

EXIM Thailand Announces Operating Results for the First Half of 2012

Mr. Kanit Sukonthaman, President of Export-Import Bank of Thailand (EXIM Thailand), announced that in the first half of 2012 the Bank's overall operating results meet its performance targets both in terms of the promotion of export, import, domestic and overseas investment and support of SMEs lacking access to finance. During January-June 2012, EXIM Thailand's new credit approval accounted for 12,624 million baht, constituting the Bank's aggregated loan approval amount of 165,710 million baht at the end of June 2012. The total loans outstanding increased by 6.5% to 65,166 million baht. Meanwhile, the Bank's net profit increased from the correspondent period of last year by 69% to 510 million baht. With an emphasis on non-performing loans (NPLs) management, EXIM Thailand saw a decline in its NPLs by 0.35% of the total loans at 2011 year-end to 4.75% as of the end of June 2012. The bad debts provision ratio to NPLs as of the end of June 2012 stood at 104.07%, increasing from 89.93% as at end-2011. This helps strengthen the Bank's financial position and ability to withstand future risk factors.

With regard to international trade promotion, EXIM Thailand approved a total of 94,685 million baht in trade finance loans at end-June 2012. Of this total, 40,211 million baht was extended to SME exporters. Business turnover of export-import financing facilities accounted for 74,367 million baht. Furthermore, to ensure SMEs' preparedness to compete in the global market, EXIM Thailand also provided SMEs with non-financial assistance such as SME training programs in the regions nationwide.

On investment promotion and national development, EXIM Thailand has expanded its role in supporting both domestic and overseas projects through the extension of medium and long-term loans. The accumulated amount of project finance in the first half of 2012 reached 71,025 million baht, mostly in support of infrastructure development, business expansion and public utilities projects. The amount also included the Bank's financing facilities in response to the government's policy such as merchant marine financing worth 3,528 million baht under the Financial Assistance Scheme for Maritime Business designated by the Ministry of Finance and financial assistance for neighboring and target countries totaling 4,116 million baht.

As Thailand's only financial institution that provides export credit insurance services, EXIM Thailand has approved a cumulative amount of 18,670 million baht in export credit insurance. From January-June 2012, the Bank's export credit insurance turnover totaled 72,761 million baht. In light of global economic volatility, EXIM Thailand has placed more emphasis on the improvement of public understanding of export credit insurance and its benefits with an aim to help mitigate exporters' risks and encourage exporters to take advantage of the Bank's insurance facilities. For SMEs, in particular, special premium rates and overseas buyer/bank risk assessment fees are offered.

In regard to EXIM Thailand's mission to fulfill the government's policy, the Bank has consistently provided Thai SMEs with greater access to finance while equipping them with essential knowledge to become exporters. Moreover, the Bank is ready to promote Thai outward foreign direct investments, particularly in neighboring and other ASEAN countries, in line with the advent of the ASEAN Economic Community (AEC). The Bank's effort is further strengthened by its close collaboration with both public and private sectors engaging in international trade and investment promotion. The objective is for EXIM Thailand to constantly improve its capability to provide integrated financial facilities and deepen its support for Thai businesses.

To cushion impact of the eurozone debt crisis on Thai entrepreneurs, EXIM Thailand has undertaken various assistance measures such as reduction in default interest rates charged on overdue debtors, fee and interest rate reduction as well as easing of other conditions concerning export bills for collection and discounted export bills of exporters receiving late payment from eurozone buyers, export credit insurance services, and buyer/bank risk assessment service to determine buyer or buyer bank's creditworthiness, enabling Thai exporters to offer competitive payment terms to foreign buyers.

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