

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
(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, 2009 and 2008, 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. 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 express an opinion on these financial statements based on our 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An 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, 2009 and 2008, 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 18, 2010

EXPORT-IMPORT BANK OF THAILAND  
BALANCE SHEETS  
AS AT DECEMBER 31, 2009 AND 2008

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2009	2008	2009	2008
<b>Assets</b>					
Cash		193,786.23	12,959,385.04	193,786.23	12,959,385.04
Interbank and money market items	4.1				
Domestic items					
Interest bearing		3,611,189,117.97	3,873,882,767.21	3,611,189,117.97	3,873,882,767.21
Non-interest bearing		75,746,302.66	67,525,096.15	75,746,302.66	67,525,096.15
Foreign items					
Interest bearing		2,337,395,600.71	1,150,530,663.12	2,337,395,600.71	1,150,530,663.12
Non-interest bearing		304,832,203.99	383,962,129.31	304,832,203.99	383,962,129.31
Total interbank and money market items-net		6,329,163,225.33	5,475,900,655.79	6,329,163,225.33	5,475,900,655.79
Investments	3.4 4.2				
Current investments-net		618,217,911.20	1,727,938,291.80	618,217,911.20	1,727,938,291.80
Long-term investments-net		5,854,688,299.92	2,515,672,678.72	5,854,688,299.92	2,515,672,678.72
Investments in associated company-net		4,195,031.84	3,916,649.59	4,286,500.00	4,286,500.00
Total investments-net		6,477,101,242.96	4,247,527,620.11	6,477,192,711.12	4,247,897,470.52
Loans and accrued interest receivables	4.3				
Loans	3.5 3.8	53,190,587,074.84	50,747,772,717.97	53,190,587,074.84	50,747,772,717.97
Accrued interest receivables		387,795,582.19	416,928,699.89	387,795,582.19	416,928,699.89
Total loans and accrued interest receivables		53,578,382,657.03	51,164,701,417.86	53,578,382,657.03	51,164,701,417.86
Less Allowance for doubtful accounts	3.6 4.4	2,507,189,525.36	2,877,980,150.54	2,507,189,525.36	2,877,980,150.54
Less Revaluation allowance for debt restructuring	3.7 4.5	398,241,441.72	169,471,105.05	398,241,441.72	169,471,105.05
Total loans and accrued interest receivables-net		50,672,951,689.95	48,117,250,162.27	50,672,951,689.95	48,117,250,162.27
Properties foreclosed-net	3.13 4.6	1,215,928,294.35	974,489,917.62	1,215,928,294.35	974,489,917.62
Premises and equipment-net	3.12 4.7	897,040,827.63	928,671,744.16	897,040,827.63	928,671,744.16
Derivative revaluation	3.11 4.15	-	15,292,928.52	-	15,292,928.52
Accrued interest receivables not related to loans		107,711,812.99	42,638,415.69	107,711,812.99	42,638,415.69
Prepaid expenses		5,296,413.61	6,073,370.01	5,296,413.61	6,073,370.01
Leasehold premises and improvements		4,575,410.08	6,627,383.48	4,575,410.08	6,627,383.48
Other assets-net	4.8	31,600,474.01	25,136,189.29	31,600,474.01	25,136,189.29
Total assets		65,741,563,177.14	59,852,567,771.98	65,741,654,645.30	59,852,937,622.39

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, 2009 AND 2008

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2009	2008	2009	2008
<b>Liabilities and Capital</b>					
Deposits	4.9				
Deposits in baht		7,698,358,035.20	3,973,224,796.11	7,698,358,035.20	3,973,224,796.11
Deposits in foreign currencies		390,335,373.43	327,585,962.15	390,335,373.43	327,585,962.15
Total deposits		<u>8,088,693,408.63</u>	<u>4,300,810,758.26</u>	<u>8,088,693,408.63</u>	<u>4,300,810,758.26</u>
Interbank and money market items	4.10				
Domestic items					
Interest bearing		9,080,647,789.29	10,687,246,289.17	9,080,647,789.29	10,687,246,289.17
Non-interest bearing		13,726,394.73	24,294,941.61	13,726,394.73	24,294,941.61
Foreign items					
Interest bearing		756,618,556.34	1,021,011,186.72	756,618,556.34	1,021,011,186.72
Total interbank and money market items		<u>9,850,992,740.36</u>	<u>11,732,552,417.50</u>	<u>9,850,992,740.36</u>	<u>11,732,552,417.50</u>
Liability payable on demand		21,279,996.12	12,136,940.26	21,279,996.12	12,136,940.26
Borrowings	4.11				
Short-term borrowings		12,735,312,500.00	5,500,000,000.00	12,735,312,500.00	5,500,000,000.00
Long-term borrowings		18,771,632,500.00	27,621,981,000.00	18,771,632,500.00	27,621,981,000.00
Total borrowings		<u>31,506,945,000.00</u>	<u>33,121,981,000.00</u>	<u>31,506,945,000.00</u>	<u>33,121,981,000.00</u>
Derivative revaluation	3.11 4.15	699,401,324.93	-	699,401,324.93	-
Accrued interest payables		227,338,178.32	483,051,859.29	227,338,178.32	483,051,859.29
Advance Deposits		16,677,932.72	4,965,248.99	16,677,932.72	4,965,248.99
Export credit insurance reserve	3.14.2	273,343,656.12	236,359,155.04	273,343,656.12	236,359,155.04
Other liabilities	4.12	155,671,009.67	130,278,571.66	155,671,009.67	130,278,571.66
Total liabilities		<u>50,840,343,246.87</u>	<u>50,022,135,951.00</u>	<u>50,840,343,246.87</u>	<u>50,022,135,951.00</u>
Capital					
Capital	4.13	<u>12,800,000,000.00</u>	<u>7,800,000,000.00</u>	<u>12,800,000,000.00</u>	<u>7,800,000,000.00</u>
Paid-up capital		12,800,000,000.00	7,800,000,000.00	12,800,000,000.00	7,800,000,000.00
Hedging reserve	3.11	103,498,944.54	209,020,798.25	103,498,944.54	209,020,798.25
Revaluation surplus (deficit) on investments	3.4 4.2.4	(67,601,167.94)	102,515,312.11	(67,601,167.94)	102,515,312.11
Retained earnings					
Appropriated					
Legal reserve		2,579,053,886.85	2,478,353,886.85	2,579,053,886.85	2,478,353,886.85
Unappropriated		(513,731,733.18)	(759,458,176.23)	(513,640,265.02)	(759,088,325.82)
Total capital		<u>14,901,219,930.27</u>	<u>9,830,431,820.98</u>	<u>14,901,311,398.43</u>	<u>9,830,801,671.39</u>
Total liabilities and capital		<u>65,741,563,177.14</u>	<u>59,852,567,771.98</u>	<u>65,741,654,645.30</u>	<u>59,852,937,622.39</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, 2009 AND 2008

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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Off-Balance Sheet Items-Contingencies</u>	3.14 4.14				
Liabilities under unmatured import bills		179,891,148.77	189,930,462.55	179,891,148.77	189,930,462.55
Letters of credit		535,714,720.65	386,482,909.69	535,714,720.65	386,482,909.69
Export bills insured		16,087,401,775.80	8,358,203,893.23	16,087,401,775.80	8,358,203,893.23
Other contingencies		44,739,093,840.71	58,496,557,698.16	44,739,093,840.71	58,496,557,698.16

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

(Signed) *Narongchai Akrasanee*  
(Mr. Narongchai Akrasanee)  
Chairman of the Board of Directors

(Signed) *Apichai Boontharawara*  
(Mr. Apichai Boontharawara)  
President

## EXPORT-IMPORT BANK OF THAILAND

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2009	2008	2009	2008
Interest and dividend income	3.2				
Loans	3.9	2,143,198,656.00	2,790,134,903.75	2,143,198,656.00	2,790,134,903.75
Interbank and money market items		92,451,183.09	280,310,321.18	92,451,183.09	280,310,321.18
Investments		170,627,339.35	166,196,321.98	170,627,339.35	166,196,321.98
Total interest and dividend income		2,406,277,178.44	3,236,641,546.91	2,406,277,178.44	3,236,641,546.91
Interest expenses	3.3				
Deposits		58,930,865.40	46,542,470.86	58,930,865.40	46,542,470.86
Interbank and money market items		284,594,239.46	404,108,412.76	284,594,239.46	404,108,412.76
Short-term borrowings		252,642,887.21	391,490,362.34	252,642,887.21	391,490,362.34
Long-term borrowings		600,405,374.75	1,093,247,415.64	600,405,374.75	1,093,247,415.64
Total interest expenses		1,196,573,366.82	1,935,388,661.60	1,196,573,366.82	1,935,388,661.60
Net income from interest and dividend		1,209,703,811.62	1,301,252,885.31	1,209,703,811.62	1,301,252,885.31
Bad debt and doubtful accounts	3.6	776,323,751.16	1,412,993,154.33	776,323,751.16	1,412,993,154.33
Loss on debt restructuring	3.7	262,550,807.93	(251,738,872.22)	262,550,807.93	(251,738,872.22)
Net income from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring		170,829,252.53	139,998,603.20	170,829,252.53	139,998,603.20
Non-interest income					
Gain on investments		47,098,944.77	16,269,774.99	47,098,944.77	16,269,774.99
Share of gain (loss) from investments on equity method		278,382.25	(369,850.41)	-	-
Fees and service income		209,677,314.17	234,620,256.90	209,677,314.17	234,620,256.90
Export credit insurance income		169,244,822.82	132,705,307.82	169,244,822.82	132,705,307.82
Investment insurance income		8,393,298.42	-	8,393,298.42	-
Gain on exchanges	3.10 3.11	122,586,795.82	193,273,097.30	122,586,795.82	193,273,097.30
Gain on sale of properties foreclosed		1,207,675.03	41,288,619.77	1,207,675.03	41,288,619.77
Bad debt recovered		37,934.93	95,129.56	37,934.93	95,129.56
Written-off debt recovered		382,003,913.42	540,189.78	382,003,913.42	540,189.78
Other income		135,290,465.06	28,116,535.76	135,290,465.06	28,116,535.76
Total non-interest income		1,075,819,546.69	646,539,061.47	1,075,541,164.44	646,908,911.88
Non-interest expenses					
Personnel expenses		480,668,448.91	471,321,456.57	480,668,448.91	471,321,456.57
Premises and equipment expenses		99,431,373.16	92,800,576.64	99,431,373.16	92,800,576.64
Taxes and duties		(38,595.00)	34,579.43	(38,595.00)	34,579.43
Fees and service expenses		29,904,770.38	17,179,154.69	29,904,770.38	17,179,154.69
Expenses on export credit insurance		155,409,258.17	56,995,080.40	155,409,258.17	56,995,080.40
Expenses on investment insurance		4,196,649.21	-	4,196,649.21	-
Directors' remuneration		3,759,716.38	3,663,388.55	3,759,716.38	3,663,388.55
Loss on impairment of properties foreclosed		36,858,820.30	(130,012,358.21)	36,858,820.30	(130,012,358.21)
Other expenses		90,031,914.66	73,707,951.04	90,031,914.66	73,707,951.04
Total non-interest expenses		900,222,356.17	585,689,829.11	900,222,356.17	585,689,829.11
Net income		346,426,443.05	200,847,835.56	346,148,060.80	201,217,685.97

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, 2009 AND 2008

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED TO INVESTMENT

							Unit : Baht
Notes	Capital	Hedging Reserve	Revaluation Surplus	Appropriated	Unappropriated	Total	
			(Deficit) on Investments	Retained Earnings	Retained Earnings		
Beginning balance as at January 1, 2008	6,500,000,000.00	(85,408,548.74)	21,481,530.47	2,223,353,886.85	(705,306,011.79)	7,954,120,856.79	
Hedging reserve	-	294,429,346.99	-	-	-	294,429,346.99	
Revaluation surplus on investments	-	-	81,033,781.64	-	-	81,033,781.64	
Unrecognized items in income statements	-	294,429,346.99	81,033,781.64	-	-	375,463,128.63	
Increase from the Ministry of Finance	4.13	1,300,000,000.00	-	-	-	1,300,000,000.00	
Legal reserve	-	-	-	255,000,000.00	(255,000,000.00)	-	
Net income	-	-	-	-	200,847,835.56	200,847,835.56	
Ending balance as at December 31, 2008	<u>7,800,000,000.00</u>	<u>209,020,798.25</u>	<u>102,515,312.11</u>	<u>2,478,353,886.85</u>	<u>(759,458,176.23)</u>	<u>9,830,431,820.98</u>	
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	<u>12,800,000,000.00</u>	<u>103,498,944.54</u>	<u>(67,601,167.94)</u>	<u>2,579,053,886.85</u>	<u>(513,731,733.18)</u>	<u>14,901,219,930.27</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, 2009 AND 2008

THE BANK'S FINANCIAL STATEMENTS

							Unit : Baht
Notes	Capital	Hedging Reserve	Revaluation Surplus	Appropriated	Unappropriated	Total	
			(Deficit) on Investments	Retained Earnings	Retained Earnings		
Beginning balance as at January 1, 2008	6,500,000,000.00	(85,408,548.74)	21,481,530.47	2,223,353,886.85	(705,306,011.79)	7,954,120,856.79	
Hedging reserve	-	294,429,346.99	-	-	-	294,429,346.99	
Revaluation surplus on investments	-	-	81,033,781.64	-	-	81,033,781.64	
Unrecognized items in income statements	-	294,429,346.99	81,033,781.64	-	-	375,463,128.63	
Increase from the Ministry of Finance	4.13 1,300,000,000.00	-	-	-	-	1,300,000,000.00	
Legal reserve	-	-	-	255,000,000.00	(255,000,000.00)	-	
Net income	-	-	-	-	201,217,685.97	201,217,685.97	
Ending balance as at December 31, 2008	<u>7,800,000,000.00</u>	<u>209,020,798.25</u>	<u>102,515,312.11</u>	<u>2,478,353,886.85</u>	<u>(759,088,325.82)</u>	<u>9,830,801,671.39</u>	
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	<u>12,800,000,000.00</u>	<u>103,498,944.54</u>	<u>(67,601,167.94)</u>	<u>2,579,053,886.85</u>	<u>(513,640,265.02)</u>	<u>14,901,311,398.43</u>	

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, 2009 AND 2008

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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>				
Net income	346,426,443.05	200,847,835.56	346,148,060.80	201,217,685.97
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	74,639,126.13	73,490,951.19	74,639,126.13	73,490,951.19
Bad debt and doubtful accounts	785,654,432.03	1,348,838,930.32	785,654,432.03	1,348,838,930.32
Loss on debt restructuring (reversal)	262,550,807.93	(251,738,872.22)	262,550,807.93	(251,738,872.22)
Written-off debt recovered (reversal)	(350,180,539.96)	(412,158.23)	(350,180,539.96)	(412,158.23)
(Gain) on disposal of assets	(1,297,078.05)	(800,490.83)	(1,297,078.05)	(800,490.83)
(Gain) on sale of properties foreclosed	(1,207,675.03)	(41,288,619.77)	(1,207,675.03)	(41,288,619.77)
Loss on impairment of properties foreclosed (reversal)	36,858,820.30	(130,012,358.21)	36,858,820.30	(130,012,358.21)
Loss on exchanges	138,671,957.52	575,124,564.63	138,671,957.52	575,124,564.63
Derivative revaluation	109,639,228.73	743,450,371.68	109,639,228.73	743,450,371.68
(Gain) on sale of investments in securities	(49,832,790.77)	(16,269,774.99)	(49,832,790.77)	(16,269,774.99)
Loss on impairment of investments in securities	2,733,846.00	-	2,733,846.00	-
Share of (income) loss from investments on equity method	(278,382.25)	369,850.41	-	-
Deferred premium on investment-paid	(696,503,574.20)	(176,289,248.37)	(696,503,574.20)	(176,289,248.37)
Provision for contingent liabilities	(10,660,799.61)	34,916,548.38	(10,660,799.61)	34,916,548.38
Loss on claims and provision for insurance service	101,181,680.76	38,449,748.17	101,181,680.76	38,449,748.17
(Increase) in accrued income	(7,708,840.00)	(13,092.73)	(7,708,840.00)	(13,092.73)
Decrease in prepaid expenses	623,438.35	679,115.56	623,438.35	679,115.56
Increase (Decrease) in other accrued expenses	2,299,263.85	(7,927,720.33)	2,299,263.85	(7,927,720.33)
	<u>743,609,364.78</u>	<u>2,391,415,580.22</u>	<u>743,609,364.78</u>	<u>2,391,415,580.22</u>
Net income from interest and dividend	(1,209,703,811.62)	(1,301,252,885.31)	(1,209,703,811.62)	(1,301,252,885.31)
Proceeds from interest and dividend	2,412,167,270.56	3,603,456,750.74	2,412,167,270.56	3,603,456,750.74
Interest paid	(1,450,667,860.02)	(2,022,426,100.00)	(1,450,667,860.02)	(2,022,426,100.00)
Income from operations before changes in operating assets and liabilities	495,404,963.70	2,671,193,345.65	495,404,963.70	2,671,193,345.65
(Increase) decrease in operating assets				
Interbank and money market items	(871,932,799.33)	61,214,140.24	(871,932,799.33)	61,214,140.24
Loans	(3,810,897,360.36)	1,488,011,182.57	(3,810,897,360.36)	1,488,011,182.57
Loans for sale-net	-	1,638,951,949.48	-	1,638,951,949.48
Properties foreclosed	5,164,468.00	91,835,194.73	5,164,468.00	91,835,194.73
Other assets	(79,207,202.05)	(39,588,886.12)	(79,207,202.05)	(39,588,886.12)

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

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>				
Increase (decrease) in operating liabilities				
Deposits	3,789,401,870.98	(356,037,837.01)	3,789,401,870.98	(356,037,837.01)
Interbank and money market items	(1,861,323,353.23)	3,555,811,854.12	(1,861,323,353.23)	3,555,811,854.12
Liability payable on demand	9,143,055.86	(3,547,316.60)	9,143,055.86	(3,547,316.60)
Short-term borrowings	(2,500,000,000.00)	2,500,000,000.00	(2,500,000,000.00)	2,500,000,000.00
Other liabilities	20,956,891.12	(533,426,412.74)	20,956,891.12	(533,426,412.74)
Net cash provided by (used in) operating activities	<u>(4,803,289,465.31)</u>	<u>11,074,417,214.32</u>	<u>(4,803,289,465.31)</u>	<u>11,074,417,214.32</u>
<b>Cash flows from investing activities</b>				
(Increase) in investments in securities	(9,550,307,676.33)	(1,192,001,238.12)	(9,550,307,676.33)	(1,192,001,238.12)
Proceeds from sale of investments before due date	7,823,618,385.60	2,268,009,961.62	7,823,618,385.60	2,268,009,961.62
Purchase of premises and equipment	(31,133,241.27)	(32,358,532.38)	(31,133,241.27)	(32,358,532.38)
Proceeds from sale of premises and equipment	1,882,398.50	818,889.00	1,882,398.50	818,889.00
Net cash provided by (used in) investing activities	<u>(1,755,940,133.50)</u>	<u>1,044,469,080.12</u>	<u>(1,755,940,133.50)</u>	<u>1,044,469,080.12</u>
<b>Cash flows from financing activities</b>				
Increase (Decrease) in long-term borrowings	1,546,464,000.00	(13,416,928,747.20)	1,546,464,000.00	(13,416,928,747.20)
Increase in capital	5,000,000,000.00	1,300,000,000.00	5,000,000,000.00	1,300,000,000.00
Net cash provided by (used in) financing activities	<u>6,546,464,000.00</u>	<u>(12,116,928,747.20)</u>	<u>6,546,464,000.00</u>	<u>(12,116,928,747.20)</u>
Net increase (decrease) in cash and cash equivalents	(12,765,598.81)	1,957,547.24	(12,765,598.81)	1,957,547.24
Cash and cash equivalents at the beginning of the period	12,959,385.04	11,001,837.80	12,959,385.04	11,001,837.80
Cash and cash equivalents at the end of the period	<u>193,786.23</u>	<u>12,959,385.04</u>	<u>193,786.23</u>	<u>12,959,385.04</u>

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

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

**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 financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543), and presented in accordance with the Notification issued by the Bank of Thailand 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 dated August 3, 2008.

**2.1 New or revised accounting standards and financial reporting standards**

2.1.1 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions regarding the renumbering of the Thai Accounting Standards (TAS) and the Thai Financial Reporting Standards (TFRS) to be equivalent to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS). The disclosures of new number of TAS and TFRS in these financial statements have been used in accordance with such Notification.

2.1.2 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 86/2551 dated November 12, 2008, and No. 16/2552 dated May 21, 2009 regarding the accounting standards, financial reporting standards, and accounting guidelines as follows:

(1) The accounting standard, financial reporting standard, and accounting guidelines to be effective in 2009 are as follows:

- TAS 36 (Revised 2007) regarding Impairment of Assets (Formerly TAS 36)
- TFRS 5 (Revised 2007) regarding Non-current Assets Held for Sale and Discontinued Operations (Formerly TFRS 54)
- Accounting Framework (Revised 2007)
- Accounting Guideline on Accounting Record for Leasehold Right
- Accounting Guideline on Business Combinations Involving Entities under Common Control

(2) The accounting standards to be not yet effective in 2009 are as follows:

<u>Thai Accounting Standard</u>	<u>Effective date</u>
TAS 20 regarding Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 regarding Related Party Disclosures (Revised 2007) (Formerly TAS 47)	January 1, 2011
TAS 40 regarding Investment Property	January 1, 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 application.

The financial statements have been translated into English for the convenience of the readers.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and Cash Equivalents

Cash and cash equivalents 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 as well as prudent banking 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 set 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.

The Bank does not provide allowance for the 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 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 for over one year that have no clear guidelines of recovery. The written-down accounts are fully recognized as expenses. The accounts 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 significant 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 buyers.

The Bank would make provisioning rules for export credit insurance claim receivables as follows:

#### 3.14.1 Allowance for doubtful accounts on the payments of insurance claims

The Bank would make provisions for the payments of insurance claims equal to the difference between the book value of loans and the present value of expected cash flow from the debtors.

#### 3.14.2 Provisions for 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 at least 2% of the outstanding export bills insured at the end of every quarter, that is end of March, end of June, end of September and end of December. If the computed target level of provisions for future claims of any quarter is lower than the book balance, the Bank will continue to strengthen the provisions at the rate of 0.1% of the outstanding export credit insurance policies.



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.

The Bank would make provisioning rules for investment insurance claim receivables as follows:

#### **3.15.1 Allowance for doubtful accounts on the payments of insurance claims**

The Bank would make provisions for the payments of insurance claims equal to the difference between the book value of loans and the present value of expected cash flow from the debtors.

#### **3.15.2 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 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 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.

### **3.17 Staff Provident Fund**

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 years of working. TISCO Asset Management Company Limited has been appointed as the fund manager.

(TRANSLATION)

### 3.18 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, 2009</u>			<u>December 31, 2008</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
Bank of Thailand	43.60	-	43.60	3.56	1,950.00	1,953.56
Commercial banks	<u>75.73</u>	<u>3,567.59</u>	<u>3,643.32</u>	<u>91.36</u>	<u>1,896.16</u>	<u>1,987.52</u>
Total domestic items	119.33	3,567.59	3,686.92	94.92	3,846.16	3,941.08
<u>Add</u> Accrued interest						
receivables	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>-</u>	<u>0.33</u>	<u>0.33</u>
Total	<u>119.33</u>	<u>3,567.60</u>	<u>3,686.93</u>	<u>94.92</u>	<u>3,846.49</u>	<u>3,941.41</u>

#### 4.1.2 Foreign Items

Unit : Million Baht

	<u>December 31, 2009</u>			<u>December 31, 2008</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
US Dollars	355.67	1,947.32	2,302.99	1,061.08	223.91	1,284.99
Yen	31.62	-	31.62	47.09	-	47.09
Euro	108.59	143.38	251.97	58.37	98.53	156.90
Other currencies	<u>53.45</u>	<u>-</u>	<u>53.45</u>	<u>44.80</u>	<u>-</u>	<u>44.80</u>
Total foreign items	549.33	2,090.70	2,640.03	1,211.34	322.44	1,533.78
<u>Add</u> Accrued interest						
receivables	<u>0.08</u>	<u>2.12</u>	<u>2.20</u>	<u>0.69</u>	<u>0.02</u>	<u>0.71</u>
Total	<u>549.41</u>	<u>2,092.82</u>	<u>2,642.23</u>	<u>1,212.03</u>	<u>322.46</u>	<u>1,534.49</u>
Total domestic and foreign items	<u>668.74</u>	<u>5,660.42</u>	<u>6,329.16</u>	<u>1,306.95</u>	<u>4,168.95</u>	<u>5,475.90</u>

As at December 31, 2009 and 2008, the interbank and money market items (assets) included loans which were not required to be classified amounted Baht 3,846.53 million and Baht 4,070.40 million, respectively.

(TRANSLATION)

4.2 Investments

4.2.1 Current Investments

		Unit : Million Baht			
		<u>December 31, 2009</u>		<u>December 31, 2008</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	250.00	259.33	591.63	609.08
	Private enterprise debt instruments	<u>24.64</u>	<u>25.05</u>	<u>100.36</u>	<u>101.43</u>
	Total	274.64	284.38	691.99	710.51
<u>Add</u>	Allowance for revaluation	<u>9.74</u>	-	<u>18.52</u>	-
	Total	<u>284.38</u>	<u>284.38</u>	<u>710.51</u>	<u>710.51</u>
(2) Held-to-maturity debt instruments					
	Government and state enterprise securities	-		40.24	
	Foreign debt instruments	<u>333.84</u>		<u>977.05</u>	
	Total	333.84		1,017.29	
<u>Add</u>	Allowance for revaluation	-		<u>0.14</u>	
	Total	<u>333.84</u>		<u>1,017.43</u>	
	Total current investments-net	<u>618.22</u>		<u>1,727.94</u>	

#### 4.2.2 Long-term Investments

		Unit : Million Baht			
		<u>December 31, 2009</u>		<u>December 31, 2008</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	1,644.25	1,737.43
	Private enterprise debt instruments	100.00	99.94	124.79	128.87
	Domestic marketable equity securities -				
	listed securities	<u>26.07</u>	<u>17.27</u>	<u>26.07</u>	<u>14.18</u>
	Total	5,208.62	5,132.34	1,795.11	1,880.48
<u>Add (Less)</u>	Allowance for revaluation	<u>(76.28)</u>	<u>-</u>	<u>85.37</u>	<u>-</u>
	Total	<u>5,132.34</u>	<u>5,132.34</u>	<u>1,880.48</u>	<u>1,880.48</u>
(2) Held-to-maturity debt instruments					
	Private enterprise debt instruments	70.00		70.00	
	Foreign debt instruments	<u>587.53</u>		<u>524.54</u>	
	Total	657.53		594.54	
<u>(Less)</u>	Allowance for revaluation	<u>(1.06)</u>		<u>(1.51)</u>	
	Total	<u>656.47</u>		<u>593.03</u>	
(3) General investments					
	Mutual Fund	68.11		41.65	
	Others	<u>0.50</u>		<u>0.51</u>	
	Total	68.61		42.16	
<u>(Less)</u>	Allowance for impairment	<u>(2.73)</u>		<u>-</u>	
	Total	<u>65.88</u>		<u>42.16</u>	
	Total long-term investments-net	<u>5,854.69</u>		<u>2,515.67</u>	

General investments amounted Baht 68.11 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. In 2009 and 2008 the Bank purchased 2.65 million investment units and 3.66 million investment units, which based on the par value of 10 baht per unit, represented Baht 26.46 million and Baht 36.65 million, respectively, thereby bringing the total investment to Baht 63.11 million.

(TRANSLATION)

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 2008 the Bank subscribed and paid for 5,000 investment units, which based on the par value of 1,000 baht per unit, represented Baht 5 million of investments.

#### 4.2.3 Time to Maturity of Debt Instruments

Unit : Million Baht

	<u>December 31, 2009</u>			Total	<u>December 31, 2008</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	250.00	4,476.66	605.89	5,332.55	591.63	689.82	954.43	2,235.88
Private enterprise debt								
instruments	<u>24.64</u>	<u>100.00</u>	<u>-</u>	<u>124.64</u>	<u>100.36</u>	<u>24.79</u>	<u>100.00</u>	<u>225.15</u>
Total	274.64	4,576.66	605.89	5,457.19	691.99	714.61	1,054.43	2,461.03
<u>Add (Less) Allowance for revaluation</u>	<u>9.74</u>	<u>(64.74)</u>	<u>(2.74)</u>	<u>(57.74)</u>	<u>18.52</u>	<u>24.69</u>	<u>72.57</u>	<u>115.78</u>
Total	<u>284.38</u>	<u>4,511.92</u>	<u>603.15</u>	<u>5,399.45</u>	<u>710.51</u>	<u>739.30</u>	<u>1,127.00</u>	<u>2,576.81</u>
Held-to-maturity debt instruments								
Government and state								
enterprise securities	-	-	-	-	40.24	-	-	40.24
Private enterprise debt								
instruments	-	70.00	-	70.00	-	70.00	-	70.00
Foreign debt instruments	<u>333.84</u>	<u>396.04</u>	<u>191.49</u>	<u>921.37</u>	<u>977.05</u>	<u>524.54</u>	<u>-</u>	<u>1,501.59</u>
Total	333.84	466.04	191.49	991.37	1,017.29	594.54	-	1,611.83
<u>Add (Less) Allowance for revaluation</u>	<u>-</u>	<u>(1.06)</u>	<u>-</u>	<u>(1.06)</u>	<u>0.14</u>	<u>(1.51)</u>	<u>-</u>	<u>(1.37)</u>
Total	<u>333.84</u>	<u>464.98</u>	<u>191.49</u>	<u>990.31</u>	<u>1,017.43</u>	<u>593.03</u>	<u>-</u>	<u>1,610.46</u>
Total debt instruments	<u>618.22</u>	<u>4,976.90</u>	<u>794.64</u>	<u>6,389.76</u>	<u>1,727.94</u>	<u>1,332.33</u>	<u>1,127.00</u>	<u>4,187.27</u>

(TRANSLATION)

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

	Unit : Million Baht	
	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Revaluation surplus (deficit) on investments		
Debt instruments	(58.80)	114.41
Equity securities	<u>(8.80)</u>	<u>(11.89)</u>
Total	<u>(67.60)</u>	<u>102.52</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 December 31, 2009 and 2008, 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, 2009</u>		<u>December 31, 2008</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	4.20	4.29	3.92	4.29

The Bank's financial statements in which the equity method is applied to investment for the year ended December 31, 2009 were consolidated with Thai Exim International Company's audited financial statements.

#### 4.3 Loans and Accrued Interest Receivables

##### 4.3.1 Classified by Type of Loan

		Unit : Million Baht	
		<u>December 31, 2009</u>	<u>December 31, 2008</u>
Overdrafts		333.12	279.60
Domestic loans	- customers	36,202.16	35,423.13
	- export bills negotiation	797.65	856.29
	- staff loans	227.32	215.32
Foreign loans	- foreign government agencies	5,671.02	5,617.66
	- foreign investors	<u>9,959.32</u>	<u>8,355.77</u>
	Total	53,190.59	50,747.77
<u>Add</u>	Accrued interest receivables	<u>387.79</u>	<u>416.93</u>
	Total loans and accrued interest receivables	53,578.38	51,164.70
<u>(Less)</u>	Allowance for doubtful accounts	(2,507.19)	(2,877.98)
	Revaluation allowance for debt restructuring	<u>(398.24)</u>	<u>(169.47)</u>
	Total	<u>50,672.95</u>	<u>48,117.25</u>

(TRANSLATION)

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 December 31, 2009, the drawdown of such loan totalled Baht 3,946.14 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 temporary suspended on September 16, 2008.

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

	Unit : Million Baht	
	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Within 1 year	26,863.64	30,670.08
Over 1 year	<u>26,326.95</u>	<u>20,077.69</u>
Total	<u>53,190.59</u>	<u>50,747.77</u>

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

	<u>December 31, 2009</u>			<u>December 31, 2008</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	34,046.91	7,544.99	41,591.90	33,192.75	6,214.69	39,407.44
US Dollars	3,428.42	8,085.35	11,513.77	3,416.07	7,758.74	11,174.81
Other currencies	<u>84.92</u>	<u>-</u>	<u>84.92</u>	<u>165.52</u>	<u>-</u>	<u>165.52</u>
Total	<u>37,560.25</u>	<u>15,630.34</u>	<u>53,190.59</u>	<u>36,774.34</u>	<u>13,973.43</u>	<u>50,747.77</u>

(TRANSLATION)

4.3.4 Classified by Loan Classification

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
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				<u>2,507.19</u>

	<u>December 31, 2008</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	37,918.73	37,918.73	1	379.19
Special mention	913.91	913.91	2	18.28
Sub-standard	1,531.01	1,003.81	100	1,003.81
Doubtful	1,651.38	860.44	100	860.44
Doubtful of loss	<u>1,544.40</u>	<u>372.48</u>	100	<u>372.48</u>
Total	43,559.43	41,069.37		2,634.20
Allowance for doubtful accounts based on				
restructured debt quality	<u>1,538.97</u>	<u>1,235.22</u>	1,20,50	<u>43.78</u>
Total	<u>45,098.40</u>	<u>42,304.59</u>		2,677.98
Excess allowance for doubtful accounts over provision required				<u>200.00</u>
Allowance for doubtful accounts based on debt service ability and debt quality as at December 31, 2008				<u>2,877.98</u>

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:



(TRANSLATION)

- (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>December 31, 2009</u>		<u>December 31, 2008</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	4,369.74	8.16	4,726.80	9.24
Unclassified loans	6,049.34	11.29	6,066.30	11.86

In 2009 and 2008, the Bank wrote down debt accounts in the amount of Baht 1,137.50 million and Baht 945.36 million, respectively. As at December 31, 2009 and 2008, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 2,084.12 million and Baht 1,278.65 million, respectively.

In 2009 and 2008, the Bank approved the write-off of bad debts in the amount of Baht 36.87 million and Baht 128.76 million, respectively.

#### 4.3.5 Troubled Debt Restructuring

In 2009 and 2008, the Bank had restructured debts applying the adjustment of repayment conditions and transfer of assets as restructuring method, in accordance with the Thai Accounting Standard No. 34, as follows:

Unit : Million Baht

<u>Restructured</u>	<u>Cases</u>	<u>2009</u>		<u>2008</u>		
		<u>Amount</u>	<u>As % of Loans</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	33	1,512.65	2.82	41	391.03	0.76
In - process	23	447.66	0.84	-	-	-
Outstanding of debt changed to normal at the end of period	21	1,945.10	3.63	24	1,538.97	3.01

(TRANSLATION)

In 2009 and 2008, the Bank restructured the debt as follows:

Unit : Million Baht

Types of Restructuring	Cases	2009			Transferred Assets	
		Outstanding Debt			Types	Fair Value
		Before Restructuring	After Restructuring	As at December 31, 2009		
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	283.08
					Machinery, Share	
Total	33	1,512.65	1,512.60	1,263.40		283.08

Types of Restructuring	Cases	2008			Transferred Assets	
		Outstanding Debt			Types	Fair Value
		Before Restructuring	After Restructuring	As at December 31, 2008		
Change of repayment conditions						
Terms of debt restructuring agreements						
- Less than 5 years	38	307.06	297.82	196.29		
- 5 to 10 years	3	83.97	83.97	95.70		
Total	41	391.03	381.79	291.99		

In 2009 and 2008, the outstanding debt before the restructuring compared to the outstanding loans and accrued interest receivable were as follows:

	Unit : Million Baht			
	December 31, 2009		December 31, 2008	
	Cases	Amount	Cases	Amount
Restructured debt	33	1,512.60	41	391.03
Loans and accrued interest receivables	960	53,578.38	997	51,164.70

In 2009 and 2008, the Bank recognized interest income from debt structuring in the amount of Baht 248.97 million and Baht 136.70 million, respectively.

(TRANSLATION)

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

#### 4.4 Allowance for Doubtful Accounts

Unit : Million Baht

	<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>

  

	<u>December 31, 2008</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	398.39	28.50	427.16	405.88	470.99	104.18	680.00	2,515.10
Doubtful accounts	(19.20)	(10.22)	576.65	454.56	847.67	(54.25)	(480.00)	1,315.21
Debts sold	-	-	-	-	-	(5.59)	-	(5.59)
Debts written down	-	-	-	-	(945.36)	-	-	(945.36)
Bad debts written off	-	-	-	-	(0.82)	(0.56)	-	(1.38)
Ending balance	<u>379.19</u>	<u>18.28</u>	<u>1,003.81</u>	<u>860.44</u>	<u>372.48</u>	<u>43.78</u>	<u>200.00</u>	<u>2,877.98</u>

As at December 31, 2009 and 2008, the Bank's allowance for doubtful accounts on loans accounted for Baht 2,507.19 million and Baht 2,877.98 million, respectively, which was greater than the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand because the Bank considered the allowance on a prudent banking basis.

#### 4.5 Revaluation Allowance for Debt Restructuring

Unit : Million Baht

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Beginning balance	169.47	803.41
Increase	371.93	78.54
Decrease	<u>143.16</u>	<u>712.48</u>
Ending balance	<u>398.24</u>	<u>169.47</u>

(TRANSLATION)

#### 4.6 Properties Foreclosed - Net

Unit : Million Baht

<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>

<u>Type of properties foreclosed</u>	<u>December 31, 2008</u>			
	<u>Beginning balance</u>	<u>Increase</u>	<u>Disposal</u>	<u>Ending balance</u>
Properties obtained from debt settlement				
- Immovable properties	1,081.54	3.73	50.88	1,034.39
- Movable properties	<u>93.46</u>	<u>-</u>	<u>-</u>	<u>93.46</u>
Total properties foreclosed	1,175.00	3.73	50.88	1,127.85
(Less) Allowance for impairment	<u>(283.71)</u>	<u>130.01*</u>	<u>(0.34)</u>	<u>(153.36)</u>
Total properties foreclosed - net	<u>891.29</u>	<u>133.74</u>	<u>50.54</u>	<u>974.49</u>

\* In 2008 the Bank has changed the method for revaluation of properties foreclosed from present value estimates to quoted market prices, which resulted in a reversal of allowance for impairment on properties foreclosed in the amount of Baht 154.40 million.

#### 4.7 Premises and Equipment - Net

Unit : Million Baht

	<u>December 31, 2009</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	263.65	22.63	-	286.28	390.50
-Building improvement	132.21	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.

Unit : Million Baht

	December 31, 2008								
	Cost				Accumulated depreciation				Net
	Beginning Balance	Increase	Disposal	Ending Balance	Beginning Balance	Depreciation	Disposal	Ending Balance	Premises and Equipment
Land	388.20	-	-	388.20	-	-	-	-	388.20
Buildings									
-Buildings	676.78	-	-	676.78	240.95	22.70	-	263.65	413.13
-Building improvement	132.21	0.30	-	132.51	85.26	11.34	-	96.60	35.91
Equipment									
-Office equipment and fixtures	221.66	18.10	2.54	237.22	165.84	19.69	2.52	183.01	54.21
-Vehicles	74.14	14.63	2.09	86.68	37.54	14.60	2.09	50.05	36.63
Amortized assets	0.03	-	0.03	-	-	-	-	-	-
Assets under construction*	-	1.76	1.17	0.59	-	-	-	-	0.59
Total	<u>1,493.02</u>	<u>34.79</u>	<u>5.83</u>	<u>1,521.98</u>	<u>529.59</u>	<u>68.33</u>	<u>4.61</u>	<u>593.31</u>	<u>928.67</u>

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

#### 4.8 Other Assets

Unit : Million Baht

	December 31, 2009	December 31, 2008
Revenue receivables	8.07	0.37
Insurance claim receivables	214.46	164.33
Allowance for insurance claim receivables (Notes 3.14.1)	(214.46)	(164.33)
Advance deposits	2.60	2.58
Computer Software	14.18	9.93
Others	<u>6.75</u>	<u>12.26</u>
Total	<u>31.60</u>	<u>25.14</u>

#### 4.9 Deposits

##### 4.9.1 Classified by Type of Deposit

Unit : Million Baht

	December 31, 2009	December 31, 2008
Current	869.14	752.72
Savings	12.98	112.96
Term		
- Less than 6 months	1,284.41	367.73
- 6 months up to less than 1 year	28.90	26.26
- 1 year and over	<u>5,893.26</u>	<u>3,041.14</u>
Total	<u>8,088.69</u>	<u>4,300.81</u>

(TRANSLATION)

4.9.2 Classified by Remaining Maturity of Agreements

		Unit : Million Baht
	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Within 1 year*	8,088.69	4,300.81
Over 1 year	-	-
Total	<u>8,088.69</u>	<u>4,300.81</u>

\* Inclusive of expired agreements.

4.9.3 Classified by Currencies and Residency of Depositors

				Unit : Million Baht		
	<u>December 31, 2009</u>			<u>December 31, 2008</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	7,691.55	6.81	7,698.36	3,966.50	6.72	3,973.22
US Dollars	225.11	79.72	304.83	235.58	63.14	298.72
Other currencies	<u>85.50</u>	-	<u>85.50</u>	<u>28.84</u>	<u>0.03</u>	<u>28.87</u>
Total	<u>8,002.16</u>	<u>86.53</u>	<u>8,088.69</u>	<u>4,230.92</u>	<u>69.89</u>	<u>4,300.81</u>

4.10 Interbank and Money Market Items (Liabilities)

		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>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>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>

Unit : Million Baht

	<u>December 31, 2008</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>
Domestic			
Bank of Thailand	-	1,382.72	1,382.72
Commercial banks	0.36	500.00	500.36
Other banks	28.46	6,000.00	6,028.46
Finance companies, finance and securities companies, securities companies, and credit foncier companies	<u>-</u>	<u>2,800.00</u>	<u>2,800.00</u>
Total domestic items	<u>28.82</u>	<u>10,682.72</u>	<u>10,711.54</u>
Foreign			
US Dollars	652.03	183.30	835.33
Other currencies	<u>185.68</u>	<u>-</u>	<u>185.68</u>
Total foreign items	<u>837.71</u>	<u>183.30</u>	<u>1,021.01</u>
Total domestic and foreign items	<u>866.53</u>	<u>10,866.02</u>	<u>11,732.55</u>

#### 4.11 Borrowings

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>-</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>

	<u>December 31, 2008</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Short-term borrowings			
- Export-Import Bank of Thailand bonds	3,000.00	-	3,000.00
- Others	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>
Total short-term borrowings	<u>5,500.00</u>	<u>-</u>	<u>5,500.00</u>
Long-term borrowings			
- Export-Import Bank of Thailand bonds	4,200.00	14,676.37	18,876.37
- Others	<u>8,745.61</u>	<u>-</u>	<u>8,745.61</u>
Total long-term borrowings	<u>12,945.61</u>	<u>14,676.37</u>	<u>27,621.98</u>
Total borrowings	<u>18,445.61</u>	<u>14,676.37</u>	<u>33,121.98</u>

(TRANSLATION)

The details of the long-term borrowings of Baht 18,771.63 million and Baht 27,621.98 million were as follows:

Type	Tenor (years)	Maturity (year)	Interest rate (% per annum)	Unit : Million Baht	
				December 31, 2009	December 31, 2008
EXIM Thailand bonds	5	2010-2011	5.50-5.95	3,200.00	4,200.00
Debt Instruments (FRN)	5	2010-2013	LIBOR+[(0.05)-0.20]	9,009.56	14,676.37
Others	2-10	2010-2019	0.50-5.75	<u>6,562.07</u>	<u>8,745.61</u>
Total				<u>18,771.63</u>	<u>27,621.98</u>

#### 4.12 Other Liabilities

	Unit : Million Baht	
	December 31, 2009	December 31, 2008
Expenses payable	21.11	17.76
Accounts payable	8.35	3.04
Reinsurance payable	6.82	-
Deferred revenues	53.32	40.75
Withholding tax payable	4.58	4.22
Provision for contingent liabilities	48.57	60.25
Provision for investment insurance	4.20	-
Suspense liabilities	6.57	4.15
Others	<u>2.15</u>	<u>0.11</u>
Total	<u>155.67</u>	<u>130.28</u>

#### 4.13 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.



(TRANSLATION)

4.14 Contingent Liabilities and Commitments

Unit : Million Baht

	<u>December 31, 2009</u>		
	<u>Baht</u>	<u>Foreign</u>	<u>Total</u>
		<u>Currencies</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>

	<u>December 31, 2008</u>		
	<u>Baht</u>	<u>Foreign</u>	<u>Total</u>
		<u>Currencies</u>	
Liabilities under unmatured import bills	94.32	95.61	189.93
Letters of credit	27.31	359.17	386.48
Export bills insured	8,293.16	65.04	8,358.20
Other contingencies			
Other guarantees	890.44	3,868.78	4,759.22
Overdraft accounts not yet drawn	539.52	-	539.52
FX forward purchase/sales contracts	12,804.29	13,705.26	26,509.55
FX swaps	1,169.76	351.06	1,520.82
Cross currency and interest rate swaps	4,191.70	2,635.75	6,827.45
Interest rate swaps	17,740.00	-	17,740.00
Forward rate agreements	<u>600.00</u>	<u>-</u>	<u>600.00</u>
Total other contingencies	<u>37,935.71</u>	<u>20,560.85</u>	<u>58,496.56</u>
Total	<u>46,350.50</u>	<u>21,080.67</u>	<u>67,431.17</u>

(TRANSLATION)

#### 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, 2009 and 2008 were as follows:

	Unit : Million Baht	
	<u>December 31, 2009</u>	
	<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>
	<u>December 31, 2008</u>	
	<u>Contract Value</u>	<u>Net Fair Value of the Derivative's Contract</u>
FX forward purchase/sales contracts	26,509.55	138.10
FX swaps	1,520.82	1.25
Cross currency and interest rate swaps	6,827.45	(301.39)
Interest rate swaps	17,740.00	186.41
Forward rate agreements	<u>600.00</u>	<u>(9.08)</u>
Total	<u>53,197.82</u>	<u>15.29</u>

#### 4.16 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).

#### 4.17 Long-term Leasing Contracts

<u>Branch Offices</u>	<u>Contract Term (years)</u>	<u>Year of Contract Expiry</u>
Laem Chabang	20	2019
Rangsit	3	2010
Hat Yai	3	2012
Rama IV (two leasing contracts)	3	2011
Khon Kaen	3	2011
Chiang Mai	3	2011
Bangna – Trad Km. 3	3	2011

#### 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 Approval of the financial statements

These financial statements were approved for issue by the Chairman of the Board of Directors and President on February 18, 2010.

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