

REVIEW REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS

EXPORT – IMPORT BANK OF THAILAND

FOR THE THREE – MONTH PERIOD AND THE NINE – MONTH PERIODS ENDED SEPTEMBER 30, 2012

(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

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

Scope of review

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

Conclusion

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

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

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

(Signed) *Janya Pengpreecha*

(Miss Janya Pengpreecha)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

Office of the Auditor General

November 26, 2012

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

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"		"Reviewed"	
Unit : Baht					
<u>Assets</u>					
Cash		1,860,135	216,866	1,860,135	216,866
Interbank and money market items, net		7,121,472,556	5,060,907,518	7,121,472,556	5,060,907,518
Derivative assets	5.2	421,883,942	637,049,455	421,883,942	637,049,455
Investments, net	5.3	3,276,259,481	3,411,851,704	3,276,259,481	3,411,851,704
Investments in associates, net	5.4	-	4,498,193	-	4,286,500
Loans to customers and accrued interest receivables, net	5.5				
Loans to customers		63,826,105,752	65,449,452,596	63,826,105,752	65,449,452,596
Accrued interest receivables		987,285,526	517,440,360	987,285,526	517,440,360
Total loans to customers and accrued interest receivables		64,813,391,278	65,966,892,956	64,813,391,278	65,966,892,956
Less Deferred revenue		4,530,092	6,499,168	4,530,092	6,499,168
Less Allowance for doubtful accounts	5.6	3,083,192,623	2,764,691,971	3,083,192,623	2,764,691,971
Less Revaluation allowance for debt restructuring	5.7	917,089,357	238,729,510	917,089,357	238,729,510
Total loans to customers and accrued interest receivables, net		60,808,579,206	62,956,972,307	60,808,579,206	62,956,972,307
Properties foreclosed, net		1,006,478,942	1,083,395,503	1,006,478,942	1,083,395,503
Premises and equipment, net		854,763,593	868,106,486	854,763,593	868,106,486
Intangible assets, net		47,857,948	38,644,364	47,857,948	38,644,364
Accrued interest receivables not related to loans		5,806,406	5,641,576	5,806,406	5,641,576
Revenue receivables		1,829,737	13,694,504	1,829,737	13,694,504
Prepaid expenses		8,072,188	10,628,356	8,072,188	10,628,356
Other assets, net		17,071,258	17,378,808	17,071,258	17,378,808
Total Assets		73,571,935,392	74,108,985,640	73,571,935,392	74,108,773,947

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, 2012 AND DECEMBER 31, 2011

	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>September 30, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>"Unaudited"</u>	<u>"Audited"</u>	<u>"Unaudited"</u>	<u>"Audited"</u>
	<u>"Reviewed"</u>		<u>"Reviewed"</u>	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Deposits	7,402,228,187	7,818,030,313	7,402,228,187	7,818,030,313
Interbank and money market items, net	7,021,402,742	6,172,063,578	7,021,402,742	6,172,063,578
Liabilities payable on demand	233,628,307	173,808,499	233,628,307	173,808,499
Derivative liabilities	5.2 205,135,825	315,383,489	205,135,825	315,383,489
Debt issued and borrowings	5.8 41,403,364,032	43,275,265,784	41,403,364,032	43,275,265,784
Provisions	5.9 151,712,234	242,664,965	151,712,234	242,664,965
Accrued interest payables	300,339,287	322,522,944	300,339,287	322,522,944
Allowance for export credit insurance	133,582,709	162,867,281	133,582,709	162,867,281
Other liabilities	653,663,585	348,282,988	653,663,585	348,282,988
Total Liabilities	57,505,056,908	58,830,889,841	57,505,056,908	58,830,889,841
Shareholders' equity				
Capital	5.10 12,800,000,000	12,800,000,000	12,800,000,000	12,800,000,000
Paid-up capital	12,800,000,000	12,800,000,000	12,800,000,000	12,800,000,000
Other components of equity	2,202,545	1,700,281	2,202,545	1,700,281
Retained earnings				
Appropriated				
Legal reserve	3,126,853,887	2,824,553,887	3,126,853,887	2,824,553,887
Unappropriated	137,822,052	(348,158,369)	137,822,052	(348,370,062)
Total shareholders' equity	16,066,878,484	15,278,095,799	16,066,878,484	15,277,884,106
Total Liabilities and Shareholders' Equity	73,571,935,392	74,108,985,640	73,571,935,392	74,108,773,947

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

"Unaudited"

"Reviewed"

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

	<u>Financial statements in which</u>		<u>The Bank's</u>	
	<u>the equity method is applied to investment</u>		<u>Financial statements</u>	
	<u>2012</u>	<u>2011</u> <u>(Revised)</u>	<u>2012</u>	<u>2011</u> <u>(Revised)</u>
Interest revenue	796,404,115	710,675,802	796,404,115	710,675,802
Interest expenses	292,274,893	280,012,563	292,274,893	280,012,563
Net interest income	504,129,222	430,663,239	504,129,222	430,663,239
Fees and service revenue	110,410,749	155,334,637	110,410,749	155,334,637
Fees and service expenses	27,898,761	33,154,784	27,898,761	33,154,784
Net fees and service income	82,511,988	122,179,853	82,511,988	122,179,853
Gain on trading and foreign exchange transactions	67,886,255	3,224,329	67,886,255	3,224,329
Gain (Loss) on investments	6,004,429	(3,237,348)	6,004,429	(3,237,348)
Share of profit from investments on equity method	-	(10,280)	-	-
Written-down debt recovered	799,512,894	128,454,211	799,512,894	128,454,211
Other operating revenue	5,548,016	1,049,336	5,548,016	1,049,336
Total operating revenue	878,951,594	129,480,248	878,951,594	129,490,528
Other operating expenses				
Personnel expenses	133,330,798	129,148,124	133,330,798	129,148,124
Directors' remuneration	1,232,431	932,500	1,232,431	932,500
Premises and equipment expenses	14,083,693	22,773,693	14,083,693	22,773,693
Taxes and duties	39	39	39	39
Loss on claims and provision for insurance service	(36,071,960)	(75,923,620)	(36,071,960)	(75,923,620)
Loss on impairment of properties foreclosed	10,984,781	8,694,735	10,984,781	8,694,735
Others	(41,688,978)	14,518,943	(41,688,978)	14,518,943
Total operating expenses	81,870,804	100,144,414	81,870,804	100,144,414
Impairment loss of loans and debt securities	892,707,075	425,963,407	892,707,075	425,963,407
Net income	491,014,925	156,215,519	491,014,925	156,225,799
Other comprehensive income				
Gain on revaluation of available-for-sale investments	681,099	531,601	681,099	531,601
Total other comprehensive income	681,099	531,601	681,099	531,601
Total comprehensive income	491,696,024	156,747,120	491,696,024	156,757,400

Unit : Baht

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

"Unaudited"

"Reviewed"

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

	Notes	Financial statements in which		The Bank's	
		the equity method is applied to investment		Financial statements	
		2012	2011 (Revised)	2012	2011 (Revised)
					Unit : Baht
Interest revenue	5.17	2,456,425,322	2,033,079,668	2,456,425,322	2,033,079,668
Interest expenses	5.18	887,129,653	766,332,514	887,129,653	766,332,514
Net interest income		1,569,295,669	1,266,747,154	1,569,295,669	1,266,747,154
Fees and service revenue		436,505,859	484,833,529	436,505,859	484,833,529
Fees and service expenses		96,865,724	91,498,912	96,865,724	91,498,912
Net fees and service income	5.19	339,640,135	393,334,617	339,640,135	393,334,617
Gain on trading and foreign exchange transactions	5.20	185,007,379	81,956,137	185,007,379	81,956,137
Gain (Loss) on investments	5.21	4,918,586	(15,464,309)	4,918,586	(15,464,309)
Share of profit from investments on equity method		14,354	344,402	-	-
Written-down debt recovered		901,502,232	226,383,824	901,502,232	226,383,824
Other operating revenue		14,571,885	14,113,373	14,797,932	14,113,373
Total operating revenue		1,106,014,436	307,333,427	1,106,226,129	306,989,025
Other operating expenses					
Personnel expenses		399,318,405	392,295,209	399,318,405	392,295,209
Directors' remuneration		2,912,031	2,507,500	2,912,031	2,507,500
Premises and equipment expenses		41,260,752	58,318,013	41,260,752	58,318,013
Taxes and duties		2,577	2,580	2,577	2,580
Loss on claims and provision for insurance service		(13,501,472)	(14,609,564)	(13,501,472)	(14,609,564)
Loss on impairment of properties foreclosed		65,488,562	48,114,468	65,488,562	48,114,468
Others		100,644,335	(19,314,234)	100,644,335	(19,314,234)
Total operating expenses		596,125,190	467,313,972	596,125,190	467,313,972
Impairment loss of loans and debt securities	5.22	1,418,444,629	1,033,028,582	1,418,444,629	1,033,028,582
Net income		1,000,380,421	467,072,644	1,000,592,114	466,728,242
Other comprehensive income					
Gain on revaluation of available-for-sale investments		502,264	5,847,900	502,264	5,847,900
Total other comprehensive income		502,264	5,847,900	502,264	5,847,900
Total comprehensive income		1,000,882,685	472,920,544	1,001,094,378	472,576,142

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

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

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED TO INVESTMENT

	Notes	Capital	Other Components of Equity		Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
			Hedging Reserves	Revaluation			
			Surplus (Deficit) on Investments				
Beginning balance as at January 1, 2011		12,800,000,000	40,637,218	(6,092,885)	2,752,153,887	(733,421,701)	14,853,276,519
Effect of change in accounting policies		-	(40,637,218)	-	-	-	(40,637,218)
Effect of change in accounting policies regarding TAS19		-	-	-	-	(95,795,499)	(95,795,499)
Balance as at January 1, 2011 after adjustment		12,800,000,000	-	(6,092,885)	2,752,153,887	(829,217,200)	14,716,843,802
Legal reserve		-	-	-	72,400,000	(72,400,000)	-
Remittance to the Ministry of Finance		-	-	-	-	(51,150,000)	(51,150,000)
Total comprehensive income (Adjusted)		-	-	5,847,900	-	467,072,644	472,920,544
Ending balance as at September 30, 2011 (Adjusted)		12,800,000,000	-	(244,985)	2,824,553,887	(485,694,556)	15,138,614,346
Beginning balance as at January 1, 2012		12,800,000,000	-	1,700,281	2,824,553,887	(348,158,369)	15,278,095,799
Legal reserve		-	-	-	302,300,000	(302,300,000)	-
Remittance to the Ministry of Finance	5.11	-	-	-	-	(212,100,000)	(212,100,000)
Total comprehensive income		-	-	502,264	-	1,000,380,421	1,000,882,685
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

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

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

THE BANK'S FINANCIAL STATEMENTS

Notes	Capital	Other Components of Equity		Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
		Hedging Reserves	Revaluation			
		Surplus (Deficit) on Investments				
Beginning balance as at January 1, 2011	12,800,000,000	40,637,218	(6,092,885)	2,752,153,887	(733,593,729)	14,853,104,491
Effect of change in accounting policies	-	(40,637,218)	-	-	-	(40,637,218)
Effect of change in accounting policies regarding TAS19	-	-	-	-	(95,795,499)	(95,795,499)
Balance as at January 1, 2011 after adjustment	12,800,000,000	-	(6,092,885)	2,752,153,887	(829,389,228)	14,716,671,774
Legal reserve	-	-	-	72,400,000	(72,400,000)	-
Remittance to the Ministry of Finance	-	-	-	-	(51,150,000)	(51,150,000)
Total comprehensive income (Adjusted)	-	-	5,847,900	-	466,728,242	472,576,142
Ending balance as at September 30, 2011 (Adjusted)	12,800,000,000	-	(244,985)	2,824,553,887	(486,210,986)	15,138,097,916
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	5.11	-	-	-	(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

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

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

	Unit : Baht			
	<u>Financial Statements in which</u>		<u>The Bank's Financial Statements</u>	
	<u>the equity method is</u>			
	<u>applied to investment</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Revised)		(Revised)
Cash flows from operating activities				
Net income	1,000,380,421	467,072,644	1,000,592,114	466,728,242
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization Expenses	41,005,697	39,320,707	41,005,697	39,320,707
Bad debt and doubtful accounts	617,691,886	1,012,124,439	617,691,886	1,012,124,439
Loss on debt restructuring	695,563,806	16,865,611	695,563,806	16,865,611
Reversal of written-down debt recovered	(745,663,516)	(40,314,594)	(745,663,516)	(40,314,594)
Gain on disposal of assets	(437,655)	(1,559,615)	(437,655)	(1,559,615)
Gain on sale of properties foreclosed	(10,574,659)	(8,771,722)	(10,574,659)	(8,771,722)
Loss on impairment of properties foreclosed	65,488,562	48,114,468	65,488,562	48,114,468
Loss on revaluation of foreign currencies	239,282,430	152,557,449	239,282,430	152,557,449
Derivative revaluation	(232,285,368)	42,581,677	(232,285,368)	42,581,677
Loss on disposal of investments	-	1,943,058	-	1,943,058
Gain on liquidation of invested company - Associated Company	(14,354)	-	(226,047)	-
Loss on impairment of investments (reversal)	(4,918,586)	13,521,251	(4,918,586)	13,521,251
Share of profit from investments on equity method	-	(344,402)	-	-
Amortization of premium (discount) on debt securities	(10,858,250)	5,007,326	(10,858,250)	5,007,326
Decrease in provisions	(90,435,260)	(74,777,951)	(90,435,260)	(74,777,951)
Bad debt and provision for other receivables	124,997,513	20,665,878	124,997,513	20,665,878
Loss on claims and provision for insurance service (reversal)	1,684,596	(37,857,298)	1,684,596	(37,857,298)
Increase in revenue receivables	(5,002,195)	(1,224,694)	(5,002,195)	(1,224,694)
Decrease in prepaid expenses	2,411,722	886,847	2,411,722	886,847
Increase in other accrued expenses	9,419,170	8,061,677	9,419,170	8,061,677
	<u>1,697,735,960</u>	<u>1,663,872,756</u>	<u>1,697,735,960</u>	<u>1,663,872,756</u>
Net interest income	(1,569,295,669)	(1,266,747,154)	(1,569,295,669)	(1,266,747,154)
Proceeds from interest income	2,332,278,536	1,950,494,778	2,332,278,536	1,950,494,778
Interest expenses paid	(905,425,940)	(771,976,754)	(905,425,940)	(771,976,754)
Income from operations before changes in operating assets and liabilities	<u>1,555,292,887</u>	<u>1,575,643,626</u>	<u>1,555,292,887</u>	<u>1,575,643,626</u>
(Increase) decrease in operating assets				
Interbank and money market items	(2,119,107,938)	1,746,171,076	(2,119,107,938)	1,746,171,076
Loans, net	940,404,649	(6,902,454,405)	940,404,649	(6,902,454,405)
Properties foreclosed, net	29,042,659	18,553,722	29,042,659	18,553,722
Other assets, net	(17,220,671)	(339,924)	(17,220,671)	(339,924)

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 PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

	Unit : Baht			
	<u>Financial Statements in which</u>		<u>The Bank's Financial Statements</u>	
	<u>the equity method is</u>			
	<u>applied to investment</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Revised)		(Revised)
Cash flows from operating activities (continued)				
Increase (decrease) in operating liabilities				
Deposits	(399,554,946)	(145,040,018)	(399,554,946)	(145,040,018)
Interbank and money market items	980,103,410	(5,920,370,563)	980,103,410	(5,920,370,563)
Liabilities payable on demand	59,819,808	310,919,842	59,819,808	310,919,842
Short-term debt issued and borrowings	381,206,215	965,542,679	381,206,215	965,542,679
Other liabilities	175,300,733	(1,228,816)	175,300,733	(1,228,816)
Net cash provided by (used in) operating activities	1,585,286,806	(8,352,602,781)	1,585,286,806	(8,352,602,781)
Cash flows from investing activities				
Purchases of available-for-sale securities	-	(5,170,600,000)	-	(5,170,600,000)
Proceeds from disposal of available-for-sale securities	15,000,000	9,855,656,942	15,000,000	9,855,656,942
Purchases of held-to-maturity debt securities	(6,335,000,000)	(4,042,935,000)	(6,335,000,000)	(4,042,935,000)
Proceeds from disposal of held-to-maturity debt securities	6,486,032,196	1,871,174,315	6,486,032,196	1,871,174,315
Proceeds from liquidation of investments in associated company	4,512,547	-	4,512,547	-
Purchases of premises and equipment	(24,139,429)	(24,102,057)	(24,139,429)	(24,102,057)
Proceeds from sales of premises and equipment	2,762,877	2,556,309	2,762,877	2,556,309
Purchases of intangible assets	(17,935,260)	(17,542,164)	(17,935,260)	(17,542,164)
Net cash provided by investing activities	131,232,931	2,474,208,345	131,232,931	2,474,208,345
Cash flows from financing activities				
Proceeds from long-term debt issued and borrowings	-	14,411,630,435	-	14,411,630,435
Repayments of long-term debt issued and borrowings	(1,502,776,468)	(8,484,631,972)	(1,502,776,468)	(8,484,631,972)
Remittance to the Ministry of Finance	(212,100,000)	(51,150,000)	(212,100,000)	(51,150,000)
Net cash provided by (used in) financing activities	(1,714,876,468)	5,875,848,463	(1,714,876,468)	5,875,848,463
Net increase (decrease) in cash and cash equivalents	1,643,269	(2,545,973)	1,643,269	(2,545,973)
Cash and cash equivalents at the beginning of the period	216,866	2,711,230	216,866	2,711,230
Cash and cash equivalents at the end of the period	1,860,135	165,257	1,860,135	165,257

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

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(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 AND ADOPTION OF NEW THAI ACCOUNTING STANDARDS

2.1 Basis of Preparation of the Financial Statements

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

An interim financial report provides details of recent events and changes to the annual financial statements on a year-to-date basis. As a result, a reader would need to access the Bank's most recent annual report ended December 31, 2011 to gain a full understanding of the Bank's financial position.

The financial statements are prepared in conformity with Generally Accepted Accounting Principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. SOR NOR SOR 11/2553 dated December 3, 2010 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups.

2.2 Adoption of New Thai Accounting Standards

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

The financial statements for the three-month and nine-month period ended September 30, 2011 for comparative purposes was adjusted by decreasing the past service cost, which was presented under personnel expenses in the statement of comprehensive income, amounted Baht 4.79 million and Baht 14.37 million, respectively. Thus, net income and total comprehensive income was increased by the corresponding amount as follow :

Unit: Baht			
Personnel expenses	Before adjustment	After adjustment	Increase (decrease)
For three-month period	133,937,899	129,148,124	(4,789,775)
For nine-month period	406,664,534	392,295,209	(14,369,325)

3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS AND BASEL II STANDARD

3.1 Capital under the Ministerial Regulations

As at September 30, 2012, the Bank's capital adequacy ratio (CAR) stood at 21.33 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.0%) and the Bank's capital to insurance service contingent liabilities ratio stood at 55.82%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.0%).

Capital Adequacy Ratio Based on the Ministerial Regulations

Unit: Million Baht			
	<u>Ministerial Regulations</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
1. Capital *		15,064.08	14,671.61
2. Risk assets **		70,630.25	69,222.35
3. Insurance service contingent liabilities		26,987.78	31,955.45
4. Capital to risk assets (1)/(2)	Not less than 8%	21.33%	21.19%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	55.82%	45.91%

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

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

3.2 Capital under Basel II Standard

The Bank's capital adequacy ratio has been calculated according to the guidelines and approach of Bank of Thailand. As at September 30, 2012, the Bank's total capital to risk assets ratio stood at 16.18%, exceeding the minimum ratio stipulated in the BOT's regulation (not less than 8.5%), and the Bank's tier 1 capital to risk assets ratio stood at 14.93%, exceeding the minimum tier 1 capital to risk asset ratio stipulated in the BOT's regulation (not less than 4.25%).

Capital Adequacy Ratio Based on Basel II

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Total capital to risk assets	16.18%	15.41%
Tier 1 capital to risk assets	14.93%	14.16%

Capital Structure Based on Basel II

Unit: Million Baht

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	3,126.85	2,824.55
Cumulative loss	<u>(862.77)</u>	<u>(952.94)</u>
Total Tier 1 Capital	15,064.08	14,671.61
Tier 2 Capital		
Allowance for pass asset-classification	1,261.00	1,295.04
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	0.47	0.08
<u>(Less)</u> Revaluation deficit on investments in available-for-sale equity securities	<u>-</u>	<u>-</u>
Total Tier 2 Capital	<u>1,261.47</u>	<u>1,295.12</u>
Total Capital Fund	<u>16,325.55</u>	<u>15,966.73</u>

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

Location of disclosure : www.exim.go.th > About Exim Thailand > Disclosure of Capital Adequacy Information > Disclosure of Capital Adequacy Information calculated according to Basel II

Date of disclosure : October 22, 2012

Information as at : June 30, 2012

4. ESTIMATES AND ASSUMPTIONS

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

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

5. ADDITIONAL INFORMATION

5.1 Supplementary Information of Cash Flow

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

	Unit: Million Baht	
	<u>September 30, 2012</u>	<u>September 30, 2011</u>
Increase in investments from debt restructuring	26.31	-
Increase in revaluation surplus on investments in shareholders' equity	0.50	5.85
Increase in properties foreclosed from loan payment	7.04	7.65

5.2 Derivatives

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

	Unit: Million Baht		
	<u>September 30, 2012</u>		
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	227.66	133.40	13,617.67
Interest rate	194.22	71.74	11,740.80
Total	<u>421.88</u>	<u>205.14</u>	<u>25,358.47</u>
	<u>December 31, 2011</u>		
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	428.17	230.44	23,454.42
Interest rate	208.88	84.94	11,960.75
Total	<u>637.05</u>	<u>315.38</u>	<u>35,415.17</u>

5.2 Derivatives (Continued)

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

<u>Counterparty</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Financial institutions	85.28%	81.28%
Third parties	<u>14.72%</u>	<u>18.72%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

5.3 Investments, Net

5.3.1 Available-for-Sale Investments

Unit: Million Baht

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Government and state enterprise securities	199.23	213.31
Domestic marketable equity securities	<u>2.12</u>	<u>1.26</u>
Total	<u>201.35</u>	<u>214.57</u>

5.3.2 Held-to-Maturity Debt Securities

Unit: Million Baht

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,557.03	2,416.79
Private enterprise debt securities	-	70.00
Foreign debt securities	<u>358.84</u>	<u>582.85</u>
Total	2,915.87	3,069.64
(Less) Allowance for revaluation	<u>-</u>	<u>(0.18)</u>
Total	<u>2,915.87</u>	<u>3,069.46</u>

5.3 Investments, Net (Continued)

5.3.3 General Investments

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	-
Mutual funds	140.11	140.11
Others	<u>0.42</u>	<u>0.43</u>
Total	166.84	140.54
(Less) Allowance for impairment	<u>(7.80)</u>	<u>(12.72)</u>
Total	<u>159.04</u>	<u>127.82</u>
Total investments, net	<u>3,276.26</u>	<u>3,411.85</u>

Unit: Million Baht

As at September 30, 2012, domestic non-marketable equity securities amounted Baht 26.31 million is the equity securities received from debt restructuring.

As at September 30, 2012, Mutual funds amounted Baht 140.11 million consist of two open-ended funds as follows:

1. Mutual fund that mobilizes funds from institutional investors for investment in energy or alternative energy-related businesses. The Mutual Fund's redemption will start in the 6th year (2013) onwards in case the Fund has earned dividend income, income from sale of securities or its properties, or other income, which are not deployed for reinvestment. The Bank had 6.31 million investment units, which based on the par value of 10 Baht per unit, represented Baht 63.11 million of investments.

2. Mutual fund for long-term investment in industries crucial to national development with a focus on investments in companies having high capacity in innovations and technologies for infrastructure development, manufacturing companies for import substitution, as well as companies expanding their businesses and investments overseas. The Bank had 214,281.64 investment units, represented Baht 77 million of investments.

5.4 Investment in Associates, Net

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

5.5 Loans to Customers and Accrued Interest Receivables, Net

5.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Overdrafts	229.38	241.11
Domestic loans - customers	48,683.13	49,928.22
- export bills negotiation	306.32	835.22
- staff loans	272.40	254.29
Overseas loans - foreign government agencies	3,710.50	4,328.24
- customers operating overseas	10,574.49	9,706.95
Others	<u>49.89</u>	<u>155.42</u>
Total loans to customers	63,826.11	65,449.45
<u>(Less)</u> Deferred revenue	<u>(4.53)</u>	<u>(6.50)</u>
Total loans to customers, net of deferred revenue	63,821.58	65,442.95
<u>Add</u> Accrued interest receivables	<u>987.28</u>	<u>517.44</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	64,808.86	65,960.39
<u>(Less)</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(1,358.48)	(1,306.69)
- Excess allowance	(1,724.71)	(1,458.00)
Revaluation allowance for debt restructuring	<u>(917.09)</u>	<u>(238.73)</u>
Total loans to customers and accrued interest receivables, net	<u>60,808.58</u>	<u>62,956.97</u>

Overseas loans extended to foreign government agencies of amount Baht 3,710.50 million were loans extended to foreign government agencies in accordance with the Thai government policy, with interest charged from those borrowers at the rate of 1.50% p.a. and 3.00% p.a. The differences between such interest rates and the cost of fund of the Bank were subsidized by the Thai government or concerned state agencies. Moreover, in a certain project, the Bank also received an additional operating fee at 0.75% p.a. apart from the interest revenue subsidy.

5.5.2 Classified by Loan Classification

Unit : Million Baht

September 30, 2012

	<u>Loans and</u>	<u>Outstanding Debt</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued Interest</u>	<u>after Deduction</u>	<u>Provision</u>	<u>for Doubtful</u>
	<u>Receivables</u>	<u>of Collateral Value</u>	<u>Rate (%)</u>	<u>Accounts</u>
1. Minimum allowance by BOT's regulation				
Pass	57,997.99	57,014.37	1,20,50,100	790.93
Special mentioned	7.34	6.48	2	0.13
Substandard	159.76	97.37	100	97.37
Doubtful	351.57	320.20	100	320.20
Doubtful of loss	<u>2,452.60</u>	<u>149.85</u>	100	<u>149.85</u>
Total minimum allowance by BOT's regulation	60,969.26	57,588.27		1,358.48
2. Excess allowance	-	-		<u>1,724.71</u>
Total	<u>60,969.26</u>	<u>57,588.27</u>		<u>3,083.19</u>

December 31, 2011

	<u>Loans and</u>	<u>Outstanding Debt</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued Interest</u>	<u>after Deduction</u>	<u>Provision</u>	<u>for Doubtful</u>
	<u>Receivables</u>	<u>of Collateral Value</u>	<u>Rate (%)</u>	<u>Accounts</u>
1. Minimum allowance by BOT's regulation				
Pass	58,112.23	57,726.95	1,20,50	758.09
Special mentioned	25.97	25.51	2	0.51
Substandard	5.20	3.87	100	3.87
Doubtful	369.42	54.26	100	54.26
Doubtful of loss	<u>2,965.21</u>	<u>489.96</u>	100	<u>489.96</u>
Total minimum allowance by BOT's regulation	61,478.03	58,300.55		1,306.69
2. Excess allowance	-	-		<u>1,458.00</u>
Total	<u>61,478.03</u>	<u>58,300.55</u>		<u>2,764.69</u>

5.5.2 Classified by Loan Classification (Continued)

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

Unit : Million Baht

	<u>September 30, 2012</u>		<u>December 31, 2011</u>	
	<u>Loans and Accrued</u>	<u>As % of Loans</u>	<u>Loans and Accrued</u>	<u>As % of Loans</u>
	<u>Interest Receivables</u>	<u>and Accrued Interest</u>	<u>Interest Receivables</u>	<u>and Accrued Interest</u>
	<u>Net of Deferred</u>	<u>Receivables Net of</u>	<u>Net of Deferred</u>	<u>Receivables Net of</u>
	<u>Revenue</u>	<u>Deferred Revenue</u>	<u>Revenue</u>	<u>Deferred Revenue</u>
Classified loans	60,969.26	94.08	61,478.03	93.20
Unclassified loans	<u>3,839.60</u>	5.92	<u>4,482.36</u>	6.80
Total	<u>64,808.86</u>		<u>65,960.39</u>	

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

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, 2012</u>		<u>December 31, 2011</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 Interest</u>	<u>Accrued Interest</u>	<u>and Accrued Interest</u>
	<u>Receivables Net of</u>	<u>Receivables Net of</u>	<u>Receivables Net of</u>	<u>Receivables Net of</u>
	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>
Non-performing loans	2,963.94	4.57	3,339.83	5.06

For the nine-month period ended September 30, 2012 and for the year ended December 31, 2011, the Bank wrote-down debt accounts in the amount of Baht 275.28 million and Baht 964.98 million, respectively. As at September 30, 2012 and December 31, 2011, the outstanding balance of written-down accounts, which was not included in the financial statements,

5.5.2 Classified by Loan Classification (Continued)

was Baht 3,955.01 million and Baht 4,201.54 million, respectively. For the nine-month periods ended September 30, 2012 and 2011, the Bank recorded the recovery of written-down debt accounts in the amount of Baht 901.50 million and Baht 226.38 million, respectively, which the Bank received cash from such accounts in the amount of Baht 155.84 million and Baht 186.07 million, respectively.

For the nine-month periods ended September 30, 2012 and 2011, the Bank wrote-off of bad debts in the amount of Baht 26.55 million and Baht 6.03 million, respectively.

5.5.3 Troubled Debt Restructuring

For the nine-month period ended September 30, 2012 and for the year ended December 31, 2011, the Bank had restructured debts applying the adjustment of repayment conditions and transfer of assets as follows:

Unit : Million Baht

<u>Restructured</u>	<u>Cases</u>	<u>September 30, 2012</u>		<u>Cases</u>	<u>December 31, 2011</u>	
		<u>Amount</u>	<u>As % of Loans</u>		<u>Amount</u>	<u>As % of Loans</u>
<u>Debts</u>			<u>and Accrued Interest</u>			<u>and Accrued Interest</u>
			<u>Receivables Net of</u>			<u>Receivables Net of</u>
			<u>Deferred Revenue</u>			<u>Deferred Revenue</u>
Succeeded	13	600.72	0.93	7	16.96	0.03
In - process	17	381.21	0.59	44	1,077.01	1.63

As at September 30, 2012 and December 31, 2011, the Bank had outstanding restructured loan reclassified to normalcy for 29 cases amounting to Baht 2,384.05 million and for 24 cases amounting to Baht 1,585.61 million, respectively.

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

Unit : Million Baht

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

<u>Types of Restructuring</u>	<u>Cases</u>	<u>September 30, 2011</u>			<u>Type of</u>	<u>Fair Value</u>
		<u>Before</u>	<u>After</u>	<u>As at</u>		
		<u>Restructuring</u>	<u>Restructuring</u>	<u>September 30, 2011</u>	<u>Transferred Asset</u>	
Change of repayment conditions	4	7.17	7.17	11.12		

5.5.3 Troubled Debt Restructuring (Continued)

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

	Unit : Million Baht			
	<u>September 30, 2012</u>		<u>September 30, 2011</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	13	600.72	4	7.17
Loans and accrued interest receivables net of deferred revenue	996	64,808.86	1,064	64,391.56

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Interest income from debt restructuring	391.44	37.31	668.59	114.86

As at September 30, 2012 and December 31, 2011, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 120.93 million and Baht 129.77 million, respectively.

5.6 Allowance for Doubtful Accounts

	Unit : Million Baht						
	<u>September 30, 2012</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess 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	32.84	(0.38)	93.50	265.94	(64.83)	266.71	593.78
Debts written down	-	-	-	-	(275.28)	-	(275.28)
Ending balance	<u>790.93</u>	<u>0.13</u>	<u>97.37</u>	<u>320.20</u>	<u>149.85</u>	<u>1,724.71</u>	<u>3,083.19</u>
	<u>December 31, 2011</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	647.51	0.86	390.36	530.10	33.94	610.00	2,212.77
Increase (decrease) in allowance							
for doubtful accounts	110.58	(0.35)	(386.49)	(475.84)	1,421.00	848.00	1,516.90
Debts written down	-	-	-	-	(964.98)	-	(964.98)
Ending balance	<u>758.09</u>	<u>0.51</u>	<u>3.87</u>	<u>54.26</u>	<u>489.96</u>	<u>1,458.00</u>	<u>2,764.69</u>

5.6 Allowance for Doubtful Accounts (Continued)

As at September 30, 2012 and December 31, 2011, the Bank's allowance for doubtful accounts on loans accounted for Baht 3,083.19 million and Baht 2,764.69 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand of amount Baht 1,724.71 million and Baht 1,458.00 million, respectively (Note 5.5.2). The amount of allowance for doubtful accounts exceeds the minimum requirement due to the bank considered setting the allowance based on a prudent banking principle.

5.7 Revaluation Allowance for Debt Restructuring

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Beginning balance	238.73	220.66
Increase	779.20	77.91
Decrease	<u>(100.84)</u>	<u>(59.84)</u>
Ending balance	<u>917.09</u>	<u>238.73</u>

Unit : Million Baht

5.8 Debt Issued and Borrowings

5.8.1 Classified by Type of Instrument and Source of Fund

	<u>September 30, 2012</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	26,821.01	26,821.01
Promissory note	14,575.00	-	14,575.00
Others	<u>7.35</u>	<u>-</u>	<u>7.35</u>
Total debt issued and borrowings	<u>14,582.35</u>	<u>26,821.01</u>	<u>41,403.36</u>

	<u>December 31, 2011</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	27,571.34	27,571.34
Bills of exchange	51.39	-	51.39
Promissory note	15,642.40	-	15,642.40
Others	<u>10.13</u>	<u>-</u>	<u>10.13</u>
Total debt issued and borrowings	<u>15,703.92</u>	<u>27,571.34</u>	<u>43,275.26</u>

Unit : Million Baht

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u> (year)	<u>Interest Rate /</u> <u>Interest Rate Index</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Bonds	USD	2013 - 2017	LIBOR	26,821.01	27,571.34
Bills of exchange	THB	2012	2.85 - 3.25%	-	51.39
Promissory note	THB	2012 - 2021	2.40 - 4.75%	11,325.00	12,392.40
		2012 - 2019	6M THBFIX	3,250.00	3,250.00
Others	THB	2015	-	<u>7.35</u>	<u>10.13</u>
Total debt issued and borrowings				<u>41,403.36</u>	<u>43,275.26</u>

5.9 Provisions

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

Unit : Million Baht

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Employee benefits	116.43	107.46
Provisions for contingent liabilities	<u>35.28</u>	<u>135.20</u>
Total provisions	<u>151.71</u>	<u>242.66</u>

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

Unit : Million Baht

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Beginning Balance	107.46	95.80
Current service cost*	9.44	8.36
Interest cost*	2.98	3.97
Employees benefit paid in the period	<u>(3.45)</u>	<u>(0.67)</u>
Ending Balance	<u>116.43</u>	<u>107.46</u>

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

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

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

5.10 Capital

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

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

5.11 Remittance to the Ministry of Finance

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

5.12 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Liabilities under immature import bills	163.45	167.52
Letters of credit	1,850.87	1,962.70
Export bills insured	26,283.35	31,250.64
Other contingencies		
Overdraft accounts not yet drawn	494.28	532.69
Other guarantees	2,851.44	3,853.95
Investment insurance	863.20	887.35
Stand-by claims purchase agreement	<u>7,080.22</u>	<u>3,778.45</u>
Total other contingencies	<u>11,289.14</u>	<u>9,052.44</u>
Total	<u>39,586.81</u>	<u>42,433.30</u>

5.13 Related Party Transactions

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

5.13 Related Party Transactions (Continued)

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Office rent revenue	-	0.03
Consulting fee expense	-	2.50

5.14 Other Benefits to Directors and Executives

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

5.15 Long-Term Leasing Contracts

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Within 1 year	4.35	5.02
Over 1 - 5 years	7.66	9.86
Over 5 years	0.65	1.61

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

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

5.17 Interest Revenue

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Interbank and money market items	69.49	76.64
Investment in debt securities	77.37	71.51
Loans	<u>2,309.57</u>	<u>1,884.93</u>
Total interest revenue	<u>2,456.43</u>	<u>2,033.08</u>

5.18 Interest Expenses

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Deposits	93.91	78.98
Interbank and money market items	89.72	100.07
Debt issued		
- Domestic bonds	-	63.64
- Foreign bonds	283.98	202.18
- Bills of exchange	0.97	4.63
- Promissory note	417.96	298.13
- Borrowing fee	<u>0.59</u>	<u>18.70</u>
Total interest expenses	<u>887.13</u>	<u>766.33</u>

5.19 Fee and Service Revenue, Net

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Fee and service revenue		
- Acceptance aval and guarantee	30.50	38.74
- Revenue from insurance	170.05	189.85
- Others	<u>235.96</u>	<u>256.24</u>
Total fee and service revenue	<u>436.51</u>	<u>484.83</u>
Fee and service expenses		
- Expense on insurance	93.65	88.16
- Others	<u>3.22</u>	<u>3.34</u>
Total fees and service expenses	<u>96.87</u>	<u>91.50</u>
Total fee and service revenue, net	<u>339.64</u>	<u>393.33</u>

5.20 Gain (Loss) on Trading and Foreign Exchange Transactions

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Foreign exchanges and derivatives	192.85	(9.81)
Interest rate derivatives	<u>(7.84)</u>	<u>91.77</u>
Total gain on trading and foreign exchange transactions	<u>185.01</u>	<u>81.96</u>

5.21 Gain (Loss) on Investments

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Gain (loss) on disposal of available-for-sale investment	-	(1.94)
Reversal (loss) on impairment of general investment	<u>4.92</u>	<u>(13.52)</u>
Total gain (loss) on investments	<u>4.92</u>	<u>(15.46)</u>

5.22 Impairment Loss of Loans and Debt Securities

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

	Unit : Million Baht	
	<u>2012</u>	<u>2011</u>
Interbank and money market items	23.75	30.68
Loans		
- Bad debts and doubtful accounts	593.87	984.73
- Loss on restructuring	<u>800.82</u>	<u>17.62</u>
Total impairment loss of loans and debt securities	<u>1,418.44</u>	<u>1,033.03</u>

5.23 Reclassification of Accounts

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

5.24 Approval of the Financial Statements

These financial statements were approved by the Chairman of the Board of Directors and President on November 26, 2012.
