

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2013
(TRANSLATION)

(TRANSLATION)
AUDITOR'S REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has audited the financial statements of Export-Import Bank of Thailand, which comprise the statements of financial position as at December 31, 2013, and the statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these financial statements based on the audit. The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. Those standards require that the Office of the Auditor General of Thailand complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the audit opinion.

Opinion

In the opinion of the Office of the Auditor General of Thailand, the financial statements referred to above present fairly, in all material respects, the financial position of Export-Import Bank of Thailand as at December 31, 2013, and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) *Jurairat Thipsatien*

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor-in-charge

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
			Unit : Baht
			<u>2012</u>
<u>Assets</u>			
Cash		553,209	312,144
Interbank and money market items, net	6.2	5,002,117,750	5,088,579,539
Derivative assets	6.3	877,418,091	339,262,450
Investments, net	6.4	4,078,316,972	3,721,515,314
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		67,526,796,976	66,676,345,788
Accrued interest receivables		1,191,136,713	1,024,604,277
Total loans to customers and accrued interest receivables		<u>68,717,933,689</u>	<u>67,700,950,065</u>
<u>Less</u> Deferred revenue		4,301,438	4,034,488
<u>Less</u> Allowance for doubtful accounts	6.6	3,663,603,847	3,206,907,882
<u>Less</u> Revaluation allowance for debt restructuring	6.7	1,093,293,588	920,037,535
Total loans to customers and accrued interest receivables, net		<u>63,956,734,816</u>	<u>63,569,970,160</u>
Properties foreclosed, net	6.8	833,146,053	875,103,428
Premises and equipment, net	6.9	824,237,094	844,314,926
Intangible assets, net	6.10	105,098,729	47,037,771
Accrued interest receivables not related to loans		1,599,537	3,067,746
Prepaid expenses		20,611,638	16,293,987
Other assets, net	6.11	16,068,777	16,580,986
Total assets		<u><u>75,715,902,666</u></u>	<u><u>74,522,038,451</u></u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
			Unit : Baht
<u>Liabilities and Shareholders' Equity</u>			
Deposits	6.12	5,727,131,202	7,103,230,710
Interbank and money market items, net	6.13	11,736,867,539	7,573,455,563
Liabilities payable on demand		295,537,173	145,909,283
Derivative liabilities	6.3	176,930,360	88,536,835
Debt issued and borrowings	6.14	39,387,573,532	42,294,277,532
Provisions	6.15	147,022,420	155,734,752
Accrued interest payables		235,227,353	283,461,506
Allowance for export credit insurance		92,536,175	128,315,111
Other liabilities	6.16	824,633,134	581,733,950
Total liabilities		58,623,458,888	58,354,655,242
Shareholders' equity			
Capital	6.17	12,800,000,000	12,800,000,000
Paid-up capital		12,800,000,000	12,800,000,000
Other components of equity		1,073,487	3,209,817
Retained earnings			
Appropriated			
Legal reserve		3,677,853,887	3,126,853,887
Unappropriated		613,516,404	237,319,505
Total shareholders' equity		17,092,443,778	16,167,383,209
Total liabilities and shareholders' equity		75,715,902,666	74,522,038,451

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

(Mr. Prasong Poontaneat)

Chairman

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
			Unit : Baht
Interest revenue	6.23	3,230,139,777	3,250,177,979
Interest expenses	6.24	1,033,152,550	1,165,244,525
Net interest income		2,196,987,227	2,084,933,454
Fees and service revenue		414,096,843	536,163,477
Fees and service expenses		99,117,786	118,610,499
Net fees and service income	6.25	314,979,057	417,552,978
Gains on tradings and foreign exchange transactions	6.26	29,680,171	208,223,456
Gains (Losses) on investments	6.27	(27,198,128)	5,207,633
Written-down debt recovered		587,482,293	946,783,848
Other operating revenue		58,213,127	20,887,846
Total operating revenue		648,177,463	1,181,102,783
Other operating expenses			
Personnel expenses		540,729,671	534,591,895
Directors' remuneration		4,824,781	3,810,531
Premises and equipment expenses		47,213,177	59,984,403
Taxes and duties		2,541	2,625
Losses on claims and provision for insurance service		(24,291,185)	(16,415,487)
Losses on impairment of properties foreclosed		45,007,961	204,838,076
Others		57,797,799	129,140,412
Total operating expenses		671,284,745	915,952,455
Impairment loss of loans and debt securities	6.28	1,186,349,590	1,667,547,193
Net income		1,302,509,412	1,100,089,567
Other comprehensive income			
Gains (Losses) on remeasuring available-for-sale investment		(2,136,330)	1,509,536
Actuarial gains on defined benefit plans		10,687,487	-
Total other comprehensive income		8,551,157	1,509,536
Total comprehensive income		1,311,060,569	1,101,599,103

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

(Mr. Prasong Poontaneat)

Chairman

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
			Revaluation Surplus (Deficit) on Investments			
Beginning balance as at January 1, 2012		12,800,000,000	1,700,281	2,824,553,887	(348,370,062)	15,277,884,106
Legal reserve		-	-	302,300,000	(302,300,000)	-
Remittance to the Ministry of Finance		-	-	-	(212,100,000)	(212,100,000)
Total comprehensive income		-	1,509,536	-	1,100,089,567	1,101,599,103
Ending balance as at December 31, 2012		<u>12,800,000,000</u>	<u>3,209,817</u>	<u>3,126,853,887</u>	<u>237,319,505</u>	<u>16,167,383,209</u>
Beginning balance as at January 1, 2013		12,800,000,000	3,209,817	3,126,853,887	237,319,505	16,167,383,209
Legal reserve		-	-	551,000,000	(551,000,000)	-
Remittance to the Ministry of Finance	6.18	-	-	-	(386,000,000)	(386,000,000)
Total comprehensive income		-	(2,136,330)	-	1,313,196,899	1,311,060,569
Ending balance as at December 31, 2013		<u>12,800,000,000</u>	<u>1,073,487</u>	<u>3,677,853,887</u>	<u>613,516,404</u>	<u>17,092,443,778</u>

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

(Mr. Prasong Poontaneat)

Chairman

(Mr. Kanit Sukonthaman)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
		Unit : Baht
Cash flows from operating activities		
Net income	1,302,509,412	1,100,089,567
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	52,534,856	54,281,654
Bad debt and doubtful accounts	966,540,161	856,775,895
Loss on debt restructuring	220,397,987	705,427,463
Reversal of written-down debt recovered	(389,970,646)	(745,966,152)
Reversal of bad debt recovered	(47,600)	-
(Gain) Loss on disposal of assets	(450,774)	401,896
Gain on sale of properties foreclosed	(54,819,099)	(11,619,908)
Loss on impairment of properties foreclosed	45,007,961	204,838,076
Loss on revaluation of foreign currencies	317,678,436	173,549,921
Derivative revaluation	133,446,582	(315,157,196)
Loss on disposal of investments	22,062	-
Gain on liquidation of invested company - Associated Company	-	(226,047)
Loss on impairment of investments (reversal)	27,176,066	(5,207,633)
Amortization of premium (discount) on debt securities	8,239,890	(104,212)
Increase (Decrease) in provisions	665,956	(86,294,453)
Bad debt and provision for other receivables (reversal)	(48,315,699)	128,276,204
Loss on claims and provision for insurance service (reversal)	(9,641,520)	(5,519,254)
Increase in revenue receivables	(1,919,246)	(3,360,810)
Increase in prepaid expenses	(3,126,560)	(5,779,907)
Increase (Decrease) in other accrued expenses	(6,275,170)	2,927,856
	2,559,653,055	2,047,332,960
Net interest income	(2,196,987,227)	(2,084,933,454)
Proceeds from interest income	3,165,949,440	3,085,677,346
Interest expenses paid	(1,085,517,098)	(1,201,505,989)
	2,443,098,170	1,846,570,863
Income from operations before changes in operating assets and liabilities		
(Increase) decrease in operating assets		
Interbank and money market items	183,661,724	(47,955,975)
Loans, net	624,574,944	(2,143,749,253)
Properties foreclosed, net	173,338,622	30,583,908
Other assets, net	(16,564,735)	(19,079,862)

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unit : Baht	
	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase (decrease) in operating liabilities		
Deposits	(1,407,083,394)	(702,716,407)
Interbank and money market items	3,778,588,935	1,553,868,069
Liabilities payable on demand	149,415,492	(27,899,215)
Short-term debt issued and borrowings	-	(618,793,785)
Other liabilities	232,704,416	110,280,933
Net cash provided by (used in) operating activities	6,161,734,174	(18,890,724)
Cash flows from investing activities		
Proceeds from disposal of available-for-sale securities	200,000,000	15,000,000
Purchases of held-to-maturity debt securities	(5,480,000,000)	(9,357,000,000)
Proceeds from redemption of held-to-maturity debt securities	4,902,000,000	9,051,032,196
Purchases of general investment	(1,000,000)	-
Proceeds from disposal of general investment	9,983,174	-
Proceeds from liquidation of investments in associated company	-	4,512,547
Purchases of premises and equipment	(17,369,611)	(24,574,566)
Proceeds from sales of premises and equipment	2,908,459	2,921,615
Purchases of intangible assets	(34,945,316)	(20,522,680)
Net cash used in investing activities	(418,423,294)	(328,630,888)
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	3,665,275,369	3,063,219,358
Repayments of long-term debt issued and borrowings	(9,022,345,184)	(2,503,502,468)
Remittance to the Ministry of Finance	(386,000,000)	(212,100,000)
Net cash provided by (used in) financing activities	(5,743,069,815)	347,616,890
Net increase in cash and cash equivalents	241,065	95,278
Cash and cash equivalents at the beginning of the period	312,144	216,866
Cash and cash equivalents at the end of the period	553,209	312,144

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

(Mr. Prasong Poontaneat)
Chairman

(Mr. Kanit Sukonthaman)
President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

Export-Import Bank of Thailand (or “the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542), with the objective to provide financial supports for exports, imports and 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 10400.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. SorNorSor. 11/2553 dated December 3, 2010 regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups.

2.2 The New and Revised Thai Financial Reporting Standards (TFRS)

2.2.1 The Bank has adopted the new and revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards which are effective for the financial statements beginning on or after January 1, 2013 as follows :

Thai Accounting Standards

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 The Effects of Changes in Foreign Exchange Rate (Revised 2009)

Adopting TAS mentioned above have no material impact on the Bank’s financial statements.

2.2 The New and Revised Thai Financial Reporting Standards (Continued)

2.2.2 The Federation of Accounting Professions had issued the Notifications of Federation of Accounting Professions regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, that are relevant to the Bank as follows :

	<u>Thai Accounting Standards</u>	<u>Effective Date</u>
TAS 1	Presentation of Financial Statements (Revised 2012)	January 1, 2014
TAS 7	Statement of Cash Flows (Revised 2012)	January 1, 2014
TAS 17	Leases (Revised 2012)	January 1, 2014
TAS 18	Revenue (Revised 2012)	January 1, 2014
TAS 19	Employee Benefits (Revised 2012)	January 1, 2014
TAS 21	The Effects of Changes in Foreign Exchange Rate (Revised 2012)	January 1, 2014
TAS 24	Related Party Disclosures (Revised 2012)	January 1, 2014
TAS 34	Interim Financial Reporting (Revised 2012)	January 1, 2014
TAS 36	Impairment of Assets (Revised 2012)	January 1, 2014
TAS 38	Intangible Assets (Revised 2012)	January 1, 2014
	<u>Thai Financial Reporting Standard</u>	<u>Effective Date</u>
TFRS 4	Insurance Contracts	January 1, 2016

The Bank has considered the impact of the above Thai accounting standards and determined that they will have no material impact on the Bank's financial statements in the period of initial adoption. However, for TFRS 4 Insurance Contracts the bank is presently considering the potential impact in the period of initial adoption.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand and cash on collection.

3.2 Recognition of Income

Interest income is recognized on an accrual basis, except for interest from non-performing loan of which the Bank reverses all accrued interest income. The Bank will recognize interest income from non-performing loan upon receipt.

Government and government agency grant related to compensation for interest is recognized as interest on loan on an accrual basis.

Revenue from export credit insurance, investment insurance and stand-by claims purchase agreement are recognized as fee and service income on a cash basis.

3.3 Recognition of Expenses

Interest expenses are recognized on an accrual basis.

Expenses on reinsurance are recognized as fee and service expenses on an accrual basis.

3.4 Derivatives

Derivatives are initially recorded at fair value on Trade Date and subsequently measured at fair value. The changes in fair value are recognized as gains (losses) on revaluation of derivatives which present as gains (losses) on tradings and foreign exchange transactions in statement of comprehensive income.

Fair value is the net financial amount expected to be paid or received in exchanging or settling the financial derivatives at the specific time. The Bank computes the fair value by determining the present value using discounted cash flows method, except for the derivatives that are options which will be computed by the generally accepted option valuation methods.

3.5 Investments

Investments in marketable debt or equity securities classified as investments for trading are stated at fair value. Gains or losses arising from their revaluation and gains or losses on disposal of investments are recognized as gains (losses) on tradings and foreign exchange transactions.

Investments in marketable debt or equity securities classified as available-for-sale investments are stated at fair value. Gains or losses arising from their revaluation are separately stated in the shareholders' equity, which are presented as other comprehensive income, and charged to gains (losses) on investment upon disposal.

Investments in held-to-maturity debt securities are stated at amortized cost, net of allowance for impairment. Premiums or discounts on held-to-maturity debt securities are amortized using the effective interest rate method throughout their remaining maturity. Losses on impairment are charged to the statements of comprehensive income.

Investments in non-marketable equity securities classified as general investments are stated at cost, net of allowance for impairment. Losses on impairment are charged to the statements of comprehensive income.

Investments in mutual fund are stated at net asset value as of the reporting date. The changes in net asset value are recognized in the statements of comprehensive income.

The Bank recognizes investments on the settlement date.

Interest income from debt securities is recognized on an accrual basis and presented under interest income. Dividend income from equity securities is recognized on an accrual basis and presented under other operating income.

Cost of disposed investments is calculated by using the weighted-average method.

3.6 Loans

Loans are reported at the principal amounts, except for bank overdrafts which included accrued interest receivables. Unearned discounts received in advance are presented as a deduction from loans.

The Bank recognizes and derecognizes the transaction on settlement date.

3.7 Allowance for Doubtful Accounts

The Bank sets aside the allowance for doubtful accounts and charges it as expense in the doubtful accounts item. The allowance amount is determined based on the outstanding loan amount and the financial status, collateral and repayment ability of the individual borrowers, including borrowers undergoing debt restructuring. The Bank's allowance for doubtful accounts is made based on the classification of loans and customers' repayment ability in accordance with prudent banking rules as prescribed in the Bank's delinquency classification rules which are in line with the rules promulgated by the Bank of Thailand under the Notification No. SorNorSor. 31/2551 dated August 3, 2008 regarding Classification and Provision Criteria of Financial Institution. The Bank thereby sets aside the allowance for doubtful accounts at the rate of 100% of the difference between the book value of loans and the present value of expected cash flow from the debtor or the present value of expected cash flow from the sale of collateral, e.g. property, leaseholds, machinery and vehicle. Moreover, the Bank will revise the collateral value on every 1 to 3 year-basis.

The Bank does not provide allowance for the loans extended in accordance with the government's policy or directive or the cabinet resolution which are covered against losses under Section 23 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), and loans which are covered by the export credit insurance.

Bad debt written off is deducted from the allowance for doubtful accounts and the bad debt recovered is recognized as income in the statement of comprehensive income.

3.8 Troubled Debt Restructuring

The Bank analyzes borrowers' financial and business status and cash flow projections based on reasonable criteria together with supporting evidence that borrowers are able to honor the debt restructuring agreements.

In the case of the Bank receiving debt repayment by a transfer of assets or ownership interests, the fair value is adopted.

In the case of adjustment to the repayment terms and conditions, the Bank recalculates the fair value of the debt by determining the present value of future expected cash flows in accordance with the adjusted repayment conditions using the Bank's regular interest rate on the debt restructuring date as the discount rate. The difference between the new fair value and the debt amount, including principal and accrued interest, is recorded as revaluation allowance for debt restructuring. The Bank recognized loss on debt restructuring as expenses in the statements of comprehensive income in the relevant accounting period.

3.9 Debt Write-Down

The Bank has a policy to write down debt accounts which are past due over one year and have no clear indications of recovery. The written-down accounts are deducted from the allowance for doubtful accounts. The amount recovered or restructured and upgraded are recognized as income in the the statements of comprehensive income.

3.10 Properties Foreclosed

Properties foreclosed consist of movable and immovable assets, received from debt repayments, which are stated at the lower of cost or market value less allowance for impairment. Losses on impairment or reversal of losses on impairment are recognized as other operating expenses or income in the statements of comprehensive income.

Gains or losses on disposal of properties foreclosed are recognized as other operating income or expenses upon disposal.

The Bank regularly appraises properties foreclosed on a yearly basis. Properties foreclosed that carrying amount not over than Baht 50 million are appraised by internal appraisers or external appraisers upon the Bank's direction. Properties foreclosed that carrying amount over Baht 50 million are appraised by external appraisers.

3.11 Premises, Equipment and Depreciations

Premises and equipment are stated at cost less accumulated depreciation and allowance for asset impairment (if any). For those items that cost not over Baht 3,000, the Bank recognizes as expenses in the statements of comprehensive income for the accounting period that they are acquired.

Buildings and equipment are depreciated on a straight-line basis over their estimated useful lives, which are as follows:

- Buildings	50	years
- Building improvement	10	years
- Equipment	3-5	years

Gains or losses on disposal of premises and equipment are recognized as other operating income or expenses upon disposal.

3.12 Intangible Assets

Intangible assets consist of computer software and computer system development expense which are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets, which are between 3-5 years. The amortization is recognized as other operating expenses in the statements of comprehensive income.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.13 Leaseholds

Leaseholds are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the lease period, which are between 3-20 years. Amortization is recognized as premises and equipment expenses.

3.14 Assets and Liabilities in Foreign Currencies

3.14.1 Functional Currency and Presentation Currency

The financial statements are prepared and presented in Thai Baht, which is the Bank's functional currency.

3.14.2 Translation of Foreign Currencies

The Bank records assets and liabilities denominated in foreign currencies at the transaction date. At the statement of financial position date, all such outstanding is translated into Baht at the reference foreign exchange rates announced by the Bank of Thailand. Gains or losses on translation are recognized as gains (losses) on trading and foreign exchange transactions, net.

3.15 Export Credit Insurance Services and Provisions

Export credit insurance services are recorded as the contingent liabilities from export bills insured, which are off-the statements of financial position obligations. Any payment of insurance claims is recorded as insurance claim receivables and will subsequently be recovered from foreign debtors.

Provisions for export credit insurance are as follows:

- 1) Allowance for doubtful accounts on the compensated claims

The Bank would make provisions for the compensated claims equal to the difference between the net book value of receivables after deduction of reinsurance amount and the net present value of expected cash flow from the debtors after deduction of cash flow payable to reinsurer.

- 2) Provisions for the pending insurance claims payable

The Bank would make provisions for the pending insurance claims payable at the rate of 50% of the exposures after deduction of reinsurance amount.

- 3) Provisions for future claims against the export credit insurance policies

The Bank would make provisions for future claims against the export credit insurance policies at the rate of 1% of the net amount of export bills insured outstanding not yet claimed after deduction of reinsurance amount.

In case of any losses under the export credit insurance services which may affect the Bank's operations and/or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of 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).

3.16 Investment Insurance Services and Provisions

Investment insurance service are recorded as the contingent liabilities from investment insurance, which are off-the statements of financial position obligations. Any payment of insurance claims is recorded as insurance claim receivables and will subsequently be recovered from the government of the host countries or related parties.

Provisions for investment insurance are as follows:

1) Allowance for doubtful accounts on the compensated claims

The Bank would make provisions for the compensated claims equal to the difference between the net book value of receivables after deduction of reinsurance amount and the net present value of expected cash flow from the debtors after deduction of cash flow payable to reinsurer.

2) Provisions for doubtful accounts on pending claims payable

The Bank would make provisions for the pending insurance claims payable at the rate of 50% of the exposures after deduction of reinsurance amount.

3) Provisions for future claims against the investment insurance policies

The Bank would make provisions for future claims against investment insurance policies at the rate of 50% of the annual premium received until the provisions are equal to 10% of the total amount of contingent liabilities of investment insurance.

In case of any losses under the investment insurance services which may affect the Bank's operations and/or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of 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).

3.17 Stand-by Claims Purchase Agreement Services and Provisions

Stand-by claims purchase agreement services are recorded as the contingent liabilities from stand-by claims purchase agreement, which are off-the statements of financial position obligations. Any payment of such stand-by claims purchase agreement service is recorded as stand-by claims receivables and will subsequently be recovered from debtors.

Provisions for stand-by claims purchase agreement are as follows:

1) Allowance for doubtful accounts on the paid purchase under the stand-by claims purchase agreement service

The Bank would make provisions for the paid purchase under the stand-by claims purchase agreement service equal to the difference between the net book value of receivables after deduction of reinsurance amount and the net present value of expected cash flow from the debtors after deduction of cash flow payable to reinsurer.

2) Provisions for doubtful accounts on the pending service claims payable

The Bank would make provisions for the pending claims of such stand-by claims purchase agreement service at the rate of 50% of the exposures after deduction of reinsurance amount.

3.17 Stand-by Claims Purchase Agreement Services and Provisions (Continued)

3) Provisions for the future service claims against the stand-by claims purchase agreement policies

The Bank would make provisions for future service claims against the stand-by claims purchase agreement policies at the rate of 1% of the net amount of stand-by claims purchase agreement outstanding not yet claimed after deduction of reinsurance amount.

3.18 Provisions

The Bank recognizes an obligation arising from past events when it becomes probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and when the amount can be reliably estimated. The Bank recognizes the provisions including the provisions for contingent liabilities and the provision for the employment benefits, in the statements of financial position.

3.19 Employee Benefits

3.19.1 Provident Fund

The Bank established a provident fund under the Provident Fund Act, 1987 (B.E. 2530), which became a registered fund being approved by the Ministry of Finance on April 27, 1994. The provident fund is managed by TISCO Asset Management Company Limited.

Contributions to the employee provident fund are made under the rule of "The Registered Provident Fund of Export-Import Bank of Thailand's Employee". Employee shall make contribution to the provident fund at 3-8.5% of salary and the Bank's supplemental contribution is at 4-8.5% of employee's salary according to the years of employment.

3.19.2 Defined Benefit Plan

The Bank has a policy to provide its employees with post-retirement benefits, payable based on salary rate and years of service of the retired employees.

The provision for the employee benefits is determined by discounting the cash flows of employee benefits to be paid in the future. The calculation methodology is based on the Projected Unit Credit Method (an actuarial technique). Components of this calculation include employee's salaries, turnover rate, mortality rate, years of service and other related factors, and the discount rate being the government bond yield as disseminated by the ThaiMBA. The employee benefits is presented as part of provisions in the statements of financial position.

The actuarial gains or losses are recognized in other comprehensive income and transferred immediately to the retained earnings in the period in which they arise.

3.20 Appropriation of Annual Net Income

According to the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), the Bank shall appropriate no less than half of the annual net profit as a reserve for its operations while the remainder of the net profit shall be appropriated to the capital fund and/or remitted to the Ministry of Finance.

4. Risk Management

4.1 The Bank's Risk Information

The Bank has set to review its corporate risk management framework and risk management policy on a yearly basis or when any material change occurs in accordance with the guidelines of the Bank of Thailand (BOT). Its objective is to manage and monitor risks to an acceptable level. In 2013, the Bank monitored and managed all risk categories to be within the risk limits, key risk indicators (KRIs), risk appetite and risk tolerance at the levels approved by the Board of Directors. An emphasis was also placed on training for employees and parties concerned to promote awareness of the importance of risk management, with the ultimate goal of incorporating risk management process as part of the Bank's day-to-day operation and organizational culture.

4.1.1 Credit Risk

Credit risk management refers to management of risk associated with failure by a debtor of the Bank to adhere to the agreement on debt repayments or risk incurred from the debtor's default of debt payments, which causes downgrading of the Bank's credit rating. The Bank has instituted a credit policy for use as guidelines in credit underwriting and credit follow-up to maintain credit quality taking into account the relevant laws, regulations and work procedures, both internal and external, and ensured proper and prudent monitoring of credit line utilization.

Moreover, there is clear segregation of authority and duties among business units in charge of the credit process to ensure proper checks and balances, covering regulations and procedures in five main credit work processes: 1) credit consideration, 2) credit approval, 3) post-approval credit operation and examination of credit operation, 4) report on credit portfolio, and 5) credit review and monitoring including internal audit. Credit warning sign is also in place to monitor and control credit risk of the Bank within an acceptable level.

4.1.2 Market Risk

The Bank's market risk management is undertaken for both trading book and banking book. The Bank has set to review its market risk management policy on a yearly basis or when there is any material change for use as guidelines in preventing and managing market risk in accordance with its strategic plan and as required by the Bank of Thailand. The Bank's major market risk can be classified into three types as follows:

1. Interest Rate Risk

It refers to risk of adverse impact on the Bank's earnings or capital funds as a result of changes in interest rates on assets, liabilities and all off-balance sheet rate sensitive items, which could affect the Bank's net interest income (NII), market value of trading account items, and other income and expenses associated with interest rates.

2. Foreign Exchange Rate Risk

It refers to risk of adverse impact on the Bank's earnings or capital funds as a result of fluctuations in foreign exchange rates in relation to having of foreign currency transactions or holding foreign currency assets or liabilities.

3. Equity Price Risk

It refers to risk of adverse impact on the Bank's earnings or capital funds as a result of changes in equity instrument prices.

4.1.2 Market Risk (Continued)

Moreover, there is clear segregation of authority and duties among business units relating to market risk management into units originating transactions (front office), units controlling risks (middle office), and units in charge of delivering, payment settlement and book recording (back office). The Bank has put in place delegation of approval authority and relevant criteria in writing, and designated the use of risk management approaches in alignment with the complication of the respective transactions and ensured that the Bank's market risk is contained to an acceptable level.

4.1.3 Liquidity Risk

The Bank has formulated a liquidity risk management policy for use as guidelines in preventing risk incurred from the Bank's inability to repay debts or obligations upon due dates as a consequence of its failure to convert assets into cash or to procure sufficient funds, or its ability to acquire adequate funds but merely at a high cost to be acceptable, which could affect the Bank's earnings and capital funds both at present and in future. It also aims to prevent liquidity risk from the Bank's failure to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at a price lower than the acquisition cost due to low liquidity of the assets or the market being illiquid.

The Bank's liquidity risk management policy is implemented by a conservative approach so that its liquidity maintaining cost would not be too high with due regard to return against cost and for the maximum benefit of the Bank. The Bank has developed a sound structure of assets, liabilities and off-balance sheet items and monitored distribution of funding sources in order to capture funding source concentration by counterparty, type of financial instruments, market, currency and funding source. The Bank has also followed up factors that may affect its funding capability in order to assess the ability to raise or borrow funds in both normal and critical situations.

Furthermore, the Bank has in place a policy to maintain relationship with business partners that are its funding sources on a regular and continual basis, covering counterparty banks, corporates, and contract parties in the payment system, which is regarded as part of liquidity management.

As at December 31, 2013 and December 31, 2012, the Bank had significant asset and liability items classified by maturity as follows:

Unit : Million Baht

	<u>December 31, 2013</u>			<u>December 31, 2012</u>		
	<u>Up to</u>	<u>Over</u>	<u>Total</u>	<u>Up to</u>	<u>Over</u>	<u>Total</u>
	<u>1 Year</u>	<u>1 Year</u>		<u>1 Year</u>	<u>1 Year</u>	
Assets						
Interbank and money market items, net	5,002.12	-	5,002.12	5,088.58	-	5,088.58
Investments, net	3,593.88	484.44	4,078.32	3,202.81	518.70	3,721.51
Loans	<u>18,762.65</u>	<u>48,764.14</u>	<u>67,526.79</u>	<u>22,604.79</u>	<u>44,071.56</u>	<u>66,676.35</u>
Total assets	<u>27,358.65</u>	<u>49,248.58</u>	<u>76,607.23</u>	<u>30,896.18</u>	<u>44,590.26</u>	<u>75,486.44</u>
Liabilities						
Deposits	5,727.13	-	5,727.13	7,103.23	-	7,103.23
Interbank and money market items, net	6,814.83	4,922.04	11,736.87	2,978.72	4,594.74	7,573.46
Debt issued and borrowings	<u>5,745.28</u>	<u>33,642.29</u>	<u>39,387.57</u>	<u>8,794.74</u>	<u>33,499.54</u>	<u>42,294.28</u>
Total liabilities	<u>18,287.24</u>	<u>38,564.33</u>	<u>56,851.57</u>	<u>18,876.69</u>	<u>38,094.28</u>	<u>56,970.97</u>

4.2 Fair Value of Financial Instruments

Unit : Million Baht

The Bank's Financial Statements

	<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets				
Cash	0.55	0.55	0.31	0.31
Interbank and money market items, net	5,002.12	5,002.12	5,088.58	5,088.58
Derivatives	877.42	877.42	339.26	339.26
Investments, net	4,078.32	4,096.20	3,721.51	3,749.67
Loans to customers and accrued interest receivable, net	<u>63,956.73</u>	<u>63,956.73</u>	<u>63,569.97</u>	<u>63,569.97</u>
Total financial assets	<u>73,915.14</u>	<u>73,933.02</u>	<u>72,719.63</u>	<u>72,747.79</u>
Financial liabilities				
Deposits	5,727.13	5,727.13	7,103.23	7,103.23
Interbank and money market items, net	11,736.87	11,736.87	7,573.46	7,573.46
Liabilities payable on demand	295.54	295.54	145.91	145.91
Derivatives	176.93	176.93	88.54	88.54
Debt issued and borrowings	<u>39,387.57</u>	<u>39,387.57</u>	<u>42,294.28</u>	<u>42,294.28</u>
Total financial liabilities	<u>57,324.04</u>	<u>57,324.04</u>	<u>57,205.42</u>	<u>57,205.42</u>

4.3 Capital Adequacy under the Ministerial Regulations

At the end of December 2013, the Bank's capital adequacy ratio (CAR) stood at 21.45%, 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 80.31%, 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>December 31, 2013</u>	<u>December 31, 2012</u>
	<u>Regulations</u>		
1. Capital *		15,778.17	15,064.08
2. Risk assets **		73,567.51	71,421.91
3. Insurance service contingent liabilities		19,647.66	27,648.20
4. Capital to risk assets (1)/(2)	Not less than 8%	21.45%	21.09%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	80.31%	54.48%

Remarks : * Capital is defined according to the Ministerial Regulation (which differs from BOT definition (under Basel II)).

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

5. Estimates and Assumptions

In preparation of the financial statements in conformity to generally accepted accounting principles, the Bank has to set up estimates and assumptions that affect the reported amounts of assets and liabilities and 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 year ended December 31, 2013 and 2012 are as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Increase in investments from debt restructuring	-	26.31
Increase (Decrease) in revaluation surplus on investments in shareholders' equity	(2.14)	1.51
Increase in properties foreclosed from loan payment	121.57	15.51

Unit : Million Baht

6.2 Interbank and Money Market Items, Net (Assets)

	<u>December 31, 2013</u>			<u>December 31, 2012</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	20.02	320.00	340.02	24.09	-	24.09
Commercial banks	37.92	1,848.47	1,886.39	14.94	3,192.74	3,207.68
Specialized financial institutions	<u>0.07</u>	<u>-</u>	<u>0.07</u>	<u>3.14</u>	<u>-</u>	<u>3.14</u>
Total	58.01	2,168.47	2,226.48	42.17	3,192.74	3,234.91
<u>Add</u> Accrued interest receivables	-	0.11	0.11	-	0.03	0.03
<u>(Less)</u> Allowance for doubtful accounts	<u>-</u>	<u>(18.48)</u>	<u>(18.48)</u>	<u>-</u>	<u>(31.93)</u>	<u>(31.93)</u>
Total domestic items	<u>58.01</u>	<u>2,150.10</u>	<u>2,208.11</u>	<u>42.17</u>	<u>3,160.84</u>	<u>3,203.01</u>
Foreign items						
US Dollars	357.09	1,666.22	2,023.31	659.13	345.76	1,004.89
Yen	13.20	-	13.20	18.87	-	18.87
Euro	300.30	405.20	705.50	500.69	283.89	784.58
Other currencies	<u>51.58</u>	<u>-</u>	<u>51.58</u>	<u>77.23</u>	<u>-</u>	<u>77.23</u>
Total	722.17	2,071.42	2,793.59	1,255.92	629.65	1,885.57
<u>Add</u> Accrued interest receivables	-	0.42	0.42	-	-	-
<u>(Less)</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total foreign items	<u>722.17</u>	<u>2,071.84</u>	<u>2,794.01</u>	<u>1,255.92</u>	<u>629.65</u>	<u>1,885.57</u>
Total domestic and foreign items	<u>780.18</u>	<u>4,221.94</u>	<u>5,002.12</u>	<u>1,298.09</u>	<u>3,790.49</u>	<u>5,088.58</u>

6.3 Derivatives

As at December 31, 2013 and 2012, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2013</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	692.06	134.88	20,148.23
Interest rate	<u>185.36</u>	<u>42.05</u>	<u>6,954.70</u>
Total	<u>877.42</u>	<u>176.93</u>	<u>27,102.93</u>

<u>Type of Risk</u>	<u>December 31, 2012</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	137.08	30.34	17,032.31
Interest rate	<u>202.18</u>	<u>58.20</u>	<u>11,739.42</u>
Total	<u>339.26</u>	<u>88.54</u>	<u>28,771.73</u>

As at December 31, 2013 and 2012, the proportions of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Financial institutions	78.97%	83.80%
Third parties	<u>21.03%</u>	<u>16.20%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Investments

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Government and state enterprise securities	-	199.80
Domestic marketable equity securities	<u>2.15</u>	<u>3.03</u>
Total	<u>2.15</u>	<u>202.83</u>

6.4.2 Held-to-Maturity Debt Securities

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	3,572.32	3,003.02
Foreign debt securities	<u>380.65</u>	<u>356.33</u>
Total	<u>3,952.97</u>	<u>3,359.35</u>

6.4.3 General Investments

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- MFC Energy Fund	62.96	63.11
- Thailand Prosperity Fund 2 (TTPF 2)	65.95	77.00
- Vayupak Fund 1	1.00	-
Others	<u>0.47</u>	<u>0.42</u>
Total	156.69	166.84
(Less) Allowance for impairment	<u>(33.49)</u>	<u>(7.51)</u>
Total	<u>123.20</u>	<u>159.33</u>
Total investments, net	<u>4,078.32</u>	<u>3,721.51</u>

As at December 31, 2013, domestic non-marketable equity securities amounting to Baht 26.31 million were ordinary shares derived from debt restructuring.

6.5 Loans and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
		Unit : Million Baht
Overdrafts	315.96	267.86
Domestic loans - customers	49,530.97	51,106.78
- export bills negotiation	561.07	430.17
- staff loans	258.72	261.66
Overseas loans - foreign government agencies	3,013.99	3,663.07
- customers operating overseas	13,809.11	10,899.17
Others	<u>36.97</u>	<u>47.64</u>
Total loans	67,526.79	66,676.35
<u>(Less)</u> Deferred revenue	<u>(4.30)</u>	<u>(4.03)</u>
Total loans, net of deferred revenue	67,522.49	66,672.32
<u>Add</u> Accrued interest receivables	<u>1,191.13</u>	<u>1,024.60</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	68,713.62	67,696.92
<u>(Less)</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(1,650.95)	(1,269.83)
- Excess allowance	(2,012.65)	(1,937.08)
Revaluation allowance for debt restructuring	<u>(1,093.29)</u>	<u>(920.04)</u>
Total loans, net	<u>63,956.73</u>	<u>63,569.97</u>

Overseas loans extended to foreign government agencies in the amount of Baht 3,013.99 million were loans extended to foreign government agencies in accordance with the Thai government policy, with interest charged from those borrowers at the rate of 1.50% p.a. and 3.00% p.a. The differences between such interest rates and the cost of fund of the Bank were subsidized by the Thai government or concerned state agencies. Moreover, for certain projects, the Bank also earned an additional operating fee at 0.75% p.a. apart from the interest revenue subsidy.

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	<u>December 31, 2013</u>			<u>December 31, 2012</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	33,808.13	7,506.17	41,314.30	34,392.97	7,673.48	42,066.45
US Dollar	16,862.88	9,316.93	26,179.81	17,674.15	6,888.76	24,562.91
Other currencies	<u>28.38</u>	<u>-</u>	<u>28.38</u>	<u>42.96</u>	<u>-</u>	<u>42.96</u>
Total	<u>50,699.39</u>	<u>16,823.10</u>	<u>67,522.49</u>	<u>52,110.08</u>	<u>14,562.24</u>	<u>66,672.32</u>

6.5.3 Classified by Loan Classification

Unit : Million Baht

	<u>December 31, 2013</u>			
	<u>Loans and Accrued Interest Receivables</u>	<u>Net Amount Subject to Allowance for Doubtful Accounts</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
1. Minimum allowance by BOT's regulation				
Pass	62,442.89	61,357.41	1,20,50,100	1,052.03
Special mention	49.06	48.45	2	0.97
Substandard	58.38	29.15	100	29.15
Doubtful	855.27	550.05	100	550.05
Doubtful of loss	<u>2,028.24</u>	<u>18.75</u>	100	<u>18.75</u>
Total minimum allowance by BOT's regulation	65,433.84	62,003.81		1,650.95
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,012.65</u>
Total	<u>65,433.84</u>	<u>62,003.81</u>		<u>3,663.60</u>

6.5.3 Classified by Loan Classification (Continued)

Unit : Million Baht

	<u>December 31, 2012</u>			
	<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	61,092.02	59,809.64	1,20,50,100	821.08
Special mention	9.76	8.86	2	0.18
Substandard	8.14	6.07	100	6.07
Doubtful	508.40	418.06	100	418.06
Doubtful of loss	<u>2,295.76</u>	<u>24.44</u>	100	<u>24.44</u>
Total minimum allowance by BOT's regulation	63,914.08	60,267.07		1,269.83
2. Excess allowance	<u>-</u>	<u>-</u>		<u>1,937.08</u>
Total	<u>63,914.08</u>	<u>60,267.07</u>		<u>3,206.91</u>

As at December 31, 2013 and 2012 the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

Unit : Million Baht

	<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	<u>Loans and Accrued</u> <u>Interest Receivables</u> <u>Net of Deferred</u> <u>Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>
Classified loans	65,433.84	95.23	63,914.08	94.41
Unclassified loans	<u>3,279.78</u>	4.77	<u>3,782.84</u>	5.59
Total	<u>68,713.62</u>		<u>67,696.92</u>	

Loans which are not required to be classified are loans extended to individual persons or corporate entities in accordance with the government's policy or directive or the cabinet resolution which are covered against losses under Section 23 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), and loans which are covered by the export credit insurance.

6.5.3 Classified by Loan Classification (Continued)

Non-performing loans are loans on which principal repayments and/or interest payments are in arrears for over three months from the due date, or loans on which principal repayments or interest payments are in arrears for not over three months from the due date, but the principal repayment or interest payment capabilities are deemed uncertain, except there are reasonable grounds that loans could be performing based on the following:

- (1) Borrowers being analyzed for repayment capabilities and approved to extend the restructuring of the interest receivable as the loan principal or to relax or restructure the loan repayment terms and conditions.
- (2) Borrowers supported by the additional agreements or contracts of the new debt repayment terms and conditions under the debt restructuring agreements.

Unit : Million Baht				
<u>Loans</u>	<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	<u>Loans and</u>	<u>As % of Loans</u>	<u>Loans and</u>	<u>As % of Loans</u>
	<u>Accrued Interest</u>	<u>and Accrued Interest</u>	<u>Accrued Interest</u>	<u>and Accrued Interest</u>
	<u>Receivables Net of</u>	<u>Receivables Net of</u>	<u>Receivables Net of</u>	<u>Receivables Net of</u>
	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>	<u>Deferred Revenue</u>
Non-performing loans	2,941.89	4.28	2,812.30	4.15

In 2013 and 2012, the Bank wrote down debt accounts in the amount of Baht 523.80 million and Baht 417.87 million, respectively. As at December 31, 2013 and 2012, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,217.45 million and Baht 4,058.78 million, respectively. In 2013 and 2012, the Bank recovered written-down debt accounts in the amount of Baht 587.48 million and Baht 946.78 million, respectively, from which accounts the bank received cash in the amount of Baht 197.51 million and Baht 200.81 million, respectively.

In 2013 and 2012, the Bank wrote off bad debts in the amount of Baht 29.87 million and Baht 15.00 million, respectively.

6.5.4 Troubled Debt Restructuring

In 2013 and 2012, the Bank had restructured debts applying the adjustment of repayment conditions and transfer of assets as follows:

Unit : Million Baht

<u>Restructured Debts</u>	<u>Cases</u>	<u>2013</u>		<u>2012</u>		
		<u>Amount</u>	<u>As % of Loans and Accrued Interest Receivables Net Deferred Revenue</u>	<u>Cases</u>	<u>Amount</u>	<u>As % of Loans and Accrued Interest Receivables Net Deferred Revenue</u>
Succeeded	13	94.22	0.14	13	600.72	0.89
In-process	40	342.86	0.50	25	445.94	0.66

As at December 31, 2013 and 2012, the Bank had outstanding restructured loans reclassified as normal for 28 cases amounting to Baht 2,878.30 million and for 27 cases amounting to Baht 2,448.67 million, respectively.

In 2013 and 2012, the Bank restructured debts as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2013</u>			<u>Type of Transferred Asset</u>	<u>Fair Value</u>
		<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at December 31, 2013</u>		
Change of repayment conditions	13	94.22	94.22	473.43		

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2012</u>			<u>Type of Transferred Asset</u>	<u>Fair Value</u>
		<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at December 31, 2012</u>		
Change of repayment conditions	12	479.42	479.42	762.44		
Debt restructuring in various forms	<u>1</u>	<u>121.30</u>	<u>121.30</u>	<u>756.65</u>	Equity securities	26.31
Total	<u>13</u>	<u>600.72</u>	<u>600.72</u>	<u>1,519.09</u>		

6.5.4 Troubled Debt Restructuring (Continued)

In 2013 and 2012, outstanding debts before restructuring compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

	Unit : Million Baht			
	<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Restructured debt	13	94.22	13	600.72
Loans and accrued interest receivables net of deferred revenue	1,032	68,713.62	1,002	67,696.92

In 2013 and 2012, the Bank recognized interest income from debt restructuring in the amount of Baht 140.85 million and Baht 695.85 million, respectively.

As at December 31, 2013 and 2012, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 102.15 million and Baht 100.02 million, respectively.

6.6 Allowance for Doubtful Accounts

	Unit : Million Baht						
	<u>December 31, 2013</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	821.08	0.18	6.07	418.06	24.44	1,937.08	3,206.91
Increase (decrease) in allowance							
for doubtful accounts	230.95	0.79	23.08	131.99	518.11	75.57	980.49
Debts written down	-	-	-	-	(523.80)	-	(523.80)
Ending balance	<u>1,052.03</u>	<u>0.97</u>	<u>29.15</u>	<u>550.05</u>	<u>18.75</u>	<u>2,012.65</u>	<u>3,663.60</u>
	<u>December 31, 2012</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	758.09	0.51	3.87	54.26	489.96	1,458.00	2,764.69
Increase (decrease) in allowance							
for doubtful accounts	62.99	(0.33)	2.20	363.80	(47.65)	479.08	860.09
Debts written down	-	-	-	-	(417.87)	-	(417.87)
Ending balance	<u>821.08</u>	<u>0.18</u>	<u>6.07</u>	<u>418.06</u>	<u>24.44</u>	<u>1,937.08</u>	<u>3,206.91</u>

6.6 Allowance for Doubtful Accounts (Continued)

As at December 31, 2013 and 2012, the Bank's allowance for doubtful accounts on loans accounted for Baht 3,663.60 million and Baht 3,206.91 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 2,012.65 million and Baht 1,937.08 million, respectively (Note 6.5.3). 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

	Unit : Million Baht	
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Beginning balance	920.04	238.73
Increase	234.69	789.66
Decrease	<u>(61.44)</u>	<u>(108.35)</u>
Ending balance	<u>1,093.29</u>	<u>920.04</u>

6.8 Properties Foreclosed, Net

	Unit : Million Baht			
		<u>December 31, 2013</u>		
<u>Type of Properties Foreclosed</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,067.05	121.57	118.70	1,069.92
- Movable properties	<u>278.04</u>	<u>-</u>	<u>69.87</u>	<u>208.17</u>
Total properties foreclosed	1,345.09	121.57	188.57	1,278.09
<u>(Less) Allowance for impairment</u>	<u>(469.99)</u>	<u>(45.01)</u>	<u>(70.06)</u>	<u>(444.94)</u>
Total properties foreclosed, net	<u>875.10</u>	<u>76.56</u>	<u>118.51</u>	<u>833.15</u>
		<u>December 31, 2012</u>		
<u>Type of Properties Foreclosed</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,070.75	15.51	19.21	1,067.05
- Movable properties	<u>278.04</u>	<u>-</u>	<u>-</u>	<u>278.04</u>
Total properties foreclosed	1,348.79	15.51	19.21	1,345.09
<u>(Less) Allowance for impairment</u>	<u>(265.39)</u>	<u>(204.84)</u>	<u>(0.24)</u>	<u>(469.99)</u>
Total properties foreclosed, net	<u>1,083.40</u>	<u>(189.33)</u>	<u>18.97</u>	<u>875.10</u>

As at December 31, 2013, the Bank had immovable assets from debt repayment in the amount of Baht 1,069.92 million, which were appraised by external appraisers.

As at December 31, 2012, the Bank had immovable assets from debt repayment in the amount of Baht 1,067.05 million, consisting of immovable assets which were appraised by external appraisers in the amount of Baht 1,063.89 million and by internal appraisers in the amount of Baht 3.16 million.

6.9 Premises and Equipment, Net

Unit : Million Baht

	December 31, 2013								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Depreciation	Disposals	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	330.04	10.66	-	340.70	342.55
- Building improvement	129.77	-	-	129.77	109.20	4.47	-	113.67	16.10
Equipment									
- Office equipment and fixtures	254.26	9.31	7.18	256.39	221.02	15.12	7.05	229.09	27.30
- Vehicles	77.39	8.18	8.40	77.17	31.36	7.29	5.90	32.75	44.42
Assets pending for write off	-	2.50	2.50	-	-	-	-	-	-
Assets under construction*	-	4.56	1.95	2.61	-	-	-	-	2.61
Total	<u>1,535.93</u>	<u>24.55</u>	<u>20.03</u>	<u>1,540.45</u>	<u>691.62</u>	<u>37.54</u>	<u>12.95</u>	<u>716.21</u>	<u>824.24</u>

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

	December 31, 2012								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Depreciation	Disposals	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	319.35	10.69	-	330.04	353.21
- Building improvement	133.49	5.68	9.40	129.77	111.64	4.70	7.14	109.20	20.57
Equipment									
- Office equipment and fixtures	252.54	10.01	8.29	254.26	209.27	19.80	8.05	221.02	33.24
- Vehicles	76.85	6.38	5.84	77.39	29.44	6.54	4.62	31.36	46.03
Assets pending for write off	0.41	1.22	1.63	-	-	-	-	-	-
Assets under construction*	-	5.92	5.92	-	-	-	-	-	-
Total	<u>1,537.80</u>	<u>29.21</u>	<u>31.08</u>	<u>1,535.93</u>	<u>669.70</u>	<u>41.73</u>	<u>19.81</u>	<u>691.62</u>	<u>844.31</u>

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

6.10 Intangible Assets, Net

Changes in the Bank's intangible assets, which are computer software, for the years ended December 31, 2013 and 2012 are as follows;

Unit : Million Baht

	December 31, 2013								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Amortization	Disposals	Ending Balance	
Computer software	79.33	23.20	0.27	102.26	36.13	14.62	0.27	50.48	51.78
Software under									
Installation*	3.84	66.67	17.19	53.32	-	-	-	-	53.32
Total	<u>83.17</u>	<u>89.87</u>	<u>17.46</u>	<u>155.58</u>	<u>36.13</u>	<u>14.62</u>	<u>0.27</u>	<u>50.48</u>	<u>105.10</u>

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

	December 31, 2012								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Amortization	Disposals	Ending Balance	
Computer software	52.12	27.21	-	79.33	24.01	12.12	-	36.13	43.20
Software under									
Installation*	10.54	13.30	20.00	3.84	-	-	-	-	3.84
Total	<u>62.66</u>	<u>40.51</u>	<u>20.00</u>	<u>83.17</u>	<u>24.01</u>	<u>12.12</u>	<u>-</u>	<u>36.13</u>	<u>47.04</u>

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

6.11 Other Assets, Net

Unit : Million Baht

	December 31, 2013	December 31, 2012
Revenue receivable, net	1.62	0.18
Insurance claim receivables, net of reinsurance	221.38	233.63
Allowance for insurance claim receivables	(221.38)	(233.63)
Leasehold rights and improvements	1.68	2.12
Advance deposits	11.77	11.57
Others	<u>1.00</u>	<u>2.71</u>
Total	<u>16.07</u>	<u>16.58</u>

6.12 Deposits

6.12.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Current	1,569.39	1,233.55
Savings	220.90	225.09
Fixed	<u>3,936.84</u>	<u>5,644.59</u>
Total	<u>5,727.13</u>	<u>7,103.23</u>

6.12.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>December 31, 2013</u>			<u>December 31, 2012</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	4,669.17	226.16	4,895.33	6,299.12	125.28	6,424.40
US Dollar	444.28	376.57	820.85	454.92	204.16	659.08
Other currencies	<u>10.95</u>	<u>-</u>	<u>10.95</u>	<u>19.75</u>	<u>-</u>	<u>19.75</u>
Total	<u>5,124.40</u>	<u>602.73</u>	<u>5,727.13</u>	<u>6,773.79</u>	<u>329.44</u>	<u>7,103.23</u>

6.13 Interbank and Money Market Items, Net (Liabilities)

	Unit : Million Baht					
	<u>December 31, 2013</u>			<u>December 31, 2012</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	-	818.69	818.69	-	821.05	821.05
Commercial banks	1.18	9,222.04	9,223.22	1.30	4,594.74	4,596.04
Specialized financial institutions	<u>8.25</u>	<u>500.00</u>	<u>508.25</u>	<u>7.90</u>	<u>1,141.26</u>	<u>1,149.16</u>
Total domestic items	<u>9.43</u>	<u>10,540.73</u>	<u>10,550.16</u>	<u>9.20</u>	<u>6,557.05</u>	<u>6,566.25</u>
Foreign items						
US Dollar	395.17	-	395.17	240.58	-	240.58
Euro	711.10	-	711.10	747.29	-	747.29
Other currencies	<u>80.44</u>	<u>-</u>	<u>80.44</u>	<u>19.34</u>	<u>-</u>	<u>19.34</u>
Total foreign items	<u>1,186.71</u>	<u>-</u>	<u>1,186.71</u>	<u>1,007.21</u>	<u>-</u>	<u>1,007.21</u>
Total domestic and foreign items	<u>1,196.14</u>	<u>10,540.73</u>	<u>11,736.87</u>	<u>1,016.41</u>	<u>6,557.05</u>	<u>7,573.46</u>

6.14 Debt Issued and Borrowings

6.14.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>December 31, 2013</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	31,008.85	31,008.85
Promissory notes	8,375.00	-	8,375.00
Others	<u>3.72</u>	<u>-</u>	<u>3.72</u>
Total debt issued and borrowings	<u>8,378.72</u>	<u>31,008.85</u>	<u>39,387.57</u>

	<u>December 31, 2012</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	29,712.65	29,712.65
Promissory notes	12,575.00	-	12,575.00
Others	<u>6.63</u>	<u>-</u>	<u>6.63</u>
Total debt issued and borrowings	<u>12,581.63</u>	<u>29,712.65</u>	<u>42,294.28</u>

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
		<u>(Year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2014-2018	LIBOR ± MARGIN	31,008.85	29,712.65
Promissory notes	THB	2016-2021	3.80 – 4.75%	6,125.00	10,325.00
		2019	6M THBFIX ± MARGIN	2,250.00	2,250.00
Others	THB	2015	-	<u>3.72</u>	<u>6.63</u>
Total debt issued and borrowings				<u>39,387.57</u>	<u>42,294.28</u>

6.15 Provisions

As at December 31, 2013 and 2012, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Employee benefits	116.44	120.57
Provisions for contingent liabilities	<u>30.58</u>	<u>35.16</u>
Total provisions	<u>147.02</u>	<u>155.73</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>December 31, 2013</u>	<u>December 31, 2012</u>
Beginning balance	120.57	107.46
Current service cost*	8.49	12.59
Interest cost*	4.80	3.97
Employees benefit paid in the period	(6.73)	(3.45)
Actuarial gains based on updated assumption	<u>(10.69)</u>	<u>-</u>
Ending Balance	<u>116.44</u>	<u>120.57</u>

* These items are presented as expenses in the statement of comprehensive income.

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

	<u>2013</u>	<u>2012</u>
Average salary increase	6% - 8.5%	5% - 7.5%
Average turnover rate	2.2% - 28.95%	5% - 19%
Discount rate	2.25% - 4.55%	2.38% - 4.27%

6.16 Other Liabilities

	Unit : Million Baht	
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Advance deposits	47.21	13.26
Expenses payable	13.71	16.20
Account payable	43.85	1.47
Reinsurance payable	5.50	14.19
Deferred revenue	13.46	13.64
Withholding tax payable	0.68	6.39
Provision for stand-by claims purchase agreement	41.65	28.18
Provision for investment insurance	34.58	27.10
Provision for expected loss	173.32	227.31
Suspense liabilities	450.61	233.98
Others	<u>0.06</u>	<u>0.01</u>
Total	<u>824.63</u>	<u>581.73</u>

6.17 Capital

The Bank had an initial capital of Baht 2,500 million. The Bank received additional capital from the Ministry of Finance on July 31, 1998 in the amount of Baht 4,000 million and subsequently on December 30, 2008 and September 21, 2009 in the amount of Baht 1,300 million and Baht 5,000 million, respectively. Thereby, the Bank has total capital amounting to Baht 12,800 million.

6.18 Remittance to the Ministry of Finance

On July 30, 2013 and November 11, 2013 the Bank remitted part of the net income for the year 2012 in the amount of Baht 100.00 million and Baht 286.00 million, respectively, to the Ministry of Finance in accordance with the State Enterprise Policy Office's letter No. KorKhor 0806.3/3775 dated July 30, 2013 regarding the Appropriation of the EXIM Thailand's Net Income for the Year 2012.

6.19 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Liabilities under immature import bills	276.87	1,795.43
Letters of credit	2,439.32	399.55
Export bills insured	18,855.99	26,945.93
Other contingencies		
Overdraft accounts not yet drawn	479.00	510.11
Other guarantees	2,176.93	2,167.05
Investment Insurance	918.78	857.68
Stand-by claims purchase agreement	<u>7,374.79</u>	<u>6,220.28</u>
Total other contingencies	<u>10,949.50</u>	<u>9,755.12</u>
Total	<u>32,521.68</u>	<u>38,896.03</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 remaining periods of the lease agreements subsequently due after the statement of financial position date are as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Within 1 year	3.40	4.05
Over 1 - 5 years	6.71	7.33
Over 5 years	-	0.33

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 years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Interbank and money market items	62.22	86.75
Investment in debt securities	86.41	101.63
Loans	<u>3,081.51</u>	<u>3,061.80</u>
Total interest revenue	<u>3,230.14</u>	<u>3,250.18</u>

6.24 Interest Expenses

Interest expenses for the years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Deposits	70.03	122.77
Interbank and money market items	215.68	123.37
Debt issued		
- Foreign bonds	396.62	386.45
- Bills of exchange	-	0.97
- Promissory notes	346.48	530.89
- Borrowings fee	<u>4.34</u>	<u>0.79</u>
Total interest expenses	<u>1,033.15</u>	<u>1,165.24</u>

6.25 Fee and Service Revenue, Net

Net fee and service revenue for the years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Fee and service revenue		
- Acceptance aval and guarantee	17.18	36.47
- Revenue from insurance	167.03	208.19
- Others	<u>229.89</u>	<u>291.50</u>
Total fee and service revenue	<u>414.10</u>	<u>536.16</u>
Fee and service expenses		
- Expense on insurance	87.69	114.60
- Others	<u>11.43</u>	<u>4.01</u>
Total fees and service expenses	<u>99.12</u>	<u>118.61</u>
Total fee and service revenue, net	<u>314.98</u>	<u>417.55</u>

6.26 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Foreign exchanges and derivatives	29.19	194.70
Interest rate derivatives	<u>0.49</u>	<u>13.52</u>
Total gains on tradings and foreign exchange transactions	<u>29.68</u>	<u>208.22</u>

6.27 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Gains (losses) on disposal of general investments	(0.02)	-
Reversal (losses) on impairment of general investments	<u>(27.18)</u>	<u>5.21</u>
Total gains (losses) on investments	<u>(27.20)</u>	<u>5.21</u>

6.28 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the years ended December 31, 2013 and 2012 are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Interbank and money market items	(14.36)	(3.34)
Loans		
- Bad debts and doubtful accounts	980.31	860.20
- Loss on restructuring	<u>220.40</u>	<u>810.69</u>
Total impairment loss of loans and debt securities	<u>1,186.35</u>	<u>1,667.55</u>

6.29 Approval of the Financial Statements

These financial statements were approved by the Chairman of the Board of Directors and President on March 7, 2014.