

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE – MONTH PERIOD ENDED MARCH 31, 2016
(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 March 31, 2016, and the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then 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

Office of the Auditor General of Thailand

May 24, 2016

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2016

		March 31, 2016	December 31, 2015
	<u>Notes</u>	<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
Unit : Thousand Baht			
<u>Assets</u>			
Cash		2,216	179
Interbank and money market items, net		4,709,578	4,969,562
Derivative assets	6.2	788,414	797,969
Investments, net	6.3	2,351,700	2,462,857
Loans to customers and accrued interest receivables, net	6.4		
Loans to customers		73,602,642	73,539,506
Accrued interest receivables		279,396	243,553
Total loans to customers and accrued interest receivables		73,882,038	73,783,059
<u>Less</u> Deferred revenue		(3,280)	(2,940)
<u>Less</u> Allowance for doubtful accounts	6.5	(5,899,019)	(5,615,545)
<u>Less</u> Revaluation allowance for debt restructuring	6.6	(34,809)	(38,726)
Total loans to customers and accrued interest receivables, net		67,944,930	68,125,848
Properties foreclosed, net		810,638	815,368
Premises and equipment, net		797,805	807,019
Intangible assets, net		93,863	96,114
Accrued interest receivables not related to loans		6,539	15,218
Reinsurance assets	6.7	140,908	132,718
Prepaid expenses		42,778	39,971
Other assets, net		8,159	9,012
Total assets		77,697,528	78,271,835

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2016

		Unit : Thousand Baht	
	<u>Notes</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Liabilities and Shareholders' Equity</u>			
Deposits		6,763,807	6,277,083
Interbank and money market items, net		15,718,633	15,143,737
Liabilities payable on demand		363,337	460,121
Derivative liabilities	6.2	145,200	119,466
Debt issued and borrowings	6.8	34,181,975	36,230,893
Provisions	6.9	205,486	208,452
Accrued interest payables		220,109	186,308
Provision for insurance service		273,136	260,603
Other liabilities		734,626	567,169
Total liabilities		58,606,309	59,453,832
Shareholders' equity			
Capital	6.10	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000
Other components of equity		1,476	1,396
Retained earnings			
Appropriated			
Legal reserve		5,089,000	5,089,000
Unappropriated		1,200,743	927,607
Total shareholders' equity		19,091,219	18,818,003
Total liabilities and shareholders' equity		77,697,528	78,271,835

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	<u>Notes</u>	Unit : Thousand Baht	
		<u>2016</u>	<u>2015</u>
Interest revenue	6.15	857,180	855,750
Interest expenses	6.16	218,400	232,127
Net interest income		638,780	623,623
Fees and service revenue		98,703	75,371
Fees and service expenses		15,359	19,381
Net fees and service income	6.17	83,344	55,990
Gains on tradings and foreign exchange transactions	6.18	57,055	20,779
Gains (Losses) on investments	6.19	(8,874)	3,250
Other operating revenue		980	65
Total operating revenue		771,285	703,707
Other operating expenses			
Personnel expenses		157,149	145,819
Directors' remuneration		1,619	1,438
Premises and equipment expenses		4,806	6,957
Taxes and duties		-	2
Losses on claims and provision for insurance service		1,732	33,321
Losses on impairment of properties foreclosed		3,732	4,264
Others		60,273	31,663
Total operating expenses		229,311	223,464
Impairment loss of loans and debt securities	6.20	268,838	100,845
Net income		273,136	379,398
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		80	(161)
Total other comprehensive income (losses)		80	(161)
Total comprehensive income		273,216	379,237

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

						Unit : Thousand Baht
Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	
		Revaluation Surplus (Deficit) on Investments				
Beginning balance as at January 1, 2015	12,800,000	2,603	4,330,000	739,374	17,871,977	
Total comprehensive income	-	(161)	-	379,398	379,237	
Ending balance as at March 31, 2015	12,800,000	2,442	4,330,000	1,118,772	18,251,214	
Beginning balance as at January 1, 2016	12,800,000	1,396	5,089,000	927,607	18,818,003	
Total comprehensive income	-	80	-	273,136	273,216	
Ending balance as at March 31, 2016	12,800,000	1,476	5,089,000	1,200,743	19,091,219	

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	Unit : Thousand Baht	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Net income	273,136	379,398
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	12,513	13,734
Bad debt and doubtful accounts	289,514	178,616
Loss on debt restructuring (reversal)	(2,114)	(1,449)
Loss on disposal of assets	392	-
Loss on impairment of properties foreclosed	3,732	4,264
Loss (Gain) on revaluation of foreign currencies	126,843	(169,774)
Derivative revaluation	(70,899)	1,017
Gain on disposal of investments	-	(3,187)
Loss on impairment of investments (reversal)	8,874	(63)
Amortization of premium (discount) on debt securities	8,546	(3,390)
Increase (Decrease) in provisions	(2,966)	5,645
Bad debt and provision for other receivables	40,385	9,986
Loss on claims and provision for insurance service	1,732	33,321
Decrease (Increase) in revenue receivables	692	(5,277)
Increase in prepaid expenses	(3,660)	(12,514)
Increase (Decrease) in other accrued expenses	(640)	14,834
	686,080	445,161
Net interest income	(638,780)	(623,623)
Proceeds from interest income	824,084	827,172
Interest expenses paid	(181,121)	(353,372)
Income from operations before changes in operating assets and liabilities	690,263	295,338
(Increase) Decrease in operating assets		
Interbank and money market items	256,033	1,015,139
Loans, net	(1,059,066)	845,667
Properties foreclosed, net	2,505	(64)
Reinsurance assets	340	-
Other assets, net	4,414	(7,806)

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 THREE-MONTH PERIOD ENDED MARCH 31, 2016

	Unit : Thousand Baht	
	2016	2015
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	522,755	3,212,044
Interbank and money market items	693,409	(3,731,109)
Liabilities payable on demand	(96,984)	3,917
Short-term debt issued and borrowings	-	(300,000)
Other liabilities	125,854	141,010
Net cash provided by operating activities	1,139,523	1,474,136
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(1,720,000)	-
Proceeds from redemption of held-to-maturity debt securities	1,810,000	-
Proceeds from disposal of general investments	-	18,577
Purchases of premises and equipment	(1,046)	(10,965)
Proceeds from sales of premises and equipment	1,982	-
Purchases of intangible assets	(3,422)	(3,746)
Net cash provided by investing activities	87,514	3,866
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	-	4,916,463
Repayments of long-term debt issued and borrowings	(1,225,000)	(6,394,481)
Net cash used in financing activities	(1,225,000)	(1,478,018)
Net increase (decrease) in cash and cash equivalents	2,037	(16)
Cash and cash equivalents at the beginning of the period	179	255
Cash and cash equivalents at the end of the period	2,216	239

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
(UNAUDITED/REVIEWED)

1. GENERAL INFORMATION

Export-Import Bank of Thailand (or “the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542), with the objective to provide financial supports for exports, imports and investments related to the development of the Thai economy. Its services include:

- export financing services provided through commercial banks;
- short-term and long-term credits provided directly to exporters;
- medium-term credits for export business expansion;
- short-term and medium-term credits to foreign banks to finance goods imported from Thailand;
- credit and equity financing to support Thai investments overseas that are beneficial to the country;
- export credit insurance services to Thai exporters;
- credits for overseas projects yielding economic returns to Thailand;
- investment insurance services for overseas investments of Thai investors who have been granted credit lines from the Bank; and
- stand-by claims purchase agreement services.

The Bank’s Head Office is located at 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok.

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 2015): Interim Financial Reporting, covering the statements of financial position, statements of profit or loss and other 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, 2015. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

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. 21/2558 dated December 4, 2015 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups.

2.2 The Revised Thai Financial Reporting Standards

The Bank has adopted the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRIC), which are effective for the financial statements beginning on or after January 1, 2016 as follows :

Thai Financial Reporting Standards

TAS 1	(Revised 2015)	Presentation of Financial Statements
TAS 7	(Revised 2015)	Statement of Cash Flows
TAS 8	(Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2015)	Events after the Reporting Period
TAS 16	(Revised 2015)	Property, Plant and Equipment
TAS 17	(Revised 2015)	Leases
TAS 18	(Revised 2015)	Revenue
TAS 19	(Revised 2015)	Employee Benefits
TAS 20	(Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 24	(Revised 2015)	Related Party Disclosures
TAS 29	(Revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 34	(Revised 2015)	Interim Financial Reporting
TAS 36	(Revised 2015)	Impairment of Assets
TAS 37	(Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2015)	Intangible Assets
TFRS 4	(Revised 2015)	Insurance Contracts
TFRS 13	(Revised 2015)	Fair Value Measurement

Thai Financial Reporting Interpretation

TFRIC 7	(Revised 2015)	Applying the Restatement Approach under TAS29 (Revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10	(Revised 2015)	Interim Financial Reporting and Impairment

Adopting TAS, TFRS and TFRIC mentioned above have no material impact on the Bank's financial statements.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at March 31, 2016 and December 31, 2015, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	<u>March 31, 2016</u>		
	<u>Fair value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Derivative assets			
- Exchange rate	-	321.65	321.65
- Interest rate	-	466.76	466.76
Available-for-sale investments	<u>2.55</u>	-	<u>2.55</u>
Total financial assets	<u>2.55</u>	<u>788.41</u>	<u>790.96</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	37.30	37.30
- Interest rate	-	107.90	107.90
Total financial liabilities	<u>-</u>	<u>145.20</u>	<u>145.20</u>
	<u>December 31, 2015</u>		
	<u>Fair value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Derivative assets			
- Exchange rate	-	387.72	387.72
- Interest rate	-	410.25	410.25
Available-for-sale investments	<u>2.47</u>	-	<u>2.47</u>
Total financial assets	<u>2.47</u>	<u>797.97</u>	<u>800.44</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	27.03	27.03
- Interest rate	-	92.44	92.44
Total financial liabilities	<u>-</u>	<u>119.47</u>	<u>119.47</u>

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

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.

4. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS

As at March 31, 2016, the Bank's capital adequacy ratio (CAR) stood at 24.01 %, 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 101.23%, 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>March 31, 2016</u>	<u>December 31, 2015</u>
1. Capital *		17,583.33	17,583.33
2. Risk assets **		73,245.77	73,149.50
3. Insurance service contingent liabilities		17,369.99	15,861.46
4. Capital to risk assets (1)/(2)	Not less than 8.00%	24.01%	24.04%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	101.23%	110.86%

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.

5. 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.

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flow

Significant non-cash items for the three-month periods ended March 31, 2016 and 2015 are as follows:

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Increase (decrease) in revaluation surplus on investments in shareholders' equity	0.08	(0.16)

Unit : Million Baht

6.2 Derivatives

As at March 31, 2016 and December 31, 2015, the fair value and notional amount classified by type of risk are as follows:

<u>Type of Risk</u>	<u>March 31, 2016</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	321.65	37.30	8,532.00
Interest rate	466.76	107.90	5,653.29
Total	<u>788.41</u>	<u>145.20</u>	<u>14,185.29</u>

<u>Type of Risk</u>	<u>December 31, 2015</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	387.72	27.03	10,540.13
Interest rate	410.25	92.44	6,881.98
Total	<u>797.97</u>	<u>119.47</u>	<u>17,422.11</u>

Unit : Million Baht

6.2 Derivatives (Continued)

As at March 31, 2016 and December 31, 2015, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Financial institutions	81.57%	83.26%
Third parties	<u>18.43%</u>	<u>16.74%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.3 Investments, Net

6.3.1 Available-for-Sale Investments

Unit: Million Baht

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.55	2.47

6.3.2 Held-to-Maturity Debt Securities

Unit: Million Baht

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,119.99	2,218.44
Foreign debt securities	<u>157.94</u>	<u>161.85</u>
Total	<u>2,277.93</u>	<u>2,380.29</u>

6.3.3 General Investments

Unit: Million Baht

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Core Flexible Fund (CORE)	56.23	56.23
- Thailand Prosperity Fund 2 (TTPF2)	24.64	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.42</u>	<u>0.41</u>
Total	108.60	108.60
<u>Less</u> Allowance for impairment	<u>(37.38)</u>	<u>(28.50)</u>
Total	<u>71.22</u>	<u>80.10</u>
Total investments, net	<u>2,351.70</u>	<u>2,462.86</u>

6.4 Loans and Accrued Interest Receivables, Net

6.4.1 Classified by Type of Loan

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
		Unit : Million Baht
Overdrafts	312.60	295.15
Domestic loans - customers	46,069.21	45,796.03
- export bills negotiation	487.57	448.21
- staff loans	242.40	232.94
Overseas loans - foreign government agencies	1,506.21	1,788.08
- customers operating overseas	24,982.11	24,972.57
Others	<u>2.54</u>	<u>6.53</u>
Total loans	73,602.64	73,539.51
<u>Less</u> Deferred revenue	<u>(3.28)</u>	<u>(2.94)</u>
Total loans, net of deferred revenue	73,599.36	73,536.57
<u>Add</u> Accrued interest receivables	<u>279.40</u>	<u>243.55</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	73,878.76	73,780.12
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,949.78)	(2,851.30)
- Excess allowance	(2,949.24)	(2,764.24)
Revaluation allowance for debt restructuring	<u>(34.81)</u>	<u>(38.73)</u>
Total loans, net	<u>67,944.93</u>	<u>68,125.85</u>

As at March 31, 2016 , overseas loans extended to foreign government agencies in the amount of Baht 1,506.21 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.

6.4.2 Classified by Loan Classification

Unit : Million Baht				
<u>March 31, 2016</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	67,461.91	67,110.65	1,100	1,023.34
Special mention	474.55	473.10	2	9.46
Substandard	198.44	170.41	100	170.41
Doubtful	75.08	54.49	100	54.49
Doubtful of loss	<u>3,855.27</u>	<u>1,692.08</u>	100	<u>1,692.08</u>
Total minimum allowance by BOT's regulation	72,065.25	69,500.73		2,949.78
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,949.24</u>
Total	<u>72,065.25</u>	<u>69,500.73</u>		<u>5,899.02</u>
 <u>December 31, 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	67,260.34	66,921.45	1,100	1,076.21
Special mention	453.39	452.61	2	9.05
Substandard	323.18	72.79	100	72.79
Doubtful	899.30	259.22	100	259.22
Doubtful of loss	<u>2,770.54</u>	<u>1,434.03</u>	100	<u>1,434.03</u>
Total minimum allowance by BOT's regulation	71,706.75	69,140.10		2,851.30
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,764.24</u>
Total	<u>71,706.75</u>	<u>69,140.10</u>		<u>5,615.54</u>

6.4.2 Classified by Loan Classification (Continued)

As at March 31, 2016 and December 31, 2015, the outstanding classified loans and loans which are not required to be classified (unclassified loans) are as follows:

	<u>March 31, 2016</u>		<u>December 31, 2015</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	72,065.25	97.55	71,706.75	97.19
Unclassified loans	<u>1,813.51</u>	2.45	<u>2,073.37</u>	2.81
Total	<u>73,878.76</u>		<u>73,780.12</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.

6.4.3 Non-Performing Loans (NPLs)

As at March 31, 2016 and December 31, 2015, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
NPLs before deducting allowance for doubtful accounts	4,128.79	3,993.02
Percentage of total loans *	5.41	5.28
NPLs after deducting allowance for doubtful accounts	2,211.81	2,226.98
Percentage of net loans	2.97	3.01

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

As at March 31, 2016 and December 31, 2015, the outstanding balance of written-down accounts, which were not included in the financial statements, were Baht 3,801.15 million and Baht 3,827.13 million, respectively. For the three-month periods ended March 31, 2016 and 2015, the Bank recovered principal from written-down accounts in the amount of Baht 18.56 million and Baht 76.63 million, respectively, from which accounts the bank received cash in the amount of Baht 18.56 million and Baht 76.32 million, respectively.

6.4.4 Troubled Debt Restructuring

For the three-month periods ended March 31, 2016 and 2015, the Bank restructured debts as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2016</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	-	-	-

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	1	-	0.49

The tenure of the above-mentioned restructuring is 2.08 years. As at March 31, 2015, the outstanding of such restructured loans was Baht 0.26 million.

For the three-month periods ended March 31, 2016 and 2015, debts restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

	<u>March 31, 2016</u>		<u>March 31, 2015</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	-	-	1	-
Loans and accrued interest receivables net of deferred revenue	1,142	73,878.76	1,063	72,151.17

As at March 31, 2016 and 2015, the Bank had outstanding restructured loans reclassified as normal for 33 cases amounting to Baht 459.72 million and for 35 cases amounting to Baht 1,076.76 million, respectively.

For the three-month periods ended March 31, 2016 and 2015, the Bank recognized interest income from debt restructuring in the amount of Baht 0.84 million and Baht 13.41 million, respectively.

6.5 Allowance for Doubtful Accounts

As at March 31, 2016 and December 31, 2015, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	March 31, 2016						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,076.21	9.05	72.79	259.22	1,434.03	2,764.24	5,615.54
Increase (decrease) in allowance							
for doubtful accounts	<u>(52.87)</u>	<u>0.41</u>	<u>97.62</u>	<u>(204.73)</u>	<u>258.05</u>	<u>185.00</u>	<u>283.48</u>
Ending balance	<u>1,023.34</u>	<u>9.46</u>	<u>170.41</u>	<u>54.49</u>	<u>1,692.08</u>	<u>2,949.24</u>	<u>5,899.02</u>
	December 31, 2015						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
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>3.89</u>	<u>8.42</u>	<u>(552.10)</u>	<u>244.50</u>	<u>630.82</u>	<u>671.00</u>	<u>1,006.53</u>
Ending balance	<u>1,076.21</u>	<u>9.05</u>	<u>72.79</u>	<u>259.22</u>	<u>1,434.03</u>	<u>2,764.24</u>	<u>5,615.54</u>

As at March 31, 2016 and December 31, 2015, the Bank's allowance for doubtful accounts on loans accounted for Baht 5,899.02 million and Baht 5,615.54 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 2,949.24 million and Baht 2,764.24 million, respectively (Note 6.4.2). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

6.6 Revaluation Allowance for Debt Restructuring

As at March 31, 2016 and December 31, 2015, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	March 31, 2016	December 31, 2015
Beginning balance	38.73	117.58
Increase	0.90	1.01
Decrease	<u>(4.82)</u>	<u>(79.86)</u>
Ending balance	<u>34.81</u>	<u>38.73</u>

6.7 Reinsurance Assets

As at March 31, 2016 and December 31, 2015, the Bank had reinsurance assets as follows:

	March 31, 2016	December 31, 2015
Amounts due from reinsurers	-	0.34
Insurance reserves from reinsurance	<u>140.91</u>	<u>132.38</u>
Total reinsurance assets	<u>140.91</u>	<u>132.72</u>

Unit : Million Baht

6.8 Debt Issued and Borrowings

6.8.1 Classified by Type of Instrument and Source of Fund

	March 31, 2016		
	Domestic	Foreign	Total
Bonds	-	34,181.97	34,181.97
Total debt issued and borrowings	<u>-</u>	<u>34,181.97</u>	<u>34,181.97</u>

	December 31, 2015		
	Domestic	Foreign	Total
Bonds	-	35,005.89	35,005.89
Promissory notes	<u>1,225.00</u>	-	<u>1,225.00</u>
Total debt issued and borrowings	<u>1,225.00</u>	<u>35,005.89</u>	<u>36,230.89</u>

Unit : Million Baht

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

	Currency	Maturity (year)	Interest Rate / Interest Rate Index	March 31, 2016	December 31, 2015
Bonds	USD	2016 - 2020	LIBOR ± MARGIN	34,181.97	35,005.89
Promissory notes	THB	2016	3.80 - 4.50%	-	<u>1,225.00</u>
Total debt issued and borrowings				<u>34,181.97</u>	<u>36,230.89</u>

Unit : Million Baht

6.9 Provisions

As at March 31, 2016 and December 31, 2015, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Employee benefits	161.16	156.54
Provisions for contingent liabilities	42.19	49.79
Other provisions	<u>2.14</u>	<u>2.12</u>
Total provisions	<u>205.49</u>	<u>208.45</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>March 31, 2016</u>	<u>December 31, 2015</u>
Beginning Balance	156.54	134.73
Current service cost*	3.37	10.38
Interest cost*	1.25	4.80
Employees benefit paid during the year	-	(7.70)
Actuarial losses based on updated assumption	<u>-</u>	<u>14.33</u>
Ending Balance	<u>161.16</u>	<u>156.54</u>

*These items are presented as expenses in the statements of profit or loss and other comprehensive income.

6.10 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.

6.11 Contingent Liabilities

	Unit : Million Baht	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Liabilities under immature import bills	317.44	398.85
Letters of credit	582.20	327.44
Export bills insured	15,713.92	14,157.29
Other contingencies		
Overdraft accounts not yet drawn	593.66	569.20
Other guarantees	4,288.58	4,455.24
Investment Insurance	1,797.19	1,840.52
Stand-by claims purchase agreement	<u>1,477.41</u>	<u>1,340.16</u>
Total other contingencies	<u>8,156.84</u>	<u>8,205.12</u>
Total	<u>24,770.40</u>	<u>23,088.70</u>

6.12 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).

6.13 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>March 31, 2016</u>	<u>December 31, 2015</u>
Within 1 year	4.12	4.33
Over 1 - 5 years	3.44	4.33

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>March 31, 2016</u>	<u>December 31, 2015</u>
Within 1 year	0.19	0.22
Over 1 - 5 years	-	0.02

6.14 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.

6.15 Interest Revenue

Interest revenue for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	16.01	26.29
Investment in debt securities	9.85	10.29
Loans	<u>831.32</u>	<u>819.17</u>
Total interest revenue	<u>857.18</u>	<u>855.75</u>

6.16 Interest Expenses

Interest expenses for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Deposits	8.80	12.11
Interbank and money market items	81.12	111.76
Debt issued		
- Foreign bonds	119.42	92.63
- Promissory notes	7.05	13.46
- Borrowing fee	<u>2.01</u>	<u>2.17</u>
Total interest expenses	<u>218.40</u>	<u>232.13</u>

6.17 Fees and Service Revenue, Net

Net fees and service revenue for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Fees and service revenue		
- Acceptance aval and guarantee	11.42	9.41
- Revenue from insurance	26.13	32.70
- Others	<u>61.15</u>	<u>33.26</u>
Total fees and service revenue	<u>98.70</u>	<u>75.37</u>
Fees and service expenses		
- Expense on insurance	14.21	18.27
- Others	<u>1.15</u>	<u>1.11</u>
Total fees and service expenses	<u>15.36</u>	<u>19.38</u>
Total fees and service revenue, net	<u>83.34</u>	<u>55.99</u>

6.18 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Foreign exchanges and derivatives	16.13	9.43
Interest rate derivatives	<u>40.92</u>	<u>11.35</u>
Total gains on tradings and foreign exchange transactions	<u>57.05</u>	<u>20.78</u>

6.19 Gains (Losses) on Investments

Gains (losses) on investments for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Gains on disposal of general investments	-	3.19
Reversal (losses) on impairment of general investments	<u>(8.87)</u>	<u>0.06</u>
Total gains (losses) on investments	<u>(8.87)</u>	<u>3.25</u>

6.20 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	6.04	(20.02)
Loans		
- Bad debts and doubtful accounts *	264.91	122.31
- Loss on restructuring	<u>(2.11)</u>	<u>(1.45)</u>
Total impairment loss of loans and debt securities	<u>268.84</u>	<u>100.84</u>

* Includes written-down debt recovered and bad debt recovered

6.21 Reclassification of Accounts

The Bank has reclassified some items in the comparative statements of financial position as at December 31, 2015, and the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2015 in order to conform with the TFRS 4 (Revised 2015): Insurance Contracts and the Notification, issued by the Bank of Thailand, No. SorNorSor. 21/2558 dated December 4, 2015 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups. In accordance with the Bank of Thailand Notification, the Bank presents fees from long-term loans, formerly recorded as fees and service revenue item, as interest revenue item in the statements of profit or loss and other comprehensive income.

The effects of the reclassification of accounts to comparative financial statements are as follows :

1) Statements of financial position as at December 31, 2015

	Unit : Million Baht		
<u>Item</u>	<u>Before</u>	<u>After</u>	<u>Increase</u>
	<u>Adjustment</u>	<u>Adjustment</u>	<u>(Decrease)</u>
Reinsurance assets	-	132.72	132.72
Provision for insurance service	94.28	260.60	166.32
Other liabilities	600.77	567.17	(33.60)

6.21 Reclassification of Accounts (Continued)

2) Statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2015

Unit : Million Baht

<u>Item</u>	<u>Before</u> <u>Adjustment</u>	<u>After</u> <u>Adjustment</u>	<u>Increase</u> <u>(Decrease)</u>
Interest revenue	841.07	855.75	14.68
Fees and service revenue	90.05	75.37	(14.68)

6.22 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 May 24, 2016.
