

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(TRANSLATION)

(TRANSLATION)
AUDITOR'S REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General has audited 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 December 31, 2010 and 2009, and the related statements of income, in which the equity method is applied to investment and the Bank's statements of income, changes in capital and cash flows for the years then ended. It is the responsibility of the Bank's Management as to their correctness and completeness of the presentation of these financial statements. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on the audits.

The Office of the Auditor General conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. The Office of the Auditor General believes that the audits provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General, the financial statements in which the equity method is applied to investment and the Bank's financial statements referred to above present fairly, in all material respects, the financial position of the Export-Import Bank of Thailand as at December 31, 2010 and 2009, and the results of operations, the changes in capital, and the cash flows for the years then ended, in accordance with generally accepted accounting principles.

(Signed) *Jiraporn Piriyakitpaiboon*

(Ms. Jiraporn Piriyakitpaiboon)

Director of Audit Office

(Signed) *Sunan Wongmek*

(Ms. Sunan Wongmek)

Auditor-in-charge

Office of the Auditor General

February 21, 2011

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2010	2009	2010	2009
<u>Assets</u>					
Cash		2,711,229.83	193,786.23	2,711,229.83	193,786.23
Interbank and money market items	4.1				
Domestic items					
Interest bearing		4,173,702,116.78	3,611,189,117.97	4,173,702,116.78	3,611,189,117.97
Non-interest bearing		35,587,163.76	75,746,302.66	35,587,163.76	75,746,302.66
Foreign items					
Interest bearing		1,165,495,807.96	2,337,395,600.71	1,165,495,807.96	2,337,395,600.71
Non-interest bearing		290,262,093.94	304,832,203.99	290,262,093.94	304,832,203.99
Total interbank and money market items-net		5,665,047,182.44	6,329,163,225.33	5,665,047,182.44	6,329,163,225.33
Investments	3.4 4.2				
Current investments-net		4,827,753,452.80	618,217,911.20	4,827,753,452.80	618,217,911.20
Long-term investments-net		788,568,379.87	5,854,688,299.92	788,568,379.87	5,854,688,299.92
Investments in associated company-net		4,458,527.30	4,195,031.84	4,286,500.00	4,286,500.00
Total investments-net		5,620,780,359.97	6,477,101,242.96	5,620,608,332.67	6,477,192,711.12
Loans and accrued interest receivables	4.3				
Loans	3.5 3.8	56,480,893,428.10	53,190,587,074.84	56,480,893,428.10	53,190,587,074.84
Accrued interest receivables		438,450,930.54	387,795,582.19	438,450,930.54	387,795,582.19
Total loans and accrued interest receivables		56,919,344,358.64	53,578,382,657.03	56,919,344,358.64	53,578,382,657.03
Less Allowance for doubtful accounts	3.6 4.4	2,212,772,705.91	2,507,189,525.36	2,212,772,705.91	2,507,189,525.36
Less Revaluation allowance for debt restructuring	3.7 4.5	220,661,356.24	398,241,441.72	220,661,356.24	398,241,441.72
Total loans and accrued interest receivables-net		54,485,910,296.49	50,672,951,689.95	54,485,910,296.49	50,672,951,689.95
Properties foreclosed-net	3.13 4.6	1,157,288,373.27	1,215,928,294.35	1,157,288,373.27	1,215,928,294.35
Premises and equipment-net	3.12 4.7	894,951,512.63	897,040,827.63	894,951,512.63	897,040,827.63
Accrued interest receivables not related to loans		42,380,257.24	107,711,812.99	42,380,257.24	107,711,812.99
Prepaid expenses		8,295,947.35	5,296,413.61	8,295,947.35	5,296,413.61
Leasehold premises and improvements		3,215,016.75	4,575,410.08	3,215,016.75	4,575,410.08
Other assets-net	4.8	37,468,393.27	31,600,474.01	37,468,393.27	31,600,474.01
Total assets		67,918,048,569.24	65,741,563,177.14	67,917,876,541.94	65,741,654,645.30

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

EXPORT-IMPORT BANK OF THAILAND

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2010 AND 2009

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2010	2009	2010	2009
<u>Liabilities and Capital</u>					
Deposits	4.9				
Deposits in baht		7,408,001,763.60	7,698,358,035.20	7,408,001,763.60	7,698,358,035.20
Deposits in foreign currencies		435,630,470.36	390,335,373.43	435,630,470.36	390,335,373.43
Total deposits		<u>7,843,632,233.96</u>	<u>8,088,693,408.63</u>	<u>7,843,632,233.96</u>	<u>8,088,693,408.63</u>
Interbank and money market items	4.10				
Domestic items					
Interest bearing		7,545,669,561.52	9,080,647,789.29	7,545,669,561.52	9,080,647,789.29
Non-interest bearing		5,907,157.03	13,726,394.73	5,907,157.03	13,726,394.73
Foreign items					
Interest bearing		663,967,595.43	756,618,556.34	663,967,595.43	756,618,556.34
Total interbank and money market items		<u>8,215,544,313.98</u>	<u>9,850,992,740.36</u>	<u>8,215,544,313.98</u>	<u>9,850,992,740.36</u>
Liability payable on demand		62,386,979.37	21,279,996.12	62,386,979.37	21,279,996.12
Borrowings	4.11				
Short-term borrowings		9,148,300,729.86	12,735,312,500.00	9,148,300,729.86	12,735,312,500.00
Long-term borrowings		26,863,092,000.00	18,771,632,500.00	26,863,092,000.00	18,771,632,500.00
Total borrowings		<u>36,011,392,729.86</u>	<u>31,506,945,000.00</u>	<u>36,011,392,729.86</u>	<u>31,506,945,000.00</u>
Derivative revaluation	3.11 4.15	143,559,837.31	699,401,324.93	143,559,837.31	699,401,324.93
Accrued interest payables		253,769,916.97	227,338,178.32	253,769,916.97	227,338,178.32
Advance Deposits		21,733,962.28	16,677,932.72	21,733,962.28	16,677,932.72
Export credit insurance reserve	3.14	164,616,678.38	273,343,656.12	164,616,678.38	273,343,656.12
Provisions	3.17 4.14	211,369,613.49	48,568,682.77	211,369,613.49	48,568,682.77
Other liabilities	4.12	136,765,785.19	107,102,326.90	136,765,785.19	107,102,326.90
Total liabilities		<u>53,064,772,050.79</u>	<u>50,840,343,246.87</u>	<u>53,064,772,050.79</u>	<u>50,840,343,246.87</u>
Capital					
Capital	4.13	12,800,000,000.00	12,800,000,000.00	12,800,000,000.00	12,800,000,000.00
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	3.11	40,637,217.82	103,498,944.54	40,637,217.82	103,498,944.54
Revaluation surplus (deficit) on investments	3.4 4.2.4	(6,092,885.00)	(67,601,167.94)	(6,092,885.00)	(67,601,167.94)
Retained earnings					
Appropriated					
Legal reserve		2,752,153,886.85	2,579,053,886.85	2,752,153,886.85	2,579,053,886.85
Unappropriated		(733,421,701.22)	(513,731,733.18)	(733,593,728.52)	(513,640,265.02)
Total capital		<u>14,853,276,518.45</u>	<u>14,901,219,930.27</u>	<u>14,853,104,491.15</u>	<u>14,901,311,398.43</u>
Total liabilities and capital		<u>67,918,048,569.24</u>	<u>65,741,563,177.14</u>	<u>67,917,876,541.94</u>	<u>65,741,654,645.30</u>

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

EXPORT-IMPORT BANK OF THAILAND
BALANCE SHEETS (CONTINUED)
AS AT DECEMBER 31, 2010 AND 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Off-Balance Sheet Items-Contingencies</u>	3.14 4.14				
Liabilities under unmatured import bills		231,463,638.94	179,891,148.77	231,463,638.94	179,891,148.77
Letters of credit		770,037,173.16	535,714,720.65	770,037,173.16	535,714,720.65
Export bills insured		25,401,435,086.47	16,087,401,775.80	25,401,435,086.47	16,087,401,775.80
Other contingencies		49,324,037,349.03	44,739,093,840.71	49,324,037,349.03	44,739,093,840.71

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

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

(Signed) Kanit Sukonthaman
(Mr. Kanit Sukonthaman)
President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Unit : Baht

	Notes	Financial statements in which the equity method is applied to investment		The Bank's Financial statements	
		2010	2009	2010	2009
Interest and dividend income	3.2				
Loans	3.9	2,122,705,239.62	2,143,198,656.00	2,122,705,239.62	2,143,198,656.00
Interbank and money market items		64,926,505.13	92,451,183.09	64,926,505.13	92,451,183.09
Investments		121,052,682.77	170,627,339.35	121,052,682.77	170,627,339.35
Total interest and dividend income		<u>2,308,684,427.52</u>	<u>2,406,277,178.44</u>	<u>2,308,684,427.52</u>	<u>2,406,277,178.44</u>
Interest expenses	3.3				
Deposits		102,694,146.60	58,930,865.40	102,694,146.60	58,930,865.40
Interbank and money market items		172,371,001.48	284,594,239.46	172,371,001.48	284,594,239.46
Short-term borrowings		299,037,023.97	252,642,887.21	299,037,023.97	252,642,887.21
Long-term borrowings		299,857,294.89	600,405,374.75	299,857,294.89	600,405,374.75
Total interest expenses		<u>873,959,466.94</u>	<u>1,196,573,366.82</u>	<u>873,959,466.94</u>	<u>1,196,573,366.82</u>
Net income from interest and dividend		1,434,724,960.58	1,209,703,811.62	1,434,724,960.58	1,209,703,811.62
Bad debt and doubtful accounts	3.6	1,613,194,588.29	776,323,751.16	1,613,194,588.29	776,323,751.16
Loss on debt restructuring	3.7	(122,363,388.42)	262,550,807.93	(122,363,388.42)	262,550,807.93
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring		<u>(56,106,239.29)</u>	<u>170,829,252.53</u>	<u>(56,106,239.29)</u>	<u>170,829,252.53</u>
Non-interest income					
Gain on investments	4.2.5	10,870,322.23	47,098,944.77	10,870,322.23	47,098,944.77
Share of gain from investments on equity method		263,495.46	278,382.25	-	-
Fees and service income		391,962,621.39	209,677,314.17	391,962,621.39	209,677,314.17
Export credit insurance income		229,340,049.37	169,244,822.82	229,340,049.37	169,244,822.82
Investment insurance income		15,972,521.29	8,393,298.42	15,972,521.29	8,393,298.42
Gain on exchanges	3.10 3.11	133,518,970.15	122,586,795.82	133,518,970.15	122,586,795.82
Gain on sale of properties foreclosed		15,506,222.89	1,207,675.03	15,506,222.89	1,207,675.03
Bad debt recovered		4,526.99	37,934.93	4,526.99	37,934.93
Written-off debt recovered		257,603,595.01	382,003,913.42	257,603,595.01	382,003,913.42
Other income		33,834,764.00	135,290,465.06	33,834,764.00	135,290,465.06
Total non-interest income		<u>1,088,877,088.78</u>	<u>1,075,819,546.69</u>	<u>1,088,613,593.32</u>	<u>1,075,541,164.44</u>
Non-interest expenses					
Personnel expenses		528,416,050.91	480,668,448.91	528,416,050.91	480,668,448.91
Premises and equipment expenses		102,090,730.83	99,431,373.16	102,090,730.83	99,431,373.16
Taxes and duties		2,628.00	(38,595.00)	2,628.00	(38,595.00)
Fees and service expenses		46,251,193.33	29,904,770.38	46,251,193.33	29,904,770.38
Expenses on export credit insurance		29,112,667.47	155,409,258.17	29,112,667.47	155,409,258.17
Expenses on investment insurance		7,986,260.65	4,196,649.21	7,986,260.65	4,196,649.21
Directors' remuneration		4,089,679.96	3,759,716.38	4,089,679.96	3,759,716.38
Loss on impairment of properties foreclosed		36,876,609.00	36,858,820.30	36,876,609.00	36,858,820.30
Other expenses		132,944,997.38	90,031,914.66	132,944,997.38	90,031,914.66
Total non-interest expenses		<u>887,770,817.53</u>	<u>900,222,356.17</u>	<u>887,770,817.53</u>	<u>900,222,356.17</u>
Net income		<u>145,000,031.96</u>	<u>346,426,443.05</u>	<u>144,736,536.50</u>	<u>346,148,060.80</u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED TO INVESTMENT

	Notes	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht 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		-	(105,521,853.71)	-	-	-	(105,521,853.71)
Revaluation deficit on investments		-	-	(170,116,480.05)	-	-	(170,116,480.05)
Unrecognized items in income statements		-	(105,521,853.71)	(170,116,480.05)	-	-	(275,638,333.76)
Increase from the Ministry of Finance	4.13	5,000,000,000.00	-	-	-	-	5,000,000,000.00
Legal reserve		-	-	-	100,700,000.00	(100,700,000.00)	-
Net income		-	-	-	-	346,426,443.05	346,426,443.05
Ending balance as at December 31, 2009		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
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		-	(62,861,726.72)	-	-	-	(62,861,726.72)
Revaluation surplus on investments		-	-	61,508,282.94	-	-	61,508,282.94
Unrecognized items in income statements		-	(62,861,726.72)	61,508,282.94	-	-	(1,353,443.78)
Legal reserve		-	-	-	173,100,000.00	(173,100,000.00)	-
Remittance to the Ministry of Finance	4.20	-	-	-	-	(191,590,000.00)	(191,590,000.00)
Net income		-	-	-	-	145,000,031.96	145,000,031.96
Ending balance as at December 31, 2010		12,800,000,000.00	40,637,217.82	(6,092,885.00)	2,752,153,886.85	(733,421,701.22)	14,853,276,518.45

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

THE BANK'S FINANCIAL STATEMENTS

	Notes	Capital	Hedging Reserve	Revaluation Surplus (Deficit) on Investments	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht 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		-	(105,521,853.71)	-	-	-	(105,521,853.71)
Revaluation deficit on investments		-	-	(170,116,480.05)	-	-	(170,116,480.05)
Unrecognized items in income statements		-	(105,521,853.71)	(170,116,480.05)	-	-	(275,638,333.76)
Increase from the Ministry of Finance	4.13	5,000,000,000.00	-	-	-	-	5,000,000,000.00
Legal reserve		-	-	-	100,700,000.00	(100,700,000.00)	-
Net income		-	-	-	-	346,148,060.80	346,148,060.80
Ending balance as at December 31, 2009		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
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		-	(62,861,726.72)	-	-	-	(62,861,726.72)
Revaluation surplus on investments		-	-	61,508,282.94	-	-	61,508,282.94
Unrecognized items in income statements		-	(62,861,726.72)	61,508,282.94	-	-	(1,353,443.78)
Legal reserve		-	-	-	173,100,000.00	(173,100,000.00)	-
Remittance to the Ministry of Finance	4.20	-	-	-	-	(191,590,000.00)	(191,590,000.00)
Net income		-	-	-	-	144,736,536.50	144,736,536.50
Ending balance as at December 31, 2010		12,800,000,000.00	40,637,217.82	(6,092,885.00)	2,752,153,886.85	(733,593,728.52)	14,853,104,491.15

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 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>
Cash flows from operating activities				
Net income	145,000,031.96	346,426,443.05	144,736,536.50	346,148,060.80
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	71,259,517.32	74,639,126.13	71,259,517.32	74,639,126.13
Bad debt and doubtful accounts	1,447,979,175.41	785,654,432.03	1,447,979,175.41	785,654,432.03
Loss on debt restructuring (reversal)	(122,363,388.42)	262,550,807.93	(122,363,388.42)	262,550,807.93
Written-down debt recovered (reversal)	(196,913,137.41)	(350,180,539.96)	(196,913,137.41)	(350,180,539.96)
(Gain) on disposal of assets	(13,211,901.38)	(1,297,078.05)	(13,211,901.38)	(1,297,078.05)
(Gain) on sale of properties foreclosed	(15,506,222.89)	(1,207,675.03)	(15,506,222.89)	(1,207,675.03)
Loss on impairment of properties foreclosed	36,876,609.00	36,858,820.30	36,876,609.00	36,858,820.30
(Gain) Loss on exchanges	(1,139,196,408.72)	138,671,957.52	(1,139,196,408.72)	138,671,957.52
Derivative revaluation	(175,767,480.11)	109,639,228.73	(175,767,480.11)	109,639,228.73
(Gain) on sale of investments in securities	(8,136,476.23)	(49,832,790.77)	(8,136,476.23)	(49,832,790.77)
Loss on impairment of investments in securities (reversal)	(2,733,846.00)	2,733,846.00	(2,733,846.00)	2,733,846.00
Share of (income) loss from investments on equity method	(263,495.46)	(278,382.25)	-	-
Amortization of premium on debt instruments	(9,691,333.52)	(696,503,574.20)	(9,691,333.52)	(696,503,574.20)
Provisions	164,933,441.15	(10,660,799.61)	164,933,441.15	(10,660,799.61)
Loss on claims and provision for insurance service	(19,263,379.55)	101,181,680.76	(19,263,379.55)	101,181,680.76
(Increase) in accrued income	(2,687,102.87)	(7,708,840.00)	(2,687,102.87)	(7,708,840.00)
(Increase) decrease in prepaid expenses	(3,044,505.00)	623,438.35	(3,044,505.00)	623,438.35
Increase (decrease) in other accrued expenses	(4,050,818.51)	2,299,263.85	(4,050,818.51)	2,299,263.85
	<u>153,219,278.77</u>	<u>743,609,364.78</u>	<u>153,219,278.77</u>	<u>743,609,364.78</u>
Net income from interest and dividend	(1,434,724,960.58)	(1,209,703,811.62)	(1,434,724,960.58)	(1,209,703,811.62)
Proceeds from interest and dividend	2,319,726,893.21	2,412,167,270.56	2,319,726,893.21	2,412,167,270.56
Interest paid	(847,078,184.65)	(1,450,667,860.02)	(847,078,184.65)	(1,450,667,860.02)
Income from operations before changes in operating assets and liabilities	191,143,026.75	495,404,963.70	191,143,026.75	495,404,963.70
(Increase) decrease in operating assets				
Interbank and money market items	671,140,370.69	(871,932,799.33)	671,140,370.69	(871,932,799.33)
Loans	(5,338,980,177.95)	(3,810,897,360.36)	(5,338,980,177.95)	(3,810,897,360.36)
Properties foreclosed	81,629,340.83	5,164,468.00	81,629,340.83	5,164,468.00
Other assets	(60,590,412.90)	(79,207,202.05)	(60,590,412.90)	(79,207,202.05)

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 YEARS ENDED DECEMBER 31, 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>
Cash flows from operating activities				
Increase (decrease) in operating liabilities				
Deposits	(245,705,854.74)	3,789,401,870.98	(245,705,854.74)	3,789,401,870.98
Interbank and money market items	(1,631,453,315.95)	(1,861,323,353.23)	(1,631,453,315.95)	(1,861,323,353.23)
Liability payable on demand	41,106,983.25	9,143,055.86	41,106,983.25	9,143,055.86
Short-term borrowings	60,144,729.86	(2,500,000,000.00)	60,144,729.86	(2,500,000,000.00)
Other liabilities	9,314,906.87	20,956,891.12	9,314,906.87	20,956,891.12
Net cash (used in) operating activities	<u>(6,222,250,403.29)</u>	<u>(4,803,289,465.31)</u>	<u>(6,222,250,403.29)</u>	<u>(4,803,289,465.31)</u>
Cash flows from investing activities				
(Increase) in investments in securities	(5,616,943,166.02)	(9,550,307,676.33)	(5,616,943,166.02)	(9,550,307,676.33)
Proceeds from sale of investments before due date	6,496,474,680.30	7,823,618,385.60	6,496,474,680.30	7,823,618,385.60
Purchase of premises and equipment	(69,757,234.68)	(31,133,241.27)	(69,757,234.68)	(31,133,241.27)
Proceeds from sale of premises and equipment	13,350,054.00	1,882,398.50	13,350,054.00	1,882,398.50
Net cash provided by (used in) investing activities	<u>823,124,333.60</u>	<u>(1,755,940,133.50)</u>	<u>823,124,333.60</u>	<u>(1,755,940,133.50)</u>
Cash flows from financing activities				
Increase in long-term borrowings	5,593,233,513.29	1,546,464,000.00	5,593,233,513.29	1,546,464,000.00
Increase in capital	-	5,000,000,000.00	-	5,000,000,000.00
Remittance to the Ministry of Finance	(191,590,000.00)	-	(191,590,000.00)	-
Net cash provided by financing activities	<u>5,401,643,513.29</u>	<u>6,546,464,000.00</u>	<u>5,401,643,513.29</u>	<u>6,546,464,000.00</u>
Net increase (decrease) in cash and cash equivalents	2,517,443.60	(12,765,598.81)	2,517,443.60	(12,765,598.81)
Cash and cash equivalents at the beginning of the period	193,786.23	12,959,385.04	193,786.23	12,959,385.04
Cash and cash equivalents at the end of the period	<u>2,711,229.83</u>	<u>193,786.23</u>	<u>2,711,229.83</u>	<u>193,786.23</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 YEARS ENDED DECEMBER 31, 2010 AND 2009 (UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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;
- 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 FINANCIAL STATEMENTS

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, regarding 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 Framework, Accounting Standards, and Financial Reporting Standard

2.1.1 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions regarding revising the identification number of Thai Accounting Standards (TAS) in accordance with International Accounting Standards (IAS). The details of such revising are as follows:

<u>Former Number and Accounting Standard</u>	<u>Revised Number and Accounting Standard</u>
TAS 11 Doubtful Account and Bad Debts	TAS 101 Doubtful Account and Bad Debts
TAS 27 Disclosures in the Financial Statements of Banks and Similar Financial Institutions	TAS 103 Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34 Accounting for Troubled Debt Restructuring (Revised 2002)	TAS 104 Accounting for Troubled Debt Restructuring (Revised 2002)

<u>Former Number and Accounting Standard</u>	<u>Revised Number and Accounting Standard</u>
TAS 40 Accounting for Investment in Debt and Equity Securities	TAS 105 Accounting for Investment in Debt and Equity Securities
TAS 48 Financial Instruments Disclosure and Presentation	TAS 107 Financial Instruments Disclosure and Presentation

2.1.2 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions regarding the new or revised accounting Framework, accounting standards, and financial reporting standard, as follows:

	<u>Effective Date</u>
Accounting Framework (Revised 2009)	26 May 2010
<u>Accounting Standards</u>	<u>Effective Date</u>
TAS 1 Presentation of Financial Statements (Revised 2009)	1 January 2011
TAS 7 Statement of Cash Flows (Revised 2009)	1 January 2011
TAS 8 Accounting Policies, Changes in Accounting, Estimates and Errors (Revised 2009)	1 January 2011
TAS 10 Events after the Reporting Period (Revised 2009)	1 January 2011
TAS 16 Property, Plant and Equipment (Revised 2009)	1 January 2011
TAS 17 Leases (Revised 2009)	1 January 2011
TAS 18 Revenue (Revised 2009)	1 January 2011
TAS 19 Employee Benefits	1 January 2011
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Revised 2009)	1 January 2013
TAS 21 The Effects of Changes in Foreign Exchange Rate (Revised 2009)	1 January 2013
TAS 23 Borrowing Costs (Revised 2009)	1 January 2011
TAS 24 Related Party Disclosures (Revised 2009)	1 January 2011
TAS 26 Accounting and Reporting by Retirement Benefit Plans	1 January 2011
TAS 27 Consolidated and Separate Financial Statements (Revised 2009)	1 January 2011
TAS 28 Investments in Associates (Revised 2009)	1 January 2011
TAS 29 Financial Reporting in Hyperinflationary Economics	1 January 2011
TAS 34 Interim Financial Reporting (Revised 2009)	1 January 2011
TAS 36 Impairment of Assets (Revised 2009)	1 January 2011
TAS 37 Provisions, Contingent Liabilities and Contingent Assets (Revised 2009)	1 January 2011
TAS 38 Intangible Assets (Revised 2009)	1 January 2011

<u>Financial Reporting Standard</u>	<u>Effective Date</u>
TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Revised 2009)	1 January 2011

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 adoption. In 2011, the Bank has adopted Thai Accounting Standard No.19 "Employee Benefits". The cost that arising regarding employee benefits policy will be recognized as expense. In this context, the first-time adoption cost in applying such policy will be allocated for 5 years starting from 2011 by using the straight-line method.

2.2 Change in Accounting Estimates

In 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. Prior to the amendment, the Bank made provisions for such businesses under 2 categories; the first exposure being those compensation claims already disbursed and secondly, those exposure that the Bank had not made any compensation disbursement; under the second exposure category, it included 2 subcategories being firstly, the exposure that the Bank had not received any compensation claim notification, and secondly the exposure that the Bank had received a claim notification, but it had not completed the claim validation process and compensation. The new amendment required that the Bank made a provision to the exposure of those uncompensated claims at the rate of 50% as the Bank had to investigate the validity and recoverability of the claims. In addition, the Bank reduced the provision rate of the no-claim exposure from 2% to 1% as similarly as the pass loan category due to similar risk type.

The above change in accounting estimates 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 year ended December 31, 2010 was Baht 29.11 million. The provision of the export credit insurance as at December 31, 2010 was Baht 164.62 million.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and Cash Equivalentents

Cash and cash equivalentents represent cash in hand and cash items in process of collection.

3.2 Recognition of Interest Income

Interest income is recognized on a time proportion basis that reflects the effective yield, while interest income on loans overdue more than three months is recorded on a cash basis.

3.3 Recognition of Interest Expense

Interest expense is recognized on an accrual basis.

3.4 Investments

Investments in marketable debt or equity securities classified as investments for trading are stated at fair value. Gains or losses arising from their revaluation are presented in the statements of income.

Investments in marketable debt or equity securities classified as available-for-sale investments are stated at fair value. Gains or losses arising from their revaluation are separately stated in the Capital item and are charged to the statements of income when such investments are disposed of.

Investments in held-to-maturity debt securities are stated at amortized cost and are amortized by using the effective interest rate method throughout their remaining maturity.

Investments in non-marketable equity securities classified as general investments are stated at cost net of allowance for decrease in investment value caused by impairment. Loss on impairment is charged to the statements of income.

Investments in associated companies presented in the Bank's separate financial statements are accounted for by the cost method.

3.5 Loans

Loans, except bank overdrafts, are reported at the principal amounts. Unearned discounts received in advance are reported in other liabilities and recognized as revenue over the period of such loans.

3.6 Allowance for Doubtful Accounts

The Bank sets aside the allowance for doubtful accounts and charges it as expense in the doubtful accounts item. The allowance amount is determined based on the outstanding loan amount and the financial status, collateral and repayment ability of the individual borrowers, including borrowers undergoing debt restructuring. The Bank's allowance for doubtful accounts is made based on the classification of loans and customers' repayment ability in accordance with prudent banking rules as prescribed in the Bank's delinquency classification rules which are in line with the rules promulgated by the Bank of Thailand under the Notification No. SOR NOR SOR 31/2551 dated August 3, 2008 regarding Classification and Provision Criteria of Financial Institution. The Bank thereby sets the allowance for doubtful accounts at the rate of 100% of the difference between the book value of loans and the present value of expected cash flow from the debtor or the present value of expected cash flow from the sale of collateral, e.g. property, leasehold rights, machinery and vehicle. Moreover, the Bank will revise the collateral value on every 1 to 3 year-basis.

The Bank does not provide allowance for the loans extended to commercial banks, financial institutions or individual persons or juristic entities if there 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 insurance.

Bad debt written off is deducted from the allowance amount for doubtful accounts and the bad debt recovered is recognized as income.

3.7 Troubled Debt Restructuring

The Bank analyzes borrowers' financial and business status and cash flow projections based on reasonable criteria together with supporting evidence that borrowers are able to honor the debt restructuring agreements.

In the case of the Bank receiving debt repayment by a transfer of assets or ownership interests, the fair value is adopted.

In the case of adjustment to the repayment terms and conditions, the Bank recalculates the fair value of the debt by determining the present value of future expected cash flows in accordance with the adjusted repayment conditions using the Bank's regular interest rate prevailing on the debt restructuring date as the discount rate. The difference between the new fair value and the debt amount is recorded as allowances for revaluation adjustment from debt restructuring and is recognized in the statement of income based on the repayment and the remaining period of the debt restructuring agreement. The Bank recognizes losses from debt restructuring as expenses in the relevant accounting period.

3.8 Debt Write-Down

The Bank has a policy to write down bad debt accounts where past due is over one year that have no clear guidelines of recovery. The written-down accounts are deducted from the allowance amount for doubtful accounts. The amount recovered or approved to be upgraded are recognized as income.

3.9 Subsidy from Government and State Agencies

The interest subsidized by the government and state agencies is recognized as an interest income on loans in the statement of income on an accrual basis.

3.10 Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies, including all forward foreign exchange contracts, are recorded in foreign currencies at quoted exchange rates prevailing on the date of the transaction which are in line with the onshore foreign exchange market. At the balance sheet date, all such outstanding is translated into Baht at the reference foreign exchange rates announced by the Bank of Thailand at the end of year. Recognition of gains or losses incurred by the translation is included into the total gains or losses on exchange for that year.

3.11 Financial Derivatives and Hedge Accounting

The Bank has adopted an accounting policy regarding financial derivatives in compliance with the International Accounting Standard No. 39 (IAS 39), Financial Instruments: Recognition and Measurement.

Recognition:

As of the date of the agreements associated with the financial derivatives, the Bank records them as assets or liabilities at the fair value. After that, the Bank recognizes fair value revaluation changes of those financial instruments as gains or losses in the statement of income or as part of the capital account hedging reserve account in the balance sheet.

For trading financial derivatives, the fair value revaluation changes are recognized as gains or losses in the statement of income.

Fair Value of the Financial Derivatives:

Net fair value is the net financial amount which the Bank anticipates to pay or receive in exchanging or settling the financial derivatives at any specified time. The Bank computes the net fair value by determining the present value, using various quoted market prices such as interest rates or currency exchange rates in the computation of discounted cash flows, except for the derivatives that are options which will be computed by the generally accepted option valuation methods.

3.12 Premises and Equipment

Premises and equipment are reported at cost less accumulated depreciation and amortization with the exception of those costs not over Baht 3,000 which are charged to expenses in the statements of income for the accounting period that they are acquired.

Buildings and equipment are depreciated on a straight-line basis over their useful lives, which are as follows:

- Buildings	30	years
- Building improvement	10	years
- Equipment	3-5	years

3.13 Properties Foreclosed

Properties foreclosed consist of movable and immovable assets which are reported at fair value. Losses on impairment of properties foreclosed are recognized as non-interest expenses in the statement of income.

The Bank recognizes gains or losses on disposal of properties foreclosed as non-interest income or non-interest expenses.

3.14 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:

3.14.1 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.

3.14.2 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.

3.14.3 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).

3.15 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:

3.15.1 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.

3.15.2 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.

3.15.3 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).

3.16 Contingent Liabilities from Stand-By Claims Purchase Agreement Services

Stand-by claims purchase agreement services are reported under the contingent liabilities caption of the balance sheet as other contingencies. Any payment of such stand-by claims purchase agreement service is recorded as stand-by claims receivables and will subsequently be recovered from debtors.

Provisioning rules for stand-by claims purchase agreement for the Bank are as follows:

3.16.1 Allowance for doubtful accounts on the paid purchase under the stand-by claims purchase agreement service

The Bank would make provisions for the paid purchase under the stand-by claims purchase agreement service 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.

3.16.2 Allowance for doubtful accounts on the pending service claims payable

The Bank would make provisions for the pending claims of such stand-by claims purchase agreement service at the rate of 50% of the exposures after deduction of reinsurance amount.

3.16.3 Provisions for the future service claims against the stand-by claims purchase agreement policies

The Bank would make provisions for future service claims against the stand-by claims purchase agreement policies at the rate of 1% of the net amount of stand-by claims purchase agreement outstanding not yet claimed after deduction of reinsurance amount.

3.17 Provisions

The Bank will recognize an obligation arising from past events when it becomes probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and when the amount can be reliably estimated.

3.18 Leasehold Rights

Leasehold rights are recognized as expenses by being amortized on a straight-line basis over the lease period, but not exceeding the maximum extendable lease period.

3.19 Staff Provident Fund

The Bank established a provident fund under the Provident Fund Act B.E. 2530 (1987) and became a registered fund being approved by the Ministry of Finance on April 27, 1994. The provident fund is managed by TISCO Asset Management Company Limited.

Contributions to the employee provident fund are made under the provisions of "The Staff Provident Fund of Export-Import Bank of Thailand Already Registered", which has been registered as a legal entity. Employee shall make contribution to the provident fund at 3-8.5% of salary and the Bank's supplemental contribution is at 4-8.5% of employee's salary according to the years of employment.

(TRANSLATION)

3.20 Appropriation of Annual Net Income

According to Export-Import Bank of Thailand Act, 1993 (B.E. 2536), the Bank appropriates no less than half of the annual net profit as a reserve for its operations while the remainder of the net profit is appropriated to the capital fund and/or remitted to the Ministry of Finance.

4. ADDITIONAL INFORMATION

4.1 Interbank and Money Market Items (Assets)

4.1.1 Domestic Items

Unit : Million Baht

	<u>December 31, 2010</u>			<u>December 31, 2009</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
Bank of Thailand	9.86	1,140.00	1,149.86	43.60	-	43.60
Commercial banks	34.45	3,023.92	3,058.37	75.73	3,567.59	3,643.32
Other banks	<u>0.78</u>	<u>-</u>	<u>0.78</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total domestic items	45.09	4,163.92	4,209.01	119.33	3,567.59	3,686.92
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.28</u>	<u>0.28</u>	<u>-</u>	<u>0.01</u>	<u>0.01</u>
Total	<u>45.09</u>	<u>4,164.20</u>	<u>4,209.29</u>	<u>119.33</u>	<u>3,567.60</u>	<u>3,686.93</u>

4.1.2 Foreign Items

Unit : Million Baht

	<u>December 31, 2010</u>			<u>December 31, 2009</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
US Dollars	875.18	282.04	1,157.22	355.67	1,947.32	2,302.99
Yen	28.93	-	28.93	31.62	-	31.62
Euro	62.49	179.73	242.22	108.59	143.38	251.97
Other currencies	<u>27.25</u>	<u>-</u>	<u>27.25</u>	<u>53.45</u>	<u>-</u>	<u>53.45</u>
Total foreign items	993.85	461.77	1,455.62	549.33	2,090.70	2,640.03
<u>Add</u> Accrued interest receivables	<u>0.13</u>	<u>0.01</u>	<u>0.14</u>	<u>0.08</u>	<u>2.12</u>	<u>2.20</u>
Total	<u>993.98</u>	<u>461.78</u>	<u>1,455.76</u>	<u>549.41</u>	<u>2,092.82</u>	<u>2,642.23</u>
Total domestic and foreign items	<u>1,039.07</u>	<u>4,625.98</u>	<u>5,665.05</u>	<u>668.74</u>	<u>5,660.42</u>	<u>6,329.16</u>

As at December 31, 2010 and 2009, the interbank and money market items (assets) included loans which were not required to be classified amounted Baht 3,306.14 million and Baht 3,846.53 million, respectively.

4.2 Investments

4.2.1 Current Investments

	<u>December 31, 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>
Unit : Million Baht				
(1) Available-for-sale investments				
Government and state enterprise	4,677.51	4,677.00	250.00	259.33
Private enterprise debt instruments	<u> -</u>	<u> -</u>	<u> 24.64</u>	<u> 25.05</u>
Total	4,677.51	4,677.00	274.64	284.38
<u>Add (Less)</u> Allowance for revaluation	<u> (0.51)</u>	<u> -</u>	<u> 9.74</u>	<u> -</u>
Total	<u>4,677.00</u>	<u>4,677.00</u>	<u>284.38</u>	<u>284.38</u>
(2) Held-to-maturity debt instruments				
Government and state enterprise	-	-	-	-
Foreign debt instruments	<u> 150.75</u>	<u> -</u>	<u> 333.84</u>	<u> -</u>
Total	150.75	-	333.84	-
<u>Add</u> Allowance for revaluation	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total	<u> 150.75</u>	<u> -</u>	<u> 333.84</u>	<u> -</u>
Total current investments-net	<u>4,827.75</u>	<u>4,677.00</u>	<u>618.22</u>	<u>284.38</u>

4.2.2 Long-Term Investments

	December 31, 2010		December 31, 2009	
	Cost/ Amortized Cost	Fair Value	Cost/ Amortized Cost	Fair Value
	Unit : Million Baht			
(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>21.11</u>	<u>26.07</u>	<u>17.27</u>
Total	26.07	21.11	5,208.62	5,132.34
(Less) Allowance for revaluation	<u>(4.96)</u>	<u>-</u>	<u>(76.28)</u>	<u>-</u>
Total	<u>21.11</u>	<u>21.11</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>557.55</u>		<u>587.53</u>	
Total	627.55		657.53	
(Less) Allowance for revaluation	<u>(0.62)</u>		<u>(1.06)</u>	
Total	<u>626.93</u>		<u>656.47</u>	
(3) General investments				
Mutual Fund	140.11		68.11	
Others	<u>0.42</u>		<u>0.50</u>	
Total	140.53		68.61	
(Less) Allowance for impairment	<u>-</u>		<u>(2.73)</u>	
Total	<u>140.53</u>		<u>65.88</u>	
Total long-term investments-net	<u>788.57</u>		<u>5,854.69</u>	

General investments amounted Baht 140.11 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 December 31, 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. In 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. In 2010, the Bank purchased 31,951.10 investment units at 375.57 Baht per unit, represented Baht 12 million of investments, and 177,330.54 investment units at 338.35 Baht per unit, represented Baht 60 million of investments, thereby bringing the total investment to Baht 77 million.

4.2.3 Time to Maturity of Debt Instruments

Unit : Million Baht

	<u>December 31, 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	4,677.51	-	-	4,677.51	250.00	4,476.66	605.89	5,332.55
Private enterprise debt								
instruments	-	-	-	-	<u>24.64</u>	<u>100.00</u>	-	<u>124.64</u>
Total	4,677.51	-	-	4,677.51	274.64	4,576.66	605.89	5,457.19
<u>Add (Less)</u> Allowance for revaluation	<u>(0.51)</u>	<u>-</u>	<u>-</u>	<u>(0.51)</u>	<u>9.74</u>	<u>(64.74)</u>	<u>(2.74)</u>	<u>(57.74)</u>
Total	<u>4,677.00</u>	<u>-</u>	<u>-</u>	<u>4,677.00</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>150.75</u>	<u>420.92</u>	<u>136.63</u>	<u>708.30</u>	<u>333.84</u>	<u>396.04</u>	<u>191.49</u>	<u>921.37</u>
Total	150.75	490.92	136.63	778.30	333.84	466.04	191.49	991.37
<u>(Less)</u> Allowance for revaluation	<u>-</u>	<u>(0.62)</u>	<u>-</u>	<u>(0.62)</u>	<u>-</u>	<u>(1.06)</u>	<u>-</u>	<u>(1.06)</u>
Total	<u>150.75</u>	<u>490.30</u>	<u>136.63</u>	<u>777.68</u>	<u>333.84</u>	<u>464.98</u>	<u>191.49</u>	<u>990.31</u>
Total debt instruments	<u>4,827.75</u>	<u>490.30</u>	<u>136.63</u>	<u>5,454.68</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>December 31, 2010</u>	<u>December 31, 2009</u>
Debt instruments	(1.13)	(58.80)
Equity securities	<u>(4.96)</u>	<u>(8.80)</u>
Total	<u>(6.09)</u>	<u>(67.60)</u>

4.2.5 Gains on Investments shown in Statement of Income for the years ended December 31, 2010 and 2009 comprises the following:

	Unit : Million Baht			
	<u>2010</u>		<u>2009</u>	
	<u>Gain/Reversal</u>	<u>Loss</u>	<u>Gain/Reversal</u>	<u>Loss</u>
Realized Gain on Disposal of Available-for-Sale				
Current Investments	-	-	0.55	-
Realized Gain (Loss) on Disposal of Available-for-Sale				
Long-term Investments	15.25	(7.11)	55.66	(6.38)
Reversal (Loss) of Impairment on Investments	<u>2.73</u>	<u>-</u>	<u>-</u>	<u>(2.73)</u>
Total	<u>17.98</u>	<u>(7.11)</u>	<u>56.21</u>	<u>(9.11)</u>
Non-Interest Income - Gains on Investments	10.87		47.10	

4.2.6 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 December 31, 2010 and 2009, the Bank had investment in associated company as follows:

		Unit : Million Baht				
<u>Name of Company</u>	<u>Type of Share</u>	<u>Percentage of Shareholding</u>	<u>December 31, 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	4.46	4.29	4.20	4.29

The Bank's consolidated financial statements in which the equity method is applied to investment for the year ended December 31, 2010 included financial information of the Thai Exim International Company's audited financial statements.

4.3 Loans and Accrued Interest Receivables

4.3.1 Classified by Type of Loan

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
		Unit : Million Baht
Overdrafts	272.62	333.12
Domestic loans - customers	39,915.50	36,202.16
- export bills negotiation	889.04	797.65
- staff loans	243.57	227.32
Overseas loans - foreign government agencies	4,968.57	5,671.02
- customers operating overseas	<u>10,191.59</u>	<u>9,959.32</u>
Total	56,480.89	53,190.59
<u>Add</u> Accrued interest receivables	<u>438.45</u>	<u>387.79</u>
Total loans and accrued interest receivables	56,919.34	53,578.38
<u>(Less)</u> Allowance for doubtful accounts	(2,212.77)	(2,507.19)
Revaluation allowance for debt restructuring	<u>(220.66)</u>	<u>(398.24)</u>
Total	<u>54,485.91</u>	<u>50,672.95</u>

Overseas 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 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) and amended by Export-Import Bank of Thailand Act (No.2) 1999 (B.E. 2542), 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 December 31, 2010 was Baht 3,382.41 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.

(TRANSLATION)

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

	Unit : Million Baht	
	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Within 1 year	23,899.14	26,863.64
Over 1 year	<u>32,581.75</u>	<u>26,326.95</u>
Total	<u>56,480.89</u>	<u>53,190.59</u>

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

	Unit : Million Baht					
	<u>December 31, 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	32,495.03	7,831.16	40,326.19	34,046.91	7,544.99	41,591.90
US Dollars	8,781.03	7,329.00	16,110.03	3,428.42	8,085.35	11,513.77
Other currencies	<u>44.67</u>	<u>-</u>	<u>44.67</u>	<u>84.92</u>	<u>-</u>	<u>84.92</u>
Total	<u>41,320.73</u>	<u>15,160.16</u>	<u>56,480.89</u>	<u>37,560.25</u>	<u>15,630.34</u>	<u>53,190.59</u>

4.3.4 Classified by Loan Classification

	Unit : Million Baht			
	<u>December 31, 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	46,298.48	46,298.48	1	462.99
Special mention	43.04	43.04	2	0.86
Sub-standard	495.97	390.36	100	390.36
Doubtful	818.45	530.10	100	530.10
Doubtful of loss	<u>2,224.88</u>	<u>33.94</u>	100	<u>33.94</u>
Total	49,880.82	47,295.92		1,418.25
Restructured debt	<u>1,618.28</u>	<u>1,393.94</u>	1,20,50	<u>184.52</u>
Total	<u>51,499.10</u>	<u>48,689.86</u>		1,602.77
Excess allowance for doubtful accounts over provision required				<u>610.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2010 (Note 4.4)				<u>2,212.77</u>

(TRANSLATION)

Unit : Million Baht

	<u>December 31, 2009</u>			
	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>Outstanding Debt</u> <u>after Deduction of</u> <u>Collateral Value</u>	<u>Minimum</u> <u>Provision Rate</u> <u>(%)</u>	<u>Allowance</u> <u>for Doubtful</u> <u>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
Restructured debt	<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 December 31, 2010 and December 31, 2009, the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>As % of Loans</u> <u>and Accrued</u> <u>Interest Receivables</u>	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>As % of Loans</u> <u>and Accrued</u> <u>Interest Receivables</u>
Classified loans	51,499.10	90.48	47,529.04	88.71
Unclassified loans	<u>5,420.24</u>	9.52	<u>6,049.34</u>	11.29
Total	<u>56,919.34</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 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 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.

(TRANSLATION)

Unit : Million Baht

<u>Loans</u>	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Loans and</u>	<u>As % of Loans</u>	<u>Loans and</u>	<u>As % of Loans</u>
	<u>Accrued Interest</u>	<u>and Accrued</u>	<u>Accrued Interest</u>	<u>and Accrued</u>
	<u>Receivables</u>	<u>Interest Receivables</u>	<u>Receivables</u>	<u>Interest Receivables</u>
Non-performing loans	3,539.30	6.22	4,369.74	8.16

In 2010 and 2009, the Bank wrote down debt accounts in the amount of Baht 1,732.92 million and Baht 1,137.50 million, respectively. As at December 31, 2010 and 2009, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 3,619.13 million and Baht 2,084.12 million, respectively. In 2010 and 2009, the Bank recovered written-down debt in the amount of Baht 257.60 million and Baht 382.00 million, respectively.

In 2010 and 2009, the Bank approved the write-off of bad debts in the amount of Baht 72.10 million and Baht 36.87 million, respectively.

4.3.5 Troubled Debt Restructuring

In 2010 and 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. 104 (Revised 2002) (formerly TAS 34), as follows:

<u>Restructured</u> <u>Debts</u>	<u>2010</u>			<u>2009</u>		
	<u>Cases</u>	<u>Amount</u>	<u>As % of Loans</u>	<u>Cases</u>	<u>Amount</u>	<u>As % of Loans</u>
			<u>and Accrued</u>			<u>and Accrued</u>
			<u>Interest Receivables</u>			<u>Interest Receivables</u>
Succeeded	6	92.14	0.16	33	1,512.65	2.82
In - process	59	1,321.23	2.32	23	447.66	0.84
Outstanding of debt reclassified to normalcy at the end of period	19	1,618.28	2.84	21	1,945.10	3.63

(TRANSLATION)

In 2010 and 2009, the Bank restructured the debt as follows:

							Unit : Million Baht	
							<u>2010</u>	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>			<u>Transferred Assets</u>			
		<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at December 31, 2010</u>	<u>Types</u>	<u>Fair Value</u>		
Change of repayment conditions								
Terms of debt restructuring agreements								
- Less than 5 years	4	41.56	41.56	16.02				
- 5 to 10 years	2	50.58	50.58	171.02				
Total	6	92.14	92.14	187.04				
							<u>2009</u>	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>			<u>Transferred Assets</u>			
		<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at December 31, 2009</u>	<u>Types</u>	<u>Fair Value</u>		
Change of repayment conditions								
Terms of debt restructuring agreements								
- Less than 5 years	31	551.14	551.09	486.84				
- 5 to 10 years	1	329.09	329.09	352.25				
Debt restructuring in various forms								
Terms of debt restructuring agreements								
- 5 to 10 years	1	632.42	632.42	424.31	Land, Premises Machinery, Share	283.08		
Total	33	1,512.65	1,512.60	1,263.40		283.08		

In 2010 and 2009, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivable were as follows:

					Unit : Million Baht			
					<u>December 31, 2010</u>		<u>December 31, 2009</u>	
					<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt					6	92.14	33	1,512.65
Loans and accrued interest receivables					896	56,919.34	960	53,578.38

In 2010 and 2009, the Bank recognized interest income from debt restructuring in the amount of Baht 174.53 million and Baht 248.97 million, respectively.

As at December 31, 2010 and 2009, the Bank had commitments to extend additional loans to these borrowers for the amount of Baht 152.28 million and Baht 300.92 million, respectively.

(TRANSLATION)

4.4 Allowance for Doubtful Accounts

Unit : Million Baht

	December 31, 2010							Total
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Restructured Debt	Excess Allowance	
Beginning balance	393.98	36.32	378.56	251.41	850.36	186.56	410.00	2,507.19
Doubtful accounts	69.01	(35.46)	11.80	278.69	916.50	(2.04)	200.00	1,438.50
Debts written down	-	-	-	-	(1,732.92)	-	-	(1,732.92)
Ending balance	<u>462.99</u>	<u>0.86</u>	<u>390.36</u>	<u>530.10</u>	<u>33.94</u>	<u>184.52</u>	<u>610.00</u>	<u>2,212.77</u>

	December 31, 2009							Total
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Restructured Debt	Excess Allowance	
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 December 31, 2010 and 2009, the Bank's allowance for doubtful accounts on loans accounted for Baht 2,212.77 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.

4.5 Revaluation Allowance for Debt Restructuring

Unit : Million Baht

	December 31, 2010	December 31, 2009
Beginning balance	398.24	169.47
Increase	152.14	371.93
Decrease	<u>329.72</u>	<u>143.16</u>
Ending balance	<u>220.66</u>	<u>398.24</u>

(TRANSLATION)

4.6 Properties Foreclosed - Net

Unit : Million Baht

<u>Type of properties foreclosed</u>	<u>December 31, 2010</u>			
	<u>Beginning balance</u>	<u>Increase</u>	<u>Disposal</u>	<u>Ending balance</u>
Properties obtained from debt settlement				
- Immovable properties	1,128.11	44.40	75.31	1,097.20
- Movable properties	<u>278.04</u>	<u>-</u>	<u>-</u>	<u>278.04</u>
Total properties foreclosed	1,406.15	44.40	75.31	1,375.24
(Less) Allowance for impairment	<u>(190.22)</u>	<u>(36.87)</u>	<u>(9.14)</u>	<u>(217.95)</u>
Total properties foreclosed - net	<u>1,215.93</u>	<u>7.53</u>	<u>66.17</u>	<u>1,157.29</u>

<u>Type of properties foreclosed</u>	<u>December 31, 2009</u>			
	<u>Beginning balance</u>	<u>Increase</u>	<u>Disposal</u>	<u>Ending balance</u>
Properties obtained from debt settlement				
- Immovable properties	1,034.39	97.68	3.96	1,128.11
- Movable properties	<u>93.46</u>	<u>184.58</u>	<u>-</u>	<u>278.04</u>
Total properties foreclosed	1,127.85	282.26	3.96	1,406.15
(Less) Allowance for impairment	<u>(153.36)</u>	<u>(36.86)</u>	<u>-</u>	<u>(190.22)</u>
Total properties foreclosed - net	<u>974.49</u>	<u>245.40</u>	<u>3.96</u>	<u>1,215.93</u>

4.7 Premises and Equipment - Net

Unit : Million Baht

	<u>December 31, 2010</u>								<u>Net Premises and Equipment</u>
	<u>Cost</u>				<u>Accumulated depreciation</u>				
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Disposal</u>	<u>Ending Balance</u>	<u>Beginning Balance</u>	<u>Depreciation</u>	<u>Disposal</u>	<u>Ending Balance</u>	
Land	388.20	-	-	388.20	-	-	-	-	388.20
Buildings									
-Buildings	676.78	-	-	676.78	286.28	22.64	-	308.92	367.86
-Building improvement	134.88	3.59	-	138.47	104.40	6.36	-	110.76	27.71
Equipment									
-Office equipment and fixtures	246.90	22.88	14.04	255.74	194.99	22.25	13.90	203.34	52.40
-Vehicles	90.33	30.58	33.40	87.51	59.50	13.11	33.40	39.21	48.30
Assets under construction*	<u>5.12</u>	<u>15.33</u>	<u>9.97</u>	<u>10.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10.48</u>
Total	<u>1,542.21</u>	<u>72.38</u>	<u>57.41</u>	<u>1,557.18</u>	<u>645.17</u>	<u>64.36</u>	<u>47.30</u>	<u>662.23</u>	<u>894.95</u>

* Assets under construction-disposal are assets recognized during the year.

Unit : Million Baht

	December 31, 2009								
	Cost				Accumulated depreciation				Net Premises and Equipment
	Beginning Balance	Increase	Disposal	Ending Balance	Beginning Balance	Depreciation	Disposal	Ending Balance	
Land	388.20	-	-	388.20	-	-	-	-	388.20
Buildings									
-Buildings	676.78	-	-	676.78	263.65	22.63	-	286.28	390.50
-Building improvement	132.51	3.83	1.46	134.88	96.60	9.26	1.46	104.40	30.48
Equipment									
-Office equipment and fixtures	237.22	19.94	10.26	246.90	183.01	22.18	10.20	194.99	51.91
-Vehicles	86.68	9.45	5.80	90.33	50.05	14.73	5.28	59.50	30.83
Assets under construction*	<u>0.59</u>	<u>17.38</u>	<u>12.85</u>	<u>5.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5.12</u>
Total	<u>1,521.98</u>	<u>50.60</u>	<u>30.37</u>	<u>1,542.21</u>	<u>593.31</u>	<u>68.80</u>	<u>16.94</u>	<u>645.17</u>	<u>897.04</u>

* Assets under construction-disposal are assets recognized during the year.

4.8 Other Assets

Unit : Million Baht

	December 31, 2010	December 31, 2009
Revenue receivables	10.76	8.07
Insurance claim receivables, net	236.39	214.46
Allowance for insurance claim receivables (Notes 3.14.1)	(236.39)	(214.46)
Advance deposits	2.20	2.60
Computer software	18.31	14.18
Others	<u>6.20</u>	<u>6.75</u>
Total	<u>37.47</u>	<u>31.60</u>

4.9 Deposits

4.9.1 Classified by Type of Deposit

Unit : Million Baht

	December 31, 2010	December 31, 2009
Current	879.55	869.14
Savings	286.18	12.98
Term		
- Less than 6 months	384.73	1,284.41
- 6 months up to less than 1 year	179.47	28.90
- 1 year and over	<u>6,113.70</u>	<u>5,893.26</u>
Total	<u>7,843.63</u>	<u>8,088.69</u>

(TRANSLATION)

4.9.2 Classified by Remaining Maturity of Agreements

Unit : Million Baht

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Within 1 year*	4,879.82	8,088.69
Over 1 year	<u>2,963.81</u>	<u>-</u>
Total	<u>7,843.63</u>	<u>8,088.69</u>

* Inclusive of expired agreements.

4.9.3 Classified by Currencies and Residency of Depositors

Unit : Million Baht

	<u>December 31, 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	7,400.98	7.02	7,408.00	7,691.55	6.81	7,698.36
US Dollars	181.55	202.25	383.80	225.11	79.72	304.83
Other currencies	<u>51.83</u>	<u>-</u>	<u>51.83</u>	<u>85.50</u>	<u>-</u>	<u>85.50</u>
Total	<u>7,634.36</u>	<u>209.27</u>	<u>7,843.63</u>	<u>8,002.16</u>	<u>86.53</u>	<u>8,088.69</u>

4.10 Interbank and Money Market Items (Liabilities)

Unit : Million Baht

	<u>December 31, 2010</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>
Domestic			
Bank of Thailand	-	1,026.72	1,026.72
Commercial banks	0.22	500.00	500.22
Other banks	<u>24.63</u>	<u>6,000.00</u>	<u>6,024.63</u>
Total domestic items	<u>24.85</u>	<u>7,526.72</u>	<u>7,551.57</u>
Foreign			
US Dollars	471.82	-	471.82
Other currencies	<u>192.15</u>	<u>-</u>	<u>192.15</u>
Total foreign items	<u>663.97</u>	<u>-</u>	<u>663.97</u>
Total domestic and foreign items	<u>688.82</u>	<u>7,526.72</u>	<u>8,215.54</u>

Unit : Million Baht

	<u>December 31, 2009</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>
Domestic			
Bank of Thailand	-	1,069.58	1,069.58
Commercial banks	0.48	500.00	500.48
Other banks	24.31	6,000.00	6,024.31
Finance companies, finance and securities companies, securities companies, and credit foncier companies	<u>-</u>	<u>1,500.00</u>	<u>1,500.00</u>
Total domestic items	<u>24.79</u>	<u>9,069.58</u>	<u>9,094.37</u>
Foreign			
US Dollars	553.10	35.07	588.17
Other currencies	<u>168.45</u>	<u>-</u>	<u>168.45</u>
Total foreign items	<u>721.55</u>	<u>35.07</u>	<u>756.62</u>
Total domestic and foreign items	<u>746.34</u>	<u>9,104.65</u>	<u>9,850.99</u>

4.11 Borrowings

Unit : Million Baht

	<u>December 31, 2010</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
Export-Import Bank of Thailand bonds	3,200.00	3,618.16	6,818.16
Export-Import Bank of Thailand bills of exchange	60.14	-	60.14
Others	<u>2,270.00</u>	<u>-</u>	<u>2,270.00</u>
Total short-term borrowings	<u>5,530.14</u>	<u>3,618.16</u>	<u>9,148.30</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	-	18,090.78	18,090.78
- Others	<u>8,772.31</u>	<u>-</u>	<u>8,772.31</u>
Total long-term borrowings	<u>8,772.31</u>	<u>18,090.78</u>	<u>26,863.09</u>
Total borrowings	<u>14,302.45</u>	<u>21,708.94</u>	<u>36,011.39</u>

(TRANSLATION)

Unit : Million Baht

	<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>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>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>

The details of the long-term borrowings of Baht 26,863.09 million and Baht 18,771.63 million were as follows:

<u>Type</u>	<u>Tenor</u> <u>(years)</u>	<u>Maturity</u> <u>(year)</u>	<u>Interest rate</u> <u>(% per annum)</u>	Unit : Million Baht	
				<u>December 31, 2010</u>	<u>December 31, 2009</u>
EXIM Thailand bonds	5	2011	5.95	-	3,200.00
Debt Instruments (FRN)	4-6	2011-2016	LIBOR+[(0.05)-0.10]	18,090.78	9,009.56
Others	2-10	2010-2019	0.50-5.75	<u>8,772.31</u>	<u>6,562.07</u>
Total				<u>26,863.09</u>	<u>18,771.63</u>

4.12 Other Liabilities

	Unit : Million Baht	
	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Expenses payable	16.62	21.11
Accounts payable	0.63	8.35
Reinsurance payable	13.63	6.82
Deferred revenues	41.37	53.32
Withholding tax payable	5.39	4.58
Provision for stand-by claims purchase agreement	42.92	2.14
Provision for investment insurance	12.18	4.20
Suspense liabilities	4.02	6.57
Others	<u>0.01</u>	<u>0.01</u>
Total	<u>136.77</u>	<u>107.10</u>

4.13 Capital

4.13.1 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.

4.13.2 Capital fund

The Bank maintained capital fund as follows:

- **Capital under the Ministerial Regulation.** At the end of December 2010 The Bank's capital adequacy ratio (CAR) stood at 23.27%, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulation at 8% and the Bank's capital to export insurance contingent liabilities ratio stood at 56.29%, exceeding the minimum capital to export insurance contingent liabilities ratio stipulated in the Ministerial Regulation at 20%.

Capital Adequacy Ratio Based on the Ministerial Regulation

		Unit : Million Baht	
	<u>Ministerial</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
	<u>Regulation</u>		
1. Capital *		14,673.82	14,418.75
2. Risk assets **		63,071.62	53,001.56
3. Export insurance contingencies liabilities		26,068.87	16,744.19
4. Capital to risk assets	Not less than 8%	23.27%	27.20%
5. Capital to export insurance contingent liabilities	Not less than 20%	56.29%	86.11%

Remarks : * Capital includes only capital under the Ministerial Regulation.

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

(TRANSLATION)

● **Capital under Basel II.** The Bank's capital adequacy ratio has been calculated according to the guidelines and approach of Bank of Thailand (The Notification of BOT No. SOR NOR SOR. 25/2552 dated December 29, 2009 regarding the Disclosure of Capital Adequacy for Commercial Banks). At the end of December 2010 the Bank's total capital to risk assets ratio stood at 16.99%, exceeding the minimum ratio stipulated in the BOT's regulation at 8.5%, and the Bank's tier 1 capital to risk assets ratio stood at 15.74%, exceeding the minimum tier 1 capital to risk asset ratio stipulated in the BOT's regulation at 4.25%.

Capital Adequacy Ratio Based on Basel II

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Total capital to risk assets	16.99%	21.00%
Tier 1 capital to risk assets	15.74%	19.77%

Capital Structure Based on Basel II

	Unit : Million Baht	
	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Tier 1 Capital		
Paid-up share capital	12,800.00	12,800.00
Legal reserve	2,752.15	2,579.05
Cumulative loss after appropriation	<u>(878.33)</u>	<u>(960.30)</u>
Total Tier 1 Capital	14,673.82	14,418.75
Tier 2 Capital		
Allowance for pass asset-classification	1,165.05	911.79
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	0.07	0.14
<u>(Less)</u> Revaluation deficit on investments in available-for-sale equity securities	<u>(5.12)</u>	<u>(9.13)</u>
Total Tier 2 Capital	<u>1,160.00</u>	<u>902.80</u>
Total Capital Fund	<u>15,833.82</u>	<u>15,321.55</u>

4.14 Contingent Liabilities and Commitments

Unit : Million Baht

	<u>December 31, 2010</u>		
	<u>Baht</u>	<u>Foreign Currencies</u>	<u>Total</u>
Liabilities under unmatured import bills	49.96	181.50	231.46
Letters of credit	310.45	459.59	770.04
Export bills insured	25,388.06	13.38	25,401.44
Other contingencies			
Other guarantees	552.03	3,323.08	3,875.11
Overdraft accounts not yet drawn	604.82	-	604.82
Investment Insurance	-	844.24	844.24
FX forward purchase/sales contracts	12,266.20	12,273.15	24,539.35
FX swaps	599.40	62.19	661.59
Cross currency and interest rate swaps	1,983.00	470.36	2,453.36
Interest rate swaps	8,800.00	414.58	9,214.58
Stand-by claims purchase agreement	<u>7,130.99</u>	<u>-</u>	<u>7,130.99</u>
Total other contingencies	<u>31,936.44</u>	<u>17,387.60</u>	<u>49,324.04</u>
Total	<u>57,684.91</u>	<u>18,042.07</u>	<u>75,726.98</u>

	<u>December 31, 2009</u>		
	<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
Stand-by claims purchase agreement	<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>

(TRANSLATION)

As at December 31, 2010 and 2009, the Bank has recognized the amount of Baht 211.37 million and Baht 48.57 million, respectively as provision for contingent liability and commitments.

4.15 Derivatives

Derivatives are financial instruments whose value varies with the index or price of underlying securities such as interest rate or foreign exchange rate.

Asset and Liability Management

- Customer Hedging Service

The Bank, as a financial intermediary, buys market risk exposure from customers and resells those risks to the market using derivatives such as the foreign exchange forward contracts.

- Foreign Exchange and Interest Rate Risk Management

The Bank manages such risks to ensure effectiveness and maintain a balanced position. The derivatives are adopted as a tool in managing market risks associated with the Bank's assets and liabilities which may result from normal business transactions of the Bank at a certain period of time. The Bank has a policy to manage such risks by using suitable and effective derivatives.

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

	Unit : Million Baht	
	<u>December 31, 2010</u>	
	<u>Contract Value</u>	<u>Fair Value</u>
		<u>Assets (Liabilities)</u>
FX forward purchase/sales contracts	24,539.35	(69.73)
FX swaps	661.59	3.86
Cross currency and interest rate swaps	2,453.36	(129.17)
Interest rate swaps	<u>8,879.90</u>	<u>51.48</u>
Total	<u>36,534.20</u>	<u>(143.56)</u>
	<u>December 31, 2009</u>	
	<u>Contract Value</u>	<u>Fair Value</u>
		<u>Assets (Liabilities)</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>

4.16 Related Party Transactions

There were some transactions between with 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.

In 2010 and 2009, revenue and expenses occurring between the Bank and its associated company being Thai EXIM International Company Limited were as follows:

	Unit : Million Baht	
	<u>2010</u>	<u>2009</u>
Office rent revenue	0.04	0.03
Consulting fee expense	12.51	13.99

As at December 31, 2010 and 2009, the Bank has total outstanding of advance amount for its associated company Baht 0.49 million and Baht 1.79 million, respectively.

4.17 Long-Term Leasing Contracts

The remaining rental expenses for building lease agreements are as follows:

	Unit : Million Baht
<u>Remaining Period</u>	<u>Amount</u>
Within 1 year	1.69
1 - 5 years	4.54
Over 5 years	8.51

4.18 Financial Position and Operational Performance Classified by Onshore and Offshore Transactions

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

4.19 Other Benefits to Directors and Executives

The Bank pays no benefits to its directors and executives other than normal remuneration such as meeting allowance and reward for directors (if any), salary for executives, special monthly allowance for executives (if any).

4.20 Remittance to the Ministry of Finance

The Bank remitted net profit for the year 2008 in June 2010, amounting Baht 70,430,000 in accordance with the State Enterprise Policy Office, Bureau of State Enterprise Development 3's letter No. KOR KHOR 0811.2/2013 and net profit for the year 2009 in August 2010, amounting Baht 121,160,000 in accordance with the State Enterprise Policy Office, Bureau of State Enterprise Development 3's letter No. KOR KHOR 0811.2/2998, or 35% of net profit to Ministry of Finance. Thus, total remittance to the Ministry of Finance was Baht 191,590,000.

4.21 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 www.exim.go.th > About Exim Thailand > Disclosure of Capital Adequacy Information > Disclosure of Capital Adequacy Information calculated according to Basel II (Pillar III)

Date of disclosure October 27, 2010

Information as at June 30, 2010

4.22 Approval of the Financial Statements

These financial statements were approved by the Chairman of the Board of Directors and President on February 21, 2011.
