040,827.63
Derivative revaluation	4.9	363,255,897.07	-	363,255,897.07	-
Accrued interest receivables not related to loans		10,260,433.94	107,711,812.99	10,260,433.94	107,711,812.99
Prepaid expenses		5,608,084.33	5,296,413.61	5,608,084.33	5,296,413.61
Leasehold premises and improvements		3,622,885.45	4,575,410.08	3,622,885.45	4,575,410.08
Other assets-net		30,576,211.63	31,600,474.01	30,576,211.63	31,600,474.01
Total assets		<u><u>63,202,028,481.18</u></u>	<u><u>65,741,563,177.14</u></u>	<u><u>63,198,998,647.14</u></u>	<u><u>65,741,654,645.30</u></u>

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
BALANCE SHEETS (CONTINUED)  
AS AT JUNE 30, 2010 AND DECEMBER 31, 2009

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
		"Unaudited" "Reviewed"	"Audited"	"Unaudited" "Reviewed"	"Audited"
<b>Liabilities and Capital</b>					
<b>Deposits</b>					
Deposits in baht		9,737,330,994.70	7,698,358,035.20	9,737,330,994.70	7,698,358,035.20
Deposits in foreign currencies		473,822,323.08	390,335,373.43	473,822,323.08	390,335,373.43
Total deposits		<u>10,211,153,317.78</u>	<u>8,088,693,408.63</u>	<u>10,211,153,317.78</u>	<u>8,088,693,408.63</u>
<b>Interbank and money market items</b>					
<b>Domestic items</b>					
Interest bearing		7,565,538,494.43	9,080,647,789.29	7,565,538,494.43	9,080,647,789.29
Non-interest bearing		232,694,708.68	13,726,394.73	232,694,708.68	13,726,394.73
<b>Foreign items</b>					
Interest bearing		539,583,268.07	756,618,556.34	539,583,268.07	756,618,556.34
Total interbank and money market items		<u>8,337,816,471.18</u>	<u>9,850,992,740.36</u>	<u>8,337,816,471.18</u>	<u>9,850,992,740.36</u>
Liability payable on demand		30,237,078.31	21,279,996.12	30,237,078.31	21,279,996.12
<b>Borrowings</b>					
	4.6				
Short-term borrowings		11,898,280,000.00	12,735,312,500.00	11,898,280,000.00	12,735,312,500.00
Long-term borrowings		16,908,040,000.00	18,771,632,500.00	16,908,040,000.00	18,771,632,500.00
Total borrowings		<u>28,806,320,000.00</u>	<u>31,506,945,000.00</u>	<u>28,806,320,000.00</u>	<u>31,506,945,000.00</u>
Derivative revaluation	4.9	-	699,401,324.93	-	699,401,324.93
Accrued interest payables		195,404,487.33	227,338,178.32	195,404,487.33	227,338,178.32
Advance Deposits		27,311,641.65	16,677,932.72	27,311,641.65	16,677,932.72
Export credit insurance reserve		162,870,056.60	273,343,656.12	162,870,056.60	273,343,656.12
Other liabilities		211,035,514.93	155,671,009.67	211,035,514.93	155,671,009.67
Total liabilities		<u>47,982,148,567.78</u>	<u>50,840,343,246.87</u>	<u>47,982,148,567.78</u>	<u>50,840,343,246.87</u>
<b>Capital</b>					
Capital	4.7	<u>12,800,000,000.00</u>	<u>12,800,000,000.00</u>	<u>12,800,000,000.00</u>	<u>12,800,000,000.00</u>
Paid-up capital		12,800,000,000.00	12,800,000,000.00	12,800,000,000.00	12,800,000,000.00
Hedging reserve		281,356,603.91	103,498,944.54	281,356,603.91	103,498,944.54
Revaluation surplus (deficit) on investments	4.2.4	(5,100,468.51)	(67,601,167.94)	(5,100,468.51)	(67,601,167.94)
<b>Retained earnings</b>					
<b>Appropriated</b>					
Legal reserve		2,752,153,886.85	2,579,053,886.85	2,752,153,886.85	2,579,053,886.85
<b>Unappropriated</b>					
		(608,530,108.85)	(513,731,733.18)	(611,559,942.89)	(513,640,265.02)
Total capital		<u>15,219,879,913.40</u>	<u>14,901,219,930.27</u>	<u>15,216,850,079.36</u>	<u>14,901,311,398.43</u>
Total liabilities and capital		<u>63,202,028,481.18</u>	<u>65,741,563,177.14</u>	<u>63,198,998,647.14</u>	<u>65,741,654,645.30</u>

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
BALANCE SHEETS (CONTINUED)  
AS AT JUNE 30, 2010 AND DECEMBER 31, 2009

Unit : Baht

	<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>June 30, 2010</u>	<u>December 31, 2009</u>	<u>June 30, 2010</u>	<u>December 31, 2009</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>	<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>		<u>"Reviewed"</u>	
<u>Off-Balance Sheet Items-Contingencies</u>	4.8				
Liabilities under unmatured import bills		232,108,435.17	179,891,148.77	232,108,435.17	179,891,148.77
Letters of credit		1,050,347,553.67	535,714,720.65	1,050,347,553.67	535,714,720.65
Export bills insured		22,589,820,592.71	16,087,401,775.80	22,589,820,592.71	16,087,401,775.80
Other contingencies		38,676,533,691.01	44,739,093,840.71	38,676,533,691.01	44,739,093,840.71

Notes to the financial statements are an integral part of these financial statements.

(Signed) Naris Chaiyasoot  
(Mr. Naris Chaiyasoot)  
Chairman of the Board of Directors

(Signed) Somphan Eamrungrroj  
(Mr. Somphan Eamrungrroj)  
Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF INCOME  
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest and dividend income				
Loans	535,647,021.31	495,039,558.64	535,647,021.31	495,039,558.64
Interbank and money market items	17,641,910.84	29,081,705.58	17,641,910.84	29,081,705.58
Investments	25,185,402.64	29,517,578.93	25,185,402.64	29,517,578.93
Total interest and dividend income	<u>578,474,334.79</u>	<u>553,638,843.15</u>	<u>578,474,334.79</u>	<u>553,638,843.15</u>
Interest expenses				
Deposits	31,655,970.76	10,997,583.32	31,655,970.76	10,997,583.32
Interbank and money market items	46,104,420.97	69,471,618.89	46,104,420.97	69,471,618.89
Short-term borrowings	82,088,060.62	66,335,834.82	82,088,060.62	66,335,834.82
Long-term borrowings	54,143,379.71	161,196,339.34	54,143,379.71	161,196,339.34
Total interest expenses	<u>213,991,832.06</u>	<u>308,001,376.37</u>	<u>213,991,832.06</u>	<u>308,001,376.37</u>
Net income from interest and dividend	<u>364,482,502.73</u>	<u>245,637,466.78</u>	<u>364,482,502.73</u>	<u>245,637,466.78</u>
Bad debt and doubtful accounts	296,054,638.43	178,923,418.71	296,054,638.43	178,923,418.71
Loss on debt restructuring	5,698,419.29	(46,356,473.44)	5,698,419.29	(46,356,473.44)
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>62,729,445.01</u>	<u>113,070,521.51</u>	<u>62,729,445.01</u>	<u>113,070,521.51</u>
Non-interest income				
Gain on investments	4,068,195.31	20,840,736.92	4,068,195.31	20,840,736.92
Share of gain (loss) from investments on equity method	(1,288,449.01)	805,883.43	-	-
Fees and service income	60,902,020.94	39,150,763.26	60,902,020.94	39,150,763.26
Export credit insurance income	48,699,118.33	41,592,187.61	48,699,118.33	41,592,187.61
Investment insurance income	4,101,041.71	45,125.26	4,101,041.71	45,125.26
Gain on exchanges	36,580,004.24	26,145,801.08	36,580,004.24	26,145,801.08
Gain on sale of properties foreclosed	-	827,707.03	-	827,707.03
Bad debt recovered	-	10,033.93	-	10,033.93
Written-down debt recovered	14,974,175.60	1,871,685.35	14,974,175.60	1,871,685.35
Other income	6,111,040.12	2,539,659.28	6,111,040.12	2,539,659.28
Total non-interest income	<u>174,147,147.24</u>	<u>133,829,583.15</u>	<u>175,435,596.25</u>	<u>133,023,699.72</u>
Non-interest expenses				
Personnel expenses	130,317,110.77	119,642,253.10	130,317,110.77	119,642,253.10
Premises and equipment expenses	25,485,929.73	25,147,937.72	25,485,929.73	25,147,937.72
Taxes and duties	45.00	(38,724.00)	45.00	(38,724.00)
Fees and service expenses	3,700,955.22	6,810,004.39	3,700,955.22	6,810,004.39
Expenses on export credit insurance	16,988,692.03	38,666,426.64	16,988,692.03	38,666,426.64
Expenses on investment insurance	2,050,520.86	22,562.63	2,050,520.86	22,562.63
Directors' remuneration	633,852.67	857,005.48	633,852.67	857,005.48
Loss on impairment of properties foreclosed	-	7,505,556.30	-	7,505,556.30
Other expenses	24,358,068.32	18,739,431.54	24,358,068.32	18,739,431.54
Total non-interest expenses	<u>203,535,174.60</u>	<u>217,352,453.80</u>	<u>203,535,174.60</u>	<u>217,352,453.80</u>
Net income	<u><u>33,341,417.65</u></u>	<u><u>29,547,650.86</u></u>	<u><u>34,629,866.66</u></u>	<u><u>28,741,767.43</u></u>

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF INCOME  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest and dividend income				
Loans	1,076,617,451.22	1,064,796,603.92	1,076,617,451.22	1,064,796,603.92
Interbank and money market items	31,751,602.64	53,907,186.05	31,751,602.64	53,907,186.05
Investments	68,276,298.64	66,727,751.09	68,276,298.64	66,727,751.09
Total interest and dividend income	<u>1,176,645,352.50</u>	<u>1,185,431,541.06</u>	<u>1,176,645,352.50</u>	<u>1,185,431,541.06</u>
Interest expenses				
Deposits	51,107,826.80	22,435,115.56	51,107,826.80	22,435,115.56
Interbank and money market items	87,337,952.04	152,265,274.23	87,337,952.04	152,265,274.23
Short-term borrowings	143,657,061.46	126,442,842.20	143,657,061.46	126,442,842.20
Long-term borrowings	151,253,695.69	391,405,269.59	151,253,695.69	391,405,269.59
Total interest expenses	<u>433,356,535.99</u>	<u>692,548,501.58</u>	<u>433,356,535.99</u>	<u>692,548,501.58</u>
Net income from interest and dividend	<u>743,288,816.51</u>	<u>492,883,039.48</u>	<u>743,288,816.51</u>	<u>492,883,039.48</u>
Bad debt and doubtful accounts	596,143,625.55	378,040,207.16	596,143,625.55	378,040,207.16
Loss on debt restructuring	54,096,783.28	(47,251,996.09)	54,096,783.28	(47,251,996.09)
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	<u>93,048,407.68</u>	<u>162,094,828.41</u>	<u>93,048,407.68</u>	<u>162,094,828.41</u>
Non-interest income				
Gain on investments	7,092,494.41	38,600,783.08	7,092,494.41	38,600,783.08
Share of gain (loss) from investments on equity method	3,121,302.20	(614,969.99)	-	-
Fees and service income	151,447,439.86	83,258,771.41	151,447,439.86	83,258,771.41
Export credit insurance income	117,077,131.33	81,720,847.36	117,077,131.33	81,720,847.36
Investment insurance income	8,162,315.13	45,125.26	8,162,315.13	45,125.26
Gain on exchanges	60,083,656.53	42,287,958.84	60,083,656.53	42,287,958.84
Gain on sale of properties foreclosed	2,224,762.49	987,175.03	2,224,762.49	987,175.03
Bad debt recovered	1,577.99	34,834.93	1,577.99	34,834.93
Written-down debt recovered	92,705,461.27	6,554,962.32	92,705,461.27	6,554,962.32
Other income	13,291,693.18	123,017,819.90	13,291,693.18	123,017,819.90
Total non-interest income	<u>455,207,834.39</u>	<u>375,893,308.14</u>	<u>452,086,532.19</u>	<u>376,508,278.13</u>
Non-interest expenses				
Personnel expenses	262,186,548.46	236,488,769.64	262,186,548.46	236,488,769.64
Premises and equipment expenses	49,892,949.87	48,273,374.50	49,892,949.87	48,273,374.50
Taxes and duties	2,547.00	(38,679.00)	2,547.00	(38,679.00)
Fees and service expenses	26,374,939.00	10,271,116.45	26,374,939.00	10,271,116.45
Expenses on export credit insurance	(58,241,255.56)	64,842,788.60	(58,241,255.56)	64,842,788.60
Expenses on investment insurance	4,081,157.57	22,562.63	4,081,157.57	22,562.63
Directors' remuneration	1,677,765.82	1,721,946.72	1,677,765.82	1,721,946.72
Loss on impairment of properties foreclosed	36,636,609.00	36,858,820.30	36,636,609.00	36,858,820.30
Other expenses	76,913,356.58	36,518,086.69	76,913,356.58	36,518,086.69
Total non-interest expenses	<u>399,524,617.74</u>	<u>434,958,786.53</u>	<u>399,524,617.74</u>	<u>434,958,786.53</u>
Net income	<u>148,731,624.33</u>	<u>103,029,350.02</u>	<u>145,610,322.13</u>	<u>103,644,320.01</u>

Notes to the financial statements are an integral part of these financial statements.



EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN CAPITAL  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED TO INVESTMENT

	Unit : Baht					
Notes	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
Beginning balance as at January 1, 2009	7,800,000,000.00	209,020,798.25	102,515,312.11	2,478,353,886.85	(759,458,176.23)	9,830,431,820.98
Hedging reserve	-	(192,657,384.54)	-	-	-	(192,657,384.54)
Revaluation deficit on investments	-	-	(94,623,597.08)	-	-	(94,623,597.08)
Unrecognized items in income statements	-	(192,657,384.54)	(94,623,597.08)	-	-	(287,280,981.62)
Legal reserve	-	-	-	100,700,000.00	(100,700,000.00)	-
Net income	-	-	-	-	103,029,350.02	103,029,350.02
Ending balance as at June 30, 2009	<u>7,800,000,000.00</u>	<u>16,363,413.71</u>	<u>7,891,715.03</u>	<u>2,579,053,886.85</u>	<u>(757,128,826.21)</u>	<u>9,646,180,189.38</u>
Beginning balance as at January 1, 2010	12,800,000,000.00	103,498,944.54	(67,601,167.94)	2,579,053,886.85	(513,731,733.18)	14,901,219,930.27
Hedging reserve	-	177,857,659.37	-	-	-	177,857,659.37
Revaluation surplus on investments	-	-	62,500,699.43	-	-	62,500,699.43
Unrecognized items in income statements	-	177,857,659.37	62,500,699.43	-	-	240,358,358.80
Legal reserve	-	-	-	173,100,000.00	(173,100,000.00)	-
Remittance to the Ministry of Finance	4.13	-	-	-	(70,430,000.00)	(70,430,000.00)
Net income	-	-	-	-	148,731,624.33	148,731,624.33
Ending balance as at June 30, 2010	<u>12,800,000,000.00</u>	<u>281,356,603.91</u>	<u>(5,100,468.51)</u>	<u>2,752,153,886.85</u>	<u>(608,530,108.85)</u>	<u>15,219,879,913.40</u>

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN CAPITAL  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

THE BANK'S FINANCIAL STATEMENTS

						Unit : Baht
Notes	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
Beginning balance as at January 1, 2009	7,800,000,000.00	209,020,798.25	102,515,312.11	2,478,353,886.85	(759,088,325.82)	9,830,801,671.39
Hedging reserve	-	(192,657,384.54)	-	-	-	(192,657,384.54)
Revaluation deficit on investments	-	-	(94,623,597.08)	-	-	(94,623,597.08)
Unrecognized items in income statements	-	(192,657,384.54)	(94,623,597.08)	-	-	(281,938,368.66)
Legal reserve	-	-	-	100,700,000.00	(100,700,000.00)	-
Net income	-	-	-	-	103,644,320.01	103,644,320.01
Ending balance as at June 30, 2009	7,800,000,000.00	16,363,413.71	7,891,715.03	2,579,053,886.85	(756,144,005.81)	9,647,165,009.78
Beginning balance as at January 1, 2010	12,800,000,000.00	103,498,944.54	(67,601,167.94)	2,579,053,886.85	(513,640,265.02)	14,901,311,398.43
Hedging reserve	-	177,857,659.37	-	-	-	177,857,659.37
Revaluation surplus on investments	-	-	62,500,699.43	-	-	62,500,699.43
Unrecognized items in income statements	-	177,857,659.37	62,500,699.43	-	-	240,358,358.80
Legal reserve	-	-	-	173,100,000.00	(173,100,000.00)	-
Remittance to the Ministry of Finance	4.13	-	-	-	(70,430,000.00)	(70,430,000.00)
Net income	-	-	-	-	145,610,322.13	145,610,322.13
Ending balance as at June 30, 2010	12,800,000,000.00	281,356,603.91	(5,100,468.51)	2,752,153,886.85	(611,559,942.89)	15,216,850,079.36

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>				
Net income	148,731,624.33	103,029,350.02	145,610,322.13	103,644,320.01
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	35,355,214.35	37,039,068.22	35,355,214.35	37,039,068.22
Bad debt and doubtful accounts	566,379,399.56	381,295,937.25	566,379,399.56	381,295,937.25
Loss on debt restructuring (reversal)	54,096,783.28	(47,251,996.09)	54,096,783.28	(47,251,996.09)
Written-down debt recovered (reversal)	(62,033,066.48)	-	(62,033,066.48)	-
(Gain) on disposal of assets	(2,616,420.48)	(1,255,846.80)	(2,616,420.48)	(1,255,846.80)
(Gain) on sale of properties foreclosed	(2,224,762.49)	(987,175.03)	(2,224,762.49)	(987,175.03)
Loss on impairment of properties foreclosed	36,636,609.00	36,858,820.30	36,636,609.00	36,858,820.30
(Gain) Loss on exchanges	(194,148,474.63)	247,886,541.57	(194,148,474.63)	247,886,541.57
Derivative revaluation	(279,446,633.42)	52,798,209.46	(279,446,633.42)	52,798,209.46
(Gain) on sale of investments in securities	(8,136,476.23)	(40,273,406.28)	(8,136,476.23)	(40,273,406.28)
Loss on impairment of investments in securities	1,043,981.82	1,672,623.20	1,043,981.82	1,672,623.20
Share of (income) loss from investments on equity method	(3,121,302.20)	614,969.99	-	-
Amortization of premium on debt instruments	(5,516,241.56)	(356,220,930.82)	(5,516,241.56)	(356,220,930.82)
Provision for contingent liabilities	29,640,522.40	(3,550,355.38)	29,640,522.40	(3,550,355.38)
Loss on claims and provision for insurance service	(69,673,045.84)	34,584,093.40	(69,673,045.84)	34,584,093.40
Decrease in accrued income	3,883,844.63	47,881.79	3,883,844.63	47,881.79
(Increase) decrease in prepaid expenses	(512,685.49)	326,516.20	(512,685.49)	326,516.20
(Decrease) in other accrued expenses	(4,437,645.12)	(1,160,495.82)	(4,437,645.12)	(1,160,495.82)
	243,901,225.43	445,453,805.18	243,901,225.43	445,453,805.18
Net income from interest and dividend	(743,288,816.51)	(492,883,039.48)	(743,288,816.51)	(492,883,039.48)
Proceeds from interest and dividend	1,238,372,612.07	1,305,159,938.58	1,238,372,612.07	1,305,159,938.58
Interest paid	(465,178,642.85)	(865,966,447.83)	(465,178,642.85)	(865,966,447.83)
Income from operations before changes in operating assets and liabilities	273,806,378.14	391,764,256.45	273,806,378.14	391,764,256.45
(Increase) decrease in operating assets				
Interbank and money market items	1,141,495,548.34	(2,713,002,164.36)	1,141,495,548.34	(2,713,002,164.36)
Loans	(1,940,963,594.62)	2,938,575,965.55	(1,940,963,594.62)	2,938,575,965.55
Properties foreclosed	14,944,908.89	4,764,468.00	14,944,908.89	4,764,468.00
Other assets	(17,452,191.41)	(30,814,785.37)	(17,452,191.41)	(30,814,785.37)

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>				
Increase (decrease) in operating liabilities				
Deposits	2,126,570,012.35	3,317,115,799.62	2,126,570,012.35	3,317,115,799.62
Interbank and money market items	(1,492,232,862.42)	(797,309,745.99)	(1,492,232,862.42)	(797,309,745.99)
Liability payable on demand	8,957,082.19	1,239,902.08	8,957,082.19	1,239,902.08
Short-term borrowings	5,000,000.00	363,765,121.73	5,000,000.00	363,765,121.73
Other liabilities	13,808,087.12	4,477,901.14	13,808,087.12	4,477,901.14
Net cash provided by operating activities	<u>133,933,368.58</u>	<u>3,480,576,718.85</u>	<u>133,933,368.58</u>	<u>3,480,576,718.85</u>
<b>Cash flows from investing activities</b>				
(Increase) in investments in securities	(3,461,133,386.89)	(5,794,966,756.53)	(3,461,133,386.89)	(5,794,966,756.53)
Proceeds from sale of investments before due date	6,496,474,680.30	5,279,721,163.00	6,496,474,680.30	5,279,721,163.00
Purchase of premises and equipment	(37,123,096.57)	(15,308,398.12)	(37,123,096.57)	(15,308,398.12)
Proceeds from sale of premises and equipment	2,643,715.00	1,834,398.50	2,643,715.00	1,834,398.50
Net cash provided by (used in) investing activities	<u>3,000,861,911.84</u>	<u>(528,719,593.15)</u>	<u>3,000,861,911.84</u>	<u>(528,719,593.15)</u>
<b>Cash flows from financing activities</b>				
(Decrease) in long-term borrowings	(3,062,362,079.30)	(2,964,578,000.00)	(3,062,362,079.30)	(2,964,578,000.00)
Remittance to the Ministry of Finance	(70,430,000.00)	-	(70,430,000.00)	-
Net cash (used in) financing activities	<u>(3,132,792,079.30)</u>	<u>(2,964,578,000.00)</u>	<u>(3,132,792,079.30)</u>	<u>(2,964,578,000.00)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,003,201.12	(12,720,874.30)	2,003,201.12	(12,720,874.30)
<b>Cash and cash equivalents at the beginning of the period</b>	193,786.23	12,959,385.04	193,786.23	12,959,385.04
<b>Cash and cash equivalents at the end of the period</b>	<u><u>2,196,987.35</u></u>	<u><u>238,510.74</u></u>	<u><u>2,196,987.35</u></u>	<u><u>238,510.74</u></u>

Notes to the financial statements are an integral part of these financial statements.

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND THE SIX-MONTH PERIOD ENDED JUNE 30, 2010  
(UNAUDITED/REVIEWED)  
AND FOR THE YEAR ENDED DECEMBER 31, 2009 (AUDITED)

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**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD AND THE SIX-MONTH PERIOD ENDED JUNE 30, 2010**  
**(UNAUDITED/REVIEWED)**  
**AND FOR THE YEAR ENDED DECEMBER 31, 2009 (AUDITED)**

**1. GENERAL INFORMATION**

Export-Import Bank of Thailand (or "the Bank") was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which 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;
- 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 been granted credit lines from the Bank.

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

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The interim financial statements are prepared in accordance with minimum requirements of Accounting Standard No. 34 (Revised 2007) : Interim Financial Reporting (formerly TAS 41), 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, 2009 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 No. SOR NOR SOR 70/2551 dated August 3, 2008, issued by the Bank of Thailand, prescribing the Preparation and Announcement of the Financial Statements of Commercial Banks and Holding Company as the Parent Company of the Business in the Financial Group.

## 2.1 New or Revised Accounting Standards and Financial Reporting Standards

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No.17/2553 dated April 9, 2010 regarding the accounting standards and financial reporting standard as follows:

- (1) The accounting standards and financial reporting standard to be effective in 2011
  - Accounting Framework (Revised 2009)
  - TAS 1 (Revised 2009) regarding Presentation of Financial Statements
  - TAS 7 (Revised 2009) regarding Statement of Cash Flows
  - TAS 8 (Revised 2009) regarding Accounting Policies, Changes in Accounting, Estimates and Errors
  - TAS 10 (Revised 2009) regarding Events after the Reporting Period
  - TAS 17 (Revised 2009) regarding Leases
  - TAS 23 (Revised 2009) regarding Borrowing Costs
  - TAS 24 (Revised 2009) regarding Related Party Disclosures
  - TAS 27 (Revised 2009) regarding Consolidated and Separate Financial Statements
  - TAS 28 (Revised 2009) regarding Investments in Associates
  - TAS 29 (Revised 2009) regarding Financial Reporting in Hyperinflationary Economics
  - TAS 34 (Revised 2009) regarding Interim Financial Reporting
  - TAS 36 (Revised 2009) regarding Impairment of Assets
  - TAS 37 (Revised 2009) regarding Provisions, Contingent Liabilities and Contingent Assets
  - TAS 38 (Revised 2009) regarding Intangible Assets
  - TFRS 5 (Revised 2009) regarding Non-current Assets Held for Sale and Discontinued Operations
- (2) The accounting standard to be effective in 2013
  - TAS 20 (Revised 2009) regarding Accounting for Government Grants and Disclosure of Government Assistance

The Bank has considered the impact of the above accounting standards and determined that they will have no material impact on the Bank's financial statements in the period of initial application.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Bank's interim financial statements adopted uniform accounting policies and computation similar to those used for the year ended December 31, 2009 except for the provisioning rules for export credit insurance services and investment insurance services as follows:

**For the six-month financial statements ending June 30, 2010**

#### **Contingent Liabilities from Export Credit Insurance Services**

The services related to export credit insurance are reported under the contingent liabilities caption of the balance sheet as export bills insured. Any payment of insurance claims is recorded as insurance claim receivables and will subsequently be recovered from foreign debtors.

Provisioning rules for export credit insurance for the Bank are as follows:

- (1) Allowance for doubtful accounts on the compensated claims

The Bank would make provisions for the compensated claims equal to the difference between the net book value of receivables after deduction of reinsurance amount and the net present value of expected cash flow from the debtors after deduction of cash flow payable to reinsurer.

- (2) Allowance for doubtful accounts on the pending claims payable

The Bank would make provisions for the pending insurance claims payable at the rate of 50% of the exposures after deduction of reinsurance amount.

- (3) Provisions for the future claims against the export credit insurance policies

The Bank would make provisions for future claims against the export credit insurance policies at the rate of 1% of the net amount of export bills insured outstanding not yet claimed after deduction of reinsurance amount.

In case of any losses under the export credit insurance services which may affect the Bank's operations and or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of 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).

#### **Contingent Liabilities from Investment Insurance Services**

Overseas investment insurance services are reported under the contingent liabilities caption of the balance sheet as other contingencies. Any payment of insurance claims is recorded as insurance claim receivables and will subsequently be recovered from the government of the host countries or related parties.



Provisioning rules for investment insurance for the Bank are as follows:

- (1) Allowance for doubtful accounts on the compensated claims

The Bank would make provisions for the compensated claims equal to the difference between the net book value of receivables after deduction of reinsurance amount and the net present value of expected cash flow from the debtors after deduction of cash flow payable to reinsurer.

- (2) Allowance for doubtful accounts on pending claims payable

The Bank would make provisions for the pending insurance claims payable at the rate of 50% of the exposures after deduction of reinsurance amount.

- (3) Provisions for future claims against the investment insurance policies

The Bank would make provisions for future claims against investment insurance policies at the rate of 50% of the annual premium received until the provisions are equal to 10% of the total amount of contingent liabilities of investment insurance.

In case of any losses under the investment insurance services which may affect the Bank's operations and or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of 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).

The provisioning rules for export credit insurance services and investment insurance services in 2010 were different from the rules adopted in 2009 as follows:

- (1) Clarified texts describing the base amount for making provision whether it is net claim receivables or net amount of contingent liabilities after deduction of reinsurance amount.

- (2) Increased the provision rate for pending insurance claims payable to be 50% of the exposures after deduction of reinsurance amount. In 2009, the provision for pending insurance claims payable was 2% and there was no provisioning rule for pending investment insurance claims payable.

- (3) Reduced the provision rate for future claims from 2% to 1%.

(TRANSLATION)

4. ADDITIONAL INFORMATION

4.1 Interbank and Money Market Items (Assets)

As at June 30, 2010 and December 31, 2009, the interbank and money market items (assets) included loans which were not required to be classified amounted Baht 2,880.50 million and Baht 3,846.53 million, respectively.

4.2 Investments

4.2.1 Current Investments

		Unit : Million Baht			
		<u>June 30, 2010</u>		<u>December 31, 2009</u>	
		<u>Cost/ Amortized Cost</u>	<u>Fair Value</u>	<u>Cost/ Amortized Cost</u>	<u>Fair Value</u>
(1) Available-for-sale investments					
	Government and state enterprise securities	2,441.65	2,446.30	250.00	259.33
	Private enterprise debt instruments	<u>24.51</u>	<u>24.55</u>	<u>24.64</u>	<u>25.05</u>
	Total	2,466.16	2,470.85	274.64	284.38
<u>Add</u>	Allowance for revaluation	<u>4.69</u>	<u>-</u>	<u>9.74</u>	<u>-</u>
	Total	<u>2,470.85</u>	<u>2,470.85</u>	<u>284.38</u>	<u>284.38</u>
(2) Held-to-maturity debt instruments					
	Foreign debt instruments	162.27		333.84	
<u>Add</u>	Allowance for revaluation	<u>-</u>		<u>-</u>	
	Total	<u>162.27</u>		<u>333.84</u>	
	Total current investments-net	<u>2,633.12</u>		<u>618.22</u>	

(TRANSLATION)

4.2.2 Long-term Investments

Unit : Million Baht

	<u>June 30, 2010</u>		<u>December 31, 2009</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	-	-	5,082.55	5,015.13
Private enterprise debt instruments	-	-	100.00	99.94
Domestic marketable equity securities - listed securities	<u>26.07</u>	<u>17.12</u>	<u>26.07</u>	<u>17.27</u>
Total	26.07	17.12	5,208.62	5,132.34
(Less) Allowance for revaluation	<u>(8.95)</u>	<u>-</u>	<u>(76.28)</u>	<u>-</u>
Total	<u>17.12</u>	<u>17.12</u>	<u>5,132.34</u>	<u>5,132.34</u>
(2) Held-to-maturity debt instruments				
Private enterprise debt instruments	70.00		70.00	
Foreign debt instruments	<u>698.87</u>		<u>587.53</u>	
Total	768.87		657.53	
(Less) Allowance for revaluation	<u>(0.84)</u>		<u>(1.06)</u>	
Total	<u>768.03</u>		<u>656.47</u>	
(3) General investments				
Mutual Fund	80.11		68.11	
Others	<u>0.41</u>		<u>0.50</u>	
Total	80.52		68.61	
(Less) Allowance for impairment	<u>(3.77)</u>		<u>(2.73)</u>	
Total	<u>76.75</u>		<u>65.88</u>	
Total long-term investments-net	<u>861.90</u>		<u>5,854.69</u>	

(TRANSLATION)

General investments amounted Baht 80.11 million, was 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, 2010 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 December 31, 2009 the Bank had 5,000 investment units, which based on the par value of 1,000 Baht per unit, represented Baht 5 million of investments. For the six-month period ended June 30, 2010 the Bank purchased 31,951.10 investment units at 375.57 Baht per unit, represented Baht 12 million of investments, thereby bringing the total investment to Baht 17 million.

#### 4.2.3 Time to Maturity of Debt Instruments

Unit : Million Baht

	<u>June 30, 2010</u>			Total	<u>December 31, 2009</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	2,441.65	-	-	2,441.65	250.00	4,476.66	605.89	5,332.55
Private enterprise debt								
instruments	<u>24.51</u>	<u>-</u>	<u>-</u>	<u>24.51</u>	<u>24.64</u>	<u>100.00</u>	<u>-</u>	<u>124.64</u>
Total	2,466.16	-	-	2,466.16	274.64	4,576.66	605.89	5,457.19
<u>Add (Less)</u> Allowance for revaluation	<u>4.69</u>	<u>-</u>	<u>-</u>	<u>4.69</u>	<u>9.74</u>	<u>(64.74)</u>	<u>(2.74)</u>	<u>(57.74)</u>
Total	<u>2,470.85</u>	<u>-</u>	<u>-</u>	<u>2,470.85</u>	<u>284.38</u>	<u>4,511.92</u>	<u>603.15</u>	<u>5,399.45</u>
Held-to-maturity debt instruments								
Private enterprise debt								
instruments	-	70.00	-	70.00	-	70.00	-	70.00
Foreign debt instruments	<u>162.27</u>	<u>551.70</u>	<u>147.17</u>	<u>861.14</u>	<u>333.84</u>	<u>396.04</u>	<u>191.49</u>	<u>921.37</u>
Total	162.27	621.70	147.17	931.14	333.84	466.04	191.49	991.37
<u>(Less)</u> Allowance for revaluation	<u>-</u>	<u>(0.84)</u>	<u>-</u>	<u>(0.84)</u>	<u>-</u>	<u>(1.06)</u>	<u>-</u>	<u>(1.06)</u>
Total	<u>162.27</u>	<u>620.86</u>	<u>147.17</u>	<u>930.30</u>	<u>333.84</u>	<u>464.98</u>	<u>191.49</u>	<u>990.31</u>
Total debt instruments	<u>2,633.12</u>	<u>620.86</u>	<u>147.17</u>	<u>3,401.15</u>	<u>618.22</u>	<u>4,976.90</u>	<u>794.64</u>	<u>6,389.76</u>

(TRANSLATION)

#### 4.2.4 Revaluation Surplus (Deficit) on Investments

	Unit : Million Baht	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Revaluation surplus (deficit) on investments		
Debt instruments	3.85	(58.80)
Equity securities	<u>(8.95)</u>	<u>(8.80)</u>
Total	<u>(5.10)</u>	<u>(67.60)</u>

#### 4.2.5 Investment in Associated Company

On June 5, 2008, the Bank invested in the ordinary shares of Thai EXIM International Company Limited in the amount of Baht 4.29 million or 49% of the initial paid up capital which is Baht 8.75 million. The company, incorporated on May 27, 2008, with registered share capital of Baht 35 million, is located at EXIM Building 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok. The company's main objectives are to provide advisory services relating to import and export businesses, claims administration and investments.

As at June 30, 2010 and December 31, 2009, the Bank had investment in associated company as follows:

<u>Name of Company</u>	<u>Type of Share</u>	<u>Percentage of Shareholding</u>	Unit : Million Baht			
			<u>June 30, 2010</u>		<u>December 31, 2009</u>	
			<u>Investment</u>		<u>Investment</u>	
			<u>Equity Method</u>	<u>Cost Method</u>	<u>Equity Method</u>	<u>Cost Method</u>
Thai Exim International Co.,Ltd.	Ordinary	49	7.32	4.29	4.20	4.29

The Bank's financial statements in which the equity method is applied to investment for the three-month period and the six-month period ended June 30, 2010 were consolidated with Thai Exim International Company's unreviewed financial statements.

#### 4.3 Loans and Accrued Interest Receivables

##### 4.3.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Overdrafts	296.82	333.12
Domestic loans - customers	35,474.40	36,202.16
- export bills negotiation	942.98	797.65
- staff loans	241.33	227.32
Foreign loans - foreign government agencies	5,326.61	5,671.02
- foreign investors	<u>11,719.81</u>	<u>9,959.32</u>
Total	54,001.95	53,190.59
<u>Add</u> Accrued interest receivables	<u>437.47</u>	<u>387.79</u>
Total loans and accrued interest receivables	54,439.42	53,578.38
<u>(Less)</u> Allowance for doubtful accounts	(1,978.52)	(2,507.19)
Revaluation allowance for debt restructuring	<u>(441.09)</u>	<u>(398.24)</u>
Total	<u>52,019.81</u>	<u>50,672.95</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.

Under 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 was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542). As at June 30, 2010, the outstanding of such loan totalled Baht 3,664.28 million. The Asset Examination Committee (AEC) completed its investigation on the government's policy on the said loan and filed a lawsuit with the Supreme Court's Criminal Division for Person Holding Political Positions. The Supreme Court accepted the lawsuit on July 30, 2008 and ordered the case to be temporarily dismissed on September 16, 2008.

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

	Unit : Million Baht	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Within 1 year	26,375.74	26,863.64
Over 1 year	<u>27,626.21</u>	<u>26,326.95</u>
Total	<u>54,001.95</u>	<u>53,190.59</u>

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

	Unit : Million Baht					
	<u>June 30, 2010</u>			<u>December 31, 2009</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	32,893.10	7,672.37	40,565.47	34,046.91	7,544.99	41,591.90
US Dollars	4,001.58	9,374.05	13,375.63	3,428.42	8,085.35	11,513.77
Other currencies	<u>60.85</u>	<u>-</u>	<u>60.85</u>	<u>84.92</u>	<u>-</u>	<u>84.92</u>
Total	<u>36,955.53</u>	<u>17,046.42</u>	<u>54,001.95</u>	<u>37,560.25</u>	<u>15,630.34</u>	<u>53,190.59</u>

(TRANSLATION)

4.3.4 Classified by Loan Classification

Unit : Million Baht

<u>June 30, 2010</u>				
	<u>Loans and Accrued Interest Receivables</u>	<u>Outstanding Debt after Deduction of Collateral Value</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
Pass	41,916.60	41,916.60	1	419.17
Special mention	1,065.80	1,065.80	2	21.32
Sub-standard	358.16	291.51	100	291.51
Doubtful	859.02	502.68	100	502.68
Doubtful of loss	<u>2,540.30</u>	<u>134.42</u>	100	<u>134.42</u>
Total	46,739.88	43,911.01		1,369.10
Allowance for doubtful accounts based on restructured debt quality	<u>1,956.30</u>	<u>1,713.45</u>	1,20,50	<u>164.42</u>
Total	<u>48,696.18</u>	<u>45,624.46</u>		1,533.52
Excess allowance for doubtful accounts over provision required				<u>445.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at June 30, 2010 (Note 4.4)				<u>1,978.52</u>

<u>December 31, 2009</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	39,398.47	39,398.47	1	393.98
Special mention	1,815.73	1,815.73	2	36.32
Sub-standard	703.25	378.56	100	378.56
Doubtful	562.09	251.41	100	251.41
Doubtful of loss	<u>3,104.40</u>	<u>850.36</u>	100	<u>850.36</u>
Total	45,583.94	42,694.53		1,910.63
Allowance for doubtful accounts based on restructured debt quality	<u>1,945.10</u>	<u>1,702.45</u>	1,20,50	<u>186.56</u>
Total	<u>47,529.04</u>	<u>44,396.98</u>		2,097.19
Excess allowance for doubtful accounts over provision required				<u>410.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2009 (Note 4.4)				<u>2,507.19</u>

As at June 30, 2010 and December 31, 2009, the outstanding classified loans and loans which were not required to be classified (Unclassified loans) were as follows:

Unit : Million Baht

	<u>June 30, 2010</u>		<u>December 31, 2009</u>	
	<u>Loans and Accrued Interest Receivables</u>	<u>As % of Loans and Accrued Interest Receivables</u>	<u>Loans and Accrued Interest Receivables</u>	<u>As % of Loans and Accrued Interest Receivables</u>
Classified loans	48,696.18	89.45	47,529.04	88.71
Unclassified loans	<u>5,743.24</u>	10.55	<u>6,049.34</u>	11.29
Total	<u>54,439.42</u>		<u>53,578.38</u>	

Loans which are not required to be classified are loans extended to commercial banks, financial institutions or individual persons or corporate entities which are loans extended 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.

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 and 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, 2010</u>		<u>December 31, 2009</u>	
	<u>Loans and Accrued Interest Receivables</u>	<u>As % of Loans and Accrued Interest Receivables</u>	<u>Loans and Accrued Interest Receivables</u>	<u>As % of Loans and Accrued Interest Receivables</u>
Non-performing loans	3,757.48	6.90	4,369.74	8.16

For the six-month period ended June 30, 2010 and the year ended December 31, 2009, the Bank wrote down debt accounts in the amount of Baht 1,089.97 million and Baht 1,137.50 million, respectively. As at June 30, 2010 and December 31, 2009, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 3,107.37 million and Baht 2,084.12 million, respectively. For the six-month periods ended June 30, 2010 and 2009, the Bank recovered written-down debt in the amount of Baht 92.71 million and Baht 6.55 million, respectively.

For the six-month periods ended June 30, 2010 and 2009, the Bank approved the write-off of bad debts in the amount of Baht 15.10 million and Baht 15.64 million, respectively.

#### 4.3.5 Troubled Debt Restructuring

For the six-month period ended June 30, 2010 and the year ended December 31, 2009, 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:





(TRANSLATION)

For the six-month periods ended June 30, 2010 and 2009, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivables were as follows:

	Unit : Million Baht			
	<u>June 30, 2010</u>		<u>June 30, 2009</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	2	37.95	27	1,105.95
Loans and accrued interest receivables	925	54,439.42	839	46,517.69

The Bank recognized interest incomes from debt restructuring as follows:

	Unit : Million Baht			
	<u>For The Three-Month Periods</u>		<u>For The Six-Month Periods</u>	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest income from debt restructuring	30.77	30.47	83.56	55.68

As at June 30, 2010 and December 31, 2009, the Bank had commitments to extend additional loans to these borrowers for the amount of Baht 171.08 million and Baht 300.92 million, respectively.

#### 4.4 Allowance for Doubtful Accounts

	Unit : Million Baht							
	<u>June 30, 2010</u>							
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Restructured Debt</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	393.98	36.32	378.56	251.41	850.36	186.56	410.00	2,507.19
Doubtful accounts	25.19	(15.00)	(87.05)	251.27	374.03	(22.14)	35.00	561.30
Debts written down	-	-	-	-	(1,089.97)	-	-	(1,089.97)
Ending balance	<u>419.17</u>	<u>21.32</u>	<u>291.51</u>	<u>502.68</u>	<u>134.42</u>	<u>164.42</u>	<u>445.00</u>	<u>1,978.52</u>

  

	<u>December 31, 2009</u>							
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Restructured Debt</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	379.19	18.28	1,003.81	860.44	372.48	43.78	200.00	2,877.98
Doubtful accounts	14.79	18.04	(625.25)	(609.03)	1,615.38	142.78	210.00	766.71
Debts written down	-	-	-	-	(1,137.50)	-	-	(1,137.50)
Ending balance	<u>393.98</u>	<u>36.32</u>	<u>378.56</u>	<u>251.41</u>	<u>850.36</u>	<u>186.56</u>	<u>410.00</u>	<u>2,507.19</u>

As at June 30, 2010 and December 31, 2009, the Bank's allowance for doubtful accounts on loans accounted for Baht 1,978.52 million and Baht 2,507.19 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 (Note 4.3.4) because the Bank considered the allowance on a prudent banking basis.

(TRANSLATION)

#### 4.5 Revaluation Allowance for Debt Restructuring

	Unit: Million Baht	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Beginning balance	398.24	169.47
Increase	63.65	371.93
Decrease	<u>20.80</u>	<u>143.16</u>
Ending balance	<u>441.09</u>	<u>398.24</u>

#### 4.6 Borrowings

	Unit : Million Baht		
	<u>June 30, 2010</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	4,200.00	3,893.28	8,093.28
- Export-Import Bank of Thailand bills of exchange	5.00	-	5.00
- Others	<u>3,800.00</u>	<u>-</u>	<u>3,800.00</u>
Total short-term borrowings	<u>8,005.00</u>	<u>3,893.28</u>	<u>11,898.28</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	-	11,355.40	11,355.40
- Others	<u>5,552.64</u>	<u>-</u>	<u>5,552.64</u>
Total long-term borrowings	<u>5,552.64</u>	<u>11,355.40</u>	<u>16,908.04</u>
Total borrowings	<u>13,557.64</u>	<u>15,248.68</u>	<u>28,806.32</u>
	<u>December 31, 2009</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	1,000.00	5,005.31	6,005.31
- Others	<u>6,730.00</u>	<u>-</u>	<u>6,730.00</u>
Total short-term borrowings	<u>7,730.00</u>	<u>5,005.31</u>	<u>12,735.31</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	3,200.00	9,009.56	12,209.56
- Others	<u>6,562.07</u>	<u>-</u>	<u>6,562.07</u>
Total long-term borrowings	<u>9,762.07</u>	<u>9,009.56</u>	<u>18,771.63</u>
Total borrowings	<u>17,492.07</u>	<u>14,014.87</u>	<u>31,506.94</u>

(TRANSLATION)

The details of the long-term borrowings of Baht 16,908.04 million and Baht 18,771.63 million were as follows:

<u>Type</u>	<u>Tenor</u> (years)	<u>Maturity</u> (year)	<u>Interest rate</u> (% per annum)	Unit : Million Baht	
				<u>June 30, 2010</u>	<u>December 31, 2009</u>
EXIM Thailand bonds	5	2011	5.95	-	3,200.00
Debt Instruments (FRN)	5	2011-2015	LIBOR+[(0.05)-0.50]	11,355.40	9,009.56
Others	2-10	2011-2019	0.50-5.75	<u>5,552.64</u>	<u>6,562.07</u>
Total				<u>16,908.04</u>	<u>18,771.63</u>

#### 4.7 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). On July 31, 1998, December 30, 2008, and September 21, 2009, it received additional capital by Baht 4,000 million, Baht 1,300 million and Baht 5,000 million, respectively, which was provided in full by the Ministry of Finance, thereby bringing the total capital to Baht 12,800 million.

#### 4.8 Contingent Liabilities and Commitments

	Unit : Million Baht		
	<u>June 30, 2010</u>		
	<u>Baht</u>	<u>Foreign</u> <u>Currencies</u>	<u>Total</u>
Liabilities under unmatured import bills	48.47	183.64	232.11
Letters of credit	556.72	493.63	1,050.35
Export bills insured	22,396.98	192.84	22,589.82
Other contingencies			
Other guarantees	789.48	3,284.81	4,074.29
Overdraft accounts not yet drawn	690.95	-	690.95
Investment insurance	-	908.43	908.43
FX forward purchase/sales contracts	6,584.40	7,950.87	14,535.27
FX swaps	309.65	816.98	1,126.63
Cross currency and interest rate swaps	1,983.00	924.00	2,907.00
Interest rate swaps	8,900.00	381.22	9,281.22
Forward rate agreements	300.00	-	300.00
Others	<u>4,852.74</u>	<u>-</u>	<u>4,852.74</u>
Total other contingencies	<u>24,410.22</u>	<u>14,266.31</u>	<u>38,676.53</u>
Total	<u>47,412.39</u>	<u>15,136.42</u>	<u>62,548.81</u>

(TRANSLATION)

Unit : Million Baht

December 31, 2009

	<u>Baht</u>	<u>Foreign Currencies</u>	<u>Total</u>
Liabilities under unmatured import bills	25.03	154.86	179.89
Letters of credit	20.73	514.99	535.72
Export bills insured	15,822.90	264.50	16,087.40
Other contingencies			
Other guarantees	992.50	3,514.26	4,506.76
Overdraft accounts not yet drawn	630.50	-	630.50
Investment insurance	-	934.32	934.32
FX forward purchase/sales contracts	8,273.99	8,822.64	17,096.63
FX swaps	-	2,704.78	2,704.78
Cross currency and interest rate swaps	4,191.70	846.90	5,038.60
Interest rate swaps	12,540.00	-	12,540.00
Forward rate agreements	300.00	-	300.00
Others	<u>987.50</u>	<u>-</u>	<u>987.50</u>
Total other contingencies	<u>27,916.19</u>	<u>16,822.90</u>	<u>44,739.09</u>
Total	<u>43,784.85</u>	<u>17,757.25</u>	<u>61,542.10</u>

#### 4.9 Derivatives

Derivatives as at June 30, 2010 and December 31, 2009 were as follows:

Unit : Million Baht

June 30, 2010

	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	14,535.27	3.32
FX swaps	1,126.63	(3.70)
Cross currency and interest rate swaps	1,917.00	75.18
Interest rate swaps	8,921.09	289.67
Forward rate agreements	<u>300.00</u>	<u>(1.21)</u>
Total	<u>26,799.99</u>	<u>363.26</u>

(TRANSLATION)

Unit : Million Baht

December 31, 2009

	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	17,096.63	(16.43)
FX swaps	2,704.78	(9.79)
Cross currency and interest rate swaps	5,038.60	(760.35)
Interest rate swaps	12,540.00	88.25
Forward rate agreements	<u>300.00</u>	<u>(1.08)</u>
Total	<u>37,680.01</u>	<u>(699.40)</u>

#### 4.10 Expenses on Export Credit Insurance

In March 2010, the Bank made an amendment of the provisioning rules regarding the Bank's exposures covering the Bank's export credit insurance and investment insurance. This change in accounting estimate caused the required provision of export insurance as at March 31, 2010 to decline by Baht 131.57 million. The amount had been recorded as a provision reversal under the expenses on export credit insurance within the statement of income. When computed together with other expenses such as reinsurance premium paid, the expenses on export credit insurance for the six-month period ended June 30, 2010 was an expense reversal amounting Baht 58.24 million. The provision of the export credit insurance as at June 30, 2010 was Baht 162.87 million.

#### 4.11 Related Party Transactions

The Bank had some transactions occurring with related business entities, which related to the Bank as shareholder and or director. Significant transactions occurring 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, 2010 and 2009, the Bank had revenue and expense to the related business entities as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Thai Exim International Co., Ltd.		
Office rent revenue	0.02	0.01
Consulting fee expense	11.69	3.50

(TRANSLATION)

As at June 30, 2010 and December 31, 2009, the Bank had outstanding balance to the related business entities as follows:

	Unit : Million Baht	
	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Thai Exim International Co., Ltd.		
Cash advance	0.33	1.79

Relationship between the Bank and the related business entities

	<u>Country</u>	<u>Type of Relationship</u>	<u>Percentage of Shareholding</u>
Thai Exim International Co., Ltd.	Thailand	Associated company	49.00%

#### 4.12 Disclosure of Capital Adequacy Information in accordance with the Notification of the Bank of Thailand regarding the Disclosure of Capital Adequacy for Commercial Banks

Location of disclosure	<a href="http://www.exim.go.th">www.exim.go.th</a> > About Exim Thailand> Disclosure of Capital Adequacy Information> Disclosure of Capital Adequacy Information calculated according to Basel II (Pillar III)
Date of disclosure	April 30, 2010
Information as at	December 31, 2009

#### 4.13 Remittance to the Ministry of Finance

In accordance with the State Enterprise Policy Office, Bureau of State Enterprise Development 3's letter No. KOR KHOR 0811.2/2013 dated April 23, 2010 regarding the Appropriation of EXIM Bank's Net Profit for the Year 2008, which required the Bank to remit net profit for the year 2008 amounting Baht 70,430,000 or 35% of net profit to Ministry of Finance, the Bank remitted such profit in June 2010.

#### 4.14 Events after the Balance Sheet Date

In accordance with the State Enterprise Policy Office, Bureau of State Enterprise Development 3's letter No. KOR KHOR 0811.2/2998 dated July 7, 2010 regarding the Appropriation of EXIM Bank's Net Profit for the Year 2009, which required the Bank to remit net profit for the year 2009 amounting Baht 121,160,000 or 35% of net profit to Ministry of Finance, the Bank remitted such profit in August 2010.

#### 4.15 Approval of the Financial Statements

These financial statements were approved for issue by the Chairman of the Board of Directors and President on August 9, 2010.

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