

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, 2015  
(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, 2015, 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.

(Signed) *Jurairat Thipsatien*

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2015

		Unit : Baht	
	<u>Notes</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		5,264,606	254,654
Interbank and money market items, net		3,679,000,033	5,164,251,221
Derivative assets	5.2	1,006,214,234	824,672,610
Investments, net	5.3	2,475,025,212	1,869,817,635
Loans to customers and accrued interest receivables, net	5.4		
Loans to customers		73,732,799,777	73,167,994,782
Accrued interest receivables		278,329,027	245,983,358
Total loans to customers and accrued interest receivables		74,011,128,804	73,413,978,140
<u>Less</u> Deferred revenue		(3,231,198)	(5,910,795)
<u>Less</u> Allowance for doubtful accounts	5.5	(5,413,160,356)	(4,609,015,698)
<u>Less</u> Revaluation allowance for debt restructuring	5.6	(40,067,708)	(117,584,233)
Total loans to customers and accrued interest receivables, net		68,554,669,542	68,681,467,414
Properties foreclosed, net		844,304,139	843,948,443
Premises and equipment, net		805,407,728	814,388,232
Intangible assets, net		88,919,533	94,248,002
Accrued interest receivables not related to loans		6,845,123	6,503,380
Prepaid expenses		44,780,204	27,552,005
Other assets, net		15,457,938	14,183,948
Total assets		77,525,888,292	78,341,287,544

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, 2015

		Unit : Baht	
	<u>Notes</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Liabilities and Shareholders' Equity</u>			
Deposits		6,262,860,276	5,493,950,733
Interbank and money market items, net		14,292,792,276	20,580,747,598
Liabilities payable on demand		308,685,525	259,508,592
Derivative liabilities	5.2	257,607,292	119,040,858
Debt issued and borrowings	5.7	36,503,512,000	32,675,852,532
Provisions	5.8	211,585,677	184,876,149
Accrued interest payables		206,353,804	322,883,582
Allowance for export credit insurance		100,155,557	88,785,173
Other liabilities		618,310,133	743,665,374
Total liabilities		58,761,862,540	60,469,310,591
Shareholders' equity			
Capital	5.9	12,800,000,000	12,800,000,000
Paid-up capital		12,800,000,000	12,800,000,000
Other components of equity		1,824,928	2,603,206
Retained earnings			
Appropriated			
Legal reserve		5,089,000,000	4,330,000,000
Unappropriated		873,200,824	739,373,747
Total shareholders' equity		18,764,025,752	17,871,976,953
Total liabilities and shareholders' equity		77,525,888,292	78,341,287,544

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

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(Mr. Manas Jamveha)

Chairman

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( Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	<u>Notes</u>	<u>2015</u>	Unit : Baht
			<u>2014</u>
Interest revenue		792,940,181	881,484,778
Interest expenses		209,021,882	247,961,848
Net interest income		<u>583,918,299</u>	<u>633,522,930</u>
Fees and service revenue		89,265,880	173,707,318
Fees and service expenses		19,930,635	28,914,794
Net fees and service income		<u>69,335,245</u>	<u>144,792,524</u>
Gains (Losses) on tradings and foreign exchange transactions		(1,735,289)	62,619,851
Gains (Losses) on investments		(2,608,818)	1,570,931
Other operating revenue		158,410	65,580
Total operating revenue		<u>(4,185,697)</u>	<u>64,256,362</u>
Other operating expenses			
Personnel expenses		148,439,177	138,749,389
Directors' remuneration		1,632,240	1,407,887
Premises and equipment expenses		10,068,335	8,316,055
Taxes and duties		9	9
Losses on claims and provision for insurance service		(65,108,563)	(8,938,389)
Losses on impairment of properties foreclosed		16,304	-
Others		(4,112,371)	67,131,626
Total operating expenses		<u>90,935,131</u>	<u>206,666,577</u>
Impairment loss of loans and debt securities		158,869,411	249,439,388
Net income		<u>399,263,305</u>	<u>386,465,851</u>
Other comprehensive income (losses)			
Item that may be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(536,743)	1,073,487
Total other comprehensive income (losses)		<u>(536,743)</u>	<u>1,073,487</u>
Total comprehensive income		<u><u>398,726,562</u></u>	<u><u>387,539,338</u></u>

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

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(Mr. Manas Jamveha)

Chairman

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( Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
			Unit : Baht
Interest revenue	5.15	2,466,474,878	2,578,976,872
Interest expenses	5.16	659,934,793	747,561,968
Net interest income		1,806,540,085	1,831,414,904
Fees and service revenue		374,849,065	517,287,290
Fees and service expenses		56,496,869	62,722,238
Net fees and service income	5.17	318,352,196	454,565,052
Gains on tradings and foreign exchange transactions	5.18	32,065,025	141,915,031
Gains (Losses) on investments	5.19	(2,817)	12,737,129
Other operating revenue		779,390	5,654,540
Total operating revenue		32,841,598	160,306,700
Other operating expenses			
Personnel expenses		440,512,813	416,848,287
Directors' remuneration		4,689,652	4,575,487
Premises and equipment expenses		27,423,821	27,087,954
Taxes and duties		2,484	2,583
Losses on claims and provision for insurance service		(17,690,494)	3,213,164
Losses on impairment of properties foreclosed		4,202,017	8,446,538
Others		91,307,264	170,280,079
Total operating expenses		550,447,557	630,454,092
Impairment loss of loans and debt securities	5.20	428,659,245	662,554,026
Net income		1,178,627,077	1,153,278,538
Other comprehensive income (losses)			
Item that may be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(778,278)	1,529,719
Total other comprehensive income (losses)		(778,278)	1,529,719
Total comprehensive income		1,177,848,799	1,154,808,257

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

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(Mr. Manas Jamveha)

Chairman

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( Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
			Revaluation Surplus (Deficit) on Investments			
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 regarding troubled debt restructuring		-	-	-	19,871,463	19,871,463
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		-	-	-	(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
Beginning balance as at January 1, 2015		12,800,000,000	2,603,206	4,330,000,000	739,373,747	17,871,976,953
Legal reserve		-	-	759,000,000	(759,000,000)	-
Remittance to the Ministry of Finance	5.10	-	-	-	(285,800,000)	(285,800,000)
Total comprehensive income		-	(778,278)	-	1,178,627,077	1,177,848,799
Ending balance as at September 30, 2015		12,800,000,000	1,824,928	5,089,000,000	873,200,824	18,764,025,752

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

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(Mr. Manas Jamveha)

Chairman

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( Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	<u>2015</u>	<u>2014</u>
		Unit : Baht
		<u>2015</u>
		<u>2014</u>
<b>Cash flows from operating activities</b>		
Net income	1,178,627,077	1,153,278,538
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	40,735,374	41,917,840
Bad debt and doubtful accounts	677,831,766	732,178,110
Loss on debt restructuring (reversal)	(58,367,258)	(1,174,163)
(Gain) Loss on disposal of assets	(438,225)	237,534
Loss on impairment of properties foreclosed	4,202,017	8,446,538
Loss on revaluation of foreign currencies	549,687,389	310,618,416
Derivative revaluation	30,565,330	(162,402,011)
Gain on disposal of investments	(3,186,547)	(535)
Loss on impairment of investments (reversal)	3,189,364	(12,736,594)
Amortization of discount on debt securities	(11,052,877)	(14,846,455)
Increase in provisions	26,709,528	1,784,258
Bad debt and provision for other receivables (reversal)	(59,421,921)	102,084,040
Loss on claims and provision for insurance service (reversal)	(17,690,494)	3,213,164
Increase in revenue receivables	(804,577)	(3,518,564)
Increase in prepaid expenses	(14,801,237)	(4,060,576)
Increase in other accrued expenses	7,272,615	13,267,704
	2,353,057,324	2,168,287,244
Net interest income	(1,806,540,085)	(1,831,414,904)
Proceeds from interest income	2,426,289,626	2,558,524,970
Interest expenses paid	(779,406,363)	(687,815,062)
Income from operations before changes in operating assets and liabilities	2,193,400,502	2,207,582,248
(Increase) decrease in operating assets		
Interbank and money market items	1,542,057,386	(2,319,226,954)
Loans, net	2,106,773,033	(3,022,633,823)
Properties foreclosed, net	(137,713)	(3,520,871)
Other assets, net	14,045,160	(33,394,201)

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, 2015

	<u>2015</u>	<u>2014</u>
		Unit : Baht
<b>Cash flows from operating activities</b>		
Increase (decrease) in operating liabilities		
Deposits	730,407,285	214,296,182
Interbank and money market items	(6,820,536,574)	1,201,521,852
Liabilities payable on demand	49,127,176	(967,711)
Short-term debt issued and borrowings	(300,000,000)	300,000,000
Other liabilities	(52,258,000)	(225,216,902)
Net cash used in operating activities	(537,121,745)	(1,681,560,180)
<b>Cash flows from investing activities</b>		
Purchases of held-to-maturity debt securities	(2,210,000,000)	(1,400,000,000)
Proceeds from redemption of held-to-maturity debt securities	1,616,781,284	3,621,948,261
Proceeds from disposal of general investments	18,729,701	305,252
Purchases of premises and equipment	(23,150,329)	(31,163,993)
Proceeds from sales of premises and equipment	3,583,506	2,502,796
Purchases of intangible assets	(9,019,149)	(41,851,567)
Net cash provided by (used in) investing activities	(603,074,987)	2,151,740,749
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt issued and borrowings	10,262,782,548	2,394,491,637
Repayments of long-term debt issued and borrowings	(8,831,775,864)	(2,384,975,462)
Remittance to the Ministry of Finance	(285,800,000)	(479,000,000)
Net cash provided by (used in) financing activities	1,145,206,684	(469,483,825)
<b>Net increase in cash and cash equivalents</b>	5,009,952	696,744
<b>Cash and cash equivalents at the beginning of the period</b>	254,654	553,209
<b>Cash and cash equivalents at the end of the period</b>	5,264,606	1,249,953

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

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(Mr. Manas Jamveha)

Chairman

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( Mr. Kematat Saicheur)

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, 2015**  
**(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, 2015**  
**(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.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Basis of Preparation of the Financial Statements

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2014): 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, 2014. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2014.

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 The New and Revised Thai Financial Reporting Standards (TFRS)

The Bank has adopted the new and revised Thai Financial Reporting Standards (TFRS) which are effective for the financial statements beginning on or after January 1, 2015 as follows :

### Thai Financial Reporting Standards

TAS 1	(Revised 2014)	Presentation of Financial Statements
TAS 7	(Revised 2014)	Statement of Cash Flows
TAS 8	(Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2014)	Events After the Reporting Period
TAS 16	(Revised 2014)	Property, Plant and Equipment
TAS 17	(Revised 2014)	Leases
TAS 18	(Revised 2014)	Revenue
TAS 19	(Revised 2014)	Employee Benefits
TAS 20	(Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 24	(Revised 2014)	Related Party Disclosures
TAS 29	(Revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 34	(Revised 2014)	Interim Financial Reporting
TAS 36	(Revised 2014)	Impairment of Assets
TAS 37	(Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2014)	Intangible Assets
TFRS 13		Fair Value Measurement

Adopting TFRS mentioned above have no material impact on the Bank's financial statements. However, for TFRS 4 (Revised 2014) Insurance Contracts which is effective for the financial statements beginning on or after January 1, 2016, the Bank is presently considering the potential impact in the period of initial adoption.

### 3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS

As at September 30, 2015, the Bank's capital adequacy ratio (CAR) stood at 23.96 %, 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 106.12%, 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, 2015</u>	<u>December 31, 2014</u>
1. Capital *		17,583.33	16,621.55
2. Risk assets **		73,386.64	77,509.58
3. Insurance service contingent liabilities		16,568.91	15,841.97
4. Capital to risk assets (1)/(2)	Not less than 8.00%	23.96%	21.44%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	106.12%	104.92%

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

\*\* Risk assets have been calculated from credit risk assets according to the Ministerial Regulation, which excluded insurance service contingent liabilities.

### 4. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards, 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 nine-month periods ended September 30, 2015 and 2014 are as follows:

Unit : Million Baht

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Increase (decrease) in revaluation surplus on		
investments in shareholders' equity	(0.78)	1.53
Increase in properties foreclosed from loan payment	-	15.78

### 5.2 Derivatives

As at September 30, 2015 and December 31, 2014, 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, 2015</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	614.15	167.52	16,025.46
Interest rate	<u>392.06</u>	<u>90.09</u>	<u>6,883.21</u>
Total	<u>1,006.21</u>	<u>257.61</u>	<u>22,908.67</u>

<u>Type of Risk</u>	<u>December 31, 2014</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	396.36	21.73	13,522.20
Interest rate	<u>428.31</u>	<u>97.31</u>	<u>6,934.31</u>
Total	<u>824.67</u>	<u>119.04</u>	<u>20,456.51</u>

As at September 30, 2015 and December 31, 2014, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Financial institutions	78.50%	82.98%
Third parties	<u>21.50%</u>	<u>17.02%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

### 5.3 Investments, Net

#### 5.3.1 Available-for-Sale Investments

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.90	3.68

Unit: Million Baht

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,219.11	1,397.60
Foreign debt securities	<u>163.20</u>	<u>360.00</u>
Total	<u>2,382.31</u>	<u>1,757.60</u>

Unit: Million Baht

#### 5.3.3 General Investments

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- MFC Energy Fund	62.25	62.49
- Thailand Prosperity Fund 2 (TTPF 2)	24.64	40.03
- Vayupak Fund 1	1.00	1.00
Others	<u>0.43</u>	<u>0.42</u>
Total	114.63	130.25
<u>Less</u> Allowance for impairment	<u>(24.82)</u>	<u>(21.71)</u>
Total	<u>89.81</u>	<u>108.54</u>
Total investments, net	<u>2,475.02</u>	<u>1,869.82</u>

Unit: Million Baht

## 5.4 Loans and Accrued Interest Receivables, Net

### 5.4.1 Classified by Type of Loan

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
		Unit : Million Baht
Overdrafts	265.09	316.40
Domestic loans - customers	46,173.65	47,865.14
- export bills negotiation	563.65	687.15
- staff loans	242.27	244.24
Overseas loans - foreign government agencies	1,788.08	2,351.81
- customers operating overseas	24,693.25	21,675.81
Others	<u>6.81</u>	<u>27.44</u>
Total loans	73,732.80	73,167.99
<u>Less</u> Deferred revenue	<u>(3.23)</u>	<u>(5.91)</u>
Total loans, net of deferred revenue	73,729.57	73,162.08
<u>Add</u> Accrued interest receivables	<u>278.33</u>	<u>245.98</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	74,007.90	73,408.06
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,773.92)	(2,515.77)
- Excess allowance	(2,639.24)	(2,093.24)
Revaluation allowance for debt restructuring	<u>(40.07)</u>	<u>(117.58)</u>
Total loans, net	<u>68,554.67</u>	<u>68,681.47</u>

As at September 30, 2015 , overseas loans extended to foreign government agencies in the amount of Baht 1,788.08 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, 2015</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	67,047.13	66,690.32	1,100	1,086.06	
Special mention	80.72	78.70	2	1.57	
Substandard	305.53	55.89	100	55.89	
Doubtful	872.11	238.57	100	238.57	
Doubtful of loss	<u>3,606.91</u>	<u>1,391.83</u>	100	<u>1,391.83</u>	
Total minimum allowance by BOT's regulation	71,912.40	68,455.31		2,773.92	
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,639.24</u>	
Total	<u>71,912.40</u>	<u>68,455.31</u>		<u>5,413.16</u>	
		<u>December 31, 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	66,624.10	65,602.33	1,50,100	1,072.32	
Special mention	32.01	31.39	2	0.63	
Substandard	1,201.19	624.89	100	624.89	
Doubtful	34.19	14.72	100	14.72	
Doubtful of loss	<u>2,850.45</u>	<u>803.21</u>	100	<u>803.21</u>	
Total minimum allowance by BOT's regulation	70,741.94	67,076.54		2,515.77	
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,093.24</u>	
Total	<u>70,741.94</u>	<u>67,076.54</u>		<u>4,609.01</u>	

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

As at September 30, 2015 and December 31, 2014, the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

Unit : Million Baht

	<u>September 30, 2015</u>		<u>December 31, 2014</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</u>	<u>Accrued Interest</u>	<u>and Accrued</u>
	<u>Receivables Net of</u>	<u>Interest Receivables</u>	<u>Receivables Net of</u>	<u>Interest Receivables</u>
	<u>Deferred Revenue</u>	<u>Net of Deferred</u>	<u>Deferred Revenue</u>	<u>Net of Deferred</u>
		<u>Revenue</u>		<u>Revenue</u>
Classified loans	71,912.40	97.17	70,741.94	96.37
Unclassified loans	<u>2,095.50</u>	2.83	<u>2,666.12</u>	3.63
Total	<u>74,007.90</u>		<u>73,408.06</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.

#### 5.4.3 Non-Performing Loans (NPLs)

As at September 30, 2015 and December 31, 2014, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

Unit : Million Baht

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
NPLs before deducting allowance for doubtful accounts	4,784.56	4,085.83
Percentage of total loans *	6.37	5.29
NPLs after deducting allowance for doubtful accounts	3,098.27	2,643.01
Percentage of net loans	4.22	3.49

\* Total loans include loans to interbank and money market except accrued interest receivables.

As at September 30, 2015 and December 31, 2014, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 3,837.45 million and Baht 4,097.69 million, respectively. For the nine-month periods ended September 30, 2015 and 2014, the Bank recovered principal from written-down accounts in the amount of Baht 290.01 million and Baht 79.81 million, respectively, from which accounts the bank received cash in the amount of Baht 190.80 million and Baht 68.03 million, respectively.

### 5.4.3 Non-Performing Loans (NPLs) (Continued)

For the nine-month periods ended September 30, 2015 and 2014, the Bank wrote off bad debts in the amount of Baht 9.17 million and Baht 0.99 million, respectively.

### 5.4.4 Troubled Debt Restructuring

For the nine-month periods ended September 30, 2015 and 2014, the Bank restructured debts as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2015</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	15.46	15.46

The weighted average tenure of the above-mentioned restructuring is 3.31 years. As at September 30, 2015, the outstanding of such restructured loans was Baht 100.68 million.

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2014</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	97.41	97.41

The weighted average tenure of the above-mentioned restructuring is 8 years. As at September 30, 2014, the outstanding of such restructured loans was Baht 86.08 million.

For the nine-month periods ended September 30, 2015 and 2014, debts restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

	<u>September 30, 2015</u>		<u>September 30, 2014</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	3	15.46	3	97.41
Loans and accrued interest receivables net of deferred revenue	1,091	74,007.90	1,034	70,317.48

As at September 30, 2015 and 2014, the Bank had outstanding restructured loans reclassified as normal for 29 cases amounting to Baht 530.80 million and for 28 cases amounting to Baht 1,102.71 million, respectively.

#### 5.4.4 Troubled Debt Restructuring (Continued)

The Bank recognized interest revenue 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Interest revenue from debt restructuring	8.71	16.02	31.22	54.38

#### 5.5 Allowance for Doubtful Accounts

As at September 30, 2015 and December 31, 2014, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>September 30, 2015</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</u>	
Beginning balance	1,072.32	0.63	624.89	14.72	803.21	2,093.24	4,609.01
Increase (decrease) in allowance							
for doubtful accounts	<u>13.74</u>	<u>0.94</u>	<u>(569.00)</u>	<u>223.85</u>	<u>588.62</u>	<u>546.00</u>	<u>804.15</u>
Ending balance	<u>1,086.06</u>	<u>1.57</u>	<u>55.89</u>	<u>238.57</u>	<u>1,391.83</u>	<u>2,639.24</u>	<u>5,413.16</u>

	<u>December 31, 2014</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</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>20.29</u>	<u>(0.34)</u>	<u>595.74</u>	<u>(535.33)</u>	<u>784.46</u>	<u>80.59</u>	<u>945.41</u>
Ending balance	<u>1,072.32</u>	<u>0.63</u>	<u>624.89</u>	<u>14.72</u>	<u>803.21</u>	<u>2,093.24</u>	<u>4,609.01</u>

As at September 30, 2015 and December 31, 2014, the Bank's allowance for doubtful accounts on loans accounted for Baht 5,413.16 million and Baht 4,609.01 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 2,639.24 million and Baht 2,093.24 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

As at September 30, 2015 and December 31, 2014, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Beginning balance	117.58	139.98
Increase	0.54	2.08
Decrease	<u>(78.05)</u>	<u>(24.48)</u>
Ending balance	<u>40.07</u>	<u>117.58</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, 2015</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	35,278.51	35,278.51
Promissory notes	<u>1,225.00</u>	<u>-</u>	<u>1,225.00</u>
Total debt issued and borrowings	<u>1,225.00</u>	<u>35,278.51</u>	<u>36,503.51</u>
	<u>December 31, 2014</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	31,150.03	31,150.03
Promissory notes	1,525.00	-	1,525.00
Others	<u>0.82</u>	<u>-</u>	<u>0.82</u>
Total debt issued and borrowings	<u>1,525.82</u>	<u>31,150.03</u>	<u>32,675.85</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, 2015</u>	<u>December 31, 2014</u>
		<u>(year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2016 - 2020	LIBOR ± MARGIN	35,278.51	31,150.03
Promissory notes	THB	2015	3.80 - 4.50%	1,225.00	1,525.00
Others	THB	-	-	<u>-</u>	<u>0.82</u>
Total debt issued and borrowings				<u>36,503.51</u>	<u>32,675.85</u>

## 5.8 Provisions

As at September 30, 2015 and December 31, 2014, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Employee benefits	144.70	134.73
Provisions for contingent liabilities	47.88	41.13
Other provisions	<u>19.00</u>	<u>9.02</u>
Total provisions	<u>211.58</u>	<u>184.88</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, 2015</u>	<u>December 31, 2014</u>
Beginning Balance	134.73	116.44
Current service cost*	14.26	7.32
Interest cost*	3.41	4.66
Employees benefit paid during the year	(7.70)	(4.13)
Actuarial gains based on updated assumption	<u>-</u>	<u>10.44</u>
Ending Balance	<u>144.70</u>	<u>134.73</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

The Ministry of Finance approved the appropriation of net income for the year 2014 as the national revenue amounting to Baht 554.30 million. The Bank remitted the interim national revenue amounting to Baht 268.50 million to the Ministry of Finance on October 31, 2014 and the remaining amount Baht 285.80 million on June 12, 2015.

The Ministry of Finance approved the appropriation of net income for the year 2013 as the national revenue amounting to Baht 479.00 million, which the Bank remitted such amount to the Ministry of Finance on July 15, 2014.

### 5.11 Contingent Liabilities

	Unit : Million Baht	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Liabilities under immature import bills	260.94	303.76
Letters of credit	318.58	248.45
Export bills insured	14,845.59	13,393.35
Other contingencies		
Overdraft accounts not yet drawn	626.85	545.24
Other guarantees	4,318.31	3,835.20
Investment Insurance	1,854.85	2,604.08
Stand-by claims purchase agreement	<u>1,364.18</u>	<u>5,498.48</u>
Total other contingencies	<u>8,164.19</u>	<u>12,483.00</u>
Total	<u>23,589.30</u>	<u>26,428.56</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 directors (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 Bank commits to pay future lease as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Within 1 year	4.68	4.63
Over 1 - 5 years	5.43	8.95

The Bank enters into a sublease agreement which the Bank will receive sublease rentals in the future as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Within 1 year	0.07	0.02

### 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, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Interbank and money market items	63.16	39.91
Investment in debt securities	30.72	45.24
Loans	<u>2,372.59</u>	<u>2,493.83</u>
Total interest revenue	<u>2,466.47</u>	<u>2,578.98</u>

### 5.16 Interest Expenses

Interest expenses for the nine-month periods ended September 30, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Deposits	44.71	37.67
Interbank and money market items	273.73	378.47
Debt issued		
- Foreign bonds	296.36	287.18
- Promissory notes	38.64	42.03
- Borrowing fee	<u>6.49</u>	<u>2.21</u>
Total interest expenses	<u>659.93</u>	<u>747.56</u>

### 5.17 Fees and Service Revenue, Net

Net fees and service revenue for the nine-month periods ended September 30, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Fees and service revenue		
- Acceptance aval and guarantee	29.93	15.11
- Revenue from insurance	113.87	120.85
- Others	<u>231.05</u>	<u>381.33</u>
Total fees and service revenue	<u>374.85</u>	<u>517.29</u>
Fees and service expenses		
- Expense on insurance	52.98	51.86
- Others	<u>3.52</u>	<u>10.86</u>
Total fees and service expenses	<u>56.50</u>	<u>62.72</u>
Total fees and service revenue, net	<u>318.35</u>	<u>454.57</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, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Foreign exchanges and derivatives	60.28	37.56
Interest rate derivatives	<u>(28.22)</u>	<u>104.36</u>
Total gains on tradings and foreign exchange transactions	<u><u>32.06</u></u>	<u><u>141.92</u></u>

### 5.19 Gains (Losses) on Investments

Gains (losses) on investments for the nine-month periods ended September 30, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Gains on disposal of general investments	3.18	-
Reversal (losses) on impairment of general investments	<u>(3.19)</u>	<u>12.74</u>
Total gains (losses) on investments	<u><u>(0.01)</u></u>	<u><u>12.74</u></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, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Interbank and money market items	(27.10)	2.45
Loans		
- Bad debts and doubtful accounts *	514.13	661.28
- Loss on restructuring	<u>(58.37)</u>	<u>(1.18)</u>
Total impairment loss of loans and debt securities	<u><u>428.66</u></u>	<u><u>662.55</u></u>

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

## 5.21 Application of the New Accounting Policy

Since January 1, 2015, the Bank has adopted the new accounting policy regarding the fair value measurement which is in accordance with TFRS 13 Fair Value Measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market. In the absence of a principal market, the most advantageous market, where is accessible to by the Bank, will be considered.

As at September 30, 2015, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

		Unit : Million Baht		
		<u>September 30, 2015</u>		
		<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>				
Derivative assets				
-	Exchange rate	-	614.15	614.15
-	Interest rate	-	392.06	392.06
	Available-for-sale investments	<u>2.90</u>	-	<u>2.90</u>
	Total financial assets	<u>2.90</u>	<u>1,006.21</u>	<u>1,009.11</u>
<b>Financial Liabilities</b>				
Derivative liabilities				
-	Exchange rate	-	167.52	167.52
-	Interest rate	<u>-</u>	<u>90.09</u>	<u>90.09</u>
	Total financial liabilities	<u>-</u>	<u>257.61</u>	<u>257.61</u>

Fair values are determined according to the following hierarchy :

Level 1 - quoted prices in active market for identical assets or liabilities.

Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.

Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

### 5.21 Application of the New Accounting Policy (Continued)

Level 2 fair values for derivatives are the prices which are based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk.

### 5.22 Reclassification of Accounts

The Bank has reclassified some accounts in the comparative financial statements in order to conform with the presentation of the financial statements for the three-month and nine-month period ended September 30, 2015.

Reclassification of accounts has no impact on the statement of comprehensive income. However, the impacts on the statement of financial position are as follows :

Unit : Million Baht

	<u>December 31, 2014</u>		
	<u>Before</u>	<u>After</u>	<u>Increase</u>
	<u>Adjustment</u>	<u>Adjustment</u>	<u>(Decrease)</u>
Liabilities and Shareholders' Equity			
Interbank and money market items, net	13,430.75	20,580.75	7,150.00
Debt issued and borrowings	39,825.75	32,675.85	(7,150.00)

### 5.23 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 16, 2015.

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