

(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 June 30, 2017, and the statements of profit or loss and other comprehensive income for the three-month period and six-month period ended June 30, 2017, changes in shareholders' equity and cash flows for the six-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

August 31, 2017

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2017

		Unit : Thousand Baht	
	<u>Notes</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		199	3,557
Interbank and money market items, net	6.2	9,361,227	3,238,619
Derivative assets	6.3	333,044	350,546
Investments, net	6.4	2,241,896	2,325,301
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		80,012,953	76,957,323
Accrued interest receivables		217,576	215,989
Total loans to customers and accrued interest receivables		80,230,529	77,173,312
<u>Less</u> Deferred revenue		(2,539)	(2,511)
<u>Less</u> Allowance for doubtful accounts	6.6	(7,097,458)	(6,716,484)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(57,165)	(63,177)
Total loans to customers and accrued interest receivables, net		73,073,367	70,391,140
Loans to customers from public service account and accrued interest receivables, net	6.30.2		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		5,377,607	6,211,966
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		2,074	3,092
Total loans to customers from public service account and accrued interest receivables		5,379,681	6,215,058
<u>Less</u> Allowance for doubtful accounts from public service account	6.30.3	(53,776)	(62,120)
Total loans to customers from public service account and accrued interest receivables, net		5,325,905	6,152,938
Receivables eligible for government reimbursement	6.30.4	17,613	6,970
Properties for sale, net	6.8	845,943	845,480
Premises and equipment, net	6.9	812,956	819,555
Intangible assets, net	6.10	84,093	85,454
Accrued interest receivables not related to loans		-	586
Reinsurance assets	6.11	188,921	122,145
Prepaid expenses		54,998	42,231
Other assets, net	6.12	8,122	11,148
Total assets		92,348,284	84,395,670

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 JUNE 30, 2017

		Unit : Thousand Baht	
	<u>Notes</u>	<u>June 30, 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	24,241,822	16,673,912
Interbank and money market items, net	6.14	13,152,420	11,496,182
Liabilities payable on demand		596,772	380,125
Derivative liabilities	6.3	84,321	172,697
Debt issued and borrowings	6.15	33,084,746	34,842,762
Provisions	6.16	212,673	203,825
Accrued interest payables		252,941	248,538
Provision for insurance service		373,093	266,460
Other liabilities	6.17	440,755	483,729
Total liabilities		72,439,543	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		483	1,288
Retained earnings			
Appropriated			
Legal reserve		6,502,000	5,850,000
Unappropriated		606,258	976,152
Total shareholders' equity		19,908,741	19,627,440
Total liabilities and shareholders' equity		92,348,284	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

"Unaudited""Reviewed"

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2017

	Unit : Thousand Baht	
	<u>2017</u>	<u>2016</u>
Interest revenue	967,262	779,058
Interest expenses	250,868	207,833
Net interest income	716,394	571,225
Fees and service revenue	88,859	91,086
Fees and service expenses	20,342	16,873
Net fees and service income	68,517	74,213
Gains (Losses) on tradings and foreign exchange transactions	24,060	17,191
Gains (Losses) on investments	(101)	(296)
Other operating revenue	1,618	1,712
Revenue from public service account	65,443	79,352
Total operating revenue	875,931	743,397
Other operating expenses		
Personnel expenses	176,218	153,444
Directors' remuneration	1,510	1,496
Premises and equipment expenses	13,237	9,107
Losses on claims and provision for insurance service	40,409	(1,960)
Losses on impairment of properties foreclosed	1,584	1,158
Others	74,992	17,326
Total operating expenses	307,950	180,571
Expenses from public service account	34,328	33,751
Impairment loss of loans and debt securities	227,446	189,739
Net income	306,207	339,336
Other comprehensive income (losses)		
Item that will be reclassified subsequently to profit or loss		
Gains (Losses) on revaluation of available-for-sale investment	(564)	134
Total other comprehensive income (losses)	(564)	134
Total comprehensive income	305,643	339,470

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		Unit : Thousand Baht	
Interest revenue	6.24	1,877,491	1,559,927
Interest expenses	6.25	488,243	397,281
Net interest income		1,389,248	1,162,646
Fees and service revenue		159,309	189,797
Fees and service expenses		35,579	32,220
Net fees and service income	6.26	123,730	157,577
Gains (Losses) on tradings and foreign exchange transactions	6.27	34,838	74,246
Gains (Losses) on investments	6.28	(658)	(9,170)
Other operating revenue		1,968	2,685
Revenue from public service account	6.30.5	133,720	155,662
Total operating revenue		1,682,846	1,543,646
Other operating expenses			
Personnel expenses		346,117	307,254
Directors' remuneration		3,112	3,081
Premises and equipment expenses		22,538	13,532
Losses on claims and provision for insurance service		51,849	(228)
Losses on impairment of properties foreclosed		1,963	4,890
Others		104,448	77,018
Total operating expenses		530,027	405,547
Expenses from public service account	6.30.6	69,366	67,050
Impairment loss of loans and debt securities	6.29	415,747	458,577
Net income		667,706	612,472
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(805)	214
Total other comprehensive income (losses)		(805)	214
Total comprehensive income		666,901	612,686

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

(Miss Suttirat Rattanachot)

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President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

<u>Notes</u>	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
		Revaluation Surplus (Deficit) on Investments			
					Unit : Thousand Baht
Beginning balance as at January 1, 2016	12,800,000	1,396	5,089,000	927,607	18,818,003
Legal reserve	-	-	761,000	(761,000)	-
Remittance to the Ministry of Finance	-	-	-	(282,650)	(282,650)
Total comprehensive income	-	214	-	612,472	612,686
Ending balance as at June 30, 2016	<u>12,800,000</u>	<u>1,610</u>	<u>5,850,000</u>	<u>496,429</u>	<u>19,148,039</u>
Beginning balance as at January 1, 2017	12,800,000	1,288	5,850,000	976,152	19,627,440
Legal reserve	-	-	652,000	(652,000)	-
Remittance to the Ministry of Finance	-	-	-	(385,600)	(385,600)
Total comprehensive income	-	(805)	-	667,706	666,901
Ending balance as at June 30, 2017	<u>12,800,000</u>	<u>483</u>	<u>6,502,000</u>	<u>606,258</u>	<u>19,908,741</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
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

	Unit : Thousand Baht	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Net income	667,706	612,472
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	28,187	25,526
Bad debt and doubtful accounts	437,479	485,838
Loss (Reversal) on debt restructuring	1,823	36,794
(Gain) Loss on disposal of assets	521	685
Loss (Reversal) on impairment of properties for sale	1,963	4,890
Loss (Gain) on revaluation of foreign currencies	(48,552)	304,439
Derivative revaluation	(2,068)	(54,691)
Loss (Gain) on disposal of investments	(36)	-
Loss (Reversal) on impairment of investments	695	9,170
Amortization of premium (discount) on debt securities	(5,777)	10,780
Increase (Decrease) in provisions	8,848	(7,571)
Bad debt and provision for other receivables (reversal)	10,078	38,187
Loss on claims and provision for insurance service (reversal)	51,849	(228)
Decrease (Increase) in revenue receivables	3,265	464
Decrease (Increase) in prepaid expenses	(14,432)	(3,303)
Increase (Decrease) in other accrued expenses	(24,743)	(13,072)
	1,116,806	1,450,380
Net interest income	(1,460,750)	(1,259,829)
Dividend income	(416)	(356)
Proceeds from interest income	1,991,852	1,727,788
Interest expenses paid	(540,455)	(426,577)
Proceeds from dividend income	416	356
	1,107,453	1,491,762
Income from operations before changes in operating assets and liabilities		
(Increase) Decrease in operating assets		
Interbank and money market items	(6,184,790)	(764,985)
Loans, net	(4,264,062)	(1,012,490)
Properties for sale, net	1,414	2,966
Reinsurance assets	-	340
Other assets, net	(4,223)	2,229

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017

	Unit : Thousand Baht	
	2017	2016
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	7,625,414	717,871
Interbank and money market items	1,660,805	891,025
Liabilities payable on demand	216,476	(1,834)
Other liabilities	(36,714)	112,033
Net cash provided by (used in) operating activities	121,773	1,438,917
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(1,150,000)	(2,020,000)
Proceeds from redemption of held-to-maturity debt securities	1,200,903	2,107,000
Proceeds from disposal of general investments	27,601	-
Purchases of premises and equipment	(16,895)	(16,249)
Proceeds from sales of premises and equipment	5,108	3,599
Purchases of intangible assets	(8,657)	(5,627)
Net cash provided by (used in) investing activities	58,060	68,723
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	4,166,057	-
Repayments of long-term debt issued and borrowings	(3,963,648)	(1,225,000)
Remittance to the Ministry of Finance	(385,600)	(282,650)
Net cash provided by (used in) financing activities	(183,191)	(1,507,650)
Net increase (decrease) in cash and cash equivalents	(3,358)	(10)
Cash and cash equivalents at the beginning of the period	3,557	179
Cash and cash equivalents at the end of the period	199	169

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 AND SIX-MONTH PERIOD ENDED JUNE 30, 2017
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2017
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 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

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

3. Fair Value of Financial Instruments

As at June 30, 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>June 30, 2017</u>		
		<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets				
Derivative assets				
- Exchange rate	-	85.60		85.60
- Interest rate	-	247.44		247.44
Available-for-sale investments	<u>1.56</u>	-		<u>1.56</u>
Total financial assets	<u>1.56</u>	<u>333.04</u>		<u>334.60</u>
Financial Liabilities				
Derivative liabilities				
- Exchange rate	-	23.63		23.63
- Interest rate	-	<u>60.69</u>		<u>60.69</u>
Total financial liabilities	<u>-</u>	<u>84.32</u>		<u>84.32</u>
		<u>December 31, 2016</u>		
		<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Total</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>60.56</u>		<u>60.56</u>
Total financial liabilities	<u>-</u>	<u>172.70</u>		<u>172.70</u>

3. Fair Value of Financial Instruments (Continued)

Fair values are determined according to the following hierarchy :

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

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

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

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

4. Capital Adequacy under the Ministerial Regulations and Basel II Standard

4.1 Capital under the Ministerial Regulations

As at June 30, 2017, the Bank's capital adequacy ratio (CAR) stood at 22.24%, 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 82.61%, 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>Regulations</u>	
		<u>June 30, 2017</u> <u>December 31, 2016</u>
1. Capital *		19,251.82 18,548.04
2. Risk assets **		86,564.67 82,693.43
3. Insurance service contingent liabilities		23,303.76 14,455.44
4. Capital to risk assets (1)/(2)	Not less than 8%	22.24% 22.43%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	82.61% 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 June 30, 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>June 30, 2017</u>	<u>December 31, 2016</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	6,502.00	5,850.00
Net income (loss) after appropriation	<u>(50.18)</u>	<u>(101.96)</u>
Total Tier 1 Capital	19,251.82	18,548.04
Tier 2 Capital		
Allowance for pass asset-classification	1,477.02	1,320.75
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	<u>0.22</u>	<u>0.58</u>
Total Tier 2 Capital	<u>1,477.24</u>	<u>1,321.33</u>
Total capital under Basel II standard	<u>20,729.06</u>	<u>19,869.37</u>

Capital Adequacy Ratio

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Tier 1 capital adequacy ratio (%)	16.29%	17.55%
Total capital adequacy ratio (%)	17.54%	18.80%
		Unit: Million Baht
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Total capital after deducting capital add - on arising		
from single lending limit	20,452.88	19,026.28
Total capital adequacy ratio after deducting capital add - on arising		
from single lending limit	17.31%	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 six-month periods ended June 30, 2017 and 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Increase (Decrease) in revaluation surplus on investments in		
shareholders' equity	(0.80)	0.21
Increase in properties for sale from loan payment	3.84	1.51

6.2 Interbank and Money Market Items, Net (Assets)

	<u>June 30, 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	20.41	-	20.41	16.98	35.00	51.98
Commercial banks	71.38	3,285.00	3,356.38	76.10	922.15	998.25
Specialized financial institutions	<u>0.01</u>	<u>5,000.00</u>	<u>5,000.01</u>	<u>0.01</u>	<u>680.00</u>	<u>680.01</u>
Total	91.80	8,285.00	8,376.80	93.09	1,637.15	1,730.24
<u>Add</u> Accrued interest receivables	-	-	-	-	0.01	0.01
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(82.85)</u>	<u>(82.85)</u>	<u>-</u>	<u>(16.02)</u>	<u>(16.02)</u>
Total domestic items	<u>91.80</u>	<u>8,202.15</u>	<u>8,293.95</u>	<u>93.09</u>	<u>1,621.14</u>	<u>1,714.23</u>
Foreign items						
US Dollars	137.67	743.19	880.86	205.54	1,183.15	1,388.69
Yen	94.17	-	94.17	13.45	-	13.45
Euro	27.06	-	27.06	51.88	-	51.88
Other currencies	<u>65.16</u>	<u>-</u>	<u>65.16</u>	<u>70.23</u>	<u>-</u>	<u>70.23</u>
Total	324.06	743.19	1,067.25	341.10	1,183.15	1,524.25
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.03</u>	<u>0.03</u>	<u>-</u>	<u>0.14</u>	<u>0.14</u>
Total foreign items	<u>324.06</u>	<u>743.22</u>	<u>1,067.28</u>	<u>341.10</u>	<u>1,183.29</u>	<u>1,524.39</u>
Total domestic and foreign items	<u>415.86</u>	<u>8,945.37</u>	<u>9,361.23</u>	<u>434.19</u>	<u>2,804.43</u>	<u>3,238.62</u>

6.3 Derivatives

As at June 30, 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>June 30, 2017</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	85.60	23.63	7,261.14
Interest rate	<u>247.44</u>	<u>60.69</u>	<u>4,100.00</u>
Total	<u>333.04</u>	<u>84.32</u>	<u>11,361.14</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 June 30, 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>June 30, 2017</u>	<u>December 31, 2016</u>
Financial institutions	83.25%	76.40%
Third parties	<u>16.75%</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>June 30, 2017</u>	<u>December 31, 2016</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	1.56	2.36

6.4.2 Held-to-Maturity Debt Securities

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,195.91	2,089.95
Foreign debt securities	<u>-</u>	<u>160.31</u>
Total	<u>2,195.91</u>	<u>2,250.26</u>

6.4.3 General Investments

	<u>June 30, 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)	14.98	56.23
- Thailand Prosperity Fund 2 (TTPF2)	24.65	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.41</u>	<u>0.39</u>
Total	67.35	108.58
<u>Less</u> Allowance for impairment	<u>(22.92)</u>	<u>(35.90)</u>
Total	<u>44.43</u>	<u>72.68</u>
Total investments, net	<u>2,241.90</u>	<u>2,325.30</u>

6.5 Loans to Customers and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
		Unit : Million Baht
Overdrafts	300.38	262.19
Domestic loans - customers	50,218.32	47,165.68
- export bills negotiation	501.23	590.12
- staff loans	245.73	243.62
Overseas loans - foreign government agencies	1,192.34	1,224.34
- customers operating overseas	27,553.07	27,469.47
Others	<u>1.88</u>	<u>1.90</u>
Total loans to customers	80,012.95	76,957.32
<u>Less</u> Deferred revenue	<u>(2.54)</u>	<u>(2.51)</u>
Total loans to customers, net of deferred revenue	80,010.41	76,954.81
<u>Add</u> Accrued interest receivables	<u>217.58</u>	<u>215.99</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	80,227.99	77,170.80
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,922.22)	(2,549.24)
- Excess allowance	(4,175.24)	(4,167.24)
Revaluation allowance for debt restructuring	<u>(57.16)</u>	<u>(63.18)</u>
Total loans to customers, net	<u>73,073.37</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:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
		Unit : Million Baht
Loan for National Road No.67 Construction Project (Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,192.34	1,224.34

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	<u>June 30, 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	36,020.67	10,307.27	46,327.94	31,672.36	9,865.67	41,538.03
US Dollar	12,281.93	18,438.14	30,720.07	13,753.68	18,828.14	32,581.82
Other currencies	<u>2,962.40</u>	<u>-</u>	<u>2,962.40</u>	<u>2,834.96</u>	<u>-</u>	<u>2,834.96</u>
Total	<u>51,265.00</u>	<u>28,745.41</u>	<u>80,010.41</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>June 30, 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	4,268.71	-	-	-	-	4,268.71
Manufacturing and commercial	28,650.61	533.35	98.83	138.51	2,673.89	32,095.19
Real estate and construction	1,699.00	-	-	-	39.41	1,738.41
Public utilities and services	40,970.39	30.31	-	-	135.18	41,135.88
Others	<u>772.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772.22</u>
Total	<u>76,360.93</u>	<u>563.66</u>	<u>98.83</u>	<u>138.51</u>	<u>2,848.48</u>	<u>80,010.41</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

June 30, 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	76,568.84	74,433.21	1,25,36,100	1,169.96
Special mention	573.33	563.66	2,36	11.82
Substandard	98.83	45.22	100	45.22
Doubtful	138.51	123.00	100	123.00
Doubtful of loss	<u>2,848.48</u>	<u>1,572.22</u>	100	<u>1,572.22</u>
Total minimum allowance by BOT's regulation	80,227.99	76,737.31		2,922.22
2. Excess allowance	-	-		<u>4,175.24</u>
Total	<u>80,227.99</u>	<u>76,737.31</u>		<u>7,097.46</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>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 June 30, 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>June 30, 2017</u>	<u>December 31, 2016</u>
NPLs before deducting allowance for doubtful accounts	3,085.82	2,969.76
Percentage of total loans *	3.49	3.78
NPLs after deducting allowance for doubtful accounts	1,345.38	1,427.98
Percentage of net loans	1.55	1.85

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

As at June 30, 2017 and December 31, 2016, the outstanding balance of written-down accounts, which were not included in the financial statements, were Baht 3,302.96 million and Baht 3,460.32 million, respectively. For the six-month periods ended June 30, 2017 and 2016, the Bank recovered principal from written-down accounts in the amount of Baht 25.54 million and Baht 64.05 million, respectively, from which accounts the bank received cash in the amount of Baht 23.55 million and Baht 64.05 million, respectively.

6.5.6 Troubled Debt Restructuring

For the six-month periods ended June 30, 2017 and 2016, the Bank restructured debts as follows:

		Unit : Million Baht	
		<u>2017</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	2	16.60	16.60

The average tenure of the above-mentioned restructuring is 3 years. As at June 30, 2017, the outstanding of such restructured loans was Baht 16.01 million.

		Unit : Million Baht	
		<u>2016</u>	
<u>Type of Restructuring</u>	<u>Case</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	1	383.57	383.57

The tenure of the above-mentioned restructuring is 8 years. As at June 30, 2016, the outstanding of such restructured loan was Baht 383.69 million.

6.5.6 Troubled Debt Restructuring (Continued)

For the six-month periods ended June 30, 2017 and 2016, debt restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

	Unit : Million Baht			
	<u>June 30, 2017</u>		<u>December 31, 2016</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Case</u>	<u>Amount</u>
Debt restructuring during the period	2	16.60	1	383.57
Loans and accrued interest receivables net of deferred revenue	1,597	80,227.99	1,088	66,895.60

As at June 30, 2017 and 2016, the Bank had outstanding restructured loans reclassified as normal for 48 cases amounting to Baht 835.96 million and for 38 cases amounting to Baht 843.23 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Interest income from debt restructuring	13.77	10.61	26.29	11.45

6.6 Allowance for Doubtful Accounts

As at June 30, 2017 and December 31, 2016, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>June 30, 2017</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</u>	
Beginning balance	1,000.50	6.96	93.44	29.97	1,418.37	4,167.24	6,716.48
Increase (decrease) in allowance							
for doubtful accounts	<u>169.46</u>	<u>4.86</u>	<u>(48.22)</u>	<u>93.03</u>	<u>153.85</u>	<u>8.00</u>	<u>380.98</u>
Ending balance	<u>1,169.96</u>	<u>11.82</u>	<u>45.22</u>	<u>123.00</u>	<u>1,572.22</u>	<u>4,175.24</u>	<u>7,097.46</u>
	<u>December 31, 2016</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</u>	
Beginning balance	1,003.06	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>

6.6 Allowance for Doubtful Accounts (Continued)

As at June 30, 2017 and December 31, 2016, the Bank's allowance for doubtful accounts on loans accounted for Baht 7,097.46 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 4,175.24 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 June 30, 2017 and December 31, 2016, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Beginning balance	63.18	38.73
Increase	2.24	41.29
Decrease	<u>(8.26)</u>	<u>(16.84)</u>
Ending balance	<u>57.16</u>	<u>63.18</u>

6.8 Properties for Sale , Net

As at June 30, 2017 and December 31, 2016, the Bank had properties for sale, net as follows:

	Unit : Million Baht			
	<u>June 30, 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	1.84	1,091.81
- Movable properties	<u>208.02</u>	<u>-</u>	<u>-</u>	<u>208.02</u>
Total properties for sale	1,297.51	4.16	1.84	1,299.83
<u>(Less)</u> Allowance for impairment	<u>(452.03)</u>	<u>(1.96)</u>	<u>(0.10)</u>	<u>(453.89)</u>
Total properties for sale, net	<u>845.48</u>	<u>2.20</u>	<u>1.74</u>	<u>845.94</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 June 30, 2017 and December 31, 2016, the Bank had immovable assets from debt repayment in the amount of Baht 1,091.81 million and Baht 1,089.49 million, respectively, which were appraised by external appraisers.

6.9 Premises and Equipment, Net

As at June 30, 2017 and December 31, 2016, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	<u>June 30, 2017</u>								<u>Premises and Equipment, Net</u>
	<u>Cost</u>				<u>Accumulated Depreciation</u>				
	<u>Beginning Balance</u>	<u>Additions/ Transfer in</u>	<u>Disposals/ Transfer out</u>	<u>Ending Balance</u>	<u>Beginning Balance</u>	<u>Depreciation</u>	<u>Disposals/ Transfer out</u>	<u>Ending Balance</u>	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	372.73	5.29	-	378.02	305.23
- Building improvement	131.29	-	-	131.29	122.46	1.40	-	123.86	7.43
Equipment									
- Office equipment and fixtures	292.46	6.76	-	299.22	252.51	8.08	-	260.59	38.63
- Vehicles	99.99	11.32	13.24	98.07	31.00	4.61	7.94	27.67	70.40
Assets pending for write off	-	4.90	4.90	-	-	-	-	-	-
Assets under construction*	-	0.35	0.35	-	-	-	-	-	-
Total	<u>1,598.25</u>	<u>23.33</u>	<u>18.49</u>	<u>1,603.09</u>	<u>778.70</u>	<u>19.38</u>	<u>7.94</u>	<u>790.14</u>	<u>812.95</u>

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

	<u>December 31, 2016</u>								<u>Premises and Equipment, Net</u>
	<u>Cost</u>				<u>Accumulated Depreciation</u>				
	<u>Beginning Balance</u>	<u>Additions/ Transfer in</u>	<u>Disposals/ Transfer out</u>	<u>Ending Balance</u>	<u>Beginning Balance</u>	<u>Depreciation</u>	<u>Disposals/ Transfer out</u>	<u>Ending Balance</u>	
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 June 30, 2017 and December 31, 2016, the Bank had intangible assets as follows:

Unit : Million Baht

	June 30, 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	7.24	-	150.14	104.53	8.60	-	113.13	37.01
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>7.24</u>	<u>-</u>	<u>197.22</u>	<u>104.53</u>	<u>8.60</u>	<u>-</u>	<u>113.13</u>	<u>84.09</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 June 30, 2017 and December 31, 2016, the Bank had reinsurance assets as follows:

Unit : Million Baht

	June 30, 2017	December 31, 2016
Insurance reserves from reinsurance	188.92	122.14

6.12 Other Assets, Net

	Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Revenue receivables, net	3.03	6.33
Insurance claim receivables, net of reinsurance	189.62	187.41
Allowance for insurance claim receivables	(189.62)	(187.41)
Leasehold rights	0.75	0.91
Advance deposits	2.41	2.44
Others	<u>1.93</u>	<u>1.47</u>
Total	<u><u>8.12</u></u>	<u><u>11.15</u></u>

6.13 Deposits

6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Current	2,885.82	2,521.14
Savings	228.09	227.89
Fixed	<u>21,127.91</u>	<u>13,924.88</u>
Total	<u><u>24,241.82</u></u>	<u><u>16,673.91</u></u>

6.13.2 Classified by Currency and Residency of Depositors

	<u>June 30, 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	21,787.67	482.96	22,270.63	14,386.67	443.82	14,830.49
US Dollar	618.16	1,344.75	1,962.91	573.75	1,263.24	1,836.99
Other currencies	<u>8.28</u>	<u>-</u>	<u>8.28</u>	<u>6.43</u>	<u>-</u>	<u>6.43</u>
Total	<u><u>22,414.11</u></u>	<u><u>1,827.71</u></u>	<u><u>24,241.82</u></u>	<u><u>14,966.85</u></u>	<u><u>1,707.06</u></u>	<u><u>16,673.91</u></u>

6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>June 30, 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	1.12	3,112.62	3,113.74	0.94	1,257.68	1,258.62
Specialized financial institutions	9.00	1,403.51	1,412.51	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>10.12</u>	<u>12,916.13</u>	<u>12,926.25</u>	<u>39.21</u>	<u>11,086.58</u>	<u>11,125.79</u>
Foreign items						
US Dollar	206.26	-	206.26	353.24	-	353.24
Euro	13.88	-	13.88	14.75	-	14.75
Other currencies	<u>6.03</u>	<u>-</u>	<u>6.03</u>	<u>2.40</u>	<u>-</u>	<u>2.40</u>
Total foreign items	<u>226.17</u>	<u>-</u>	<u>226.17</u>	<u>370.39</u>	<u>-</u>	<u>370.39</u>
Total domestic and foreign items	<u>236.29</u>	<u>12,916.13</u>	<u>13,152.42</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>June 30, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	32,961.96	32,961.96
Others	<u>122.79</u>	<u>-</u>	<u>122.79</u>
Total debt issued and borrowings	<u>122.79</u>	<u>32,961.96</u>	<u>33,084.75</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>	<u>Interest Rate /</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
			<u>Interest Rate Index</u>		
Bonds	USD	2017-2024	LIBOR ± MARGIN	32,961.96	34,755.73
Others	THB	2021-2024	-	<u>122.79</u>	<u>87.03</u>
Total debt issued and borrowings				<u>33,084.75</u>	<u>34,842.76</u>

6.16 Provisions

As at June 30, 2017 and December 31, 2016, the Bank had set up provisions as follows:

			Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>		
Employee benefits	179.58	169.45		
Provisions for contingent liabilities	32.48	33.76		
Other provisions	<u>0.61</u>	<u>0.61</u>		
Total provisions	<u>212.67</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>June 30, 2017</u>	<u>December 31, 2016</u>		
Beginning balance	169.45	156.54		
Current service cost*	7.36	14.82		
Interest cost*	2.77	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>179.58</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>June 30, 2017</u>	<u>December 31, 2016</u>
Advance deposits	24.06	18.38
Expense payables	7.46	33.96
Account payables	6.23	8.86
Reinsurance payables	9.71	1.68
Deferred revenue	14.13	18.01
Withholding tax payable	9.61	5.30
Provision for stand-by claims purchase agreement	29.48	13.31
Provision for expected loss *	190.49	187.90
Suspense liabilities	149.21	196.08
Others	<u>0.37</u>	<u>0.25</u>
Total	<u>440.75</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 Remittance to the Ministry of Finance

The Ministry of Finance approved the appropriation of net income for the year 2016 as the national revenue amounting to Baht 600.00 million. The Bank remitted the interim national revenue amounting to Baht 214.40 million to the Ministry of Finance on October 20, 2016 and the remaining amount Baht 385.60 million on May 16, 2017.

The Ministry of Finance approved the appropriation of net income for the year 2015 as the national revenue amounting to Baht 555.45 million. The Bank remitted the interim national revenue amounting to Baht 272.80 million to the Ministry of Finance on November 18, 2015 and the remaining amount Baht 282.65 million on June 15, 2016.

6.20 Contingent Liabilities

	Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Guarantees of loans	2,131.24	2,237.48
Liabilities under immature import bills	245.60	1,240.98
Letters of credit	982.35	843.28
Export bills insured	20,039.52	12,780.37
Other contingencies		
Overdraft accounts not yet drawn	556.75	615.34
Other guarantees	2,846.97	3,643.24
Investment Insurance	3,466.10	1,827.36
Stand-by claims purchase agreement	<u>2,948.44</u>	<u>1,330.59</u>
Total other contingencies	<u>9,818.26</u>	<u>7,416.53</u>
Total	<u>33,216.97</u>	<u>24,518.64</u>

6.21 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).

6.22 Long-Term Leasing Contracts

The Bank has commitment arising from lease agreements of the Bank's branch offices. The Bank commits to pay future lease as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Within 1 year	3.56	3.67
Over 1 - 5 years	4.39	3.35

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Within 1 year	0.14	0.02

6.23 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

The Bank established its first representative office in Yangon, the Republic of the Union of Myanmar, in order to stimulate Thai-Myanma trade and investment. The opening ceremony of the Yangon representative office was held on June 9, 2017.

6.23.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>June 30, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	92,346.03	2.25	92,348.28
Interbank and money market items, net (assets)	9,359.87	1.36	9,361.23
Investments, net	2,241.90	-	2,241.90
Loans to customers and accrued interest			
receivables, net	73,073.37	-	73,073.37
Deposits	24,241.82	-	24,241.82
Interbank and money market items, net (liabilities)	13,152.42	-	13,152.42
Debt issued and borrowings	33,084.75	-	33,084.75
	<u>December 31, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	84,395.67	-	84,395.67
Interbank and money market items, net (assets)	3,238.62	-	3,238.62
Investments, net	2,325.30	-	2,325.30
Loans to customers and accrued interest			
receivables, net	70,391.14	-	70,391.14
Deposits	16,673.91	-	16,673.91
Interbank and money market items, net (liabilities)	11,496.18	-	11,496.18
Debt issued and borrowings	34,842.76	-	34,842.76

6.23.2 Operations Classified by Business

Unit : Million Baht

	<u>June 30, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest revenue	1,877.49	-	1,877.49
Interest expenses	<u>(488.24)</u>	-	<u>(488.24)</u>
Interest revenue, net	1,389.25	-	1,389.25
Fees and service revenue, net	123.73	-	123.73
Other operating revenue	169.87	-	169.87
Other operating expenses	<u>(1,012.20)</u>	<u>(2.94)</u>	<u>(1,015.14)</u>
Net income	<u>670.65</u>	<u>(2.94)</u>	<u>667.71</u>

	<u>June 30, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest revenue	1,559.93	-	1,559.93
Interest expenses	<u>(397.28)</u>	-	<u>(397.28)</u>
Interest revenue, net	1,162.65	-	1,162.65
Fees and service revenue, net	157.58	-	157.58
Other operating revenue	223.42	-	223.42
Other operating expenses	<u>(931.18)</u>	<u>-</u>	<u>(931.18)</u>
Net income	<u>612.47</u>	<u>-</u>	<u>612.47</u>

6.24 Interest Revenue

Interest revenue for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interbank and money market items	54.43	34.19
Investment in debt securities	16.38	19.12
Loans	<u>1,806.68</u>	<u>1,506.62</u>
Total interest revenue	<u>1,877.49</u>	<u>1,559.93</u>

6.25 Interest Expenses

Interest expenses for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Deposits	81.81	18.90
Interbank and money market items	122.29	161.83
Debt issued		
- Foreign bonds	279.26	205.49
- Promissory notes	-	7.05
- Borrowing fees	<u>4.88</u>	<u>4.01</u>
Total interest expenses	<u>488.24</u>	<u>397.28</u>

6.26 Fees and Service Revenue, Net

Net fees and service revenue for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Fees and service revenue		
- Acceptance aval and guarantee	27.56	22.08
- Revenue from insurance	76.19	74.15
- Others	<u>55.56</u>	<u>93.57</u>
Total fees and service revenue	<u>159.31</u>	<u>189.80</u>
Fees and service expenses		
- Expenses on insurance	30.39	27.58
- Others	<u>5.19</u>	<u>4.64</u>
Total fees and service expenses	<u>35.58</u>	<u>32.22</u>
Total fees and service revenue, net	<u>123.73</u>	<u>157.58</u>

6.27 Gains (Losses) on Tradings and Foreign Exchange Transactions

Gains (losses) on tradings and foreign exchange transactions for six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Foreign exchanges and derivatives	34.68	38.68
Interest rate derivatives	<u>0.16</u>	<u>35.57</u>
Total gains (losses) on tradings and foreign exchange transactions	<u>34.84</u>	<u>74.25</u>

6.28 Gains (Losses) on Investments

Gains (losses) on investments for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Gains (losses) on disposal of general investments	0.04	-
Reversal (losses) on impairment of general investments	<u>(0.70)</u>	<u>(9.17)</u>
Total gains (losses) on investments	<u>(0.66)</u>	<u>(9.17)</u>

6.29 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interbank and money market items	66.83	9.87
Loans		
- Bad debts and doubtful accounts *	355.44	418.73
- Loss on restructuring	<u>1.82</u>	<u>36.80</u>
Total	<u>357.26</u>	<u>455.53</u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>(8.34)</u>	<u>(6.82)</u>
Total impairment loss of loans and debt securities	<u>415.75</u>	<u>458.58</u>

* Included written-down debts recovered and bad debts recovered

6.30 Public Service Account

6.30.1 Summary of Public Service Account

As at June 30, 2017 and December 31, 2016, the assets from public service account are as follows:

	Unit : Million Baht	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Loans to customers from public service account and accrued interest receivables, net	5,325.90	6,152.94
Receivable eligible for government reimbursement	<u>17.61</u>	<u>6.97</u>
Total assets	<u>5,343.51</u>	<u>6,159.91</u>

Revenue and expenses from public service account for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Revenue from public service account	133.72	155.66
<u>Less</u> Expenses from public service account	(69.37)	(67.04)
<u>Less</u> Impairment loss of loans and debt securities from public service account	<u>8.34</u>	<u>6.82</u>
Net income	<u>72.69</u>	<u>95.44</u>

6.30.2 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>June 30, 2017</u>	<u>December 31, 2016</u>
Financial Assistant Scheme for Maritime Businesses Project	To enlarge Thai shipping fleet by financing Thai maritime businesses for purchase of ships at low interest rate with a grace period before repayment	2011 - 2018	5,325.90	6,152.94

6.30.3 Loan Classification and Provision for Public Service Account

As at June 30, 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>June 30, 2017</u>
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision</u> <u>Rate (%)</u>	<u>Allowance for</u> <u>Doubtful Accounts</u>	
Pass	19	5,377.61	8,507.43	1	53.78	
						<u>December 31, 2016</u>
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision</u> <u>Rate (%)</u>	<u>Allowance for</u> <u>Doubtful Accounts</u>	
Pass	19	6,211.97	8,309.52	1	62.12	

6.30.4 Receivable Eligible for Government Reimbursement

As at June 30, 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 17.61 million and Baht 6.97 million, respectively.

6.30.5 Revenue from Public Service Account

Revenue from public service account for the the six-month periods ended June 30, 2017 and 2016 are as follows:

			Unit : Million Baht	
			<u>2017</u>	<u>2016</u>
Revenue from public service account				
- Interest revenue			97.88	111.12
- Fees and service revenue			-	0.32
Compensation for public service account				
- Compensation for operating expenses			<u>35.84</u>	<u>44.22</u>
Total			<u>133.72</u>	<u>155.66</u>

6.30.6 Expenses from Public Service Account

Expenses from public service account for the six-month periods ended June 30, 2017 and 2016 are as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interest expenses	62.22	58.16
Operating expenses	7.13	8.86
Other expenses	<u>0.02</u>	<u>0.02</u>
Total	<u>69.37</u>	<u>67.04</u>

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 August 31, 2017.
