

REVIEW REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS

EXPORT – IMPORT BANK OF THAILAND

FOR THE THREE – MONTH PERIOD AND THE NINE – MONTH PERIOD ENDED SEPTEMBER 30, 2013

(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has reviewed the statements of financial position of the Export-Import Bank of Thailand, as at September 30, 2013, and statements of comprehensive income for the three month and nine month period ended, changes in shareholders' equity and cash flows for the nine month period ended, and the condensed notes to the financial. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting. The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of review

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

Conclusion

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

(Signed) *Jurairat Thipsatien*

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

Office of the Auditor General of Thailand

November 29, 2013

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2013

		Unit : Baht	
	<u>Notes</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		267,792	312,144
Interbank and money market items, net		6,616,425,105	5,088,579,539
Derivative assets	5.2	546,881,589	339,262,450
Investments, net	5.3	3,034,917,998	3,721,515,314
Loans to customers and accrued interest receivables, net	5.4		
Loans to customers		69,250,671,046	66,676,345,788
Accrued interest receivables		1,038,022,990	1,024,604,277
Total loans to customers and accrued interest receivables		70,288,694,036	67,700,950,065
<u>Less</u> Deferred revenue		4,969,571	4,034,488
<u>Less</u> Allowance for doubtful accounts	5.5	3,438,122,403	3,206,907,882
<u>Less</u> Revaluation allowance for debt restructuring	5.6	948,620,999	920,037,535
Total loans to customers and accrued interest receivables, net		65,896,981,063	63,569,970,160
Properties foreclosed, net		753,814,047	875,103,428
Premises and equipment, net		822,723,122	844,314,926
Intangible assets, net		45,126,348	47,037,771
Accrued interest receivables not related to loans		3,872,107	3,067,746
Prepaid expenses		22,616,794	16,293,987
Other assets, net		17,163,519	16,580,986
Total assets		77,760,789,484	74,522,038,451

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2013

	<u>Notes</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
Unit : Baht			
<u>Liabilities and Shareholders' Equity</u>			
Deposits		5,844,913,900	7,103,230,710
Interbank and money market items, net		12,893,946,145	7,573,455,563
Liabilities payable on demand		2,741,707,322	145,909,283
Derivative liabilities	5.2	110,956,697	88,536,835
Debt issued and borrowings	5.7	38,043,611,782	42,294,277,532
Provisions	5.8	160,600,400	155,734,752
Accrued interest payables		228,464,273	283,461,506
Allowance for export credit insurance		106,225,386	128,315,111
Other liabilities		590,519,863	581,733,950
Total liabilities		60,720,945,768	58,354,655,242
Shareholders' equity			
Capital	5.9	12,800,000,000	12,800,000,000
Paid-up capital		12,800,000,000	12,800,000,000
Other components of equity		1,449,207	3,209,817
Retained earnings			
Appropriated			
Legal reserve		3,677,853,887	3,126,853,887
Unappropriated		560,540,622	237,319,505
Total shareholders' equity		17,039,843,716	16,167,383,209
Total liabilities and shareholders' equity		77,760,789,484	74,522,038,451

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

(Mr. Prasong Poontaneat)
Chairman of the Board of Directors

(Mr. Kanit Sukonthaman)
President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	<u>2013</u>	<u>2012</u>
		Unit : Baht
		<u>2012</u>
Interest revenue	818,803,773	796,404,115
Interest expenses	249,003,775	292,274,893
Net interest income	<u>569,799,998</u>	<u>504,129,222</u>
Fees and service revenue	82,953,197	110,410,749
Fees and service expenses	20,681,400	27,898,761
Net fees and service income	<u>62,271,797</u>	<u>82,511,988</u>
Gain on trading and foreign exchange transactions	12,698,847	67,886,255
Gain (Loss) on investments	(13,418,478)	6,004,429
Written-down debt recovered	89,434,181	799,512,894
Other operating revenue	515,182	5,548,016
Total operating revenue	<u>89,229,732</u>	<u>878,951,594</u>
Other operating expenses		
Personnel expenses	136,022,345	133,330,798
Directors' remuneration	1,374,000	1,232,431
Premises and equipment expenses	13,824,646	14,083,693
Taxes and duties	9	39
Loss on claims and provision for insurance service	(38,595,205)	(36,071,960)
Loss on impairment of properties foreclosed	4,993,549	10,984,781
Others	(5,915,779)	(41,688,978)
Total operating expenses	<u>111,703,565</u>	<u>81,870,804</u>
Impairment loss of loans and debt securities	287,200,466	892,707,075
Net income	<u>322,397,496</u>	<u>491,014,925</u>
Other comprehensive income (loss)		
Gain (Loss) on revaluation of available-for-sale investments	(702,798)	681,099
Total other comprehensive income (loss)	<u>(702,798)</u>	<u>681,099</u>
Total comprehensive income	<u><u>321,694,698</u></u>	<u><u>491,696,024</u></u>

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

(Mr. Prasong Poontaneat)

Chairman of the Board of Directors

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
			Unit : Baht
			<u>2012</u>
Interest revenue	5.15	2,393,000,102	2,456,425,322
Interest expenses	5.16	776,193,921	887,129,653
Net interest income		<u>1,616,806,181</u>	<u>1,569,295,669</u>
Fees and service revenue		317,834,116	436,505,859
Fees and service expenses		79,225,950	96,865,724
Net fees and service income	5.17	<u>238,608,166</u>	<u>339,640,135</u>
Gain on trading and foreign exchange transactions	5.18	17,448,717	185,007,379
Gain (Loss) on investments		(27,974,669)	4,918,586
Written-down debt recovered		198,697,795	901,502,232
Other operating revenue		58,023,392	14,797,932
Total operating revenue		<u>246,195,235</u>	<u>1,106,226,129</u>
Other operating expenses			
Personnel expenses		406,971,806	399,318,405
Directors' remuneration		3,529,903	2,912,031
Premises and equipment expenses		34,592,364	41,260,752
Taxes and duties		2,529	2,577
Loss on claims and provision for insurance service		(15,338,288)	(13,501,472)
Loss on impairment of properties foreclosed		44,466,426	65,488,562
Others		21,265,429	100,644,335
Total operating expenses		<u>495,490,169</u>	<u>596,125,190</u>
Impairment loss of loans and debt securities	5.19	<u>631,898,296</u>	<u>1,418,444,629</u>
Net income		<u>974,221,117</u>	<u>1,000,592,114</u>
Other comprehensive income (loss)			
Gain (Loss) on revaluation of available-for-sale investments		(1,760,610)	502,264
Total other comprehensive income (loss)		<u>(1,760,610)</u>	<u>502,264</u>
Total comprehensive income		<u><u>972,460,507</u></u>	<u><u>1,001,094,378</u></u>

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

(Mr. Prasong Poontaneat)

Chairman of the Board of Directors

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
			Revaluation Surplus (Deficit) on Investments			
Beginning balance as at January 1, 2012		12,800,000,000	1,700,281	2,824,553,887	(348,370,062)	15,277,884,106
Legal reserve		-	-	302,300,000	(302,300,000)	-
Remittance to the Ministry of Finance		-	-	-	(212,100,000)	(212,100,000)
Total comprehensive income		-	502,264	-	1,000,592,114	1,001,094,378
Ending balance as at September 30, 2012		12,800,000,000	2,202,545	3,126,853,887	137,822,052	16,066,878,484
Beginning balance as at January 1, 2013		12,800,000,000	3,209,817	3,126,853,887	237,319,505	16,167,383,209
Legal reserve		-	-	551,000,000	(551,000,000)	-
Remittance to the Ministry of Finance	5.10	-	-	-	(100,000,000)	(100,000,000)
Total comprehensive income		-	(1,760,610)	-	974,221,117	972,460,507
Ending balance as at September 30, 2013		12,800,000,000	1,449,207	3,677,853,887	560,540,622	17,039,843,716

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

(Mr. Prasong Poontaneat)

Chairman of the Board of Directors

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	Unit : Baht	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Net income	974,221,117	1,000,592,114
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization expenses	38,993,728	41,005,697
Bad debt and doubtful accounts	573,770,162	617,691,886
Loss on debt restructuring	58,265,308	695,563,806
Reversal of written-down debt recovered	(55,575,899)	(745,663,516)
Gain on disposal of assets	(450,774)	(437,655)
Gain on sale of properties foreclosed	(54,819,099)	(10,574,659)
Loss on impairment of properties foreclosed	44,466,426	65,488,562
Loss on revaluation of foreign currencies	80,897,534	239,282,430
Derivative revaluation	79,494,839	(232,285,368)
Loss on disposal of investments	52,478	-
Gain on liquidation of invested company - Associated Company	-	(226,047)
Loss on impairment of investments (reversal)	27,922,191	(4,918,586)
Amortization of premium (discount) on debt securities	13,587,939	(10,858,250)
Increase (decrease) in provisions	4,410,218	(90,435,260)
Bad debt and provision for other receivables (reversal)	(50,273,255)	124,997,513
Loss on claims and provision for insurance service (reversal)	(11,515,945)	1,684,596
Decrease (increase) in revenue receivables	(693,589)	(5,002,195)
Decrease (increase) in prepaid expenses	(5,618,008)	2,411,722
Increase (decrease) in other accrued expenses	9,323,885	9,419,170
	1,726,459,256	1,697,735,960
Net interest income	(1,616,806,181)	(1,569,295,669)
Proceeds from interest income	2,365,143,053	2,332,278,536
Interest expenses paid	(833,772,298)	(905,425,940)
Income from operations before changes in operating assets and liabilities	1,641,023,830	1,555,292,887
(Increase) decrease in operating assets		
Interbank and money market items	(1,515,653,202)	(2,119,107,938)
Loans, net	(2,028,296,325)	940,404,649
Properties foreclosed, net	173,338,622	29,042,659
Other assets, net	(8,038,232)	(17,220,671)

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	Unit : Baht	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities (continued)		
Increase (decrease) in operating liabilities		
Deposits	(1,265,633,434)	(399,554,946)
Interbank and money market items	5,188,814,889	980,103,410
Liabilities payable on demand	2,588,881,649	59,819,808
Short-term debt issued and borrowings	-	381,206,215
Other liabilities	43,996,293	175,300,733
Net cash provided by operating activities	4,818,434,090	1,585,286,806
Cash flows from investing activities		
Proceeds from disposal of available-for-sale securities	-	15,000,000
Purchases of held-to-maturity debt securities	(3,980,000,000)	(6,335,000,000)
Proceeds from disposal of held-to-maturity debt securities	4,632,000,000	6,486,032,196
Proceeds from disposal of general investment	101,751	-
Proceeds from liquidation of investments in associated company	-	4,512,547
Purchases of premises and equipment	(9,044,555)	(24,139,429)
Proceeds from sales of premises and equipment	2,890,725	2,762,877
Purchases of intangible assets	(8,082,548)	(17,935,260)
Net cash provided by investing activities	637,865,373	131,232,931
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	3,665,275,369	-
Repayments of long-term debt issued and borrowings	(9,021,619,184)	(1,502,776,468)
Remittance to the Ministry of Finance	(100,000,000)	(212,100,000)
Net cash used in financing activities	(5,456,343,815)	(1,714,876,468)
Net increase (decrease) in cash and cash equivalents	(44,352)	1,643,269
Cash and cash equivalents at the beginning of the period	312,144	216,866
Cash and cash equivalents at the end of the period	267,792	1,860,135

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

(Mr. Prasong Poontaneat)
Chairman of the Board of Directors

(Mr. Kanit Sukonthaman)
President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UNAUDITED/REVIEWED)

1. GENERAL INFORMATION

Export-Import Bank of Thailand (or “the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542), with the objective to provide financial supports for exports, imports and investments related to the development of the Thai economy. Its services include:

- export financing services provided through commercial banks;
- short-term and long-term credits provided directly to exporters;
- medium-term credits for export business expansion;
- short-term and medium-term credits to foreign banks to finance goods imported from Thailand;
- credit and equity financing to support Thai investments overseas that are beneficial to the country;
- export credit insurance services to Thai exporters;
- credits for overseas projects yielding economic returns to Thailand;
- investment insurance services for overseas investments of Thai investors who have been granted credit lines from the Bank; and
- stand-by claims purchase agreement services.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2012. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2012.

The financial statements are prepared in conformity with Generally Accepted Accounting Principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. SorNorSor. 11/2553 dated December 3, 2010 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups.

3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS

At the end of September 30, 2013, the Bank's capital adequacy ratio (CAR) stood at 20.56 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.00%) and the Bank's capital to insurance service contingent liabilities ratio stood at 74.32%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.00%).

Capital Adequacy Ratio Based on the Ministerial Regulations

Unit: Million Baht

	<u>Ministerial Regulations</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>
1. Capital *		15,615.08	15,064.08
2. Risk assets **		75,955.67	71,421.91
3. Insurance service contingent liabilities		21,010.55	27,648.20
4. Capital to risk assets (1)/(2)	Not less than 8.00%	20.56%	21.09%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	74.32%	54.48%

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

** Risk assets have been calculated from credit risk assets, which excluded insurance service contingent liabilities.

4. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity to Thai Financial Reporting Standards (TFRS), the Bank has to set up estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. The consideration for such estimates and assumptions is based on the experience and reliable information that is available at the time that the financial statements are being prepared. However, the actual results may differ from the estimates.

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

5. ADDITIONAL INFORMATION

5.1 Supplementary Information of Cash Flow

Significant non-cash items for the nine-month periods ended September 30, 2013 and 2012 are as follows:

Unit : Million Baht

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Increase in investments from debt restructuring	-	26.31
Increase (Decrease) in revaluation surplus on investments in shareholders' equity	(1.76)	0.50
Increase in properties foreclosed from loan payment	41.70	7.04

5.2 Derivatives

As at September 30, 2013 and December 31, 2012, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>September 30, 2013</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	390.35	74.43	18,086.33
Interest rate	<u>156.53</u>	<u>36.53</u>	<u>6,944.73</u>
Total	<u>546.88</u>	<u>110.96</u>	<u>25,031.06</u>

<u>Type of Risk</u>	<u>December 31, 2012</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	137.08	30.34	17,032.31
Interest rate	<u>202.18</u>	<u>58.20</u>	<u>11,739.42</u>
Total	<u>339.26</u>	<u>88.54</u>	<u>28,771.73</u>

As at September 30, 2013 and December 31, 2012, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Financial institutions	79.15%	83.80%
Third parties	<u>20.85%</u>	<u>16.20%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

5.3 Investments, Net

5.3.1 Available-for-Sale Investments

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Government and state enterprise securities	-	199.80
Domestic marketable equity securities	<u>2.52</u>	<u>3.03</u>
Total	<u>2.52</u>	<u>202.83</u>

Unit: Million Baht

5.3.2 Held-to-Maturity Debt Securities

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,536.74	3,003.02
Foreign debt securities	<u>364.38</u>	<u>356.33</u>
Total	<u>2,901.12</u>	<u>3,359.35</u>

Unit: Million Baht

5.3.3 General Investments

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- MFC Energy Fund	62.96	63.11
- Thailand Prosperity Fund 2 (TTPF 2)	77.00	77.00
Others	<u>0.44</u>	<u>0.42</u>
Total	166.71	166.84
(Less) Allowance for impairment	<u>(35.43)</u>	<u>(7.51)</u>
Total	<u>131.28</u>	<u>159.33</u>
Total investments, net	<u>3,034.92</u>	<u>3,721.51</u>

Unit: Million Baht

As at September 30, 2013, domestic non-marketable equity securities amounted Baht 26.31 million is the equity securities received from debt restructuring.

5.4 Loans and Accrued Interest Receivables, Net

5.4.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Overdrafts	317.55	267.86
Domestic loans - customers	52,610.82	51,106.78
- export bills negotiation	495.07	430.17
- staff loans	256.11	261.66
Overseas loans - foreign government agencies	3,056.81	3,663.07
- customers operating overseas	12,475.09	10,899.17
Others	<u>39.22</u>	<u>47.64</u>
Total loans	69,250.67	66,676.35
<u>(Less)</u> Deferred revenue	<u>(4.97)</u>	<u>(4.03)</u>
Total loans, net of deferred revenue	69,245.70	66,672.32
<u>Add</u> Accrued interest receivables	<u>1,038.02</u>	<u>1,024.60</u>
Total loans and accrued interest receivables, net of deferred revenue	70,283.72	67,696.92
<u>(Less)</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(1,635.14)	(1,269.83)
- Excess allowance	(1,802.98)	(1,937.08)
Revaluation allowance for debt restructuring	<u>(948.62)</u>	<u>(920.04)</u>
Total loans, net	<u>65,896.98</u>	<u>63,569.97</u>

Overseas loans extended to foreign government agencies in the amount of Baht 3,056.81 million were loans extended to foreign government agencies in accordance with the Thai government policy, with interest charged from those borrowers at the rate of 1.50% p.a. and 3.00% p.a. The differences between such interest rates and the cost of fund of the Bank were subsidized by the Thai government or concerned state agencies. Moreover, for certain projects, the Bank also earned an additional operating fee at 0.75% p.a. apart from the interest revenue subsidy.

5.4.2 Classified by Loan Classification

Unit : Million Baht				
<u>September 30, 2013</u>				
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulation				
Pass	63,658.03	62,622.83	1,20,50,100	873.47
Special mentioned	64.99	64.12	2	1.28
Substandard	46.39	12.36	100	12.36
Doubtful	840.20	543.18	100	543.18
Doubtful of loss	<u>2,339.95</u>	<u>204.85</u>	100	<u>204.85</u>
Total minimum allowance by BOT's regulation	66,949.56	63,447.34		1,635.14
2. Excess allowance				
	-	-		<u>1,802.98</u>
Total	<u>66,949.56</u>	<u>63,447.34</u>		<u>3,438.12</u>
 <u>December 31, 2012</u>				
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulation				
Pass	61,092.02	59,809.64	1,20,50,100	821.08
Special mentioned	9.76	8.86	2	0.18
Substandard	8.14	6.07	100	6.07
Doubtful	508.40	418.06	100	418.06
Doubtful of loss	<u>2,295.76</u>	<u>24.44</u>	100	<u>24.44</u>
Total minimum allowance by BOT's regulation	63,914.08	60,267.07		1,269.83
2. Excess allowance				
	-	-		<u>1,937.08</u>
Total	<u>63,914.08</u>	<u>60,267.07</u>		<u>3,206.91</u>

5.4.2 Classified by Loan Classification (Continued)

As at September 30, 2013 and December 31, 2012, the outstanding classified loans and loans which were not required to be classified (unclassified loans) are as follows:

Unit : Million Baht

	<u>September 30, 2013</u>		<u>December 31, 2012</u>	
	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>
Classified loans	66,949.56	95.26	63,914.08	94.41
Unclassified loans	<u>3,334.16</u>	4.74	<u>3,782.84</u>	5.59
Total	<u>70,283.72</u>		<u>67,696.92</u>	

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

Non-performing loans are loans on which principal repayments and/or interest payments are in arrears for over three months from the due date, or loans on which principal repayments or interest payments are in arrears for not over three months from the due date, but the principal repayment or interest payment capabilities are deemed uncertain, except there are reasonable grounds that loans could be performing based on the following:

- (1) Borrowers being analyzed for repayment capabilities and approved to extend the restructuring of the interest receivable as the loan principal or to relax or restructure the loan repayment terms and conditions.
- (2) Borrowers supported by the additional agreements or contracts of the new debt repayment terms and conditions under the debt restructuring agreements.

Unit : Million Baht

<u>Loans</u>	<u>September 30, 2013</u>		<u>December 31, 2012</u>	
	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>
Non-performing loans	3,226.54	4.59	2,812.30	4.15

5.4.2 Classified by Loan Classification (Continued)

For the nine-month period ended September 30, 2013 and for the year ended December 31, 2012, the Bank wrote down debt accounts in the amount of Baht 330.88 million and Baht 417.87 million, respectively. As at September 30, 2013 and December 31, 2012, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,251.77 million and Baht 4,058.78 million, respectively. For the nine-month periods ended September 30, 2013 and 2012, the Bank recovered written-down debt accounts in the amount of Baht 198.70 million and Baht 901.50 million, respectively, from which accounts the Bank received cash in the amount of Baht 143.12 million and Baht 155.84 million, respectively.

For the nine-month periods ended September 30, 2013 and 2012, the Bank wrote off bad debts in the amount of Baht 16.91 million and Baht 12.19 million, respectively.

5.4.3 Troubled Debt Restructuring

For the nine-month period ended September 30, 2013 and for the year ended December 31, 2012, the Bank had restructured debts applying the adjustment of repayment conditions as follows:

Unit : Million Baht						
<u>Restructured</u> <u>Debts</u>	<u>Cases</u>	<u>September 30, 2013</u>		<u>December 31, 2012</u>		
		<u>Amount</u>	<u>As % of Loans</u> <u>and Accrued</u> <u>Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>Cases</u>	<u>Amount</u>	<u>As % of Loans</u> <u>and Accrued</u> <u>Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>
Succeeded	5	43.97	0.06	13	600.72	0.89
In - process	38	335.03	0.48	25	445.94	0.66

As at September 30, 2013 and December 31, 2012, the Bank had outstanding restructured loan reclassified as normal for 24 cases amounting to Baht 2,464.44 million and for 27 cases amounting to Baht 2,448.67 million, respectively.

5.4.3 Troubled Debt Restructuring (Continued)

For the nine-month periods ended September 30, 2013 and 2012, the Bank restructured debts as follows:

Unit : Million Baht						
<u>September 30, 2013</u>						
<u>Outstanding Debt</u>						
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at September 30, 2013</u>	<u>Type of Transferred Asset</u>	<u>Fair Value</u>
Change of repayment conditions	5	43.97	43.97	89.85		
<u>September 30, 2012</u>						
<u>Outstanding Debt</u>						
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at September 30, 2012</u>	<u>Type of Transferred Asset</u>	<u>Fair Value</u>
Change of repayment conditions	12	479.42	479.42	737.09		
Debt restructuring in various forms	<u>1</u>	<u>121.30</u>	<u>121.30</u>	<u>756.63</u>	Equity securities	26.31
	<u>13</u>	<u>600.72</u>	<u>600.72</u>	<u>1,493.72</u>		

For the nine-month periods ended September 30, 2013 and 2012, outstanding debts before restructuring compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht				
<u>September 30, 2013</u>				
<u>September 30, 2012</u>				
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	5	43.97	13	600.72
Loans and accrued interest receivables net of deferred revenue	1,008	70,283.72	996	64,808.86

The Bank recognized interest income from debt restructuring as follows:

Unit : Million Baht				
<u>For Three-Month Periods</u>				
<u>For Nine-Month Periods</u>				
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Interest income from debt restructuring	27.43	391.44	104.33	668.59

As at September 30, 2013 and December 31, 2012, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 100.86 million and Baht 100.02 million, respectively.

5.5 Allowance for Doubtful Accounts

	September 30, 2013						Unit : Million Baht
	<u>Pass</u>	<u>Special</u> <u>Mention</u>	<u>Sub-</u> <u>Standard</u>	<u>Doubtful</u>	<u>Doubtful</u> <u>of Loss</u>	<u>Excess</u> <u>Allowance</u>	<u>Total</u>
Beginning balance	821.08	0.18	6.07	418.06	24.44	1,937.08	3,206.91
Increase (decrease) in allowance							
for doubtful accounts	52.39	1.10	6.29	125.12	511.29	(134.10)	562.09
Debts written down	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(330.88)</u>	<u>-</u>	<u>(330.88)</u>
Ending balance	<u>873.47</u>	<u>1.28</u>	<u>12.36</u>	<u>543.18</u>	<u>204.85</u>	<u>1,802.98</u>	<u>3,438.12</u>

	December 31, 2012						
	<u>Pass</u>	<u>Special</u> <u>Mention</u>	<u>Sub-</u> <u>Standard</u>	<u>Doubtful</u>	<u>Doubtful</u> <u>of Loss</u>	<u>Excess</u> <u>Allowance</u>	<u>Total</u>
Beginning balance	758.09	0.51	3.87	54.26	489.96	1,458.00	2,764.69
Increase (decrease) in allowance							
for doubtful accounts	62.99	(0.33)	2.20	363.80	(47.65)	479.08	860.09
Debts written down	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(417.87)</u>	<u>-</u>	<u>(417.87)</u>
Ending balance	<u>821.08</u>	<u>0.18</u>	<u>6.07</u>	<u>418.06</u>	<u>24.44</u>	<u>1,937.08</u>	<u>3,206.91</u>

As at September 30, 2013 and December 31, 2012, the Bank's allowance for doubtful accounts on loans accounted for Baht 3,438.12 million and Baht 3,206.91 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 1,802.98 million and Baht 1,937.08 million, respectively (Note 5.4.2). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

5.6 Revaluation Allowance for Debt Restructuring

	September 30, 2013	December 31, 2012
Beginning balance	920.04	238.73
Increase	68.14	789.66
Decrease	<u>(39.56)</u>	<u>(108.35)</u>
Ending balance	<u>948.62</u>	<u>920.04</u>

5.7 Debt Issued and Borrowings

5.7.1 Classified by Type of Instrument and Source of Fund

		Unit : Million Baht		
		<u>September 30, 2013</u>		
		<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds		-	29,664.16	29,664.16
Promissory notes		8,375.00	-	8,375.00
Others		<u>4.45</u>	<u>-</u>	<u>4.45</u>
Total debt issued and borrowings		<u>8,379.45</u>	<u>29,664.16</u>	<u>38,043.61</u>
		<u>December 31, 2012</u>		
		<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds		-	29,712.65	29,712.65
Promissory notes		12,575.00	-	12,575.00
Others		<u>6.63</u>	<u>-</u>	<u>6.63</u>
Total debt issued and borrowings		<u>12,581.63</u>	<u>29,712.65</u>	<u>42,294.28</u>

5.7.2 Classified by Type of Instrument, Currency, Maturity and Interest Rate

		Unit : Million Baht			
<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>	
	<u>(year)</u>	<u>Interest Rate</u>			
		<u>Index</u>			
Bonds	USD	2014 - 2018	LIBOR	29,664.16	29,712.65
Promissory notes	THB	2016 - 2021	3.80 - 4.75%	6,125.00	10,325.00
		2019	6M THBFIX	2,250.00	2,250.00
Others	THB	2015	-	<u>4.45</u>	<u>6.63</u>
Total debt issued and borrowings				<u>38,043.61</u>	<u>42,294.28</u>

5.8 Provisions

As at September 30, 2013 and December 31, 2012, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Employee benefits	126.26	120.57
Provisions for contingent liabilities	<u>34.34</u>	<u>35.16</u>
Total provisions	<u>160.60</u>	<u>155.73</u>

The Bank assesses the provision for employee benefits by using the Projected Unit Credit method. The details of the Bank's employee benefits for the period are as follows:

	Unit : Million Baht	
	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Beginning Balance	120.57	107.46
Current service cost*	9.08	12.59
Interest cost*	3.34	3.97
Employees benefit paid in the period	<u>(6.73)</u>	<u>(3.45)</u>
Ending Balance	<u>126.26</u>	<u>120.57</u>

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

5.9 Capital

The Bank had an initial capital of Baht 2,500 million. The Bank received additional capital from the Ministry of Finance on July 31, 1998 in the amount of Baht 4,000 million and subsequently on December 30, 2008 and September 21, 2009 in the amount of Baht 1,300 million and Baht 5,000 million, respectively. Thereby, the Bank has total capital amounting to Baht 12,800 million.

5.10 Remittance to the Ministry of Finance

In accordance with the State Enterprise Entity Policy Office's letter No. KorKhor 0806.3/3775 directive dated July 30, 2013 regarding the Appropriation of the EXIM Bank's Net Income for the Year 2012, which required the Bank to remit a part of the net income for the year 2012 of amount Baht 100 million in July 2013 and Baht 286 million in November 2013, totaling Baht 386 million or 35% of net income, to the Ministry of Finance. In this regard, the Bank remitted Baht 100 million in July.

5.11 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Liabilities under immature import bills	2,023.74	1,795.43
Letters of credit	562.73	399.55
Export bills insured	20,270.55	26,945.93
Other contingencies		
Overdraft accounts not yet drawn	516.54	510.11
Other guarantees	2,404.88	2,167.05
Investment insurance	878.94	857.68
Stand-by claims purchase agreement	<u>7,588.04</u>	<u>6,220.28</u>
Total other contingencies	<u>11,388.40</u>	<u>9,755.12</u>
Total	<u>34,245.42</u>	<u>38,896.03</u>

5.12 Other Benefits to Directors and Executives

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

5.13 Long-Term Leasing Contracts

The Bank has commitment arising from lease agreements of the Bank's branch offices. The remaining periods of the lease agreements subsequently due after the statement of financial position date are as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Within 1 year	3.10	4.05
Over 1 - 5 years	5.22	7.33
Over 5 years	-	0.33

5.14 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

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

5.15 Interest Revenue

Interest revenue for the nine-month periods ended September 30, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Interbank and money market items	44.71	69.49
Investment in debt securities	60.27	77.37
Loans	<u>2,288.02</u>	<u>2,309.57</u>
Total interest revenue	<u>2,393.00</u>	<u>2,456.43</u>

5.16 Interest Expenses

Interest expenses for the nine-month periods ended September 30, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Deposits	58.51	93.91
Interbank and money market items	136.05	89.72
Debt issued		
- Foreign bonds	298.32	283.98
- Bills of exchange	-	0.97
- Promissory notes	279.67	417.96
- Borrowing fee	<u>3.64</u>	<u>0.59</u>
Total interest expenses	<u>776.19</u>	<u>887.13</u>

5.17 Fees and Service Revenue, Net

Net fees and service revenue for the nine-month periods ended September 30, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Fees and service revenue		
- Acceptance aval and guarantee	12.77	30.50
- Revenue from insurance	131.58	170.05
- Others	<u>173.48</u>	<u>235.96</u>
Total fees and service revenue	<u>317.83</u>	<u>436.51</u>
Fees and service expenses		
- Expense on insurance	69.65	93.65
- Others	<u>9.57</u>	<u>3.22</u>
Total fees and service expenses	<u>79.22</u>	<u>96.87</u>
Total fees and service revenue, net	<u>238.61</u>	<u>339.64</u>

5.18 Gain on Trading and Foreign Exchange Transactions

Gain on trading and foreign exchange transactions for the nine-month periods ended September 30, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Foreign exchanges and derivatives	40.96	192.85
Interest rate derivatives	<u>(23.51)</u>	<u>(7.84)</u>
Total gain on trading and foreign exchange transactions	<u>17.45</u>	<u>185.01</u>

5.19 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the nine-month periods ended September 30, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Interbank and money market items	11.61	23.75
Loans		
- Bad debts and doubtful accounts	562.02	593.87
- Loss on debt restructuring	<u>58.27</u>	<u>800.82</u>
Total impairment loss of loans and debt securities	<u>631.90</u>	<u>1,418.44</u>

5.20 Approval of the Financial Statements

These financial statements were approved by the Chairman of the Board of Directors and President on November 29, 2013.
