

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, 2017
(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, 2017, and the statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2017, 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) *Thurdpong Pongsaksri*

(Mr. Thurdpong Pongsaksri)

Director of Financial Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

Office of the Auditor General of Thailand

June 12, 2017

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2017

		Unit : Thousand Baht	
	<u>Notes</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		276	3,557
Interbank and money market items, net	6.2	3,221,611	3,238,619
Derivative assets	6.3	373,383	350,546
Investments, net	6.4	2,509,036	2,325,301
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		75,316,281	76,957,323
Accrued interest receivables		254,783	215,989
Total loans to customers and accrued interest receivables		<u>75,571,064</u>	<u>77,173,312</u>
<u>Less</u> Deferred revenue		(2,670)	(2,511)
<u>Less</u> Allowance for doubtful accounts	6.6	(6,916,355)	(6,716,484)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(60,842)	(63,177)
Total loans to customers and accrued interest receivables, net		<u>68,591,197</u>	<u>70,391,140</u>
Loans to customers from public service account and accrued interest receivables, net	6.29.2		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		5,574,542	6,211,966
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		2,211	3,092
Total loans to customers from public service account and accrued interest receivables		<u>5,576,753</u>	<u>6,215,058</u>
<u>Less</u> Allowance for doubtful accounts from public service account	6.29.3	(55,745)	(62,120)
Total loans to customers from public service account and accrued interest receivables, net		<u>5,521,008</u>	<u>6,152,938</u>
Receivable eligible for government reimbursement	6.29.4	6,158	6,970
Properties for sale, net	6.8	849,264	845,480
Premises and equipment, net	6.9	817,288	819,555
Intangible assets, net	6.10	81,090	85,454
Accrued interest receivables not related to loans		2,001	586
Reinsurance assets	6.11	133,273	122,145
Prepaid expenses		42,770	42,231
Other assets, net	6.12	25,706	11,148
Total assets		<u><u>82,174,061</u></u>	<u><u>84,395,670</u></u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2017

		Unit : Thousand Baht	
	<u>Notes</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Liabilities and Shareholders' Equity</u>			
Deposits	6.13	15,705,576	16,673,912
Interbank and money market items, net	6.14	11,218,825	11,496,182
Liabilities payable on demand		439,359	380,125
Derivative liabilities	6.3	110,111	172,697
Debt issued and borrowings	6.15	33,527,240	34,842,762
Provisions	6.16	207,951	203,825
Accrued interest payables		263,812	248,538
Provision for insurance service		286,515	266,460
Other liabilities	6.17	425,974	483,729
Total liabilities		62,185,363	64,768,230
Shareholders' equity			
Capital	6.18	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000
Other components of equity		1,047	1,288
Retained earnings			
Appropriated			
Legal reserve		5,850,000	5,850,000
Unappropriated		1,337,651	976,152
Total shareholders' equity		19,988,698	19,627,440
Total liabilities and shareholders' equity		82,174,061	84,395,670

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		Unit : Thousand Baht	
Interest revenue	6.23	910,229	780,868
Interest expenses	6.24	237,375	189,448
Net interest income		672,854	591,420
Fees and service revenue		70,451	98,711
Fees and service expenses		15,238	15,347
Net fees and service income	6.25	55,213	83,364
Gains (Losses) on tradings and foreign exchange transactions	6.26	10,778	57,055
Gains (Losses) on investments	6.27	(558)	(8,874)
Other operating revenue		350	973
Revenue from public service account	6.29.5	68,277	76,311
Total operating revenue		806,914	800,249
Other operating expenses			
Personnel expenses		169,900	153,813
Directors' remuneration		1,602	1,585
Premises and equipment expenses		9,301	4,425
Losses on claims and provision for insurance service		11,440	1,732
Losses on impairment of properties foreclosed		378	3,732
Others		29,456	59,692
Total operating expenses		222,077	224,979
Expenses from public service account	6.29.6	35,038	33,296
Impairment loss of loans and debt securities	6.28	188,300	268,838
Net income		361,499	273,136
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(241)	80
Total other comprehensive income (losses)		(241)	80
Total comprehensive income		361,258	273,216

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Thousand Baht Total
		Revaluation Surplus (Deficit) on Investments			
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
Beginning balance as at January 1, 2017	12,800,000	1,288	5,850,000	976,152	19,627,440
Total comprehensive income	-	(241)	-	361,499	361,258
Ending balance as at March 31, 2017	12,800,000	1,047	5,850,000	1,337,651	19,988,698

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Unit : Thousand Baht	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Net income	361,499	273,136
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	14,216	12,513
Bad debt and doubtful accounts	192,120	289,514
Loss (Reversal) on debt restructuring	1,515	(2,114)
(Gain) Loss on disposal of assets	-	392
Loss (Reversal) on impairment of properties for sale	378	3,732
Loss (Gain) on revaluation of foreign currencies	75,374	126,843
Derivative revaluation	(14,030)	(70,899)
Loss (Gain) on disposal of investments	56	-
Loss (Reversal) on impairment of investments	502	8,874
Amortization of premium (discount) on debt securities	(403)	8,546
Increase (Decrease) in provisions	4,126	(2,966)
Bad debt and provision for other receivables (reversal)	(2,300)	40,385
Loss on claims and provision for insurance service (reversal)	11,440	1,732
Decrease (Increase) in revenue receivables	(14,286)	692
Decrease (Increase) in prepaid expenses	(1,794)	(3,660)
Increase (Decrease) in other accrued expenses	(13,426)	(640)
	<hr/>	<hr/>
	614,987	686,080
Net interest income	(709,511)	(638,780)
Proceeds from interest income	932,294	824,084
Interest expenses paid	(247,423)	(181,121)
	<hr/>	<hr/>
Income from operations before changes in operating assets and liabilities	590,347	690,263
(Increase) Decrease in operating assets		
Interbank and money market items	15,375	256,033
Loans, net	742,795	(1,059,066)
Properties for sale, net	(323)	2,505
Reinsurance assets	-	340
Other assets, net	(3,737)	4,414

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	Unit : Thousand Baht	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	(914,277)	522,755
Interbank and money market items	(277,251)	693,409
Liabilities payable on demand	59,234	(96,984)
Other liabilities	(44,632)	125,854
Net cash provided by (used in) operating activities	<u>167,531</u>	<u>1,139,523</u>
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(900,000)	(1,720,000)
Proceeds from redemption of held-to-maturity debt securities	700,000	1,810,000
Proceeds from disposal of general investments	9,686	-
Purchases of premises and equipment	(2,682)	(1,046)
Proceeds from sales of premises and equipment	-	1,982
Purchases of intangible assets	(1,477)	(3,422)
Net cash provided by (used in) investing activities	<u>(194,473)</u>	<u>87,514</u>
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	26,167	-
Repayments of long-term debt issued and borrowings	(2,506)	(1,225,000)
Net cash provided by (used in) financing activities	<u>23,661</u>	<u>(1,225,000)</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,281)</u>	<u>2,037</u>
Cash and cash equivalents at the beginning of the period	<u>3,557</u>	<u>179</u>
Cash and cash equivalents at the end of the period	<u><u>276</u></u>	<u><u>2,216</u></u>

The notes to the financial statements are an integral part of these 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 ENDED MARCH 31, 2017
(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, 2017
(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, 2017
(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), 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 investment 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 2016): 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, 2016. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2016.

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. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions.

2.2 The Revised Thai Financial Reporting Standards (TFRS)

The Bank has adopted the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretations (TFRIC), which are effective for the financial statements beginning on or after January 1, 2017 as follows :

Thai Financial Reporting Standards

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economics
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 4 (Revised 2016)	Insurance Contracts
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Financial Reporting Interpretations

TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 21 (Revised 2016)	Levies

2.2 The Revised Thai Financial Reporting Standards (TFRS) (Continued)

The Bank has considered the impact of the above Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS), Thai Financial Reporting Interpretations (TFRIC) and determined that they will have no material impact on the Bank's financial statements in the period of initial adoption.

3. Fair Value of Financial Instruments

As at March 31, 2017 and December 31, 2016, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	<u>March 31, 2017</u>		
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Derivative assets			
- Exchange rate	-	132.78	132.78
- Interest rate	-	240.60	240.60
Available-for-sale investments	<u>2.12</u>	<u>-</u>	<u>2.12</u>
Total financial assets	<u>2.12</u>	<u>373.38</u>	<u>375.50</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	51.59	51.59
- Interest rate	<u>-</u>	<u>58.52</u>	<u>58.52</u>
Total financial liabilities	<u>-</u>	<u>110.11</u>	<u>110.11</u>

3. Fair Value of Financial Instruments (Continued)

Unit : Million Baht

December 31, 2016

	<u>Fair Value</u>		<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	
Financial Assets			
Derivative assets			
- Exchange rate	-	103.44	103.44
- Interest rate	-	247.10	247.10
Available-for-sale investments	<u>2.36</u>	-	<u>2.36</u>
Total financial assets	<u>2.36</u>	<u>350.54</u>	<u>352.90</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	112.14	112.14
- Interest rate	<u>-</u>	<u>60.56</u>	<u>60.56</u>
Total financial liabilities	<u>-</u>	<u>172.70</u>	<u>172.70</u>

Fair values are determined according to the following hierarchy :

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

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

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

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 and Basel II Standard

4.1 Capital under the Ministerial Regulations

As at March 31, 2017, the Bank's capital adequacy ratio (CAR) stood at 23.14%, 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 stood at 102.56%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.0%).

4.1 Capital under the Ministerial Regulations (Continued)

Capital Adequacy Ratio Based on the Ministerial Regulations

		Unit : Million Baht	
	<u>Ministerial</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>Regulations</u>		
1. Capital *		18,548.04	18,548.04
2. Risk assets **		80,142.58	82,693.43
3. Insurance service contingent liabilities		18,085.18	14,455.44
4. Capital to risk assets (1)/(2)	Not less than 8%	23.14%	22.43%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	102.56%	128.31%

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

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

4.2 Capital under Basel II Standard

As at March 31, 2017 and December 31, 2016, the Bank's capital adequacy ratio under Basel II standard are as follows:

Capital Structure Based on Basel II Standard

	Unit: Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	5,850.00	5,850.00
Net income (loss) after appropriation	<u>(101.96)</u>	<u>(101.96)</u>
Total Tier 1 Capital	18,548.04	18,548.04
Tier 2 Capital		
Allowance for pass asset-classification	1,295.92	1,320.75
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	<u>0.58</u>	<u>0.58</u>
Total Tier 2 Capital	<u>1,296.50</u>	<u>1,321.33</u>
Total capital under Basel II standard	<u>19,844.54</u>	<u>19,869.37</u>

4.2 Capital under Basel II Standard (Continued)

	Capital Adequacy Ratio	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Tier 1 capital adequacy ratio (%)	17.89%	17.55%
Total capital adequacy ratio (%)	19.14%	18.80%
		Unit: Million Baht
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Total capital after deducting capital add - on arising		
from single lending limit	19,072.65	19,026.28
Total capital adequacy ratio after deducting capital add - on arising		
from single lending limit	18.40%	18.01%

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, 2017 and 2016 are as follows:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	Unit : Million Baht	
Increase (Decrease) in revaluation surplus on investments in		
shareholders' equity	(0.24)	0.08
Increase in properties foreclosed from loan payment	3.84	-

6.2 Interbank and Money Market Items, Net (Assets)

	<u>March 31, 2017</u>			<u>December 31, 2016</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	12.04	30.00	42.04	16.98	35.00	51.98
Commercial banks	68.80	1,464.50	1,533.30	76.10	922.15	998.25
Specialized financial institutions	<u>0.01</u>	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>680.00</u>	<u>680.01</u>
Total	80.85	1,494.50	1,575.35	93.09	1,637.15	1,730.24
<u>Add</u> Accrued interest receivables	-	0.01	0.01	-	0.01	0.01
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(14.65)</u>	<u>(14.65)</u>	<u>-</u>	<u>(16.02)</u>	<u>(16.02)</u>
Total domestic items	<u>80.85</u>	<u>1,479.86</u>	<u>1,560.71</u>	<u>93.09</u>	<u>1,621.14</u>	<u>1,714.23</u>
Foreign items						
US Dollars	269.14	1,212.51	1,481.65	205.54	1,183.15	1,388.69
Yen	91.93	-	91.93	13.45	-	13.45
Euro	15.85	-	15.85	51.88	-	51.88
Other currencies	<u>71.41</u>	<u>-</u>	<u>71.41</u>	<u>70.23</u>	<u>-</u>	<u>70.23</u>
Total	448.33	1,212.51	1,660.84	341.10	1,183.15	1,524.25
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.06</u>	<u>0.06</u>	<u>-</u>	<u>0.14</u>	<u>0.14</u>
Total foreign items	<u>448.33</u>	<u>1,212.57</u>	<u>1,660.90</u>	<u>341.10</u>	<u>1,183.29</u>	<u>1,524.39</u>
Total domestic and foreign items	<u>529.18</u>	<u>2,692.43</u>	<u>3,221.61</u>	<u>434.19</u>	<u>2,804.43</u>	<u>3,238.62</u>

6.3 Derivatives

As at March 31, 2017 and December 31, 2016, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>March 31, 2017</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	132.78	51.59	11,466.01
Interest rate	<u>240.60</u>	<u>58.52</u>	<u>4,249.86</u>
Total	<u>373.38</u>	<u>110.11</u>	<u>15,715.87</u>

<u>Type of Risk</u>	<u>December 31, 2016</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	103.44	112.14	12,386.57
Interest rate	<u>247.10</u>	<u>60.56</u>	<u>4,255.86</u>
Total	<u>350.54</u>	<u>172.70</u>	<u>16,642.43</u>

As at March 31, 2017 and December 31, 2016, the proportions of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Financial institutions	78.29%	76.40%
Third parties	<u>21.71%</u>	<u>23.60%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Investments

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.12	2.36

Unit : Million Baht

6.4.2 Held-to-Maturity Debt Securities

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,290.48	2,089.95
Foreign debt securities	<u>154.02</u>	<u>160.31</u>
Total	<u>2,444.50</u>	<u>2,250.26</u>

Unit : Million Baht

6.4.3 General Investments

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Core Flexible Fund (CORE)	41.84	56.23
- Thailand Prosperity Fund 2 (TTPF2)	24.65	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.38</u>	<u>0.39</u>
Total	94.18	108.58
<u>Less</u> Allowance for impairment	<u>(31.76)</u>	<u>(35.90)</u>
Total	<u>62.42</u>	<u>72.68</u>
Total investments, net	<u>2,509.04</u>	<u>2,325.30</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>March 31, 2017</u>	<u>December 31, 2016</u>
Overdrafts	308.35	262.19
Domestic loans - customers	45,524.22	47,165.68
- export bills negotiation	563.32	590.12
- staff loans	242.26	243.62
Overseas loans - foreign government agencies	1,224.34	1,224.34
- customers operating overseas	27,451.90	27,469.47
Others	<u>1.89</u>	<u>1.90</u>
Total loans to customers	75,316.28	76,957.32
<u>Less</u> Deferred revenue	<u>(2.67)</u>	<u>(2.51)</u>
Total loans to customers, net of deferred revenue	75,313.61	76,954.81
<u>Add</u> Accrued interest receivables	<u>254.78</u>	<u>215.99</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	75,568.39	77,170.80
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,661.11)	(2,549.24)
- Excess allowance	(4,255.24)	(4,167.24)
Revaluation allowance for debt restructuring	<u>(60.84)</u>	<u>(63.18)</u>
Total loans to customers, net	<u>68,591.20</u>	<u>70,391.14</u>

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

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Loan for National Road No.67 Construction Project (Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,224.34	1,224.34

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	<u>March 31, 2017</u>			<u>December 31, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	30,327.44	10,054.25	40,381.69	31,672.36	9,865.67	41,538.03
US Dollar	12,899.10	18,622.00	31,521.10	13,753.68	18,828.14	32,581.82
Other currencies	<u>3,410.82</u>	<u>-</u>	<u>3,410.82</u>	<u>2,834.96</u>	<u>-</u>	<u>2,834.96</u>
Total	<u>46,637.36</u>	<u>28,676.25</u>	<u>75,313.61</u>	<u>48,261.00</u>	<u>28,693.81</u>	<u>76,954.81</u>

6.5.3 Classified by Business Type and Loan Classification

Unit : Million Baht

	<u>March 31, 2017</u>					
	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	3,526.52	-	-	-	-	3,526.52
Manufacturing and commercial	25,637.41	167.32	62.43	110.39	2,660.24	28,637.79
Real estate and construction	1,724.25	-	-	-	39.41	1,763.66
Public utilities and services	40,693.59	-	-	14.18	135.56	40,843.33
Others	<u>542.31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542.31</u>
Total	<u>72,124.08</u>	<u>167.32</u>	<u>62.43</u>	<u>124.57</u>	<u>2,835.21</u>	<u>75,313.61</u>

	<u>December 31, 2016</u>					
	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	3,627.19	-	-	-	-	3,627.19
Manufacturing and commercial	26,073.93	222.62	86.13	45.75	2,647.75	29,076.18
Real estate and construction	3,277.37	-	-	-	39.41	3,316.78
Public utilities and services	40,114.69	125.55	15.11	-	135.61	40,390.96
Others	<u>543.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543.70</u>
Total	<u>73,636.88</u>	<u>348.17</u>	<u>101.24</u>	<u>45.75</u>	<u>2,822.77</u>	<u>76,954.81</u>

6.5.4 Classified by Loan Classification

Unit : Million Baht

March 31, 2017

	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>Net Amount Subject</u> <u>to Allowance for</u> <u>Doubtful Accounts</u>	<u>Minimum</u> <u>Provision</u> <u>Rate (%)</u>	<u>Allowance</u> <u>for Doubtful</u> <u>Accounts</u>
<u>Provisioning</u>				
1. Minimum allowance by BOT's regulation				
Pass	72,376.95	70,124.01	1,36,100	982.83
Special mention	169.23	167.33	2	3.34
Substandard	62.43	42.61	100	42.61
Doubtful	124.57	106.88	100	106.88
Doubtful of loss	<u>2,835.21</u>	<u>1,525.45</u>	100	<u>1,525.45</u>
Total minimum allowance by BOT's regulation	75,568.39	71,966.28		2,661.11
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,255.24</u>
Total	<u>75,568.39</u>	<u>71,966.28</u>		<u>6,916.35</u>

December 31, 2016

	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>Net Amount Subject</u> <u>to Allowance for</u> <u>Doubtful Accounts</u>	<u>Minimum</u> <u>Provision</u> <u>Rate (%)</u>	<u>Allowance</u> <u>for Doubtful</u> <u>Accounts</u>
<u>Provisioning</u>				
1. Minimum allowance by BOT's regulation				
Pass	73,840.72	71,639.13	1,36,100	1,000.50
Special mention	360.32	348.16	2	6.96
Substandard	101.24	93.44	100	93.44
Doubtful	45.75	29.97	100	29.97
Doubtful of loss	<u>2,822.77</u>	<u>1,418.37</u>	100	<u>1,418.37</u>
Total minimum allowance by BOT's regulation	77,170.80	73,529.07		2,549.24
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,167.24</u>
Total	<u>77,170.80</u>	<u>73,529.07</u>		<u>6,716.48</u>

6.5.5 Non-Performing Loans (NPLs)

As at March 31, 2017 and December 31, 2016, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
NPLs before deducting allowance for doubtful accounts	3,022.21	2,969.76
Percentage of total loans *	3.94	3.78
NPLs after deducting allowance for doubtful accounts	1,347.27	1,427.98
Percentage of net loans	1.79	1.85

* Total loans are loans to interbank and money market and loans to customers, except loans from public service account.

As at March 31, 2017 and December 31, 2016, the outstanding balance of written-down accounts, which were not included in the financial statements, were Baht 3,442.92 million and Baht 3,460.32 million, respectively. For the three-month periods ended March 31, 2017 and 2016, the Bank recovered principal from written-down accounts in the amount of Baht 5.33 million and Baht 18.56 million, respectively, from which accounts the bank received cash in full.

6.5.6 Troubled Debt Restructuring

As at March 31, 2017 and 2016, the Bank had outstanding restructured loans reclassified as normal for 42 cases amounting to Baht 852.69 million and for 33 cases amounting to Baht 459.72 million, respectively.

For the three-month periods ended March 31, 2017 and 2016, the Bank recognized interest income from debt restructuring in the amount of Baht 12.52 million and Baht 0.84 million, respectively.

6.6 Allowance for Doubtful Accounts

As at March 31, 2017 and December 31, 2016, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	March 31, 2017						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,000.50	6.96	93.44	29.97	1,418.37	4,167.24	6,716.48
Increase (decrease) in allowance							
for doubtful accounts	<u>(17.67)</u>	<u>(3.62)</u>	<u>(50.83)</u>	<u>76.91</u>	<u>107.08</u>	<u>88.00</u>	<u>199.87</u>
Ending balance	<u>982.83</u>	<u>3.34</u>	<u>42.61</u>	<u>106.88</u>	<u>1,525.45</u>	<u>4,255.24</u>	<u>6,916.35</u>
	December 31, 2016						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,003.06	9.05	72.79	259.22	1,434.03	2,764.24	5,542.39
Increase (decrease) in allowance							
for doubtful accounts	<u>(2.56)</u>	<u>(2.09)</u>	<u>20.65</u>	<u>(229.25)</u>	<u>(15.66)</u>	<u>1,403.00</u>	<u>1,174.09</u>
Ending balance	<u>1,000.50</u>	<u>6.96</u>	<u>93.44</u>	<u>29.97</u>	<u>1,418.37</u>	<u>4,167.24</u>	<u>6,716.48</u>

As at March 31, 2017 and December 31, 2016, the Bank's allowance for doubtful accounts on loans accounted for Baht 6,916.35 million and Baht 6,716.48 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 4,255.24 million and Baht 4,167.24 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 March 31, 2017 and December 31, 2016, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	March 31, 2017	December 31, 2016
Beginning balance	63.18	38.73
Increase	1.85	41.29
Decrease	<u>(4.19)</u>	<u>(16.84)</u>
Ending balance	<u>60.84</u>	<u>63.18</u>

6.8 Properties for Sale , Net

As at March 31, 2017 and December 31, 2016, the Bank had properties for sale, net as follows:

	Unit : Million Baht			
	<u>March 31, 2017</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,089.49	4.16	-	1,093.65
- Movable properties	<u>208.02</u>	<u>-</u>	<u>-</u>	<u>208.02</u>
Total properties for sale	1,297.51	4.16	-	1,301.67
<u>(Less)</u> Allowance for impairment	<u>(452.03)</u>	<u>(0.38)</u>	<u>-</u>	<u>(452.41)</u>
Total properties for sale, net	<u>845.48</u>	<u>3.78</u>	<u>-</u>	<u>849.26</u>
	<u>December 31, 2016</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,078.48	19.82	8.81	1,089.49
- Movable properties	<u>208.17</u>	<u>-</u>	<u>0.15</u>	<u>208.02</u>
Total properties for sale	1,286.65	19.82	8.96	1,297.51
<u>(Less)</u> Allowance for impairment	<u>(471.28)</u>	<u>18.97</u>	<u>(0.28)</u>	<u>(452.03)</u>
Total properties for sale, net	<u>815.37</u>	<u>38.79</u>	<u>8.68</u>	<u>845.48</u>

As at March 31, 2017 and December 31, 2016, the Bank had immovable assets from debt repayment in the amount of Baht 1,093.65 million and Baht 1,089.49 million, respectively, which were appraised by external appraisers.

6.9 Premises and Equipment, Net

As at March 31, 2017 and December 31, 2016, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	March 31, 2017								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	372.73	2.63	-	375.36	307.89
- Building improvement	131.29	-	-	131.29	122.46	0.70	-	123.16	8.13
Equipment									
- Office equipment and fixtures	292.46	3.45	-	295.91	252.51	4.12	-	256.63	39.28
- Vehicles	99.99	3.97	-	103.96	31.00	2.23	-	33.23	70.73
Assets under construction*	-	0.35	0.35	-	-	-	-	-	-
Total	<u>1,598.25</u>	<u>7.77</u>	<u>0.35</u>	<u>1,605.67</u>	<u>778.70</u>	<u>9.68</u>	<u>-</u>	<u>788.38</u>	<u>817.29</u>

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

	December 31, 2016								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	362.03	10.70	-	372.73	310.52
- Building improvement	130.45	0.84	-	131.29	119.59	2.87	-	122.46	8.83
Equipment									
- Office equipment and fixtures	279.73	21.20	8.47	292.46	247.14	13.80	8.43	252.51	39.95
- Vehicles	86.62	29.22	15.85	99.99	35.53	6.79	11.32	31.00	68.99
Assets pending for write off	-	4.54	4.54	-	-	-	-	-	-
Assets under construction*	-	1.71	1.71	-	-	-	-	-	-
Total	<u>1,571.31</u>	<u>57.51</u>	<u>30.57</u>	<u>1,598.25</u>	<u>764.29</u>	<u>34.16</u>	<u>19.75</u>	<u>778.70</u>	<u>819.55</u>

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

6.10 Intangible Assets, Net

As at March 31, 2017 and December 31, 2016, the Bank had intangible assets as follows:

Unit : Million Baht

	March 31, 2017								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	142.90	0.06	-	142.96	104.53	4.42	-	108.95	34.01
Software under installation*	<u>47.08</u>	<u>-</u>	<u>-</u>	<u>47.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.08</u>
Total	<u>189.98</u>	<u>0.06</u>	<u>-</u>	<u>190.04</u>	<u>104.53</u>	<u>4.42</u>	<u>-</u>	<u>108.95</u>	<u>81.09</u>

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

	December 31, 2016								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	134.44	8.47	0.01	142.90	85.80	18.74	0.01	104.53	38.37
Software under installation*	<u>47.47</u>	<u>5.87</u>	<u>6.26</u>	<u>47.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.08</u>
Total	<u>181.91</u>	<u>14.34</u>	<u>6.27</u>	<u>189.98</u>	<u>85.80</u>	<u>18.74</u>	<u>0.01</u>	<u>104.53</u>	<u>85.45</u>

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

6.11 Reinsurance Assets

As at March 31, 2017 and December 31, 2016, the Bank had reinsurance assets as follows:

Unit : Million Baht

	March 31, 2017	December 31, 2016
Insurance reserves from reinsurance	133.27	122.14

6.12 Other Assets, Net

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Revenue receivable, net	20.60	6.33
Insurance claim receivables, net of reinsurance	189.49	187.41
Allowance for insurance claim receivables	(189.49)	(187.41)
Leasehold rights	0.85	0.91
Advance deposits	2.42	2.44
Others	<u>1.83</u>	<u>1.47</u>
Total	<u>25.70</u>	<u>11.15</u>

6.13 Deposits

6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Current	2,675.89	2,521.14
Savings	227.23	227.89
Fixed	<u>12,802.45</u>	<u>13,924.88</u>
Total	<u>15,705.57</u>	<u>16,673.91</u>

6.13.2 Classified by Currency and Residency of Depositors

	<u>March 31, 2017</u>			<u>December 31, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	13,251.13	480.39	13,731.52	14,386.67	443.82	14,830.49
US Dollar	565.21	1,397.18	1,962.39	573.75	1,263.24	1,836.99
Other currencies	<u>11.66</u>	<u>-</u>	<u>11.66</u>	<u>6.43</u>	<u>-</u>	<u>6.43</u>
Total	<u>13,828.00</u>	<u>1,877.57</u>	<u>15,705.57</u>	<u>14,966.85</u>	<u>1,707.06</u>	<u>16,673.91</u>

6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>March 31, 2017</u>			<u>December 31, 2016</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	-	-	-	-	0.34	0.34
Commercial banks	0.95	1,192.11	1,193.06	0.94	1,257.68	1,258.62
Specialized financial institutions	24.27	1,414.31	1,438.58	38.27	1,428.56	1,466.83
Other financial institutions	<u>-</u>	<u>8,400.00</u>	<u>8,400.00</u>	<u>-</u>	<u>8,400.00</u>	<u>8,400.00</u>
Total domestic items	<u>25.22</u>	<u>11,006.42</u>	<u>11,031.64</u>	<u>39.21</u>	<u>11,086.58</u>	<u>11,125.79</u>
Foreign items						
US Dollar	168.37	-	168.37	353.24	-	353.24
Euro	16.41	-	16.41	14.75	-	14.75
Other currencies	<u>2.40</u>	<u>-</u>	<u>2.40</u>	<u>2.40</u>	<u>-</u>	<u>2.40</u>
Total foreign items	<u>187.18</u>	<u>-</u>	<u>187.18</u>	<u>370.39</u>	<u>-</u>	<u>370.39</u>
Total domestic and foreign items	<u>212.40</u>	<u>11,006.42</u>	<u>11,218.82</u>	<u>409.60</u>	<u>11,086.58</u>	<u>11,496.18</u>

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>March 31, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	33,416.55	33,416.55
Others	<u>110.69</u>	<u>-</u>	<u>110.69</u>
Total debt issued and borrowings	<u>110.69</u>	<u>33,416.55</u>	<u>33,527.24</u>
	<u>December 31, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	34,755.73	34,755.73
Others	<u>87.03</u>	<u>-</u>	<u>87.03</u>
Total debt issued and borrowings	<u>87.03</u>	<u>34,755.73</u>	<u>34,842.76</u>

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

				Unit : Million Baht	
	<u>Currency</u>	<u>Maturity</u> (Year)	<u>Interest Rate /</u> <u>Interest Rate Index</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Bonds	USD	2017-2024	LIBOR ± MARGIN	33,416.55	34,755.73
Others	THB	2021-2024	-	<u>110.69</u>	<u>87.03</u>
Total debt issued and borrowings				<u>33,527.24</u>	<u>34,842.76</u>

6.16 Provisions

As at March 31, 2017 and December 31, 2016, the Bank had set up provisions as follows:

			Unit : Million Baht	
			<u>March 31, 2017</u>	<u>December 31, 2016</u>
Employee benefits			174.51	169.45
Provisions for contingent liabilities			32.83	33.76
Other provisions			<u>0.61</u>	<u>0.61</u>
Total provisions			<u>207.95</u>	<u>203.82</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, 2017</u>	<u>December 31, 2016</u>
Beginning balance			169.45	156.54
Current service cost*			3.69	14.82
Interest cost*			1.37	5.10
Employees benefit paid during the year			-	(4.19)
Actuarial (gains) losses based on updated assumption			<u>-</u>	<u>(2.82)</u>
Ending Balance			<u>174.51</u>	<u>169.45</u>

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

6.17 Other Liabilities

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Advance deposits	15.97	18.38
Expenses payable	23.71	33.96
Account payable	10.87	8.86
Reinsurance payable	4.42	1.68
Deferred revenue	18.96	18.01
Withholding tax payable	3.49	5.30
Provision for stand-by claims purchase agreement	14.02	13.31
Provision for expected loss *	184.52	187.90
Suspense liabilities	149.47	196.08
Others	<u>0.54</u>	<u>0.25</u>
Total	<u>425.97</u>	<u>483.73</u>

* Provision for the fair value changes of derivatives.

6.18 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 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.

6.19 Contingent Liabilities

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Guarantees of loans	2,056.41	2,237.48
Liabilities under immature import bills	243.88	1,240.98
Letters of credit	1,878.71	843.28
Export bills insured	14,732.93	12,780.37
Other contingencies		
Overdraft accounts not yet drawn	571.14	615.34
Other guarantees	3,396.84	3,643.24
Investment Insurance	3,513.90	1,827.36
Stand-by claims purchase agreement	<u>1,402.09</u>	<u>1,330.59</u>
Total other contingencies	<u>8,883.97</u>	<u>7,416.53</u>
Total	<u>27,795.90</u>	<u>24,518.64</u>

6.20 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).

6.21 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:

<u>Remaining Period</u>	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Within 1 year	3.09	3.67
Over 1 - 5 years	2.81	3.35

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

<u>Remaining Period</u>	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Within 1 year	0.20	0.02

6.22 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.

6.23 Interest Revenue

Interest revenue for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interbank and money market items	25.29	16.01
Investment in debt securities	8.41	9.85
Loans	<u>876.53</u>	<u>755.01</u>
Total interest revenue	<u>910.23</u>	<u>780.87</u>

6.24 Interest Expenses

Interest expenses for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Deposits	37.10	8.80
Interbank and money market items	59.40	77.94
Debt issued		
- Foreign bonds	138.03	93.65
- Promissory notes	-	7.05
- Borrowings fee	<u>2.84</u>	<u>2.01</u>
Total interest expenses	<u>237.37</u>	<u>189.45</u>

6.25 Fees and Service Revenue, Net

Net fees and service revenue for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Fees and service revenue		
- Acceptance aval and guarantee	14.13	11.42
- Revenue from insurance	28.33	26.13
- Others	<u>27.99</u>	<u>61.16</u>
Total fee and service revenue	<u>70.45</u>	<u>98.71</u>
Fees and service expenses		
- Expense on insurance	13.17	14.21
- Others	<u>2.07</u>	<u>1.14</u>
Total fees and service expenses	<u>15.24</u>	<u>15.35</u>
Total fees and service revenue, net	<u>55.21</u>	<u>83.36</u>

6.26 Gains (Losses) on Tradings and Foreign Exchange Transactions

Gains (losses) on tradings and foreign exchange transactions for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Foreign exchanges and derivatives	15.29	16.13
Interest rate derivatives	<u>(4.51)</u>	<u>40.92</u>
Total gains (losses) on tradings and foreign exchange transactions	<u>10.78</u>	<u>57.05</u>

6.27 Gains (Losses) on Investments

Gains (losses) on investments for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Gains (losses) on disposal of general investments	(0.06)	-
Reversal (losses) on impairment of general investments	<u>(0.50)</u>	<u>(8.87)</u>
Total gains (losses) on investments	<u>(0.56)</u>	<u>(8.87)</u>

6.28 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interbank and money market items	(1.38)	6.04
Loans		
- Bad debts and doubtful accounts *	194.54	268.74
- Loss on restructuring	<u>1.51</u>	<u>(2.11)</u>
Total	<u>196.05</u>	<u>266.63</u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>(6.37)</u>	<u>(3.83)</u>
Total impairment loss of loans and debt securities	<u>188.30</u>	<u>268.84</u>

* Includes written-down debt recovered and bad debt recovered

6.29 Public Service Account

6.29.1 Summary of Public Service Account

As at March 31, 2017 and December 31, 2016, the assets from public service account are as follows:

	Unit : Million Baht	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Loans to customers from public service account and accrued interest receivables, net	5,521.01	6,152.94
Receivable eligible for government reimbursement	<u>6.16</u>	<u>6.97</u>
Total assets	<u>5,527.17</u>	<u>6,159.91</u>

Revenue and expenses from public service account for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Revenue from public service account	68.28	76.31
<u>Less</u> Expenses from public service account	(35.04)	(33.29)
<u>Less</u> Impairment loss of loans and debt securities from public service account	<u>6.37</u>	<u>3.83</u>
Net income	<u>39.61</u>	<u>46.85</u>

6.29.2 Loans to Customers from Public Service Account and Accrued Interest Receivables, Net

			Unit : Million Baht	
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Financial Assistant Scheme for Maritime Businesses Project	To enlarge Thai shipping fleet by financing to Thai maritime businesses for purchase of ships at low interest rate with a grace period before repayment	2011 - 2018	5,521.01	6,152.94

6.29.3 Loan Classification and Provision for Public Service Account

As at March 31, 2017 and December 31, 2016, loan classification and provision for the financial assistant scheme for maritime businesses project are as follows:

						Unit : Million Baht
						<u>March 31, 2017</u>
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>	
Pass	19	5,574.54	8,649.98	1	55.74	
						<u>December 31, 2016</u>
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>	
Pass	19	6,211.97	8,309.52	1	62.12	

6.29.4 Receivable Eligible for Government Reimbursement

As at March 31, 2017 and December 31, 2016, the Bank is eligible for government reimbursement for the operating expenses of lending loan for the financial assistant scheme for maritime businesses project amounting to Baht 6.16 million and Baht 6.97 million, respectively.

6.29.5 Revenue from Public Service Account

Revenue from public service account for the three-month periods ended March 31, 2017 and 2016 are as follows:

			Unit : Million Baht	
			<u>2017</u>	<u>2016</u>
Revenue from public service account				
	- Interest revenue		49.85	53.68
Compensation for public service account				
	- Compensation for operating expenses		<u>18.43</u>	<u>22.63</u>
	Total		<u>68.28</u>	<u>76.31</u>

6.29.6 Expenses from Public Service Account

Expenses from public service account for the three-month periods ended March 31, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interest expenses	31.62	28.95
Operating expenses	3.41	4.33
Other expenses	<u>0.01</u>	<u>0.01</u>
Total	<u>35.04</u>	<u>33.29</u>

6.30 Reclassification of Accounts

The Bank has reclassified some items in the comparative statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2016 in order to conform 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.

6.31 Approval of the Financial Statements

These financial statements have been authorized to issue by the Chairman of the Board of Directors and President on June 12, 2017.
