

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE – MONTH PERIOD AND SIX-MONTH PERIOD ENDED JUNE 30, 2016
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has reviewed the statements of financial position of the Export-Import Bank of Thailand, as at June 30, 2016, and the statements of profit or loss and other comprehensive income for the three-month period and six-month period ended June 30, 2016, 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) **Jurairat Thipsatien**

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) **Atinuch Thienchaiwattana**

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

Office of the Auditor General of Thailand

August 29, 2016

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2016

		Unit : Thousand Baht		
	Notes	June 30, 2016	December 31, 2015	January 1, 2015
		<u>"Unaudited"</u>	<u>(Restated)</u>	<u>Brought Forward</u>
		<u>"Reviewed"</u>		<u>(Restated)</u>
<u>Assets</u>				
Cash		169	179	255
Interbank and money market items, net		5,711,522	4,969,562	5,164,251
Derivative assets	6.2	773,165	797,969	824,672
Investments, net	6.3	2,351,969	2,462,857	1,869,818
Loans to customers and accrued interest receivables, net	6.4			
Loans to customers		66,683,206	66,224,089	66,905,024
Accrued interest receivables		215,249	231,863	235,018
Total loans to customers and accrued interest receivables		<u>66,898,455</u>	<u>66,455,952</u>	<u>67,140,042</u>
<u>Less</u> Deferred revenue		(2,858)	(2,940)	(5,911)
<u>Less</u> Allowance for doubtful accounts	6.5	(6,023,509)	(5,542,391)	(4,546,386)
<u>Less</u> Revaluation allowance for debt restructuring	6.6	(70,779)	(38,726)	(117,584)
Total loans to customers and accrued interest receivables, net		<u>60,801,309</u>	<u>60,871,895</u>	<u>62,470,161</u>
Loans to customers from public service account and accrued interest receivables, net	6.22.2			
Loans to customers from public service account				
Portion that is not subject to government compensation for damages		6,632,835	7,315,417	6,262,971
Accrued interest receivables from public service account				
Portion that is not subject to government compensation for damages		2,682	3,688	4,028
Total loans to customers from public service account and accrued interest receivables		<u>6,635,517</u>	<u>7,319,105</u>	<u>6,266,999</u>
<u>Less</u> Allowance for doubtful accounts from public service account	6.22.3	(66,328)	(73,154)	(62,630)
Total loans to customers from public service account and accrued interest receivables, net		<u>6,569,189</u>	<u>7,245,951</u>	<u>6,204,369</u>
Receivable eligible for government reimbursement	6.22.4	7,053	8,002	6,937
Properties foreclosed, net		809,020	815,368	843,949
Premises and equipment, net		809,376	807,019	814,388
Intangible assets, net		91,341	96,114	94,248
Accrued interest receivables not related to loans		13,318	15,218	6,503
Reinsurance assets	6.7	118,322	132,718	153,192
Prepaid expenses		42,177	39,971	27,552
Other assets, net		8,217	9,012	14,184
Total assets		<u><u>78,106,147</u></u>	<u><u>78,271,835</u></u>	<u><u>78,494,479</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 JUNE 30, 2016

		Unit : Thousand Baht		
	Notes	June 30, 2016	December 31, 2015	January 1, 2015
		<u>"Unaudited"</u>	<u>(Restated)</u>	<u>Brought Forward</u>
		<u>"Reviewed"</u>		<u>(Restated)</u>
<u>Liabilities and Shareholders' Equity</u>				
Deposits		6,950,319	6,277,083	5,493,951
Interbank and money market items, net		15,907,766	15,143,737	20,580,748
Liabilities payable on demand		458,287	460,121	259,509
Derivative liabilities	6.2	143,679	119,466	119,041
Debt issued and borrowings	6.8	34,124,745	36,230,893	32,675,852
Provisions	6.9	200,882	208,452	184,876
Accrued interest payables		212,174	186,308	322,883
Provision for insurance service		251,119	260,603	271,463
Other liabilities		709,137	567,169	714,179
Total liabilities		58,958,108	59,453,832	60,622,502
Shareholders' equity				
Capital	6.10	12,800,000	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000	12,800,000
Other components of equity		1,610	1,396	2,603
Retained earnings				
Appropriated				
Legal reserve		5,850,000	5,089,000	4,330,000
Unappropriated		496,429	927,607	739,374
Total shareholders' equity		19,148,039	18,818,003	17,871,977
Total liabilities and shareholders' equity		78,106,147	78,271,835	78,494,479

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

(Mr. Manas Jamveha)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2016

	Unit : Thousand Baht	
	<u>2016</u>	<u>2015</u>
Interest revenue	779,058	849,165
Interest expenses	207,833	198,609
Net interest income	<u>571,225</u>	<u>650,556</u>
Fees and service revenue	91,086	114,864
Fees and service expenses	16,873	17,170
Net fees and service income	<u>74,213</u>	<u>97,694</u>
Gains on tradings and foreign exchange transactions	17,191	13,022
Losses on investments	(296)	(644)
Other operating revenue	1,712	541
Revenue from public service account	79,352	63,983
Total operating revenue	<u>743,397</u>	<u>825,152</u>
Other operating expenses		
Personnel expenses	153,444	143,119
Directors' remuneration	1,496	1,585
Premises and equipment expenses	9,107	9,834
Losses on claims and provision for insurance service	(1,960)	14,097
Losses on impairment of properties foreclosed	1,158	(78)
Others	17,326	63,160
Total operating expenses	<u>180,571</u>	<u>231,717</u>
Expenses from public service account	33,751	24,524
Impairment loss of loans and debt securities	189,739	168,945
Net income	<u>339,336</u>	<u>399,966</u>
Other comprehensive income (losses)		
Item that will be reclassified subsequently to profit or loss		
Gains (Losses) on revaluation of available-for-sale investment	134	(80)
Total other comprehensive income (losses)	<u>134</u>	<u>(80)</u>
Total comprehensive income	<u><u>339,470</u></u>	<u><u>399,886</u></u>

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

(Mr. Manas Jamveha)

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, 2016

	<u>Notes</u>	Unit : Thousand Baht	
		<u>2016</u>	<u>2015</u>
Interest revenue	6.16	1,559,927	1,645,530
Interest expenses	6.17	397,281	410,469
Net interest income		1,162,646	1,235,061
Fees and service revenue		189,797	188,102
Fees and service expenses		32,220	36,539
Net fees and service income	6.18	157,577	151,563
Gains on tradings and foreign exchange transactions	6.19	74,246	33,801
Gains (Losses) on investments	6.20	(9,170)	2,606
Other operating revenue		2,685	595
Revenue from public service account	6.22.5	155,662	125,512
Total operating revenue		1,543,646	1,549,138
Other operating expenses			
Personnel expenses		307,254	285,718
Directors' remuneration		3,081	2,991
Premises and equipment expenses		13,532	16,357
Taxes and duties		-	2
Losses on claims and provision for insurance service		(228)	47,418
Losses on impairment of properties foreclosed		4,890	4,186
Others		77,018	94,339
Total operating expenses		405,547	451,011
Expenses from public service account	6.22.6	67,050	48,973
Impairment loss of loans and debt securities	6.21	458,577	269,790
Net income		612,472	779,364
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		214	(242)
Total other comprehensive income (losses)		214	(242)
Total comprehensive income		612,686	779,122

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

(Mr. Manas Jamveha)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

						Unit : Thousand Baht
Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	
		Revaluation Surplus (Deficit) on Investments				
Beginning balance as at January 1, 2015	12,800,000	2,603	4,330,000	739,374	17,871,977	
Legal reserve	-	-	759,000	(759,000)	-	
Remittance to the Ministry of Finance	-	-	-	(285,800)	(285,800)	
Total comprehensive income	-	(242)	-	779,364	779,122	
Ending balance as at June 30, 2015	<u>12,800,000</u>	<u>2,361</u>	<u>5,089,000</u>	<u>473,938</u>	<u>18,365,299</u>	
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 6.11	-	-	-	(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>	

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

(Mr. Manas Jamveha)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

	Unit : Thousand Baht	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Net income	612,472	779,364
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	25,526	27,264
Bad debt and doubtful accounts	485,838	444,638
Loss on debt restructuring (reversal)	36,794	(58,367)
(Gain) Loss on disposal of assets	685	(438)
Loss on impairment of properties foreclosed	4,890	4,186
Loss on revaluation of foreign currencies	304,439	61,178
Derivative revaluation	(54,691)	(22,096)
Gain on disposal of investments	-	(3,187)
Loss on impairment of investments	9,170	580
Amortization of premium (discount) on debt securities	10,780	(16,660)
Increase (Decrease) in provisions	(7,571)	26,802
Bad debt and provision for other receivables (reversal)	38,187	(11,640)
Loss on claims and provision for insurance service (reversal)	(228)	47,418
Decrease (Increase) in revenue receivables	464	(813)
Increase in prepaid expenses	(3,303)	(11,004)
Decrease in other accrued expenses	(13,072)	(1,477)
	1,450,380	1,265,748
Net interest income	(1,259,829)	(1,315,733)
Dividend income	(356)	-
Proceeds from interest income	1,727,788	1,753,390
Interest expenses paid	(426,577)	(600,545)
Proceeds from dividend income	356	-
Income from operations before changes in operating assets and liabilities	1,491,762	1,102,860
(Increase) Decrease in operating assets		
Interbank and money market items	(764,985)	693,719
Loans, net	(1,012,490)	3,650,935
Properties foreclosed, net	2,966	(138)
Reinsurance assets	340	-
Other assets, net	2,229	5,735

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 SIX-MONTH PERIOD ENDED JUNE 30, 2016

	Unit : Thousand Baht	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	717,871	2,302,899
Interbank and money market items	891,025	(5,281,902)
Liabilities payable on demand	(1,834)	(120,298)
Short-term debt issued and borrowings	-	200,000
Other liabilities	112,033	(113,065)
Net cash provided by operating activities	<u>1,438,917</u>	<u>2,440,745</u>
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(2,020,000)	(1,710,000)
Proceeds from redemption of held-to-maturity debt securities	2,107,000	1,049,248
Proceeds from disposal of general investments	-	18,730
Purchases of premises and equipment	(16,249)	(17,549)
Proceeds from sales of premises and equipment	3,599	3,561
Purchases of intangible assets	(5,627)	(6,323)
Net cash provided by (used in) investing activities	<u>68,723</u>	<u>(662,333)</u>
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	-	4,916,463
Repayments of long-term debt issued and borrowings	(1,225,000)	(6,394,572)
Remittance to the Ministry of Finance	(282,650)	(285,800)
Net cash used in financing activities	<u>(1,507,650)</u>	<u>(1,763,909)</u>
Net increase (decrease) in cash and cash equivalents	(10)	14,503
Cash and cash equivalents at the beginning of the period	179	255
Cash and cash equivalents at the end of the period	<u>169</u>	<u>14,758</u>

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

(Mr. Manas Jamveha)

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, 2016

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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, 2016

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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, 2016

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2015): Interim Financial Reporting, covering the statements of financial position, statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows as those of annual financial statements and notes on only material item.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2015. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

The financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. 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

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

Thai Financial Reporting Standards

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

Thai Financial Reporting Interpretation

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

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

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at June 30, 2016 and December 31, 2015, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

		Unit : Million Baht		
		<u>June 30, 2016</u>		
		<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	
Financial Assets				
Derivative assets				
- Exchange rate	-	313.47	313.47	
- Interest rate	-	459.69	459.69	
Available-for-sale investments	<u>2.68</u>	-	<u>2.68</u>	
Total financial assets	<u>2.68</u>	<u>773.16</u>	<u>775.84</u>	
Financial Liabilities				
Derivative liabilities				
- Exchange rate	-	37.50	37.50	
- Interest rate	<u>-</u>	106.18	106.18	
Total financial liabilities	<u>-</u>	<u>143.68</u>	<u>143.68</u>	
		<u>December 31, 2015</u>		
		<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	
Financial Assets				
Derivative assets				
- Exchange rate	-	387.72	387.72	
- Interest rate	-	410.25	410.25	
Available-for-sale investments	<u>2.47</u>	-	<u>2.47</u>	
Total financial assets	<u>2.47</u>	<u>797.97</u>	<u>800.44</u>	
Financial Liabilities				
Derivative liabilities				
- Exchange rate	-	27.03	27.03	
- Interest rate	<u>-</u>	92.44	92.44	
Total financial liabilities	<u>-</u>	<u>119.47</u>	<u>119.47</u>	

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values are determined according to the following hierarchy :

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

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

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

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

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

4.1 Capital under the Ministerial Regulations

As at June 30, 2016, the Bank's capital adequacy ratio (CAR) stood at 25.60 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.00%) and its capital to insurance service contingent liabilities ratio stood at 131.45%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.00%).

Capital Adequacy Ratio Based on the Ministerial Regulations

Unit: Million Baht

	<u>Ministerial Regulations</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
1. Capital *		18,548.04	17,583.33
2. Risk assets **		72,454.58	73,149.50
3. Insurance service contingent liabilities		14,110.65	15,861.46
4. Capital to risk assets (1)/(2)	Not less than 8.00%	25.60%	24.04%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	131.45%	110.86%

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

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

4.2 Capital under Basel II Standard

As at June 30, 2016 and December 31, 2015, the Bank's capital to risk assets ratio under *Basel II* standard are as follows:

Capital Structure Based on Basel II		Unit: Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>	
Tier 1 Capital			
Paid-up capital	12,800.00	12,800.00	
Legal reserve	5,850.00	5,089.00	
Cumulative loss	<u>(101.96)</u>	<u>(305.67)</u>	
Total Tier 1 Capital	18,548.04	17,583.33	
Tier 2 Capital			
Allowance for pass asset-classification	1,203.30	1,211.85	
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	<u>0.72</u>	<u>0.63</u>	
Total Tier 2 Capital	<u>1,204.02</u>	<u>1,212.48</u>	
Total Capital Fund under Basel II	<u>19,752.06</u>	<u>18,795.81</u>	

Capital Adequacy Ratio Based on Basel II		Unit: Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>	
Tier 1 capital to risk assets	19.27%	18.14%	
Total capital to risk assets	20.52%	19.39%	
			Unit: Million Baht
		<u>June 30, 2016</u>	
Capital after deducting capital add – on arising from single lending limit		18,579.21	
Capital adequacy ratio after deducting capital add – on arising from single lending limit		19.30%	

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, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Increase (decrease) in revaluation surplus on investments in shareholders' equity	0.21	(0.24)
Increase in properties foreclosed from loan payment	1.51	-

6.2 Derivatives

As at June 30, 2016 and December 31, 2015, the fair value and notional amount classified by type of risk are as follows:

	Unit : Million Baht		
	<u>June 30, 2016</u>		
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	313.47	37.50	8,700.53
Interest rate	<u>459.69</u>	<u>106.18</u>	<u>5,653.03</u>
Total	<u>773.16</u>	<u>143.68</u>	<u>14,353.56</u>
	<u>December 31, 2015</u>		
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	387.72	27.03	10,540.13
Interest rate	<u>410.25</u>	<u>92.44</u>	<u>6,881.98</u>
Total	<u>797.97</u>	<u>119.47</u>	<u>17,422.11</u>

6.2 Derivatives (Continued)

As at June 30, 2016 and December 31, 2015, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

	Unit : Million Baht	
<u>Counterparty</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Financial institutions	81.33%	83.26%
Third parties	<u>18.67%</u>	<u>16.74%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.3 Investments, Net

6.3.1 Available-for-Sale Investments

	Unit: Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.68	2.47

6.3.2 Held-to-Maturity Debt Securities

	Unit: Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,120.78	2,218.44
Foreign debt securities	<u>157.58</u>	<u>161.85</u>
Total	<u>2,278.36</u>	<u>2,380.29</u>

6.3.3 General Investments

	Unit: Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Core Flexible Fund (CORE)	56.23	56.23
- Thailand Prosperity Fund 2 (TTPF2)	24.65	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.41</u>	<u>0.41</u>
Total	108.60	108.60
<u>Less</u> Allowance for impairment	<u>(37.67)</u>	<u>(28.50)</u>
Total	<u>70.93</u>	<u>80.10</u>
Total investments, net	<u>2,351.97</u>	<u>2,462.86</u>

6.4 Loans and Accrued Interest Receivables, Net

6.4.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Overdrafts	322.23	295.15
Domestic loans - customers	38,745.41	38,480.61
- export bills negotiation	503.65	448.21
- staff loans	237.51	232.94
Overseas loans - foreign government agencies	1,506.21	1,788.08
- customers operating overseas	25,366.28	24,972.57
Others	<u>1.92</u>	<u>6.53</u>
Total loans	66,683.21	66,224.09
<u>Less</u> Deferred revenue	<u>(2.86)</u>	<u>(2.94)</u>
Total loans, net of deferred revenue	66,680.35	66,221.15
<u>Add</u> Accrued interest receivables	<u>215.25</u>	<u>231.86</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	66,895.60	66,453.01
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,947.27)	(2,778.15)
- Excess allowance	(3,076.24)	(2,764.24)
Revaluation allowance for debt restructuring	<u>(70.78)</u>	<u>(38.73)</u>
Total loans, net	<u>60,801.31</u>	<u>60,871.89</u>

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

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Loan for Machinery Purchase and National Development Project	281.87	563.74
Loan for National Road No.67 Construction Project (Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,224.34	1,224.34

6.4.2 Classified by Loan Classification

		Unit : Million Baht			
		<u>June 30, 2016</u>			
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>	
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>	
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>	
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>	
		<u>Provisioning</u>			
1. Minimum allowance by BOT's regulation					
Pass	61,297.70	60,605.38	1,100	938.61	
Special mention	94.08	93.32	2	1.87	
Substandard	50.43	39.40	100	39.40	
Doubtful	195.38	172.95	100	172.95	
Doubtful of loss	<u>3,497.93</u>	<u>1,794.44</u>	100	<u>1,794.44</u>	
Total minimum allowance by BOT's regulation	65,135.52	62,705.49		2,947.27	
2. Excess allowance	<u>-</u>	<u>-</u>		<u>3,076.24</u>	
Total	<u>65,135.52</u>	<u>62,705.49</u>		<u>6,023.51</u>	
		<u>December 31, 2015</u>			
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>	
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>	
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>	
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>	
		<u>Provisioning</u>			
1. Minimum allowance by BOT's regulation					
Pass	59,941.24	59,606.04	1,100	1,003.06	
Special mention	453.39	452.61	2	9.05	
Substandard	323.18	72.79	100	72.79	
Doubtful	899.30	259.22	100	259.22	
Doubtful of loss	<u>2,770.54</u>	<u>1,434.03</u>	100	<u>1,434.03</u>	
Total minimum allowance by BOT's regulation	64,387.65	61,824.69		2,778.15	
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,764.24</u>	
Total	<u>64,387.65</u>	<u>61,824.69</u>		<u>5,542.39</u>	

6.4.2 Classified by Loan Classification (Continued)

As at June 30, 2016 and December 31, 2015, the outstanding classified loans and loans which are not required to be classified (unclassified loans) are as follows:

Unit : Million Baht

	<u>June 30, 2016</u>		<u>December 31, 2015</u>	
	<u>Loans and</u>	<u>As % of Loans</u>	<u>Loans and</u>	<u>As % of Loans</u>
	<u>Accrued Interest</u>	<u>and Accrued</u>	<u>Accrued Interest</u>	<u>and Accrued</u>
	<u>Receivables Net of</u>	<u>Interest Receivables</u>	<u>Receivables Net of</u>	<u>Interest Receivables</u>
	<u>Deferred Revenue</u>	<u>Net of Deferred</u>	<u>Deferred Revenue</u>	<u>Net of Deferred</u>
		<u>Revenue</u>		<u>Revenue</u>
Classified loans	65,135.52	97.37	64,387.65	96.89
Unclassified loans	<u>1,760.08</u>	2.63	<u>2,065.36</u>	3.11
Total	<u>66,895.60</u>		<u>66,453.01</u>	

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

6.4.3 Non-Performing Loans (NPLs)

As at June 30, 2016 and December 31, 2015, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

Unit : Million Baht

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
NPLs before deducting allowance for doubtful accounts	3,743.74	3,993.02
Percentage of total loans *	5.36	5.84
NPLs after deducting allowance for doubtful accounts	1,736.95	2,226.98
Percentage of net loans	2.56	3.34

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

As at June 30, 2016 and December 31, 2015, the outstanding balance of written-down accounts, which were not included in the financial statements, were Baht 3,475.53 million and Baht 3,827.13 million, respectively. For the six-month periods ended June 30, 2016 and 2015, the Bank recovered principal from written-down accounts in the amount of Baht 64.05 million and Baht 214.53 million, respectively, from which accounts the bank received cash in the amount of Baht 64.05 million and Baht 116.48 million, respectively.

6.4.3 Non-Performing Loans (NPLs) (Continued)

For the six-month periods ended June 30, 2016 and 2015, the Bank wrote off bad debts in the amount of Baht 1.67 million and Baht 9.17 million, respectively.

6.4.4 Troubled Debt Restructuring

For the six-month periods ended June 30, 2016 and 2015, the Bank restructured debts as follows:

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2016</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	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 loans was Baht 383.69 million.

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2015</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	15.46	15.46

The weighted average tenure of the above-mentioned restructuring is 3.31 years. As at June 30, 2015, the outstanding of such restructured loans was Baht 104.61 million.

For the six-month periods ended June 30, 2016 and 2015, debts restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	1	383.57	3	15.46
Loans and accrued interest receivables net of deferred revenue	1,088	66,895.60	1,020	64,212.38

As at June 30, 2016 and 2015, the Bank had outstanding restructured loans reclassified as normal for 38 cases amounting to Baht 843.23 million and for 30 cases amounting to Baht 598.09 million, respectively.

6.4.4 Troubled Debt Restructuring (Continued)

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest income from debt restructuring	10.61	9.10	11.45	22.51

6.5 Allowance for Doubtful Accounts

As at June 30, 2016 and December 31, 2015, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>June 30, 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>(64.45)</u>	<u>(7.18)</u>	<u>(33.39)</u>	<u>(86.27)</u>	<u>360.41</u>	<u>312.00</u>	<u>481.12</u>
Ending balance	<u>938.61</u>	<u>1.87</u>	<u>39.40</u>	<u>172.95</u>	<u>1,794.44</u>	<u>3,076.24</u>	<u>6,023.51</u>

	<u>December 31, 2015</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	1,009.70	0.63	624.89	14.72	803.21	2,093.24	4,546.39
Increase (decrease) in allowance							
for doubtful accounts	<u>(6.64)</u>	<u>8.42</u>	<u>(552.10)</u>	<u>244.50</u>	<u>630.82</u>	<u>671.00</u>	<u>996.00</u>
Ending balance	<u>1,003.06</u>	<u>9.05</u>	<u>72.79</u>	<u>259.22</u>	<u>1,434.03</u>	<u>2,764.24</u>	<u>5,542.39</u>

As at June 30, 2016 and December 31, 2015, the Bank's allowance for doubtful accounts on loans accounted for Baht 6,023.51 million and Baht 5,542.39 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 3,076.24 million and Baht 2,764.24 million, respectively (Note 6.4.2). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

6.6 Revaluation Allowance for Debt Restructuring

As at June 30, 2016 and December 31, 2015, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Beginning balance	38.73	117.58
Increase	40.37	1.01
Decrease	<u>(8.32)</u>	<u>(79.86)</u>
Ending balance	<u>70.78</u>	<u>38.73</u>

6.7 Reinsurance Assets

As at June 30, 2016 and December 31, 2015, the Bank had reinsurance assets as follows:

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Amounts due from reinsurers	-	0.34
Insurance reserves from reinsurance	<u>118.32</u>	<u>132.38</u>
Total reinsurance assets	<u>118.32</u>	<u>132.72</u>

6.8 Debt Issued and Borrowings

6.8.1 Classified by Type of Instrument and Source of Fund

	Unit : Million Baht		
	<u>June 30, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	<u>-</u>	<u>34,124.74</u>	<u>34,124.74</u>
Total debt issued and borrowings	<u>-</u>	<u>34,124.74</u>	<u>34,124.74</u>
	<u>December 31, 2015</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	35,005.89	35,005.89
Promissory notes	<u>1,225.00</u>	<u>-</u>	<u>1,225.00</u>
Total debt issued and borrowings	<u>1,225.00</u>	<u>35,005.89</u>	<u>36,230.89</u>

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u> (year)	<u>Interest Rate /</u> <u>Interest Rate Index</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Bonds	USD	2016 - 2020	LIBOR ± MARGIN	34,124.74	35,005.89
Promissory notes	THB	2016	3.80 - 4.50%	-	<u>1,225.00</u>
Total debt issued and borrowings				<u>34,124.74</u>	<u>36,230.89</u>

6.9 Provisions

As at June 30, 2016 and December 31, 2015, the Bank had set up provisions as follows:

Unit : Million Baht

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Employee benefits	165.78	156.54
Provisions for contingent liabilities	34.18	49.79
Other provisions	<u>0.92</u>	<u>2.12</u>
Total provisions	<u>200.88</u>	<u>208.45</u>

The Bank assesses the provision for employee benefits by using the Projected Unit Credit method.

The details of the Bank's employee benefits for the period are as follows:

Unit : Million Baht

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Beginning Balance	156.54	134.73
Current service cost*	6.73	10.38
Interest cost*	2.51	4.80
Employees benefit paid during the year	-	(7.70)
Actuarial losses based on updated assumption	-	<u>14.33</u>
Ending Balance	<u>165.78</u>	<u>156.54</u>

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

6.10 Capital

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

6.11 Remittance to the Ministry of Finance

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.

The Ministry of Finance approved the appropriation of net income for the year 2014 as the national revenue amounting to Baht 554.30 million. The Bank remitted the interim national revenue amounting to Baht 268.50 million to the Ministry of Finance on October 31, 2014 and the remaining amount Baht 285.80 million on June 12, 2015.

6.12 Contingent Liabilities

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Liabilities under immature import bills	303.70	398.85
Letters of credit	635.06	327.44
Export bills insured	12,455.83	14,157.29
Other contingencies		
Overdraft accounts not yet drawn	594.98	569.20
Other guarantees	4,407.15	4,455.24
Investment Insurance	1,794.19	1,840.52
Stand-by claims purchase agreement	<u>1,094.41</u>	<u>1,340.16</u>
Total other contingencies	<u>7,890.73</u>	<u>8,205.12</u>
Total	<u>21,285.32</u>	<u>23,088.70</u>

6.13 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).

6.14 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, 2016</u>	<u>December 31, 2015</u>
Within 1 year	3.88	4.33
Over 1 - 5 years	2.55	4.33

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Within 1 year	0.13	0.22
Over 1 - 5 years	-	0.02

6.15 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.

6.16 Interest Revenue

Interest revenue for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	34.19	49.30
Investment in debt securities	19.12	20.28
Loans *	<u>1,506.62</u>	<u>1,575.95</u>
Total interest revenue	<u>1,559.93</u>	<u>1,645.53</u>

* Including front end fee and management fee

6.17 Interest Expenses

Interest expenses for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Deposits	18.90	32.22
Interbank and money market items	161.83	190.03
Debt issued		
- Foreign bonds	205.49	158.70
- Promissory notes	7.05	25.83
- Borrowing fee	<u>4.01</u>	<u>3.69</u>
Total interest expenses	<u>397.28</u>	<u>410.47</u>

6.18 Fees and Service Revenue, Net

Net fees and service revenue for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Fees and service revenue		
- Acceptance aval and guarantee	22.08	19.16
- Revenue from insurance	74.15	84.89
- Others	<u>93.57</u>	<u>84.05</u>
Total fees and service revenue	<u>189.80</u>	<u>188.10</u>
Fees and service expenses		
- Expense on insurance	27.58	34.93
- Others	<u>4.64</u>	<u>1.61</u>
Total fees and service expenses	<u>32.22</u>	<u>36.54</u>
Total fees and service revenue, net	<u>157.58</u>	<u>151.56</u>

6.19 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Foreign exchanges and derivatives	38.68	29.92
Interest rate derivatives	<u>35.57</u>	<u>3.88</u>
Total gains on tradings and foreign exchange transactions	<u>74.25</u>	<u>33.80</u>

6.20 Gains (Losses) on Investments

Gains (losses) on investments for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Gains on disposal of general investments	-	3.19
Reversal (losses) on impairment of general investments	<u>(9.17)</u>	<u>(0.58)</u>
Total gains (losses) on investments	<u>(9.17)</u>	<u>2.61</u>

6.21 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the six-month periods ended June 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	9.87	(18.79)
Loans		
- Bad debts and doubtful accounts *	418.73	348.38
- Bad debts and doubtful accounts from public service account	(6.82)	(1.43)
- Loss on restructuring	<u>36.80</u>	<u>(58.37)</u>
Total impairment loss of loans and debt securities	<u>458.58</u>	<u>269.79</u>

* Including written-down debt recovered and bad debt recovered

6.22 Public Service Account

6.22.1 Summary of Public Service Account

As at June 30, 2016 and December 31, 2015, the assets from public service account are as follows:

	Unit : Million Baht	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Loans to customers from public service account and accrued interest receivables, net	6,569.19	7,245.95
Receivable eligible for government reimbursement	<u>7.05</u>	<u>8.00</u>
Total assets	<u>6,576.24</u>	<u>7,253.95</u>

Revenue and expenses from public service account for the six-month periods ended June 30, 2016 and 2015, are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Revenue from public service account	155.66	125.51
<u>Less</u> Expenses from public service account	(67.04)	(48.97)
<u>Less</u> Impairment loss of loans and debt securities from public service account	<u>6.82</u>	<u>1.43</u>
Net income	<u>95.44</u>	<u>77.97</u>

6.22.2 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, 2016</u>	<u>December 31, 2015</u>
Financial Assistant Scheme for Maritime Businesses Project	To enlarge Thai shipping fleet by financing to Thai maritime businesses for purchase of ships at low interest rate with a grace period before repayment	2011 - 2018	6,569.19	7,245.95

6.22.3 Loan Classification and Provision for Public Service Account

As at June 30, 2016 and December 31, 2015, loan classification and provision for the financial assistant scheme for maritime businesses project are as follows:

						Unit : Million Baht
						<u>June 30, 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	6,632.84	12.04	1	66.33	
						<u>December 31, 2015</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	20	7,315.42	12.18	1	73.15	

6.22.4 Receivable Eligible for Government Reimbursement

As at June 30, 2016 and December 31, 2015, 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 7.05 Million and Baht 8.00 Million, respectively.

6.22.5 Revenue from Public Service Account

Revenue from public service account for the six-month periods ended June 30, 2016 and 2015, are as follows:

			Unit : Million Baht
			<u>2016</u>
			<u>2015</u>
Revenue from public service account			
- Interest revenue *			111.12
- Fees and service revenue			0.32
Compensation for public service account			
- Compensation for operating expenses			<u>44.22</u>
Total			<u>155.66</u>
			<u>125.51</u>

* Including front end fee and management fee

6.22.6 Expenses from Public Service Account

Expenses from public service account for the six-month periods ended June 30, 2016 and 2015, are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interest expenses	58.16	40.44
Operating expenses	8.86	8.50
Other expenses	<u>0.02</u>	<u>0.03</u>
Total	<u>67.04</u>	<u>48.97</u>

6.23 Reclassification of Accounts

The Bank has reclassified some items in the comparative statements of financial position as at December 31, 2015, and the statements of profit or loss and other comprehensive income for the six-month periods ended June 30, 2015 in order to conform with the Notification, issued by the Bank of Thailand, No. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions and the TFRS 4 (Revised 2015): Insurance Contracts.

As adopting the TFRS 4 (Revised 2015): Insurance Contracts, the reclassification of accounts to comparative statements of financial position as at December 31, 2015 are as follows :

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

6.24 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 29, 2016.
