

## **EXIM Thailand Achieves Satisfactory Operating Results in 2008** **Intensifying “Development Bank” Role** **to Support Thai Businesses Hit by Global Financial Woes**

EXIM Thailand announced satisfactory operating results in 2008. New loans and export credit insurance extended to exporters and Thai investors overseas increased by 47.3% while business turnover rose by 2.7% from that of 2007. In 2009, EXIM Thailand will continue to assume a more proactive “development banking” role through cooperation with state and private sectors by providing loan, export credit insurance and financial advisory services for domestic and overseas Thai businesses beneficial to national development.

Dr. Apichai Boontherawara, President of Export-Import Bank of Thailand (EXIM Thailand), announces that despite worldwide financial turbulences and political instability at home, the Bank achieved satisfactory operating results in 2008. The Bank extended new loans and guarantees to Thai exporters, other businesses relating to exports or earning foreign exchange, and Thai investors overseas totaling 29,793 million baht, increasing by 47.3% from 2007. Business turnover in 2008 amounted to 120,695 million baht, rising by 2.7% from that of 2007, while the Bank’s outstanding loans at the end of 2008 stood at 50,748 million baht, declining by 3.8% comparing with the previous year-end.

In 2008, EXIM Thailand earned a pre-provision profit of 1,362 million baht, mounting 1.2% from 2007. However, the economic downturns in Thailand and the world affected Thai exporters and overseas investors directly, resulting in an increase in non-performing loans. The Bank, therefore, had to make provision for bad debts and doubtful accounts in the amount of 1,161 million baht, rendering its net profit to decrease from 506 million baht in 2007 to 201 million baht in 2008.

EXIM Thailand’s President said that, in line with the government’s policy and as discussed with Mr. Pruektichai Damrongrut, Deputy Finance Minister, EXIM Thailand will further emphasize its development banking role in 2009. The Bank will furnish Thai entrepreneurs with complete business solutions, ranging from loan, export credit insurance and financial advisory services, to fulfill its commitment to provide “more than just export finance, but also economic development solutions.” Three areas of special focus are 1) Logistics such as distribution centers, ports and international transportation services; 2) Energy especially alternative and biomass energy such as garbage power plants, ethanol production and crude palm oil production; and 3) Infrastructure and public utilities.

According to Dr. Apichai, in 2009, EXIM Thailand, in cooperation with other public and private sectors as well as commercial banks, will serve as export credit insurance service center for Thai exporters seeking international trade risk coverage. Thai exporters are strongly encouraged to apply for EXIM Thailand's export credit insurance and Buyer/Bank Risk Assessment Service. Such services are efficient tools for mitigating risks involved in international trade amid the global financial crisis today. In this connection, EXIM Thailand hopes to receive 5 billion baht in capital increase from the Ministry of Finance for use in providing export credit insurance facilities to Thai exporters hit by the world's financial dislocations. Export credit insurance coverage will enable exporters to offer competitive payment terms with increased confidence in starting or expanding their export to traditional or new markets. Moreover, the Bank has strengthened its cooperation with commercial banks to expand export credit insurance coverage to a larger customer base.

In addition, EXIM Thailand plans to enlarge its subbranch network through cooperation with the Government Savings Bank (GSB). This joint effort is aligned with the Finance Ministry's policy to increase specialized financial institutions' (SFIs) value through expertise building and resource sharing. Ultimately, the Thai business communities will benefit from a new joint banking facility called 'One Branch Two Banks', which allows Thai entrepreneurs to have access to the two banks' services at both GSB and EXIM Thailand offices.

With regard to its more proactive role in international trade promotion and support, EXIM Thailand will set up specialized "Country Desk" and "Industry Focus Desk" units consisting of bank staff members possessing in-depth knowledge on target industries in the CIVIL countries, namely, Cambodia, Indonesia, Vietnam, India and Lao PDR. In helping Thai entrepreneurs explore new business opportunities, EXIM Thailand also established Thai EXIM International Company Limited. The grand opening of its first branch in Moscow, Russia, will take place in February 2009.

"Amid the global financial crisis, EXIM Thailand is ready to play a proactive role as the government's financial arm to support Thai entrepreneurs and add value to their businesses. However, EXIM Thailand needs the Finance Ministry support, especially through capital injection of at least five billion baht to enable the Bank to fully support Thai exporters and investors," said Dr. Apichai.

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