

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE THREE – MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2019  
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The State Audit Office of the Kingdom of Thailand has reviewed the statement of financial position of the Export-Import Bank of Thailand, as at June 30, 2019, and the statement of profit or loss and other comprehensive income for the three-month and six-month period ended June 30, 2019, statement of changes in equity and statement of cash flows for the six-month period ended June 30, 2019, 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 State Audit Office of the Kingdom of Thailand is to express a conclusion on this interim financial information based on the review.

**Scope of review**

The State Audit Office of the Kingdom 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 State Audit Office of the Kingdom of Thailand to obtain assurance that the State Audit Office of the Kingdom of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the State Audit Office of the Kingdom of Thailand does not express an audit opinion.

**Conclusion**

Based on the review, nothing has come to the attention that causes the State Audit Office of the Kingdom 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) *Thurdpong Pongsaksri*

(Mr. Thurdpong Pongsaksri)

Director of Financial and

Procurement Audit Office No.3

(Signed) *Sunita Charounsilpa*

(Ms. Sunita Charounsilpa)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2019

		Unit : Thousand Baht	
	<u>Notes</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		168	183
Interbank and money market items, net	6.2	7,624,556	2,812,404
Derivatives assets	6.3	487,531	243,729
Investments, net	6.4	2,093,655	2,345,301
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		107,183,286	108,588,565
Accrued interest receivables		346,031	349,926
Total loans to customers and accrued interest receivables		<u>107,529,317</u>	<u>108,938,491</u>
<u>Less</u> Deferred revenue		(2,126)	(2,474)
<u>Less</u> Allowance for doubtful accounts	6.6	(9,890,910)	(9,223,266)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(135,595)	(161,338)
Total loans to customers and accrued interest receivables, net		<u>97,500,686</u>	<u>99,551,413</u>
Properties for sale, net	6.8	356,575	381,692
Premises and equipment, net	6.9	809,689	814,710
Intangible assets, net	6.10	99,992	90,988
Reinsurance assets	6.11	251,895	246,789
Prepaid expenses		59,258	63,550
Other assets, net	6.12	11,443	15,019
Total assets		<u><u>109,295,448</u></u>	<u><u>106,565,778</u></u>

Notes to the interim financial statements are an integral part of these interim financial statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2019

		Unit : Thousand Baht	
	Notes	June 30, 2019	December 31, 2018
		"Unaudited"	"Audited"
		"Reviewed"	
<u>Liabilities and Equity</u>			
Deposits	6.13	24,972,413	30,160,027
Interbank and money market items, net	6.14	17,653,026	18,886,853
Liabilities payable on demand		402,062	160,196
Derivatives liabilities	6.3	362,822	148,327
Debt issued and borrowings	6.15	42,351,469	34,014,430
Provisions	6.16	265,344	247,211
Accrued interest payables		508,043	435,710
Reserves for insurance service	6.17	540,373	522,407
Public revenue payable		231,500	-
Other liabilities	6.18	543,125	816,351
Total liabilities		<u>87,830,177</u>	<u>85,391,512</u>
Equity			
Capital	6.19	12,800,000	12,800,000
Paid-up capital		<u>12,800,000</u>	<u>12,800,000</u>
Other components of equity		(859)	(537)
Retained earnings			
Appropriated			
Legal reserve		7,866,000	7,183,000
Unappropriated		800,130	1,191,803
Total equity		<u>21,465,271</u>	<u>21,174,266</u>
Total liabilities and equity		<u>109,295,448</u>	<u>106,565,778</u>

Notes to the interim financial statements are an integral part of these interim financial statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

-----  
(Mr. Pisit Serewiwattana)

President

"Unaudited""Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

	Unit : Thousand Baht	
	2019	2018
Interest income	1,463,485	1,193,849
Interest expenses	572,046	356,698
Interest income, net	<u>891,439</u>	<u>837,151</u>
Fees and service income	105,880	100,851
Fees and service expenses	30,653	28,856
Fees and service income, net	<u>75,227</u>	<u>71,995</u>
Gain (Loss) on tradings and foreign exchange transactions, net	42,429	(15,827)
Gain (Loss) on investments, net	(570)	22,925
Other operating income	20,185	152,082
Total operating income	<u>1,028,710</u>	<u>1,068,326</u>
Other operating expenses		
Employee's expenses	258,269	225,032
Directors' remuneration	2,003	1,832
Premises and equipment expenses	28,487	16,153
Loss on claims and reserves for insurance service	47,289	48,608
Loss on impairment of properties for sale	27	10,738
Others	97,586	31,979
Total other operating expenses	<u>433,661</u>	<u>334,342</u>
Impairment loss of loans and debt securities	405,895	358,508
Net profit	<u>189,154</u>	<u>375,476</u>
Other comprehensive income (loss)		
Item that will be reclassified subsequently to profit or loss		
Gain (Loss) on remeasuring available-for-sale securities	(268)	(295)
Total net other comprehensive income (loss)	<u>(268)</u>	<u>(295)</u>
Total comprehensive income	<u><u>188,886</u></u>	<u><u>375,181</u></u>

Notes to the interim financial statements are an integral part of these interim financial statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

-----  
(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		Unit : Thousand Baht	
Interest income	6.25	2,900,834	2,308,123
Interest expenses	6.26	1,090,885	647,447
Interest income, net		<u>1,809,949</u>	<u>1,660,676</u>
Fees and service income		182,246	167,469
Fees and service expenses		54,793	47,978
Fees and service income, net	6.27	<u>127,453</u>	<u>119,491</u>
Gain (Loss) on tradings and foreign exchange transactions, net	6.28	71,860	(11,978)
Gain (Loss) on investments, net	6.29	(1,635)	22,720
Other operating income		28,610	161,807
Income from public service account		-	30,538
Total operating income		<u>2,036,237</u>	<u>1,983,254</u>
Other operating expenses			
Employee's expenses		506,108	432,390
Directors' remuneration		3,721	3,740
Premises and equipment expenses		52,769	29,271
Loss on claims and reserves for insurance service	6.30	102,529	63,521
Loss on impairment of properties for sale		3,807	10,836
Others	6.31	165,403	37,700
Total other operating expenses		<u>834,337</u>	<u>577,458</u>
Expenses from public service account		-	17,827
Impairment loss of loans and debt securities	6.32	679,073	633,865
Net profit		<u>522,827</u>	<u>754,104</u>
Other comprehensive income (loss)			
Item that will be reclassified subsequently to profit or loss			
Gain (Loss) on remeasuring available-for-sale securities		(322)	(671)
Total net other comprehensive income (loss)		<u>(322)</u>	<u>(671)</u>
Total comprehensive income		<u><u>522,505</u></u>	<u><u>753,433</u></u>

Notes to the interim financial statements are an integral part of these interim financial statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

-----  
(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
		Revaluation Surplus (Deficit) on Investments			
				Unit : Thousand Baht	
Balance as at January 1, 2018	12,800,000	483	6,502,000	1,041,921	20,344,404
Legal reserve	-	-	681,000	(681,000)	-
Remittance as the public revenue	6.20	-	-	(257,100)	(257,100)
Total comprehensive income	-	(671)	-	754,104	753,433
Balance as at June 30, 2018	<u>12,800,000</u>	<u>(188)</u>	<u>7,183,000</u>	<u>857,925</u>	<u>20,840,737</u>
Balance as at January 1, 2019	12,800,000	(537)	7,183,000	1,191,803	21,174,266
Legal reserve	-	-	683,000	(683,000)	-
Public revenue payable	6.20	-	-	(231,500)	(231,500)
Total comprehensive income	-	(322)	-	522,827	522,505
Balance as at June 30, 2019	<u>12,800,000</u>	<u>(859)</u>	<u>7,866,000</u>	<u>800,130</u>	<u>21,465,271</u>

Notes to the interim financial statements are an integral part of these interim financial statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

-----  
(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Unit : Thousand Baht	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Net profit	522,827	754,104
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	28,130	28,387
Bad debts and doubtful accounts	693,155	595,506
Loss (Reversal) on debt restructuring	(9,123)	74,168
Gain on disposal of assets	(214)	(33)
Loss on impairment of properties for sale	3,807	10,836
Gain on foreign currency translation	(736,133)	(551,675)
Derivative revaluation	(27,338)	41,796
Gain on disposal of investments	-	(21,746)
Loss (Reversal) on impairment of investments	1,635	(974)
Amortization of premium (discount) on debt securities	(333)	4,149
Increase in provisions	18,133	1,468
Bad debts and provision for other receivables (reversal)	36,206	(32,403)
Loss on claims and reserves for insurance service	102,529	63,520
Decrease in accrued income	7,664	34
Decrease (Increase) in other prepaid expenses	2,935	(5,777)
Decrease in other accrued expenses	(11,545)	(17,486)
	632,335	943,874
Interest income, net	(1,809,949)	(1,675,389)
Dividend income	(478)	(772)
Proceeds from interest income	2,879,245	2,288,117
Interest paid	(1,012,459)	(619,202)
Proceeds from dividend income	478	772
Income from operations before changes in operating assets and liabilities	689,172	937,400
(Increase) Decrease in operating assets		
Interbank and money market items	(4,874,459)	(2,165,322)
Loans to customers, net	(64,040)	(3,188,681)
Properties for sale, net	21,464	269,903
Reinsurance assets	-	(41)
Other assets, net	(100,256)	(10,881)

Notes to the interim financial statements are an integral part of these interim financial statements.



EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Unit : Thousand Baht	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Increase (Decrease) in operating liabilities		
Deposits	(5,162,534)	6,401,286
Interbank and money market items	(1,206,817)	483,452
Liabilities payable on demand	241,374	(352,925)
Other liabilities	(289,129)	141,221
Net cash provided by (used in) operating activities	(10,745,225)	2,515,412
<b>Cash flows from investing activities</b>		
Purchases of held-to-maturity debt securities	(2,100,000)	(2,250,000)
Proceeds from redemption of held-to-maturity debt securities	2,350,000	2,450,000
Proceeds from disposal of general investments	-	46,390
Purchases of premises and equipment	(17,148)	(17,470)
Proceeds from disposal of premises and equipment	250	36
Purchases of intangible assets	(12,095)	(7,726)
Net cash provided by investing activities	221,007	221,230
<b>Cash flows from financing activities</b>		
Proceeds from debt issued and long-term borrowings	10,524,203	-
Repayments of debt issued and long-term borrowings	-	(2,480,476)
Remittance as the public revenue	-	(257,100)
Net cash provided by (used in) financing activities	10,524,203	(2,737,576)
<b>Net decrease in cash and cash equivalents</b>	(15)	(934)
<b>Cash and cash equivalents at the beginning of the period</b>	183	1,177
<b>Cash and cash equivalents at the end of the period</b>	168	243

Notes to the interim financial statements are an integral part of these interim financial statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

-----  
(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2019  
(UNAUDITED/REVIEWED)

---

Notes	Contents	Page
1	General Information	11
2	Basis of Preparation of the Financial Statements	
	2.1 Basis of Preparation of the Interim Financial Statements	11
	2.2 Thai Financial Reporting Standards (TFRS) Effective in Current Period	11
	2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective	11
3	Fair Value of Financial Instruments	12
4	Capital Adequacy under the Ministerial Regulations and Basel II Standard	13
5	Estimates and Assumptions	15
6	Additional Information	
	6.1 Supplementary Information of Cash Flows	15
	6.2 Interbank and Money Market Items, Net (Assets)	15
	6.3 Derivatives	16
	6.4 Investments, Net	17
	6.5 Loans to Customers and Accrued Interest Receivables, Net	18
	6.6 Allowance for Doubtful Accounts	23
	6.7 Revaluation Allowance for Debt Restructuring	23
	6.8 Properties for Sale, Net	24
	6.9 Premises and Equipment, Net	25
	6.10 Intangible Assets, Net	26
	6.11 Reinsurance Assets	26
	6.12 Other Assets, Net	27
	6.13 Deposits	27
	6.14 Interbank and Money Market Items, Net (Liabilities)	28
	6.15 Debt Issued and Borrowings	28
	6.16 Provisions	29

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2019  
(UNAUDITED/REVIEWED)

---

Notes	Contents	Page
6.17	Reserves for Insurance Service	30
6.18	Other Liabilities	30
6.19	Capital	31
6.20	Remittance as the Public Revenue	31
6.21	Contingent Liabilities	31
6.22	Other Benefits to Directors and Executives	31
6.23	Long – Term Leasing Contracts	32
6.24	Financial Position and Operational Performance Classified by Domestic and Foreign Operations	32
6.25	Interest Income	34
6.26	Interest Expenses	34
6.27	Fees and Service Income, Net	34
6.28	Gain (Loss) on Tradings and Foreign Exchange Transactions	35
6.29	Gain (Loss) on Investments, Net	35
6.30	Loss on Claims and Reserves for Insurance Service	35
6.31	Other Operating Expenses - Others	35
6.32	Impairment Loss of Loans and Debt Securities	36
6.33	Fair value of Assets and Liabilities	36
6.34	Approval of the Interim Financial Statements	37

**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2019**  
**(UNAUDITED/REVIEWED)**

---

**1. GENERAL INFORMATION**

Export-Import Bank of Thailand (“the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended (“Act”), with the objective to promote and support exports, imports, and investment, both domestic and overseas, for the purpose of national development by providing credit facilities, guarantee, risk insurance or other necessary services under the provisions of this Act. The Bank’s head office is located at 1193 Phaholyothin Road, Phayathai, Bangkok.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis of Preparation of the Interim Financial Statements**

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018): Interim Financial Reporting, covering the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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, 2018. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2018.

The interim financial statements have been 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. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions.

**2.2 Thai Financial Reporting Standards (TFRS) Effective in Current Period**

The Bank has adopted Thai Financial Reporting Standards (TFRS), issued and revised by the Federation of Accounting Professions, which are effective for the financial statements of the period beginning on or after January 1, 2019. The Bank has considered to constitute no significant impacts on the Bank’s accounting policies and financial statements.

**2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective**

The Federation of Accounting Professions has issued TFRS, which have been announced in the Royal Gazette but are effective for the financial statements period beginning on or after January 1, 2020. TFRS that are relevant to the Bank are as follows:

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

### 2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective (Continued)

TFRS 16	Leases
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The Bank is presently considering the potential impact of the above TFRS. The Bank have not early adopted these TFRS before the effective date.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

	Unit : Million Baht			
	June 30, 2019		December 31, 2018	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	0.17	0.17	0.18	0.18
Interbank and money market items, net	7,624.56	7,624.56	2,812.40	2,812.40
Derivatives assets	487.53	487.53	243.73	243.73
Investments, net	2,093.65	2,093.76	2,345.30	2,345.00
Loans to customers and accrued interest receivables, net	<u>97,500.69</u>	<u>97,500.69</u>	<u>99,551.41</u>	<u>99,551.41</u>
Total financial assets	<u>107,706.60</u>	<u>107,706.71</u>	<u>104,953.02</u>	<u>104,952.72</u>
Financial liabilities				
Deposits	24,972.41	24,972.41	30,160.03	30,160.03
Interbank and money market items, net	17,653.03	17,653.03	18,886.85	18,886.85
Liabilities payable on demand	402.06	402.06	160.19	160.19
Derivatives liabilities	362.82	362.82	148.33	148.33
Debt issued and borrowings	<u>42,351.47</u>	<u>42,351.47</u>	<u>34,014.43</u>	<u>34,014.43</u>
Total financial liabilities	<u>85,741.79</u>	<u>85,741.79</u>	<u>83,369.83</u>	<u>83,369.83</u>

#### 4. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS AND BASEL II STANDARD

##### 4.1 Capital under the Ministerial Regulations

As at June 30, 2019, the Bank was able to maintain capital adequacy ratio (CAR) at 18.31%, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulation (not less than 8.0%), and its capital to insurance service contingent liabilities ratio was at 78.73%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.0%).

##### Capital Adequacy Ratio Based on the Ministerial Regulations

		Unit : Million Baht	
	<u>Ministerial</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>Regulations</u>		
1. Capital *		20,958.91	20,106.98
2. Risk assets **		114,453.99	111,096.07
3. Insurance service contingent liabilities		26,622.35	23,549.16
4. Capital to risk assets	Not less than 8%	18.31%	18.10%
5. Capital to insurance service contingent liabilities	Not less than 20%	78.73%	85.38%

Remarks : \* Capital under the Ministerial Regulations includes only Teir 1 capital.

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

#### 4.2 Capital under Basel II Standard

As at June 30, 2019 and December 31, 2018, the Bank's capital adequacy ratio under Basel II standard were as follows:

<b>Capital Structure Based on Basel II Standard</b>		
	Unit: Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	7,866.00	7,183.00
Net income (loss) after appropriation	<u>292.91</u>	<u>123.98</u>
Total Tier 1 Capital	20,958.91	20,106.98
Tier 2 Capital		
Provision for asset classification as normal	<u>1,752.46</u>	<u>1,687.16</u>
Total capital	22,711.37	21,794.14
<u>Less</u> Revaluation deficit on investments in available-for-sale equity securities	<u>(0.86)</u>	<u>(0.54)</u>
Total capital under Basel II standard	<u>22,710.51</u>	<u>21,793.60</u>

#### Capital Adequacy Ratio

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Tier 1 capital adequacy ratio	14.95%	14.90%
Total capital adequacy ratio	16.20%	16.15%

Unit: Million Baht

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Total capital after deducting capital add-on arising from single lending limit	22,207.63	21,157.81
Total capital adequacy ratio after deducting capital add-on arising from single lending limit	15.84%	15.68%

## 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, revenue and expenses and the disclosure of contingent assets and liabilities. 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 Flows

Significant non-cash items for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Decrease in revaluation surplus on investments in equity	(0.32)	(0.67)
Increase in properties for sale from loan payment	0.15	7.32

### 6.2 Interbank and Money Market Items, Net (Assets)

	Unit : Million Baht					
	<u>June 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Bank of Thailand	12.27	50.00	62.27	24.22	-	24.22
Commercial banks	247.43	2,971.16	3,218.59	203.80	1,420.00	1,623.80
Specialized financial institutions	<u>0.45</u>	<u>1,000.00</u>	<u>1,000.45</u>	<u>0.45</u>	<u>-</u>	<u>0.45</u>
Total	260.15	4,021.16	4,281.31	228.47	1,420.00	1,648.47
<u>Add</u> Accrued interest receivables	-	1.26	1.26	-	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(39.71)</u>	<u>(39.71)</u>	<u>-</u>	<u>(14.20)</u>	<u>(14.20)</u>
Total domestic items	<u>260.15</u>	<u>3,982.71</u>	<u>4,242.86</u>	<u>228.47</u>	<u>1,405.80</u>	<u>1,634.27</u>
Foreign items						
US Dollars	418.69	2,512.52	2,931.21	458.64	625.75	1,084.39
Yen	369.29	-	369.29	13.29	-	13.29
Euro	20.68	-	20.68	26.85	-	26.85
Other currencies	<u>55.25</u>	<u>-</u>	<u>55.25</u>	<u>53.53</u>	<u>-</u>	<u>53.53</u>
Total	863.91	2,512.52	3,376.43	552.31	625.75	1,178.06
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>5.27</u>	<u>5.27</u>	<u>-</u>	<u>0.07</u>	<u>0.07</u>
Total foreign items	<u>863.91</u>	<u>2,517.79</u>	<u>3,381.70</u>	<u>552.31</u>	<u>625.82</u>	<u>1,178.13</u>
Total domestic and foreign items	<u>1,124.06</u>	<u>6,500.50</u>	<u>7,624.56</u>	<u>780.78</u>	<u>2,031.62</u>	<u>2,812.40</u>



### 6.3 Derivatives

As at June 30, 2019 and December 31, 2018, all derivatives were held for trading. The fair value and notional amount classified by type of risk were as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>June 30, 2019</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	375.72	329.56	21,932.03
Interest rate	111.81	33.26	4,100.00
Total	<u>487.53</u>	<u>362.82</u>	<u>26,032.03</u>

  

<u>Type of Risk</u>	<u>December 31, 2018</u>		<u>Notional Amount</u>
	<u>Fair Value</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	102.67	109.59	17,440.84
Interest rate	141.06	38.74	4,100.00
Total	<u>243.73</u>	<u>148.33</u>	<u>21,540.84</u>

As at June 30, 2019 and December 31, 2018, the proportions of derivative transactions classified by type of counterparty based on the notional amount were as follows:

<u>Counterparty</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Financial institutions	90.43%	86.26%
Third parties	<u>9.57%</u>	<u>13.74%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Securities

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	0.21	0.54

Unit : Million Baht

6.4.2 Held-to-Maturity Debt Securities

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,086.47	2,336.13

Unit : Million Baht

6.4.3 General Investments

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.37</u>	<u>0.39</u>
Total	27.68	27.70
<u>Less</u> Allowance for impairment	<u>(20.71)</u>	<u>(19.07)</u>
Total	<u>6.97</u>	<u>8.63</u>
Total investments, net	<u><u>2,093.65</u></u>	<u><u>2,345.30</u></u>

Unit : Million Baht

6.5 Loans to Customers and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Overdrafts	292.87	291.66
Domestic loans - customers	74,201.52	77,419.49
- export bills negotiation	592.91	698.17
- staff loans	261.91	269.62
Overseas loans - foreign government agencies	1,064.35	1,096.34
- customers operating overseas	30,747.67	28,791.17
Others	<u>22.06</u>	<u>22.11</u>
Total loans to customers	107,183.29	108,588.56
<u>Less</u> Deferred revenue	<u>(2.13)</u>	<u>(2.47)</u>
Total loans to customers, net of deferred revenue	107,181.16	108,586.09
<u>Add</u> Accrued interest receivables	<u>346.03</u>	<u>349.92</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	107,527.19	108,936.01
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulations (Individual approach)	(6,031.67)	(4,411.03)
- Excess allowance	(3,859.24)	(4,812.24)
<u>Less</u> Revaluation allowance for debt restructuring	<u>(135.59)</u>	<u>(161.33)</u>
Total loans to customers, net	<u>97,500.69</u>	<u>99,551.41</u>

Overseas loans to foreign government agencies, extended in accordance with the Thai government monetary and fiscal policy, but not defined as loans to customers from public service account, were as follows:

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Loan for National Road No.67 Construction Project ( Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,064.35	1,096.34

### 6.5.2 Classified by Currency and Residency

Unit : Million Baht

	June 30, 2019			December 31, 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	54,346.34	11,895.31	66,241.65	58,339.32	11,584.94	69,924.26
US Dollar	15,629.88	19,243.56	34,873.44	15,779.77	17,821.64	33,601.41
Other currencies	<u>5,392.93</u>	<u>673.14</u>	<u>6,066.07</u>	<u>4,579.48</u>	<u>480.94</u>	<u>5,060.42</u>
Total *	<u>75,369.15</u>	<u>31,812.01</u>	<u>107,181.16</u>	<u>78,698.57</u>	<u>29,887.52</u>	<u>108,586.09</u>

\* Total loans to customers, net of deferred revenue in Note 6.5.1

### 6.5.3 Classified by Business Type and Loan Classification

Unit : Million Baht

	June 30, 2019					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,316.71	53.51	-	0.50	330.66	3,701.38
Manufacturing and commercial	37,888.95	1,487.07	66.07	711.95	2,952.39	43,106.43
Real estate and construction	4,295.34	10.00	3.64	-	41.20	4,350.18
Public utilities and services	49,867.40	4,816.07	0.93	432.52	25.77	55,142.69
Others	<u>880.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>880.48</u>
Total *	<u>96,248.88</u>	<u>6,366.65</u>	<u>70.64</u>	<u>1,144.97</u>	<u>3,350.02</u>	<u>107,181.16</u>

  

	December 31, 2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,750.40	0.50	-	-	330.66	4,081.56
Manufacturing and commercial	42,612.72	554.62	537.81	249.70	2,916.38	46,871.23
Real estate and construction	4,394.55	-	-	-	41.20	4,435.75
Public utilities and services	46,889.45	5,392.98	-	0.02	27.16	52,309.61
Others	<u>887.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>887.94</u>
Total *	<u>98,535.06</u>	<u>5,948.10</u>	<u>537.81</u>	<u>249.72</u>	<u>3,315.40</u>	<u>108,586.09</u>

\* Total loans to customers, net of deferred revenue in Note 6.5.1

#### 6.5.4 Classified by Loan Classification

Unit : Million Baht

June 30, 2019

	<u>Loans and Accrued Interest Receivables</u>	<u>Net Amount Subject to Allowance for Doubtful Accounts Provisioning</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
1. Minimum allowance by BOT's regulations				
Normal	96,529.30	94,704.49	1,36,100	1,522.23
Special mention	6,432.26	6,188.79	2,10,36,50,100	1,434.28
Substandard	70.64	55.50	100	55.50
Doubtful	1,144.97	759.19	100	759.19
Doubtful of loss	<u>3,350.02</u>	<u>2,260.47</u>	100	<u>2,260.47</u>
Total minimum allowance by BOT's regulations	107,527.19	103,968.44		6,031.67
2. Excess allowance	<u>-</u>	<u>-</u>		<u>3,859.24</u>
Total **	<u>107,527.19</u>	<u>103,968.44</u>		<u>9,890.91</u>

December 31, 2018

	<u>Loans and Accrued Interest Receivables</u>	<u>Net Amount Subject to Allowance for Doubtful Accounts Provisioning</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
1. Minimum allowance by BOT's regulations				
Normal	98,832.17	97,071.49	1,36,100	1,549.02
Special mention	6,000.91	5,725.83	2,25,36,100	311.61
Substandard	537.81	203.22	100	203.22
Doubtful	249.71	211.47	100	211.47
Doubtful of loss	<u>3,315.41</u>	<u>2,135.71</u>	100	<u>2,135.71</u>
Total minimum allowance by BOT's regulations	108,936.01	105,347.72		4,411.03
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,812.24</u>
Total **	<u>108,936.01</u>	<u>105,347.72</u>		<u>9,223.27</u>

\*\* Total loans to customers and accrued interest receivables, net of deferred revenue in Note 6.5.1

### 6.6.5 Non-Performing Loans (NPLs)

As at June 30, 2019 and December 31, 2018, the Bank had non-performing loans which consisted of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
NPLs before deducting allowance for doubtful accounts	4,565.63	4,102.93
Percentage of total loans *	4.11	3.73
NPLs after deducting allowance for doubtful accounts	1,490.47	1,552.53
Percentage of net loans	1.38	1.44

\* Total loans are loans to interbank and money market and loans to customers.

As at June 30, 2019 and December 31, 2018, the outstanding balance of written-down accounts, which were excluded from the financial statements, were Baht 2,577.73 million and Baht 2,597.25 million, respectively. For the six-month periods ended June 30, 2019 and 2018, the Bank recovered principal from written-down accounts in the amount of Baht 4.96 million and Baht 154.40 million, respectively, from which accounts the bank received cash in the amount of Baht 4.96 million and Baht 35.81 million, respectively.

### 6.5.6 Troubled Debt Restructuring

For the six-month periods ended June 30, 2019 and 2018, the Bank restructured debts as follows:

		Unit : Million Baht	
		<u>2019</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	4.90	4.80

The average tenure of the above-mentioned debt restructuring was 5.39 years. As at June 30, 2019, the outstanding of such restructured loans was Baht 5.57 million.

		Unit : Million Baht	
		<u>2018</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	7	249.95	249.95

The average tenure of the above-mentioned debt restructuring was 4.59 years. As at June 30, 2018, the outstanding of such restructured loans was Baht 236.93 million.

### 6.5.6 Troubled Debt Restructuring (Continued)

For the six-month periods ended June 30, 2019 and 2018, debt restructuring during the period compared to outstanding loans and accrued interest receivables net of deferred revenue were as follows:

	Unit : Million Baht			
	<u>June 30, 2019</u>		<u>June 30, 2018</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the year	3	4.80	7	249.95
Loans and accrued interest receivables, net of deferred revenue	2,029	107,527.19	1,813	96,764.71

As at June 30, 2019 and 2018, the Bank had outstanding restructured loans for 126 cases amounting to Baht 2,006.90 million and for 94 cases amounting to Baht 2,593.10 million, respectively.

The Bank recognized interest income from debt restructuring as follows:

	Unit : Million Baht			
	<u>For Three-Month Periods</u>		<u>For Six-Month Periods</u>	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest income from debt restructuring	27.89	36.14	54.95	61.50

As at June 30, 2019 and December 31, 2018, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 2.15 million and Baht 15.00 million, respectively.

## 6.6 Allowance for Doubtful Accounts

As at June 30, 2019 and December 31, 2018, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	June 30, 2019						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,549.02	311.61	203.22	211.47	2,135.71	4,812.24	9,223.27
Increase (decrease) in allowance							
for doubtful accounts	<u>(26.79)</u>	<u>1,122.67</u>	<u>(147.72)</u>	<u>547.72</u>	<u>124.76</u>	<u>(953.00)</u>	<u>667.64</u>
Ending balance	<u>1,522.23</u>	<u>1,434.28</u>	<u>55.50</u>	<u>759.19</u>	<u>2,260.47</u>	<u>3,859.24</u>	<u>9,890.91</u>
	December 31, 2018						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,231.92	4.28	42.00	396.89	1,686.24	4,455.24	7,816.57
Increase (decrease) in allowance							
for doubtful accounts	<u>317.10</u>	<u>307.33</u>	<u>161.22</u>	<u>(185.42)</u>	<u>449.47</u>	<u>357.00</u>	<u>1,406.70</u>
Ending balance	<u>1,549.02</u>	<u>311.61</u>	<u>203.22</u>	<u>211.47</u>	<u>2,135.71</u>	<u>4,812.24</u>	<u>9,223.27</u>

As at June 30, 2019 and December 31, 2018, the Bank's allowance for doubtful accounts on loans accounted for Baht 9,890.91 million and Baht 9,223.27 million, respectively, exceeding the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 3,859.24 million and Baht 4,812.24 million, respectively (Note 6.5.4). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

## 6.7 Revaluation Allowance for Debt Restructuring

As at June 30, 2019 and December 31, 2018, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	June 30, 2019	December 31, 2018
Beginning balance	161.33	99.24
Increase (Decrease)	(9.12)	102.85
Amortization to interest income	<u>(16.62)</u>	<u>(40.76)</u>
Ending balance	<u>135.59</u>	<u>161.33</u>



## 6.8 Properties for Sale, Net

As at June 30, 2019 and December 31, 2018, the Bank had properties for sale, net as follows:

	Unit : Million Baht			
	<u>June 30, 2019</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Properties for sale				
- Immovable properties	523.49	0.18	22.06	501.61
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	546.93	0.18	22.06	525.05
(Less) Allowance for impairment	<u>(165.24)</u>	<u>(3.81)</u>	<u>(0.58)</u>	<u>(168.47)</u>
Total properties for sale, net	<u>381.69</u>	<u>(3.63)</u>	<u>21.48</u>	<u>356.58</u>
	<u>December 31, 2018</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Properties for sale				
- Immovable properties	1,054.50	14.96	545.97	523.49
- Movable properties	<u>208.02</u>	<u>-</u>	<u>184.58</u>	<u>23.44</u>
Total properties for sale	1,262.52	14.96	730.55	546.93
(Less) Allowance for impairment	<u>(457.78)</u>	<u>(10.84)</u>	<u>(303.38)</u>	<u>(165.24)</u>
Total properties for sale, net	<u>804.74</u>	<u>4.12</u>	<u>427.17</u>	<u>381.69</u>

As at June 30, 2019 and December 31, 2018, the Bank had immovable properties from debt repayment in the amount of Baht 501.61 million and Baht 523.49 million, respectively, which were appraised by external appraisers.

For the six-month periods ended June 30, 2019 and 2018 the Bank generated gain on sale of properties for sale in the amount of Baht 26.68 million and Baht 159.78 million, respectively.

## 6.9 Premises and Equipment, Net

As at June 30, 2019 and December 31, 2018, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	June 30, 2019								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transfer out	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	394.05	5.29	-	399.34	283.91
- Building improvement	141.17	3.90	3.45	141.62	126.98	1.19	3.45	124.72	16.90
Equipment									
- Office equipment and fixtures	316.44	12.83	10.71	318.56	264.57	10.44	10.69	264.32	54.24
- Vehicles	110.90	-	0.01	110.89	42.71	4.81	0.01	47.51	63.38
Assets under construction*	-	0.21	0.21	-	-	-	-	-	-
<b>Total</b>	<b>1,643.02</b>	<b>16.94</b>	<b>14.38</b>	<b>1,645.58</b>	<b>828.31</b>	<b>21.73</b>	<b>14.15</b>	<b>835.89</b>	<b>809.69</b>

\* Assets under construction-disposal/ transfer out are assets recognized during the year.

	December 31, 2018								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transfer out	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	383.39	10.66	-	394.05	289.20
- Building improvement	133.46	7.82	0.11	141.17	125.01	2.08	0.11	126.98	14.19
Equipment									
- Office equipment and fixtures	300.40	25.56	9.52	316.44	254.24	19.83	9.50	264.57	51.87
- Vehicles	102.06	8.84	-	110.90	32.71	10.00	-	42.71	68.19
Assets under construction*	3.59	2.62	6.21	-	-	-	-	-	-
<b>Total</b>	<b>1,614.02</b>	<b>44.84</b>	<b>15.84</b>	<b>1,643.02</b>	<b>795.35</b>	<b>42.57</b>	<b>9.61</b>	<b>828.31</b>	<b>814.71</b>

\* Assets under construction-disposal/ transfer out are assets recognized during the year.

As at June 30, 2019 and December 31, 2018, the Bank had equipment which are fully depreciated but still in use at the initial cost amounting to Baht 338.22 million and Baht 340.47 million, respectively.

### 6.10 Intangible Assets, Net

As at June 30, 2019 and December 31, 2018, the Bank had intangible assets as follows:

Unit : Million Baht

	June 30, 2019								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	161.96	9.79	0.08	171.67	131.97	6.11	0.08	138.00	33.67
Software under installation*	<u>61.00</u>	<u>10.69</u>	<u>5.37</u>	<u>66.32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66.32</u>
Total	<u>222.96</u>	<u>20.48</u>	<u>5.45</u>	<u>237.99</u>	<u>131.97</u>	<u>6.11</u>	<u>0.08</u>	<u>138.00</u>	<u>99.99</u>

\* Software under installation-disposal/transfer out are assets recognized during the year.

	December 31, 2018								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	147.78	14.27	0.09	161.96	117.80	14.27	0.10	131.97	29.99
Software under installation*	<u>49.21</u>	<u>23.06</u>	<u>11.27</u>	<u>61.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61.00</u>
Total	<u>196.99</u>	<u>37.33</u>	<u>11.36</u>	<u>222.96</u>	<u>117.80</u>	<u>14.27</u>	<u>0.10</u>	<u>131.97</u>	<u>90.99</u>

\* Software under installation-disposal/transfer out are assets recognized during the year.

As at June 30, 2019 and December 31, 2018, the Bank had computer software which are fully amortized but still in use at the original cost amounting to Baht 105.44 million and Baht 100.45 million, respectively.

### 6.11 Reinsurance Assets

As at June 30, 2019 and December 31, 2018, the Bank had reinsurance assets as follows:

Unit : Million Baht

	June 30, 2019	December 31, 2018
Accrued income and reinsurance	0.04	0.04
Insurance reserves from reinsurance	<u>251.85</u>	<u>246.75</u>
Total	<u>251.89</u>	<u>246.79</u>

6.12 Other Assets, Net

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Revenue receivables, net	1.76	9.43
Insurance claim receivables, net of reinsurance	294.96	205.31
Allowance for insurance claim receivables	(294.96)	(205.31)
Leasehold rights	4.42	1.04
Advance deposits	2.74	2.77
Others	<u>2.52</u>	<u>1.78</u>
Total	<u>11.44</u>	<u>15.02</u>

6.13 Deposits

6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Demand	2,200.61	2,236.99
Savings	258.86	308.08
Time	5,593.26	6,006.21
Certificates of deposit	<u>16,919.68</u>	<u>21,608.75</u>
Total	<u>24,972.41</u>	<u>30,160.03</u>

6.13.2 Classified by Currency and Residency of Depositors

	<u>June 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	23,010.57	631.94	23,642.51	28,075.55	555.17	28,630.72
US Dollar	1,027.87	291.46	1,319.33	822.24	260.10	1,082.34
Other currencies	<u>10.57</u>	<u>-</u>	<u>10.57</u>	<u>446.97</u>	<u>-</u>	<u>446.97</u>
Total	<u>24,049.01</u>	<u>923.40</u>	<u>24,972.41</u>	<u>29,344.76</u>	<u>815.27</u>	<u>30,160.03</u>

#### 6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>June 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Commercial banks	1.48	6,533.93	6,535.41	1.48	6,712.61	6,714.09
Specialized financial institutions	15.38	1,477.31	1,492.69	15.21	2,523.61	2,538.82
Other financial institutions	<u>-</u>	<u>9,400.00</u>	<u>9,400.00</u>	<u>-</u>	<u>9,400.00</u>	<u>9,400.00</u>
Total domestic items	<u>16.86</u>	<u>17,411.24</u>	<u>17,428.10</u>	<u>16.69</u>	<u>18,636.22</u>	<u>18,652.91</u>
Foreign items						
US Dollar	203.42	-	203.42	212.97	-	212.97
Euro	19.47	-	19.47	18.93	-	18.93
Other currencies	<u>2.04</u>	<u>-</u>	<u>2.04</u>	<u>2.04</u>	<u>-</u>	<u>2.04</u>
Total foreign items	<u>224.93</u>	<u>-</u>	<u>224.93</u>	<u>233.94</u>	<u>-</u>	<u>233.94</u>
Total domestic and foreign items	<u>241.79</u>	<u>17,411.24</u>	<u>17,653.03</u>	<u>250.63</u>	<u>18,636.22</u>	<u>18,886.85</u>

#### 6.15 Debt Issued and Borrowings

##### 6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>June 30, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	42,273.34	42,273.34
Others	<u>78.13</u>	<u>-</u>	<u>78.13</u>
Total debt issued and borrowings	<u>78.13</u>	<u>42,273.34</u>	<u>42,351.47</u>
	<u>December 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	33,910.04	33,910.04
Others	<u>104.39</u>	<u>-</u>	<u>104.39</u>
Total debt issued and borrowings	<u>104.39</u>	<u>33,910.04</u>	<u>34,014.43</u>

### 6.15.2 Classified by Type of Instrument, Currency, Maturity and Interest Rate

				Unit : Million Baht	
	Currency	Maturity	Interest Rate / Interest Rate Index	June 30, 2019	December 31, 2018
Bonds	USD	2019-2024	LIBOR ± MARGIN	42,273.34	33,910.04
Others	THB	2021-2024	0	<u>78.13</u>	<u>104.39</u>
Total debt issued and borrowings				<u>42,351.47</u>	<u>34,014.43</u>

### 6.16 Provisions

As at June 30, 2019 and December 31, 2018, the Bank had set up provisions as follows:

			Unit : Million Baht	
			June 30, 2019	December 31, 2018
Provisions for the employee benefits			220.04	206.75
Provisions for contingent liabilities			21.84	19.85
Other provisions			<u>23.46</u>	<u>20.61</u>
Total provisions			<u>265.34</u>	<u>247.21</u>

The Bank assessed the provision for the employee benefits by using the Projected Unit Credit method. The details of the Bank's employee benefits for the period were as follows:

			Unit : Million Baht	
			June 30, 2019	December 31, 2018
Beginning balance			206.75	193.80
Current service cost*			10.16	20.03
Interest cost*			3.13	5.73
Employee benefits paid during the year			-	(8.26)
Actuarial gain on defined benefit plans			<u>-</u>	<u>(4.55)</u>
Ending Balance			<u>220.04</u>	<u>206.75</u>

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

Principal actuarial assumptions for the Bank's employee benefits were as follows:

	2019	2018
Average salary increase rate	5.75% - 11.50%	6.75% - 9.00%
Average turnover rate	0% - 24.10%	0% - 21.52%
Discount rate	1.79% - 3.32%	1.75% - 3.31%

### 6.16 Provisions (Continued)

The Labor Protection Act (No.7) B.E. 2562, which is effective after 30 days of publication in the Royal Gazette (April 5, 2019), is amended the legal severance pay rates for an employee who has worked for an uninterrupted period of 20 years or more, to receive severance payment of not less than 400 days of wages at the most recent rate. The entity under the above Labor Protection Act is required to recognize an increase in provision for employee benefits as well as the past service cost as an expense in the period that the Act is effective. However, the Bank is covered by the State Enterprise Labor Relations Act B.E. 2543 and determine severance pay as the Bank's Compensation Rule B.E. 2553, which is in line with the Notification, issued by the State Enterprise Labor Relations Committee, regarding the minimum standards of conditions of employment in state enterprise. Therefore, such Labor Protection Act has no impact on the Bank's financial statements unless the Notification mentioned above is amended according to the Labor Protection Act.

### 6.17 Reserves for Insurance Service

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Reserves for export credit insurance	306.16	258.07
Reserves for investment insurance	113.59	104.92
Reserves for stand-by claims purchase agreement	<u>120.62</u>	<u>159.42</u>
Total	<u>540.37</u>	<u>522.41</u>

### 6.18 Other Liabilities

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Collateral under Credit Support Annex contract *	123.90	148.62
Advance deposits	26.13	23.33
Accrued expenses	54.41	73.09
Account payables	17.55	11.82
Reinsurance payables	6.75	6.38
Deferred revenue	21.79	19.36
Withholding tax payable	15.02	7.57
Provision for expected loss **	130.51	100.41
Suspense liabilities	146.90	422.20
Others	<u>0.16</u>	<u>3.57</u>
Total	<u>543.12</u>	<u>816.35</u>

\* To mitigate counterparty risk, the Bank signed ISDA Credit Support Annex (CSA) with its counterparties which required posting collateral in the form of cash when the contract's fair value changes more than the threshold.

\*\* Reserve for changes in fair value of derivatives.

### 6.19 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. On December 30, 2008 and September 21, 2009, the bank has received the additional capital 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.

### 6.20 Remittance as the Public Revenue

The Ministry of Finance approved the appropriation of net profit for the year 2018 as the public revenue amounting to Baht 513.40 million. The Bank remitted the interim public revenue amounting to Baht 281.90 million on October 10, 2018 and the remaining amount Baht 231.50 million was accrued at June 30, 2019, which was remitted on July 19, 2019.

The Ministry of Finance approved the appropriation of net profit for the year 2017 as the public revenue amounting to Baht 505 million. The Bank remitted the interim public revenue amounting to Baht 247.90 million on October 20, 2017 and the remaining amount Baht 257.10 million on June 29, 2018.

### 6.21 Contingent Liabilities

	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Guarantees of loans	1,226.24	1,496.55
Liabilities under immature import bills	257.35	1,270.32
Letters of credit	555.69	2,558.55
Export bills insured	23,726.71	20,451.17
Other contingencies		
Overdraft accounts not yet drawn	555.69	584.44
Other guarantees	4,487.80	3,524.56
Investment Insurance	3,135.92	3,309.88
Stand-by claims purchase agreement	<u>12,061.65</u>	<u>7,247.46</u>
Total other contingencies	<u>20,241.06</u>	<u>14,666.34</u>
Total	<u>46,007.05</u>	<u>40,442.93</u>

### 6.22 Other Benefits to Directors and Executives

The Bank paid 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).



### 6.23 Long-Term Leasing Contracts

The Bank has entered into the lease agreements of the Bank's branch offices. The Bank commits to pay future lease as follows:

<u>Remaining Period</u>	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Within 1 year	4.53	3.93
Over 1 - 5 years	6.81	1.75
Over 5 years	9.45	-

The Bank has entered into the sublease agreement which the Bank will receive sublease rental in the future as follows:

<u>Remaining Period</u>	Unit : Million Baht	
	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Within 1 year	0.16	0.02

### 6.24 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

The Bank established representative office to promote and supports international trade and investments. The Bank currently has 3 representative offices including, representative office in Yangon, the Republic of the Union of Myanmar, representative office in Vientiane, Laos People's Democratic Republic and representative office in Phnom Penh, Kingdom of Cambodia.

#### 6.24.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>June 30, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	109,292.76	2.69	109,295.45
Interbank and money market items, net (assets)	7,623.67	0.89	7,624.56
Investments, net	2,093.65	-	2,093.65
Loans to customers and accrued interest receivables, net	97,500.69	-	97,500.69
Deposits	24,972.41	-	24,972.41
Interbank and money market items, net (liabilities)	17,653.03	-	17,653.03
Debt issued and borrowings	42,351.47	-	42,351.47

6.24.1 Financial Position Classified by Business (Continued)

	Unit : Million Baht		
	<u>December 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	106,563.75	2.03	106,565.78
Interbank and money market items, net (assets)	2,811.73	0.67	2,812.40
Investments, net	2,345.30	-	2,345.30
Loans to customers and accrued interest receivables, net	99,551.41	-	99,551.41
Deposits	30,160.03	-	30,160.03
Interbank and money market items, net (liabilities)	18,886.85	-	18,886.85
Debt issued and borrowings	34,014.43	-	34,014.43

6.24.2 Operations Classified by Business

	Unit : Million Baht		
	<u>June 30, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	2,900.83	-	2,900.83
Interest expenses	<u>(1,090.88)</u>	-	<u>(1,090.88)</u>
Interest income, net	1,809.95	-	1,809.95
Fees and service income, net	127.45	-	127.45
Other operating income	98.84	-	98.84
Other operating expenses	<u>(1,506.45)</u>	<u>(6.96)</u>	<u>(1,513.41)</u>
Net profit	<u>529.79</u>	<u>(6.96)</u>	<u>522.83</u>

  

	Unit : Million Baht		
	<u>June 30, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	2,308.12	-	2,308.12
Interest expenses	<u>(647.45)</u>	-	<u>(647.45)</u>
Interest income, net	1,660.67	-	1,660.67
Fees and service income, net	119.49	-	119.49
Other operating income	203.09	-	203.09
Other operating expenses	<u>(1,225.85)</u>	<u>(3.30)</u>	<u>(1,229.15)</u>
Net profit	<u>757.40</u>	<u>(3.30)</u>	<u>754.10</u>

## 6.25 Interest Income

Interest income for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Interbank and money market items	152.60	53.85
Investment in debt securities	18.49	14.80
Loans	<u>2,729.74</u>	<u>2,239.47</u>
Total interest income	<u>2,900.83</u>	<u>2,308.12</u>

## 6.26 Interest Expenses

Interest expenses for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Deposits	226.22	147.26
Interbank and money market items	259.38	154.05
Debt issued		
- Bonds	599.04	341.30
- Borrowings fee	<u>6.25</u>	<u>4.84</u>
Total interest expenses	<u>1,090.89</u>	<u>647.45</u>

## 6.27 Fees and Service Income, Net

Net fees and service income for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Fees and service income		
- Acceptance aval and guarantee	24.66	21.75
- Income from insurance	103.82	101.39
- Others	<u>53.76</u>	<u>44.33</u>
Total fees and service income	<u>182.24</u>	<u>167.47</u>
Fees and service expenses		
- Expense on insurance	48.37	46.33
- Others	<u>6.42</u>	<u>1.65</u>
Total fees and service expenses	<u>54.79</u>	<u>47.98</u>
Total fees and service income, net	<u>127.45</u>	<u>119.49</u>

### 6.28 Gain (Loss) on Tradings and Foreign Exchange Transactions

Gain (loss) on tradings and foreign exchange transactions for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Foreign exchanges, debt securities and derivatives	95.64	21.52
Interest rate derivatives	<u>(23.78)</u>	<u>(33.50)</u>
Total gain (loss) on tradings and foreign exchange transactions	<u>71.86</u>	<u>(11.98)</u>

### 6.29 Gain (Loss) on Investments, Net

Gain (loss) on investments for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Gain (loss) on disposal of general investments	-	21.75
Reversal (loss) on impairment of general investments	<u>(1.63)</u>	<u>0.97</u>
Total gain (loss) on investments	<u>(1.63)</u>	<u>22.72</u>

### 6.30 Loss on Claims and Reserves for Insurance Service

Loss on claims and reserves for insurance service for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Doubtful account for export insurance	30.75	30.81
Doubtful account for investment insurance policy	8.67	10.66
Doubtful account for stand-by claims purchase agreement	<u>63.11</u>	<u>22.05</u>
Total	<u>102.53</u>	<u>63.52</u>

### 6.31 Other Operating Expenses - Others

For the six-month period ended June 30, 2019 other operating expenses - other increased by Baht 127.70 million compared to the same period last year, mainly due to an increase of Baht 85.01 million in doubtful account for contingent liabilities and others and Baht 31.25 million in marketing expenses.

### 6.32 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Interbank and money market items	25.51	9.77
Loans		
- Bad debts and doubtful accounts *	662.68	582.77
- Loss on restructuring	<u>(9.12)</u>	<u>74.17</u>
Total	<u>653.56</u>	<u>656.94</u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>-</u>	<u>(32.85)</u>
Total impairment loss of loans and debt securities	<u>679.07</u>	<u>633.86</u>

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

### 6.33 Fair value of Assets and Liabilities

As at June 30, 2019 and December 31, 2018, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	June 30, 2019		
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	375.72	375.72
- Interest rate	-	111.81	111.81
Available-for-sale securities	<u>0.21</u>	<u>-</u>	<u>0.21</u>
Total financial assets	<u>0.21</u>	<u>487.53</u>	<u>487.74</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	329.56	329.56
- Interest rate	<u>-</u>	<u>33.26</u>	<u>33.26</u>
Total financial liabilities	<u>-</u>	<u>362.82</u>	<u>362.82</u>

6.33 Fair value of Assets and Liabilities (Continued)

Unit : Million Baht

	<u>December 31, 2018</u>		
	<u>Fair Value</u>		<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	102.67	102.67
- Interest rate	-	141.06	141.06
Available-for-sale securities	<u>0.54</u>	-	<u>0.54</u>
Total financial assets	<u>0.54</u>	<u>243.73</u>	<u>244.27</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	109.59	109.59
- Interest rate	-	<u>38.74</u>	<u>38.74</u>
Total financial liabilities	<u>-</u>	<u>148.33</u>	<u>148.33</u>

Fair values were 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 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 adjusted with counterparty credit risk.

6.34 Approval of the Interim Financial Statements

These Interim financial statements have been authorized to issue by the Chairman of the Board of Directors and President on September 13, 2019.

---