

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE THREE – MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014  
(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, 2014, and statements of comprehensive income for the three-month period 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 statements. 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 the Office of the Auditor General of Thailand 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.

**Emphasis of Matter**

The Office of the Auditor General of Thailand draws attention to note 2.2 to the interim financial information describing change in accounting policy and reclassification of accounts. The statements of financial position as at December 31, 2013 and statements of comprehensive income for the three-month period and nine-month period ended September 30, 2013, which are included as comparative information, have been adjusted.

(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 25, 2014

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2014

	Notes	September 30, 2014	December 31, 2013	January 1, 2013
		<u>"Unaudited"</u>	<u>(Restated)</u>	<u>Brought Forward</u>
		<u>"Reviewed"</u>		<u>(Restated)</u>
Unit : Baht				
<b><u>Assets</u></b>				
Cash		1,249,953	553,209	312,144
Interbank and money market items, net		7,228,821,714	5,002,117,750	5,088,579,539
Derivative assets	5.2	641,939,374	877,418,091	339,262,450
Investments, net	5.3	1,880,863,866	4,078,316,972	3,721,515,314
Loans to customers and accrued interest receivables, net	5.4			
Loans to customers		70,066,404,803	67,526,796,976	66,676,345,788
Accrued interest receivables		256,476,439	257,691,902	252,778,879
Total loans to customers and accrued interest receivables		<u>70,322,881,242</u>	<u>67,784,488,878</u>	<u>66,929,124,667</u>
<u>Less</u> Deferred revenue		5,404,006	4,301,438	4,034,488
<u>Less</u> Allowance for doubtful accounts	5.5	4,404,661,588	3,663,603,847	3,206,907,882
<u>Less</u> Revaluation allowance for debt restructuring	5.6	122,426,067	139,977,314	142,122,382
Total loans to customers and accrued interest receivables, net		<u>65,790,389,581</u>	<u>63,976,606,279</u>	<u>63,576,059,915</u>
Properties foreclosed, net		844,000,386	833,146,053	875,103,428
Premises and equipment, net		820,810,977	824,237,094	844,314,926
Intangible assets, net		96,054,591	105,098,729	47,037,771
Accrued interest receivables not related to loans		3,784,641	1,599,537	3,067,746
Prepaid expenses		24,309,287	20,611,638	16,293,987
Other assets, net		15,275,991	16,068,777	16,580,986
Total assets		<u><u>77,347,500,361</u></u>	<u><u>75,735,774,129</u></u>	<u><u>74,528,128,206</u></u>

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, 2014

	Notes	September 30, 2014	December 31, 2013	January 1, 2013
		"Unaudited" "Reviewed"	(Restated)	Brought Forward (Restated)
Unit : Baht				
<u>Liabilities and Shareholders' Equity</u>				
Deposits		5,914,332,608	5,727,131,202	7,103,230,710
Interbank and money market items, net		12,806,766,764	11,736,867,539	7,573,455,563
Liabilities payable on demand		294,386,973	295,537,173	145,909,283
Derivative liabilities	5.2	98,986,786	176,930,360	88,536,835
Debt issued and borrowings	5.7	39,269,264,782	39,387,573,532	42,294,277,532
Provisions	5.8	151,787,335	147,022,420	155,734,752
Accrued interest payables		292,154,178	235,227,353	283,461,506
Allowance for export credit insurance		82,563,075	92,536,175	128,315,111
Other liabilities		649,134,362	824,633,134	581,733,950
Total liabilities		<u>59,559,376,863</u>	<u>58,623,458,888</u>	<u>58,354,655,242</u>
Shareholders' equity				
Capital	5.9	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
Other components of equity		2,603,206	1,073,487	3,209,817
Retained earnings				
Appropriated				
Legal reserve		4,330,000,000	3,677,853,887	3,126,853,887
Unappropriated		655,520,292	633,387,867	243,409,260
Total shareholders' equity		<u>17,788,123,498</u>	<u>17,112,315,241</u>	<u>16,173,472,964</u>
Total liabilities and shareholders' equity		<u><u>77,347,500,361</u></u>	<u><u>75,735,774,129</u></u>	<u><u>74,528,128,206</u></u>

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

-----  
(Mr. Naris Chaiyasoot)

Chairman

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(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

	<u>2014</u>	Unit : Baht <u>2013</u> (Restated)
Interest revenue	881,484,778	828,792,328
Interest expenses	247,961,848	249,003,775
Net interest income	<u>633,522,930</u>	<u>579,788,553</u>
Fees and service revenue	173,707,318	82,953,197
Fees and service expenses	28,914,794	20,681,400
Net fees and service income	<u>144,792,524</u>	<u>62,271,797</u>
Gains on tradings and foreign exchange transactions	62,619,851	12,698,847
Gains (Losses) on investments	1,570,931	(13,418,478)
Other operating revenue	65,580	515,182
Total operating revenue	<u>64,256,362</u>	<u>(204,449)</u>
Other operating expenses		
Personnel expenses	138,749,389	136,022,345
Directors' remuneration	1,407,887	1,374,000
Premises and equipment expenses	8,316,055	13,824,646
Taxes and duties	9	9
Losses on claims and provision for insurance service	(8,938,389)	(38,595,205)
Losses on impairment of properties foreclosed	-	4,993,549
Others	67,131,626	(5,915,779)
Total operating expenses	<u>206,666,577</u>	<u>111,703,565</u>
Impairment loss of loans and debt securities	249,439,388	207,590,157
Net income	<u>386,465,851</u>	<u>322,562,179</u>
Other comprehensive income (losses)		
Gains (Losses) on revaluation of available-for-sale investment	1,073,487	(702,798)
Total other comprehensive income (losses)	<u>1,073,487</u>	<u>(702,798)</u>
Total comprehensive income	<u><u>387,539,338</u></u>	<u><u>321,859,381</u></u>

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

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(Mr. Naris Chaiyasoot)

Chairman

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(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
			Unit : Baht
Interest revenue	5.15	2,578,976,872	2,394,068,446
Interest expenses	5.16	747,561,968	776,193,921
Net interest income		<u>1,831,414,904</u>	<u>1,617,874,525</u>
Fees and service revenue		517,287,290	317,834,116
Fees and service expenses		62,722,238	79,225,950
Net fees and service income	5.17	<u>454,565,052</u>	<u>238,608,166</u>
Gains on tradings and foreign exchange transactions	5.18	141,915,031	17,448,717
Gains (Losses) on investments	5.19	12,737,129	(27,974,669)
Other operating revenue		5,654,540	58,023,392
Total operating revenue		<u>160,306,700</u>	<u>47,497,440</u>
Other operating expenses			
Personnel expenses		416,848,287	406,971,806
Directors' remuneration		4,575,487	3,529,903
Premises and equipment expenses		27,087,954	34,592,364
Taxes and duties		2,583	2,529
Losses on claims and provision for insurance service		3,213,164	(15,338,288)
Losses on impairment of properties foreclosed		8,446,538	44,466,426
Others		170,280,079	21,265,429
Total operating expenses		<u>630,454,092</u>	<u>495,490,169</u>
Impairment loss of loans and debt securities	5.20	662,554,026	432,848,606
Net income		<u>1,153,278,538</u>	<u>975,641,356</u>
Other comprehensive income (losses)			
Gains (Losses) on revaluation of available-for-sale investment		1,529,719	(1,760,610)
Total other comprehensive income (losses)		<u>1,529,719</u>	<u>(1,760,610)</u>
Total comprehensive income		<u><u>1,154,808,257</u></u>	<u><u>973,880,746</u></u>

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

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(Mr. Naris Chaiyasoot)

Chairman

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(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

	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, 2013		12,800,000,000	3,209,817	3,126,853,887	237,319,505	16,167,383,209
Effect of the change in accounting policy in 2012	2.2	-	-	-	6,089,755	6,089,755
Balance as at January 1, 2013 (Restated)		12,800,000,000	3,209,817	3,126,853,887	243,409,260	16,173,472,964
Legal reserve		-	-	551,000,000	(551,000,000)	-
Remittance to the Ministry of Finance		-	-	-	(100,000,000)	(100,000,000)
Total comprehensive income (Restated)	2.2	-	(1,760,610)	-	975,641,356	973,880,746
Ending balance as at September 30, 2013		12,800,000,000	1,449,207	3,677,853,887	568,050,616	17,047,353,710
Beginning balance as at January 1, 2014		12,800,000,000	1,073,487	3,677,853,887	613,516,404	17,092,443,778
Effect of the change in accounting policy in 2012	2.2	-	-	-	6,089,755	6,089,755
Effect of the change in accounting policy in 2013	2.2	-	-	-	13,781,708	13,781,708
Balance as at January 1, 2014 (Restated)		12,800,000,000	1,073,487	3,677,853,887	633,387,867	17,112,315,241
Legal reserve		-	-	652,146,113	(652,146,113)	-
Remittance to the Ministry of Finance	5.10	-	-	-	(479,000,000)	(479,000,000)
Total comprehensive income		-	1,529,719	-	1,153,278,538	1,154,808,257
Ending balance as at September 30, 2014		12,800,000,000	2,603,206	4,330,000,000	655,520,292	17,788,123,498

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

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(Mr. Naris Chaiyasoot)

Chairman

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(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
		Unit : Baht
<b>Cash flows from operating activities</b>		
Net income	1,153,278,538	975,641,356
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	41,917,840	38,993,728
Bad debt and doubtful accounts	732,178,110	540,532,887
Loss on debt restructuring (reversal)	(1,174,163)	20,623,960
(Gain) Loss on disposal of assets	237,534	(450,774)
Gain on sale of properties foreclosed	-	(54,819,099)
Loss on impairment of properties foreclosed	8,446,538	44,466,426
Loss on revaluation of foreign currencies	310,618,416	80,897,534
Derivative revaluation	(162,402,011)	79,494,839
(Gain) Loss on disposal of investments	(535)	52,478
Loss on impairment of investments (reversal)	(12,736,594)	27,922,191
Amortization of premium (discount) on debt securities	(14,846,455)	13,587,939
Increase in provisions	3,820,915	4,410,218
Bad debt and provision for other receivables (reversal)	97,631,897	(50,273,255)
Loss on claims and provision for insurance service (reversal)	5,628,650	(11,515,945)
Increase in revenue receivables	(3,518,564)	(693,589)
Increase in prepaid expenses	(4,060,576)	(5,618,008)
Increase in other accrued expenses	13,267,704	9,323,885
	<u>2,168,287,244</u>	<u>1,712,576,771</u>
Net interest income	(1,831,414,904)	(1,617,874,525)
Proceeds from interest income	2,558,524,970	2,380,093,882
Interest expenses paid	(687,815,062)	(833,772,298)
	<u>2,207,582,248</u>	<u>1,641,023,830</u>
(Increase) decrease in operating assets		
Interbank and money market items	(2,319,226,954)	(1,515,653,202)
Loans, net	(3,022,633,823)	(2,028,296,325)
Properties foreclosed, net	(3,520,871)	173,338,622
Other assets, net	(33,394,201)	(8,038,232)

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, 2014

	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
		Unit : Baht
<b>Cash flows from operating activities</b>		
Increase (decrease) in operating liabilities		
Deposits	214,296,182	(1,265,633,434)
Interbank and money market items	1,201,521,852	5,188,814,889
Liabilities payable on demand	(967,711)	2,588,881,649
Short-term debt issued and borrowings	300,000,000	-
Other liabilities	(225,216,902)	43,996,293
Net cash provided by (used in) operating activities	<u>(1,681,560,180)</u>	<u>4,818,434,090</u>
<b>Cash flows from investing activities</b>		
Purchases of held-to-maturity debt securities	(1,400,000,000)	(3,980,000,000)
Proceeds from redemption of held-to-maturity debt securities	3,621,948,261	4,632,000,000
Proceeds from disposal of general investments	305,252	101,751
Purchases of premises and equipment	(31,163,993)	(9,044,555)
Proceeds from sales of premises and equipment	2,502,796	2,890,725
Purchases of intangible assets	(41,851,567)	(8,082,548)
Net cash provided by investing activities	<u>2,151,740,749</u>	<u>637,865,373</u>
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt issued and borrowings	2,394,491,637	3,665,275,369
Repayments of long-term debt issued and borrowings	(2,384,975,462)	(9,021,619,184)
Remittance to the Ministry of Finance	(479,000,000)	(100,000,000)
Net cash used in financing activities	<u>(469,483,825)</u>	<u>(5,456,343,815)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>696,744</u>	<u>(44,352)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>553,209</u>	<u>312,144</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,249,953</u></u>	<u><u>267,792</u></u>

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

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(Mr. Naris Chaiyasoot)  
Chairman

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(Mr. Suthanai Prasertsan)  
Acting President

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014  
(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, 2014**  
**(UNAUDITED/REVIEWED)**

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**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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2012): 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, 2013. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2013.

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.

## 2.2 CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATION OF ACCOUNTS

The Bank has changed the recognition of interest income and accrued interest of restructured debts which have been classified as normal debts. With this regard, the Bank discontinues the recognition of accrued interest as interest income for debtors that the Bank has the right to claim when the debtors are not able to comply with the conditions set forth in debt restructuring agreements, and also discontinues the provision setting for accrued interest. Instead, the Bank recognizes only interest arising from new debt restructuring agreements as interest income.

The effects of the change in accounting policy to comparative financial statements are as follow :

### 1) Statements of financial position as at December 31, 2013

Unit: Million Baht

	<u>Before</u> <u>Adjustment</u>	<u>Change in</u> <u>Accounting Policy</u>	<u>After</u> <u>Adjustment</u>
Accrued interest receivables	1,191.13	(933.44)	257.69
Revaluation allowance for debt restructuring	1,093.29	(953.31)	139.98
Unappropriated retained earnings	613.52	19.87	633.39
- 2012		6.09	
- 2013		13.78	

### 2) Statements of comprehensive income for the year ended December 31, 2013

Unit: Million Baht

	<u>Before</u> <u>Adjustment</u>	<u>Change in</u> <u>Accounting Policy</u>	<u>Reclassification</u> <u>of Accounts</u>	<u>After</u> <u>Adjustment</u>
Interest revenue	3,230.14	(54.26)	66.06	3,241.94
Written-down debt recovered *	587.48	(137.21)	(450.27)	-
Impairment loss of loans and debt securities	1,186.35	(205.25)	(384.21)	596.89
Net income	1,302.51	13.78	-	1,316.29
Total comprehensive income	1,311.06	13.78	-	1,324.84

### 3) Statements of comprehensive income for the three-month period ended September 30, 2013

Unit: Million Baht

	<u>Before</u> <u>Adjustment</u>	<u>Change in</u> <u>Accounting Policy</u>	<u>Reclassification</u> <u>of Accounts</u>	<u>After</u> <u>Adjustment</u>
Interest revenue	818.80	(11.00)	20.99	828.79
Written-down debt recovered *	89.43	-	(89.43)	-
Impairment loss of loans and debt securities	287.20	(11.17)	(68.44)	207.59
Net income	322.39	0.17	-	322.56
Total comprehensive income	321.69	0.17	-	321.86

## 2.2 CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATION OF ACCOUNTS (Continued)

### 4) Statements of comprehensive income for the nine-month period ended September 30, 2013

Unit: Million Baht

	<u>Before</u>	<u>Change in</u>	<u>Reclassification</u>	<u>After</u>
	<u>Adjustment</u>	<u>Accounting Policy</u>	<u>of Accounts</u>	<u>Adjustment</u>
Interest revenue	2,393.00	(40.85)	41.92	2,394.07
Written-down debt recovered *	198.70	(12.26)	(186.44)	-
Impairment loss of loans and debt securities	631.90	(54.53)	(144.52)	432.85
Net income	974.22	1.42	-	975.64
Total comprehensive income	972.46	1.42	-	973.88

\* Written-down debt recovered and bad debt recovered in the statements of comprehensive income for the three-month period and nine-month period ended September 30, 2013 are reclassified in order to conform with the presentation of the statements of comprehensive income for the three-month period and nine-month period ended September 30, 2014. The principals recovered are presented net of impairment loss of loans and debt securities and the interest recovered are presented as interest revenue.

### 3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS

As at September 30, 2014, the Bank's capital adequacy ratio (CAR) stood at 22.13 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.00%) and its capital to insurance service contingent liabilities ratio stood at 112.77%, 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, 2014</u>	<u>December 31, 2013</u>
1. Capital *		16,621.55	15,772.08
2. Risk assets **		75,103.04	73,587.38
3. Insurance service contingent liabilities		14,739.30	19,647.66
4. Capital to risk assets (1)/(2)	Not less than 8.00%	22.13%	21.43%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	112.77%	80.27%

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 with generally accepted accounting principles, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income and expenses and the 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, 2014 and 2013 are as follows:

Unit : Million Baht

	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Increase (decrease) in revaluation surplus on		
investments in shareholders' equity	1.53	(1.76)
Increase in properties foreclosed from loan payment	15.78	41.70

### 5.2 Derivatives

As at September 30, 2014 and December 31, 2013, 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, 2014</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	321.83	26.77	13,064.03
Interest rate	<u>320.11</u>	<u>72.22</u>	<u>6,930.57</u>
Total	<u>641.94</u>	<u>98.99</u>	<u>19,994.60</u>

<u>Type of Risk</u>	<u>December 31, 2013</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	692.06	134.88	20,148.23
Interest rate	<u>185.36</u>	<u>42.05</u>	<u>6,954.70</u>
Total	<u>877.42</u>	<u>176.93</u>	<u>27,102.93</u>

As at September 30, 2014 and December 31, 2013, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Financial institutions	80.73%	78.97%
Third parties	<u>19.27%</u>	<u>21.03%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

### 5.3 Investments, Net

#### 5.3.1 Available-for-Sale Investments

	September 30, 2014	December 31, 2013
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	3.68	2.15

Unit: Million Baht

#### 5.3.2 Held-to-Maturity Debt Securities

	September 30, 2014	December 31, 2013
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	1,387.87	3,572.32
Foreign debt securities	<u>353.72</u>	<u>380.65</u>
Total	<u>1,741.59</u>	<u>3,952.97</u>

Unit: Million Baht

#### 5.3.3 General Investments

	September 30, 2014	December 31, 2013
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- MFC Energy Fund	62.49	62.96
- Thailand Prosperity Fund 2 (TTPF 2)	65.95	65.95
- Vayupak Fund 1	1.00	1.00
Others	<u>0.43</u>	<u>0.47</u>
Total	156.18	156.69
<u>Less</u> Allowance for impairment	<u>(20.59)</u>	<u>(33.49)</u>
Total	<u>135.59</u>	<u>123.20</u>
Total investments, net	<u>1,880.86</u>	<u>4,078.32</u>

Unit: Million Baht

As at September 30, 2014, domestic non-marketable equity securities amounting to Baht 26.31 million were ordinary shares derived from debt restructuring.



## 5.4 Loans and Accrued Interest Receivables, Net

### 5.4.1 Classified by Type of Loan

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
		Unit : Million Baht
Overdrafts	298.40	315.96
Domestic loans - customers	48,903.99	49,530.97
- export bills negotiation	446.93	561.07
- staff loans	255.93	258.72
Overseas loans - foreign government agencies	2,400.37	3,013.99
- customers operating overseas	17,730.60	13,809.11
Others	<u>30.18</u>	<u>36.97</u>
Total loans	70,066.40	67,526.79
<u>Less</u> Deferred revenue	<u>(5.40)</u>	<u>(4.30)</u>
Total loans, net of deferred revenue	70,061.00	67,522.49
<u>Add</u> Accrued interest receivables	<u>256.48</u>	<u>257.69</u>
Total loans and accrued interest receivables, net of deferred revenue	70,317.48	67,780.18
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(1,863.03)	(1,650.95)
- Excess allowance	(2,541.63)	(2,012.65)
Revaluation allowance for debt restructuring	<u>(122.43)</u>	<u>(139.98)</u>
Total loans, net	<u>65,790.39</u>	<u>63,976.60</u>

Overseas loans extended to foreign government agencies in the amount of Baht 2,400.37 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, 2014</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	64,344.04	64,227.33	1,50,100	1,037.03
Special mentioned	33.65	33.56	2	0.67
Substandard	307.25	23.27	100	23.27
Doubtful	13.13	3.69	100	3.69
Doubtful of loss	<u>2,916.11</u>	<u>798.37</u>	100	<u>798.37</u>
Total minimum allowance by BOT's regulation	67,614.18	65,086.22		1,863.03
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,541.63</u>
Total	<u>67,614.18</u>	<u>65,086.22</u>		<u>4,404.66</u>

	<u>December 31, 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	61,509.45	61,357.41	1,20,50,100	1,052.03
Special mentioned	49.06	48.45	2	0.97
Substandard	58.38	29.15	100	29.15
Doubtful	855.27	550.05	100	550.05
Doubtful of loss	<u>2,028.24</u>	<u>18.75</u>	100	<u>18.75</u>
Total minimum allowance by BOT's regulation	64,500.40	62,003.81		1,650.95
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,012.65</u>
Total	<u>64,500.40</u>	<u>62,003.81</u>		<u>3,663.60</u>

#### 5.4.2 Classified by Loan Classification (Continued)

As at September 30, 2014 and December 31, 2013, the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

Unit : Million Baht

	<u>September 30, 2014</u>		<u>December 31, 2013</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	67,614.18	96.16	64,500.40	95.16
Unclassified loans	<u>2,703.30</u>	3.84	<u>3,279.78</u>	4.84
Total	<u>70,317.48</u>		<u>67,780.18</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, 2014</u>		<u>December 31, 2013</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	3,236.48	4.60	2,941.89	4.34

#### 5.4.2 Classified by Loan Classification (Continued)

As at September 30, 2014 and December 31, 2013, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,132.80 million and Baht 4,217.45 million, respectively. For the nine-month periods ended September 30, 2014 and 2013, the Bank recovered principal from written-down debt accounts in the amount of Baht 79.81 million and Baht 144.51 million, respectively, from which accounts the Bank received cash in the amount of Baht 68.03 million and Baht 111.28 million, respectively.

For the nine-month periods ended September 30, 2014 and 2013, the Bank wrote off bad debts in the amount of Baht 0.99 million and Baht 16.91 million, respectively.

#### 5.4.3 Troubled Debt Restructuring

For the nine-month period ended September 30, 2014 and for the year ended December 31, 2013, the Bank had restructured debts as follows:

		<u>September 30, 2014</u>		<u>December 31, 2013</u>		
<u>Restructured</u>	<u>Cases</u>	<u>Amount</u>	<u>As % of Loans</u>	<u>Cases</u>	<u>Amount</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	3	97.41	0.14	13	94.22	0.14
In - process	22	173.50	0.25	40	342.86	0.51

Unit : Million Baht

As at September 30, 2014 and December 31, 2013, the Bank had outstanding restructured loans reclassified as normal for 28 cases amounting to Baht 1,102.71 million and for 32 cases amounting to Baht 1,262.69 million, respectively.

### 5.4.3 Troubled Debt Restructuring (Continued)

For the nine-month periods ended September 30, 2014 and 2013, the Bank restructured debts as follows:

Unit : Million Baht				
<u>September 30, 2014</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, 2014</u>
Change of repayment conditions	3	97.41	97.41	86.08

  

<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>
Change of repayment conditions	5	43.97	43.97	66.00

For the nine-month periods ended September 30, 2014 and 2013, 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, 2014</u>		<u>September 30, 2013</u>	
		<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt		3	97.41	5	43.97
Loans and accrued interest receivables net of deferred revenue		1,034	70,317.48	1,008	69,475.68

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest income from debt restructuring		16.02	16.43	54.38	63.49

### 5.5 Allowance for Doubtful Accounts

Unit : Million Baht

	September 30, 2014						
	<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	1,052.03	0.97	29.15	550.05	18.75	2,012.65	3,663.60
Increase (decrease) in allowance							
for doubtful accounts	<u>(15.00)</u>	<u>(0.30)</u>	<u>(5.88)</u>	<u>(546.36)</u>	<u>779.62</u>	<u>528.98</u>	<u>741.06</u>
Ending balance	<u>1,037.03</u>	<u>0.67</u>	<u>23.27</u>	<u>3.69</u>	<u>798.37</u>	<u>2,541.63</u>	<u>4,404.66</u>

	December 31, 2013						
	<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	821.08	0.18	6.07	418.06	24.44	1,937.08	3,206.91
Increase (decrease) in allowance							
for doubtful accounts	230.95	0.79	23.08	131.99	518.11	75.57	980.49
Debts written down	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(523.80)</u>	<u>-</u>	<u>(523.80)</u>
Ending balance	<u>1,052.03</u>	<u>0.97</u>	<u>29.15</u>	<u>550.05</u>	<u>18.75</u>	<u>2,012.65</u>	<u>3,663.60</u>

As at September 30, 2014 and December 31, 2013, the Bank's allowance for doubtful accounts on loans accounted for Baht 4,404.66 million and Baht 3,663.60 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 2,541.63 million and Baht 2,012.65 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

Unit : Million Baht

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Beginning balance	139.98	142.12
Increase	2.05	15.14
Decrease	<u>(19.60)</u>	<u>(17.28)</u>
Ending balance	<u>122.43</u>	<u>139.98</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, 2014</u>		
		<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds		-	30,592.72	30,592.72
Promissory notes		8,675.00	-	8,675.00
Others		<u>1.54</u>	<u>-</u>	<u>1.54</u>
Total debt issued and borrowings		<u>8,676.54</u>	<u>30,592.72</u>	<u>39,269.26</u>
		<u>December 31, 2013</u>		
		<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds		-	31,008.85	31,008.85
Promissory notes		8,375.00	-	8,375.00
Others		<u>3.72</u>	<u>-</u>	<u>3.72</u>
Total debt issued and borrowings		<u>8,378.72</u>	<u>31,008.85</u>	<u>39,387.57</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, 2014</u>	<u>December 31, 2013</u>
		<u>(year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2014 - 2019	LIBOR ± MARGIN	30,592.72	31,008.85
Promissory notes	THB	2015 - 2021	2.70 - 4.75%	6,425.00	6,125.00
		2019	6M THBFIX ± MARGIN	2,250.00	2,250.00
Others	THB	2015	-	<u>1.54</u>	<u>3.72</u>
Total debt issued and borrowings				<u>39,269.26</u>	<u>39,387.57</u>

## 5.8 Provisions

As at September 30, 2014 and December 31, 2013, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Employee benefits	121.62	116.44
Provisions for contingent liabilities	<u>30.17</u>	<u>30.58</u>
Total provisions	<u>151.79</u>	<u>147.02</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, 2014</u>	<u>December 31, 2013</u>
Beginning Balance	116.44	120.57
Current service cost*	5.53	8.49
Interest cost*	3.78	4.80
Employees benefit paid in the period	(4.13)	(6.73)
Actuarial gains based on updated assumption	<u>-</u>	<u>(10.69)</u>
Ending Balance	<u>121.62</u>	<u>116.44</u>

\*These items are presented 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

On July 15, 2014 the Bank remitted a part of net income for the year 2013 amounting to Baht 479.00 million to the Ministry of Finance in accordance with the State Enterprise Policy Office's letter No. KorKhor 0819.1/1921 dated June 19, 2014 regarding the Appropriation of the EXIM Bank's Net Income for the Year 2013.

#### 5.11 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Liabilities under immature import bills	281.49	276.87
Letters of credit	321.27	2,439.32
Export bills insured	12,311.68	18,855.99
Other contingencies		
Overdraft accounts not yet drawn	596.39	479.00
Other guarantees	3,705.28	2,176.93
Investment insurance	2,557.49	918.78
Stand-by claims purchase agreement	<u>5,674.23</u>	<u>7,374.79</u>
Total other contingencies	<u>12,533.39</u>	<u>10,949.50</u>
Total	<u>25,497.83</u>	<u>32,521.68</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, 2014</u>	<u>December 31, 2013</u>
Within 1 year	4.61	3.40
Over 1 - 5 years	10.12	6.71

#### 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, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Interbank and money market items	39.91	44.71
Investment in debt securities	45.24	60.27
Loans	<u>2,493.83</u>	<u>2,289.09</u>
Total interest revenue	<u>2,578.98</u>	<u>2,394.07</u>

#### 5.16 Interest Expenses

Interest expenses for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Deposits	37.67	58.51
Interbank and money market items	228.92	136.05
Debt issued		
- Foreign bonds	287.18	298.32
- Promissory notes	191.58	279.67
- Borrowing fee	<u>2.21</u>	<u>3.64</u>
Total interest expenses	<u>747.56</u>	<u>776.19</u>

### 5.17 Fees and Service Revenue, Net

Net fees and service revenue for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Fees and service revenue		
- Acceptance aval and guarantee	15.11	12.77
- Revenue from insurance	120.85	131.58
- Others	<u>381.33</u>	<u>173.48</u>
Total fees and service revenue	<u>517.29</u>	<u>317.83</u>
Fees and service expenses		
- Expense on insurance	51.86	69.65
- Others	<u>10.86</u>	<u>9.57</u>
Total fees and service expenses	<u>62.72</u>	<u>79.22</u>
Total fees and service revenue, net	<u>454.57</u>	<u>238.61</u>

### 5.18 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Foreign exchanges and derivatives	37.56	40.96
Interest rate derivatives	<u>104.36</u>	<u>(23.51)</u>
Total gains on tradings and foreign exchange transactions	<u>141.92</u>	<u>17.45</u>

### 5.19 Gains (Losses) on Investments

Gains (losses) on investments for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Gains (losses) on disposal of general investments	-	(0.05)
Reversal (losses) on impairment of general investments	<u>12.74</u>	<u>(27.92)</u>
Total gains (losses) on investments	<u>12.74</u>	<u>(27.97)</u>

## 5.20 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Interbank and money market items	2.45	11.61
Loans		
- Bad debts and doubtful accounts *	661.28	417.51
- Loss on restructuring	<u>(1.18)</u>	<u>3.73</u>
Total impairment loss of loans and debt securities	<u>662.55</u>	<u>432.85</u>

\* Includes written-down debt recovered and bad debt recovered

## 5.21 Events After the Reporting Period

On October 30, 2014 the Board of Directors approved the appropriation of net income for the first half of the year 2014 amounting to Baht 268.50 million to the Ministry of Finance. The Bank remitted such amount to the Ministry of Finance on October 31, 2014

## 5.22 Approval of the Financial Statements

These financial statements have been authorized to issue by the Chairman of the Board of Directors and Acting President on November 25, 2014.

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