

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE – MONTH PERIOD ENDED MARCH 31, 2018
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The State Audit Office of the Kingdom of Thailand has reviewed the statement of financial position of the Export-Import Bank of Thailand, as at March 31, 2018, and the statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2018, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting. The responsibility of the State Audit Office of the Kingdom of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of review

The State Audit Office of the Kingdom of Thailand conducted the review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable the State Audit Office of the Kingdom of Thailand to obtain assurance that the State Audit Office of the Kingdom of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the State Audit Office of the Kingdom of Thailand does not express an audit opinion.

Conclusion

Based on the review, nothing has come to the attention that causes the State Audit Office of the Kingdom of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting.

(Signed) *Thurdpong Pongsaksri*

(Mr. Thurdpong Pongsaksri)

Director of Financial and

Procurement Audit Office No.3

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

		Unit : Thousand Baht	
	<u>Notes</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		202	1,177
Interbank and money market items, net	6.2	3,515,999	2,004,154
Derivatives assets	6.3	322,729	347,994
Investments, net	6.4	2,274,197	2,478,194
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		89,689,441	88,600,613
Accrued interest receivables		341,690	249,957
Total loans to customers and accrued interest receivables		<u>90,031,131</u>	<u>88,850,570</u>
<u>Less</u> Deferred revenue		(2,245)	(2,416)
<u>Less</u> Allowance for doubtful accounts	6.6	(8,201,041)	(7,816,566)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(144,790)	(99,244)
Total loans to customers and accrued interest receivables, net		<u>81,683,055</u>	<u>80,932,344</u>
Loans to customers from public service account and accrued interest receivables, net	6.29.2		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		-	3,285,266
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		367	1,463
Total loans to customers from public service account and accrued interest receivables		<u>367</u>	<u>3,286,729</u>
<u>Less</u> Allowance for doubtful accounts from public service account		-	(32,853)
Total loans to customers from public service account and accrued interest receivables, net		<u>367</u>	<u>3,253,876</u>
Receivables eligible for government reimbursement	6.29.3	1,761	3,548
Properties for sale, net	6.8	802,421	804,743
Premises and equipment, net	6.9	819,320	818,669
Intangible assets, net	6.10	82,529	79,192
Reinsurance assets	6.11	132,853	121,178
Prepaid expenses		41,928	44,320
Other assets, net	6.12	24,179	11,593
Total assets		<u><u>89,701,540</u></u>	<u><u>90,900,982</u></u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2018

		Unit : Thousand Baht	
	Notes	March 31, 2018	December 31, 2017
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Liabilities and Equity</u>			
Deposits	6.13	26,691,079	22,381,023
Interbank and money market items, net	6.14	13,723,343	16,107,643
Liabilities payable on demand		366,600	471,351
Derivatives liabilities	6.3	130,550	83,402
Debt issued and borrowings	6.15	26,505,145	30,183,565
Provisions	6.16	227,589	233,593
Accrued interests payable		280,366	279,170
Provision for insurance service		288,603	265,060
Other liabilities	6.17	765,609	551,771
Total liabilities		68,978,884	70,556,578
Equity			
Capital	6.18	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000
Other components of equity		107	483
Retained earnings			
Appropriated			
Legal reserve		6,502,000	6,502,000
Unappropriated		1,420,549	1,041,921
Total Equity		20,722,656	20,344,404
Total liabilities and equity		89,701,540	90,900,982

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

		Unit : Thousand Baht	
	Notes	2018	2017
Interest income	6.23	1,114,274	910,229
Interest expenses	6.24	290,749	237,375
Interest income, net		823,525	672,854
Fees and service income		66,618	70,451
Fees and service expenses		19,122	15,238
Fees and service income, net	6.25	47,496	55,213
Gains (Losses) on tradings and foreign exchange transactions, net	6.26	3,849	10,778
Gains (Losses) on investments, net	6.27	(205)	(558)
Other operating income		9,724	350
Income from public service accounts	6.29.4	30,539	68,277
Total operating income		914,928	806,914
Other operating expenses			
Employee's expenses		207,358	169,900
Directors' remuneration		1,907	1,602
Premises and equipment expenses		13,118	9,301
Losses on claims and provision for insurance service		13,984	11,440
Losses on impairment of properties for sale		98	378
Others		6,651	29,456
Total other operating expenses		243,116	222,077
Expenses from public service account	6.29.5	17,827	35,038
Impairment loss of loans and debt securities	6.28	275,357	188,300
Net profit		378,628	361,499
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on remeasuring available-for-sale securities		(376)	(241)
Total net other comprehensive income (losses)		(376)	(241)
Total comprehensive income		378,252	361,258

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

(Miss Suttirat Rattanaachot)

Chairman

(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

Unit : Thousand Baht

	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
		Revaluation Surplus (Deficit) on Investments			
Balance as at January 1, 2017	12,800,000	1,288	5,850,000	976,152	19,627,440
Total comprehensive income	-	(241)	-	361,499	361,258
Balance as at March 31, 2017	12,800,000	1,047	5,850,000	1,337,651	19,988,698
Balance as at January 1, 2018	12,800,000	483	6,502,000	1,041,921	20,344,404
Total comprehensive income	-	(376)	-	378,628	378,252
Balance as at March 31, 2018	12,800,000	107	6,502,000	1,420,549	20,722,656

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

	Unit : Thousand Baht	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Net profit	378,628	361,499
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization	14,148	14,216
Bad debts and doubtful accounts	238,553	192,120
Loss (Reversal) on debt restructuring	52,577	1,515
Loss (Reversal) on impairment of properties for sale	98	378
Loss (Gain) on foreign currency translation	(244,370)	75,374
Derivative revaluation	19,930	(14,030)
Loss (Gain) on disposal of investments	-	56
Loss (Reversal) on impairment of investments	205	502
Amortization of premium (discount) on debt securities	3,410	(403)
Increase (Decrease) in provisions	(6,005)	4,126
Bad debts and provision for other receivables (reversal)	(12,165)	(2,300)
Loss on claims and provision for insurance service (reversal)	13,984	11,440
Decrease (Increase) in accrued income	(12,824)	(14,286)
Decrease (Increase) in other prepaid expenses	1,422	(1,794)
Increase (Decrease) in other accrued expenses	4,754	(13,426)
	452,345	614,987
Interest income, net	(838,238)	(709,511)
Proceeds from interest income	1,047,248	932,294
Interest paid	(302,977)	(247,423)
Income from operations before changes in operating assets and liabilities	358,378	590,347
(Increase) Decrease in operating assets		
Interbank and money market items	(1,520,165)	15,375
Loans to customers, net	1,424,493	742,795
Properties for sale, net	9,154	(323)
Reinsurance assets	(41)	-
Other assets, net	(5,131)	(3,737)

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

	Unit : Thousand Baht	
	2018	2017
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	4,321,520	(914,277)
Interbank and money market items	(2,419,777)	(277,251)
Liabilities payable on demand	(104,261)	59,234
Other liabilities	228,250	(44,632)
Net cash provided by (used in) operating activities	2,292,420	167,531
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(1,250,000)	(900,000)
Proceeds from redemption of held-to-maturity debt securities	1,450,000	700,000
Proceeds from disposal of general investments	-	9,686
Purchases of premises and equipment	(12,964)	(2,682)
Purchases of intangible assets	(3,435)	(1,477)
Net cash provided by (used in) investing activities	183,601	(194,473)
Cash flows from financing activities		
Proceeds from debt issued and long-term borrowings	-	26,167
Repayments of debt issued and long-term borrowings	(2,476,996)	(2,506)
Net cash provided by (used in) financing activities	(2,476,996)	23,661
Net increase (decrease) in cash and cash equivalents	(975)	(3,281)
Cash and cash equivalents at the beginning of the year	1,177	3,557
Cash and cash equivalents at the end of the year	202	276

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

(Miss Suttirat Rattanachot)

Chairman

(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(UNAUDITED/REVIEWED)

1. GENERAL INFORMATION

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

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

The Bank’s Head Office is located at 1193 Phaholyothin Road, Phayathai, 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 2017): Interim Financial Reporting, covering the statement of financial position, statement of profit or loss and other comprehensive income, changes in 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, 2017. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017.

The financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions.

2.2 The Revised Thai Financial Reporting Standards (TFRS)

2.2.1 The Bank has adopted the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and TFRIC Interpretations (TFRIC), which are effective for the financial statements beginning on or after January 1, 2018 as follows:

Thai Financial Reporting Standards (TFRS)

TAS 1	(Revised 2017)	Presentation of Financial Statements
TAS 7	(Revised 2017)	Statement of Cash Flows
TAS 8	(Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2017)	Events after the Reporting Period
TAS 16	(Revised 2017)	Property, Plant and Equipment
TAS 17	(Revised 2017)	Leases
TAS 18	(Revised 2017)	Revenue
TAS 19	(Revised 2017)	Employee Benefits
TAS 20	(Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 24	(Revised 2017)	Related Party Disclosures
TAS 29	(Revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 34	(Revised 2017)	Interim Financial Reporting
TAS 36	(Revised 2017)	Impairment of Assets
TAS 37	(Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2017)	Intangible Assets
TFRS 4	(Revised 2017)	Insurance Contracts
TFRS 13	(Revised 2017)	Fair Value Measurement

TFRIC Interpretations

TFRIC 7	(Revised 2017)	Applying the Restatement Approach under TAS29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	(Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 21	(Revised 2017)	Levies

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

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

2.2.2 The Federation of Accounting Professions had issued Thai Financial Report Standards 15 (TFRS 15) Revenue from Contracts with Customers which is effective for the financial statements beginning on or after January 1, 2018. The Bank has considered the impact of TFRS 15 and determined that it will have no material impact on the Bank's financial statements in the period of initial adoption.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at March 31, 2018 and December 31, 2017, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

Unit : Million Baht

	<u>March 31, 2018</u>		
	<u>Fair Value</u>		<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	
Financial Assets			
Derivative assets			
- Exchange rate	-	111.14	111.14
- Interest rate	-	211.59	211.59
Available-for-sale securities	<u>1.18</u>	-	<u>1.18</u>
Total financial assets	<u>1.18</u>	<u>322.73</u>	<u>323.91</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	76.52	76.52
- Interest rate	-	<u>54.03</u>	<u>54.03</u>
Total financial liabilities	<u>-</u>	<u>130.55</u>	<u>130.55</u>

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Unit : Million Baht

December 31, 2017

	<u>Fair Value</u>		<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	
Financial Assets			
Derivative assets			
- Exchange rate	-	122.55	122.55
- Interest rate	-	225.44	225.44
Available-for-sale securities	<u>1.55</u>	<u>-</u>	<u>1.55</u>
Total financial assets	<u>1.55</u>	<u>347.99</u>	<u>349.54</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	27.07	27.07
- Interest rate	<u>-</u>	<u>56.33</u>	<u>56.33</u>
Total financial liabilities	<u>-</u>	<u>83.40</u>	<u>83.40</u>

Fair values are determined according to the following hierarchy :

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

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

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

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

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

4.1 Capital under the Ministerial Regulations

As at March 31, 2018, the Bank was able to maintain capital adequacy ratio (CAR) at 21.90%, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulation (not less than 8.0%), and its capital to insurance service contingent liabilities ratio was at 97.77%, 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>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>Regulations</u>		
1. Capital *		19,251.82	19,251.82
2. Risk assets **		87,895.40	90,353.75
3. Insurance service contingent liabilities		19,690.09	17,609.58
4. Capital to risk assets	Not less than 8%	21.90%	21.31%
5. Capital to insurance service contingent liabilities	Not less than 20%	97.77%	109.33%

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

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

4.2 Capital under Basel II Standard

As at March 31, 2018 and December 31, 2017, the Bank's capital adequacy ratio under Basel II standard are as follows:

Capital Structure Based on Basel II Standard

	Unit: Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	6,502.00	6,502.00
Net income (loss) after appropriation	<u>(50.18)</u>	<u>(50.18)</u>
Total Tier 1 Capital	19,251.82	19,251.82
Tier 2 Capital		
Provision for asset classification as normal	1,398.38	1,403.82
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	<u>0.22</u>	<u>0.22</u>
Total Tier 2 Capital	<u>1,398.60</u>	<u>1,404.04</u>
Total capital under Basel II standard	<u>20,650.42</u>	<u>20,655.86</u>

4.2 Capital under Basel II Standard (Continued)

	Capital Adequacy Ratio	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Tier 1 capital adequacy ratio	17.21%	17.14%
Total capital adequacy ratio	18.46%	18.39%
		Unit: Million Baht
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Total capital after deducting capital add - on arising		
from single lending limit	19,741.39	19,920.13
Total capital adequacy ratio after deducting capital add - on arising		
from single lending limit	17.65%	17.74%

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. However, the actual results may differ from the estimates.

The Bank reviews the estimates and assumptions on a regular basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected.

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Increase (Decrease) in revaluation surplus on investments in equity	(0.37)	(0.24)
Increase in properties for sale from loan payment	6.93	3.84

6.2 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	<u>March 31, 2018</u>			<u>December 31, 2017</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Bank of Thailand	10.00	1,214.00	1,224.00	18.84	160.00	178.84
Commercial banks	224.89	900.00	1,124.89	172.06	972.17	1,144.23
Specialized financial institutions	<u>0.45</u>	<u>625.00</u>	<u>625.45</u>	<u>0.75</u>	<u>-</u>	<u>0.75</u>
Total	235.34	2,739.00	2,974.34	191.65	1,132.17	1,323.82
<u>Add</u> Accrued interest receivables	-	0.07	0.07	-	0.06	0.06
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(15.25)</u>	<u>(15.25)</u>	<u>-</u>	<u>(9.72)</u>	<u>(9.72)</u>
Total domestic items	<u>235.34</u>	<u>2,723.82</u>	<u>2,959.16</u>	<u>191.65</u>	<u>1,122.51</u>	<u>1,314.16</u>
Foreign items						
US Dollars	235.88	203.55	439.43	117.92	461.90	579.82
Yen	22.57	-	22.57	32.29	-	32.29
Euro	48.44	-	48.44	22.97	-	22.97
Other currencies	<u>46.39</u>	<u>-</u>	<u>46.39</u>	<u>54.88</u>	<u>-</u>	<u>54.88</u>
Total	353.28	203.55	556.83	228.06	461.90	689.96
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>-</u>	<u>0.03</u>	<u>0.03</u>
Total foreign items	<u>353.28</u>	<u>203.56</u>	<u>556.84</u>	<u>228.06</u>	<u>461.93</u>	<u>689.99</u>
Total domestic and foreign items	<u>588.62</u>	<u>2,927.38</u>	<u>3,516.00</u>	<u>419.71</u>	<u>1,584.44</u>	<u>2,004.15</u>

6.3 Derivatives

As at March 31, 2018 and December 31, 2017, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>March 31, 2018</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	111.14	76.52	14,835.65
Interest rate	<u>211.59</u>	<u>54.03</u>	<u>4,100.00</u>
Total	<u>322.73</u>	<u>130.55</u>	<u>18,935.65</u>

<u>Type of Risk</u>	<u>December 31, 2017</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	122.55	27.07	9,571.00
Interest rate	<u>225.44</u>	<u>56.33</u>	<u>4,100.00</u>
Total	<u>347.99</u>	<u>83.40</u>	<u>13,671.00</u>

As at March 31, 2018 and December 31, 2017, the proportions of derivative transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Financial institutions	79.75%	74.51%
Third parties	<u>20.25%</u>	<u>25.49%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Securities

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	1.18	1.55

Unit : Million Baht

6.4.2 Held-to-Maturity Debt Securities

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,239.69	2,443.10

Unit : Million Baht

6.4.3 General Investments

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Thailand Prosperity Fund 2 (TTPF2)	24.65	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.40</u>	<u>0.41</u>
Total	52.36	52.37
<u>Less</u> Allowance for impairment	<u>(19.03)</u>	<u>(18.83)</u>
Total	<u>33.33</u>	<u>33.54</u>
Total investments, net	<u>2,274.20</u>	<u>2,478.19</u>

Unit : Million Baht

6.5 Loans to Customers and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Overdrafts	336.83	321.91
Domestic loans - customers	60,538.56	59,442.37
- export bills negotiation	653.77	614.58
- staff loans	255.09	260.87
Overseas loans - foreign government agencies	1,160.35	1,160.35
- customers operating overseas	26,722.70	26,798.67
Others	<u>22.14</u>	<u>1.86</u>
Total loans to customers	89,689.44	88,600.61
<u>Less</u> Deferred revenue	<u>(2.24)</u>	<u>(2.42)</u>
Total loans to customers, net of deferred revenue	89,687.20	88,598.19
<u>Add</u> Accrued interest receivables	<u>341.69</u>	<u>249.96</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	90,028.89	88,848.15
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulations	(3,596.80)	(3,361.33)
- Excess allowance	(4,604.24)	(4,455.24)
Revaluation allowance for debt restructuring	<u>(144.79)</u>	<u>(99.24)</u>
Total loans to customers, net	<u>81,683.06</u>	<u>80,932.34</u>

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

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Loan for National Road No.67 Construction Project (Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,160.35	1,160.35

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	March 31, 2018			December 31, 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	43,168.41	10,930.33	54,098.74	44,224.24	10,672.12	54,896.36
US Dollar	15,008.18	16,952.72	31,960.90	12,944.97	17,286.89	30,231.86
Other currencies	<u>3,627.56</u>	<u>-</u>	<u>3,627.56</u>	<u>3,469.97</u>	<u>-</u>	<u>3,469.97</u>
Total	<u>61,804.15</u>	<u>27,883.05</u>	<u>89,687.20</u>	<u>60,639.18</u>	<u>27,959.01</u>	<u>88,598.19</u>

6.5.3 Classified by Business Type and Loan Classifications

Unit : Million Baht

	March 31, 2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,396.31	-	-	330.66	-	3,726.97
Manufacturing and commercial	32,158.00	205.72	137.68	62.37	2,696.20	35,259.97
Real estate and construction	1,734.05	32.60	1.80	-	39.41	1,807.86
Public utilities and services	47,544.38	447.52	-	-	27.24	48,019.14
Others	<u>873.26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873.26</u>
Total	<u>85,706.00</u>	<u>685.84</u>	<u>139.48</u>	<u>393.03</u>	<u>2,762.85</u>	<u>89,687.20</u>

	December 31, 2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,614.45	0.53	-	330.66	-	3,945.64
Manufacturing and commercial	34,287.07	155.46	50.34	121.79	2,627.86	37,242.52
Real estate and construction	1,661.25	21.81	-	-	39.40	1,722.46
Public utilities and services	44,695.32	-	-	-	114.61	44,809.93
Others	<u>877.64</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877.64</u>
Total	<u>85,135.73</u>	<u>177.80</u>	<u>50.34</u>	<u>452.45</u>	<u>2,781.87</u>	<u>88,598.19</u>

6.5.4 Classified by Loan Classification

Unit : Million Baht

March 31, 2018

	<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 regulations				
Normal	86,030.50	83,642.83	1,36,100	1,503.64
Special mention	703.03	685.84	2,36	15.58
Substandard	139.48	72.47	100	72.47
Doubtful	393.03	387.99	100	387.99
Doubtful of loss	<u>2,762.85</u>	<u>1,617.12</u>	100	<u>1,617.12</u>
Total minimum allowance by BOT's regulations	90,028.89	86,406.25		3,596.80
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,604.24</u>
Total	<u>90,028.89</u>	<u>86,406.25</u>		<u>8,201.04</u>

December 31, 2017

	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>Net Amount Subject</u> <u>to Allowance for</u> <u>Doubtful Accounts</u>	<u>Minimum</u> <u>Provision</u> <u>Rate (%)</u>	<u>Allowance</u> <u>for Doubtful</u> <u>Accounts</u>
<u>Provisioning</u>				
1. Minimum allowance by BOT's regulations				
Normal	85,384.84	83,081.54	1,36,100	1,231.92
Special mention	178.65	177.80	2,36	4.28
Substandard	50.34	42.00	100	42.00
Doubtful	452.45	396.89	100	396.89
Doubtful of loss	<u>2,781.87</u>	<u>1,686.24</u>	100	<u>1,686.24</u>
Total minimum allowance by BOT's regulations	88,848.15	85,384.47		3,361.33
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,455.24</u>
Total	<u>88,848.15</u>	<u>85,384.47</u>		<u>7,816.57</u>

6.5.5 Non-Performing Loans (NPLs)

As at March 31, 2018 and December 31, 2017, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
NPLs before deducting allowance for doubtful accounts	3,295.36	3,284.66
Percentage of total loans *	3.61	3.67
NPLs after deducting allowance for doubtful accounts	1,217.78	1,159.53
Percentage of net loans	1.37	1.33

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

As at March 31, 2018 and December 31, 2017, the outstanding balance of written-down accounts, excluded in the financial statements, were Baht 2,820.61 million and Baht 2,967.65 million, respectively. For the three-month periods ended March 31, 2018 and 2017, the Bank recovered principal from written-down accounts in the amount of Baht 134.37 million and Baht 5.33 million, respectively, from which accounts the bank received cash in the amount of Baht 15.77 million and Baht 5.33 million, respectively.

6.5.6 Troubled Debt Restructuring

For the three-month periods ended March 31, 2018 and 2017, the Bank restructured debts as follows:

		Unit : Million Baht					
		<u>2018</u>		<u>2017</u>			
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Case</u>		<u>Outstanding Debt</u>	
		<u>Before</u>	<u>After</u>			<u>Before</u>	<u>After</u>
		<u>Restructuring</u>	<u>Restructuring</u>			<u>Restructuring</u>	<u>Restructuring</u>
Change of repayment							
conditions	5	221.86	221.86	-	-	-	-

The average tenure of the above-mentioned debt restructuring is 4.18 years. As at March 31, 2018, the outstanding of such restructured loans was Baht 215.55 million.

6.5.6 Troubled Debt Restructuring (Continued)

For the three-month periods ended March 31, 2018 and 2017, debt restructuring during the period compared to outstanding loans and accrued interest receivables net of deferred revenue are as follows:

	Unit : Million Baht			
	<u>March 31, 2018</u>		<u>March 31, 2017</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Case</u>	<u>Amount</u>
Debt restructuring during the period	5	215.55	-	-
Loans and accrued interest receivables net of deferred revenue	1,713	90,028.89	1,478	75,568.39

As at March 31, 2018 and 2017, the Bank had outstanding restructured loans for 83 cases amounting to Baht 2,063.36 million and for 42 cases amounting to Baht 852.69 million, respectively.

For the three-month periods ended March 31, 2018 and 2017, the Bank recognized interest income from debt restructuring in the amount of Baht 25.37 million and Baht 12.52 million, respectively.

6.6 Allowance for Doubtful Accounts

As at March 31, 2018 and December 31, 2017, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>March 31, 2018</u>						
	<u>Normal</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	1,231.92	4.28	42.00	396.89	1,686.24	4,455.24	7,816.57
Increase (decrease) in allowance							
for doubtful accounts	<u>271.72</u>	<u>11.30</u>	<u>30.47</u>	<u>(8.90)</u>	<u>(69.12)</u>	<u>149.00</u>	<u>384.47</u>
Ending balance	<u>1,503.64</u>	<u>15.58</u>	<u>72.47</u>	<u>387.99</u>	<u>1,617.12</u>	<u>4,604.24</u>	<u>8,201.04</u>
	<u>December 31, 2017</u>						
	<u>Normal</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	1,000.50	6.96	93.44	29.97	1,418.37	4,167.24	6,716.48
Increase (decrease) in allowance							
for doubtful accounts	<u>231.42</u>	<u>(2.68)</u>	<u>(51.44)</u>	<u>366.92</u>	<u>267.87</u>	<u>288.00</u>	<u>1,100.09</u>
Ending balance	<u>1,231.92</u>	<u>4.28</u>	<u>42.00</u>	<u>396.89</u>	<u>1,686.24</u>	<u>4,455.24</u>	<u>7,816.57</u>

As at March 31, 2018 and December 31, 2017, the Bank's allowance for doubtful accounts on loans accounted for Baht 8,201.04 million and Baht 7,816.57 million, respectively, exceeding the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 4,604.24 million and Baht 4,455.24 million, respectively (Note 6.5.4). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

6.7 Revaluation Allowance for Debt Restructuring

As at March 31, 2018 and December 31, 2017, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Beginning balance	99.24	63.18
Increase	52.77	57.80
Decrease	<u>(7.22)</u>	<u>(21.74)</u>
Ending balance	<u>144.79</u>	<u>99.24</u>

6.8 Properties for Sale, Net

As at March 31, 2018 and December 31, 2017, the Bank had properties for sale, net as follows:

	Unit : Million Baht			
	<u>March 31, 2018</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,054.50	6.94	9.16	1,052.28
- Movable properties	<u>208.02</u>	<u>-</u>	<u>-</u>	<u>208.02</u>
Total properties for sale	1,262.52	6.94	9.16	1,260.30
(Less) Allowance for impairment	<u>(457.78)</u>	<u>(0.10)</u>	<u>-</u>	<u>(457.88)</u>
Total properties for sale, net	<u>804.74</u>	<u>6.84</u>	<u>9.16</u>	<u>802.42</u>
	<u>December 31, 2017</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,089.49	4.13	39.12	1,054.50
- Movable properties	<u>208.02</u>	<u>-</u>	<u>-</u>	<u>208.02</u>
Total properties for sale	1,297.51	4.13	39.12	1,262.52
(Less) Allowance for impairment	<u>(452.03)</u>	<u>(16.11)</u>	<u>(10.36)</u>	<u>(457.78)</u>
Total properties for sale, net	<u>845.48</u>	<u>(11.98)</u>	<u>28.76</u>	<u>804.74</u>

As at March 31, 2018 and December 31, 2017, the Bank had immovable properties from debt repayment in the amount of Baht 1,052.28 million and Baht 1,054.50 million, respectively, which were appraised by external appraisers.

For the three-month period ended March 31, 2018, the Bank generated gains on sale of properties for sale in the amount of Baht 9.68 million

6.9 Premises and Equipment, Net

As at March 31, 2018 and December 31, 2017, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	March 31, 2018								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transfer out	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	383.39	2.63	-	386.02	297.23
- Building improvement	133.46	3.07	-	136.53	125.01	0.49	-	125.50	11.03
Equipment									
- Office equipment and fixtures	300.40	10.25	-	310.65	254.24	4.71	-	258.95	51.70
- Vehicles	102.06	1.28	-	103.34	32.71	2.53	-	35.24	68.10
Assets under construction*	<u>3.59</u>	<u>0.17</u>	<u>3.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,614.02</u>	<u>14.77</u>	<u>3.76</u>	<u>1,625.03</u>	<u>795.35</u>	<u>10.36</u>	<u>-</u>	<u>805.71</u>	<u>819.32</u>

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

	December 31, 2017								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transfer out	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	372.73	10.66	-	383.39	299.86
- Building improvement	131.29	2.17	-	133.46	122.46	2.55	-	125.01	8.45
Equipment									
- Office equipment and fixtures	292.46	22.70	14.76	300.40	252.51	16.49	14.76	254.24	46.16
- Vehicles	99.99	15.31	13.24	102.06	31.00	9.66	7.95	32.71	69.35
Assets pending for write off	-	4.90	4.90	-	-	-	-	-	-
Assets under construction*	<u>-</u>	<u>7.15</u>	<u>3.56</u>	<u>3.59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3.59</u>
Total	<u>1,598.25</u>	<u>52.23</u>	<u>36.46</u>	<u>1,614.02</u>	<u>778.70</u>	<u>39.36</u>	<u>22.71</u>	<u>795.35</u>	<u>818.67</u>

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

As at March 31, 2018 and December 31, 2017, the Bank had equipment which are fully depreciated but still in use at the original costs amounting to Baht 339.68 million and Baht 336.46 million, respectively.

6.10 Intangible Assets, Net

As at March 31, 2018 and December 31, 2017, the Bank had intangible assets as follows:

Unit : Million Baht

	March 31, 2018								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	147.78	6.25	-	154.03	117.80	3.67	-	121.47	32.56
Software under installation*	<u>49.21</u>	<u>4.57</u>	<u>3.81</u>	<u>49.97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49.97</u>
Total	<u>196.99</u>	<u>10.82</u>	<u>3.81</u>	<u>204.00</u>	<u>117.80</u>	<u>3.67</u>	<u>-</u>	<u>121.47</u>	<u>82.53</u>

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

	December 31, 2017								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	142.90	7.40	2.52	147.78	104.53	15.79	2.52	117.80	29.98
Software under installation*	<u>47.08</u>	<u>2.23</u>	<u>0.10</u>	<u>49.21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49.21</u>
Total	<u>189.98</u>	<u>9.63</u>	<u>2.62</u>	<u>196.99</u>	<u>104.53</u>	<u>15.79</u>	<u>2.52</u>	<u>117.80</u>	<u>79.19</u>

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

As at March 31, 2018 and December 31, 2017, the Bank had computer software which are fully amortized but still in use at the original costs amounting to Baht 83.53 million and Baht 76.50 million, respectively.

6.11 Reinsurance Assets

As at March 31, 2018 and December 31, 2017, the Bank had reinsurance assets as follows:

Unit : Million Baht

	March 31, 2018	December 31, 2017
Accrued income and reinsurance	0.04	-
Insurance reserves from reinsurance	<u>132.81</u>	<u>121.18</u>
Total	<u>132.85</u>	<u>121.18</u>

6.12 Other Assets, Net

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Revenue receivables, net	18.58	5.74
Insurance claim receivables, net of reinsurance	198.41	193.42
Allowance for insurance claim receivables	(198.41)	(193.42)
Leasehold rights	1.19	1.30
Advance deposits	2.48	2.50
Others	<u>1.93</u>	<u>2.05</u>
Total	<u>24.18</u>	<u>11.59</u>

6.13 Deposits

6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Demand	2,568.46	2,361.11
Savings	256.96	227.93
Time	<u>23,865.66</u>	<u>19,791.98</u>
Total	<u>26,691.08</u>	<u>22,381.02</u>

6.13.2 Classified by Currency and Residency of Depositors

	<u>March 31, 2018</u>			<u>December 31, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	24,192.08	562.20	24,754.28	20,131.61	524.82	20,656.43
US Dollar	1,187.52	743.48	1,931.00	914.50	801.17	1,715.67
Other currencies	<u>5.80</u>	<u>-</u>	<u>5.80</u>	<u>8.92</u>	<u>-</u>	<u>8.92</u>
Total	<u>25,385.40</u>	<u>1,305.68</u>	<u>26,691.08</u>	<u>21,055.03</u>	<u>1,325.99</u>	<u>22,381.02</u>

6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>March 31, 2018</u>			<u>December 31, 2017</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Commercial banks	1.33	3,535.67	3,537.00	1.33	3,579.16	3,580.49
Specialized financial institutions	20.89	1,598.38	1,619.27	15.27	3,814.88	3,830.15
Other financial institutions	<u>-</u>	<u>8,400.00</u>	<u>8,400.00</u>	<u>-</u>	<u>8,400.00</u>	<u>8,400.00</u>
Total domestic items	<u>22.22</u>	<u>13,534.05</u>	<u>13,556.27</u>	<u>16.60</u>	<u>15,794.04</u>	<u>15,810.64</u>
Foreign items						
US Dollar	145.36	-	145.36	274.72	-	274.72
Euro	16.00	-	16.00	16.25	-	16.25
Other currencies	<u>5.71</u>	<u>-</u>	<u>5.71</u>	<u>6.03</u>	<u>-</u>	<u>6.03</u>
Total foreign items	<u>167.07</u>	<u>-</u>	<u>167.07</u>	<u>297.00</u>	<u>-</u>	<u>297.00</u>
Total domestic and foreign items	<u>189.29</u>	<u>13,534.05</u>	<u>13,723.34</u>	<u>313.60</u>	<u>15,794.04</u>	<u>16,107.64</u>

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>March 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	26,390.87	26,390.87
Others	<u>114.27</u>	<u>-</u>	<u>114.27</u>
Total debt issued and borrowings	<u>114.27</u>	<u>26,390.87</u>	<u>26,505.14</u>
	<u>December 31, 2017</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	30,066.43	30,066.43
Others	<u>117.13</u>	<u>-</u>	<u>117.13</u>
Total debt issued and borrowings	<u>117.13</u>	<u>30,066.43</u>	<u>30,183.56</u>

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

				Unit : Million Baht	
	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>Amount</u>	
		<u>(Year)</u>	<u>Interest Rate Index</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Bonds	USD	2018-2024	LIBOR ± MARGIN	26,390.87	30,066.43
Others	THB	2021-2024	-	<u>114.27</u>	<u>117.13</u>
Total debt issued and borrowings				<u>26,505.14</u>	<u>30,183.56</u>

6.16 Provisions

As at March 31, 2018 and December 31, 2017, the Bank had set up provisions as follows:

			Unit : Million Baht	
			<u>March 31, 2018</u>	<u>December 31, 2017</u>
Employee benefits			200.31	193.80
Provisions for contingent liabilities			26.67	39.18
Other provisions			<u>0.61</u>	<u>0.61</u>
Total provisions			<u>227.59</u>	<u>233.59</u>

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

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

			Unit : Million Baht	
			<u>March 31, 2018</u>	<u>December 31, 2017</u>
Beginning balance			193.80	169.45
Current service cost*			5.07	18.23
Interest cost*			1.44	5.25
Employee benefit paid during the year			-	(8.02)
Actuarial (gains) losses on defined benefit plans			<u>-</u>	<u>8.89</u>
Ending Balance			<u>200.31</u>	<u>193.80</u>

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

6.17 Other Liabilities

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Collateral under credit support annex contract	210.19	-
Advance deposits	70.82	26.54
Accrued expenses	40.13	36.40
Account payables	14.54	13.82
Reinsurance payables	1.09	6.95
Deferred revenue	15.66	14.02
Withholding tax payable	4.65	6.21
Provision for stand-by claims purchase agreement	24.37	26.54
Provision for expected loss *	161.73	173.94
Suspense liabilities	218.58	247.13
Others	<u>3.85</u>	<u>0.22</u>
Total	<u>765.61</u>	<u>551.77</u>

* Provision for changes in fair value of derivatives.

6.18 Capital

The Bank had an initial capital of Baht 2,500 million. The Bank received additional capital from the Ministry of Finance on July 31, 1998 in the amount of Baht 4,000 million.

On December 30, 2008 and September 21, 2009, the bank has received the capital in the amount of Baht 1,300 million and Baht 5,000 million, respectively. Thereby, the Bank has total capital amounting to Baht 12,800 million.

6.19 Contingent Liabilities

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Guarantees of loans	1,611.78	1,542.77
Liabilities under immature import bills	130.77	286.51
Letters of credit	1,587.26	1,162.00
Export bills insured	16,674.86	14,435.94
Other contingencies		
Overdraft accounts not yet drawn	532.72	549.47
Other guarantees	2,953.71	3,204.33
Investment Insurance	3,185.64	3,333.45
Stand-by claims purchase agreement	<u>2,436.61</u>	<u>2,366.61</u>
Total other contingencies	<u>9,108.68</u>	<u>9,453.86</u>
Total	<u>29,113.35</u>	<u>26,881.08</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 entered into the 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>March 31, 2018</u>	<u>December 31, 2017</u>
Within 1 year	5.06	5.04
Over 1 - 5 years	4.42	5.68

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Within 1 year	0.21	0.02

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

The Bank established its representative office in Yangon, the Republic of the Union of Myanmar, in order to stimulate Thai-Myanma trade and investment.

6.22.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>March 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	89,700.32	1.22	89,701.54
Interbank and money market items, net (assets)	3,514.62	0.38	3,516.00
Investments, net	2,274.20	-	2,274.20
Loans to customers and accrued interest receivables, net	81,683.05	-	81,683.05
Deposits	26,691.08	-	26,691.08
Interbank and money market items, net (liabilities)	13,723.34	-	13,723.34
Debt issued and borrowings	26,505.14	-	26,505.14

6.22.1 Financial Position Classified by Business (Continued)

Unit : Million Baht

December 31, 2017

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	90,899.64	1.34	90,900.98
Interbank and money market items, net (assets)	2,003.68	0.47	2,004.15
Investments, net	2,478.19	-	2,478.19
Loans to customers and accrued interest receivables, net	80,932.34	-	80,932.34
Deposits	22,381.02	-	22,381.02
Interbank and money market items, net (liabilities)	16,107.64	-	16,107.64
Debt issued and borrowings	30,183.56	-	30,183.56

6.22.2 Operations Classified by Business

Unit : Million Baht

March 31, 2018

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	1,114.27	-	1,114.27
Interest expenses	<u>(290.75)</u>	-	<u>(290.75)</u>
Interest income, net	823.52	-	823.52
Fees and service income, net	47.50	-	47.50
Other operating income	43.91	-	43.91
Other operating expenses	<u>(534.70)</u>	<u>(1.60)</u>	<u>(536.30)</u>
Net profit	<u>380.23</u>	<u>(1.60)</u>	<u>378.63</u>

6.23 Interest Income

Interest income for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Interbank and money market items	22.90	25.29
Investment in debt securities	7.10	8.41
Loans	<u>1,084.27</u>	<u>876.53</u>
Total interest income	<u>1,114.27</u>	<u>910.23</u>

6.24 Interest Expenses

Interest expenses for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Deposits	67.33	37.10
Interbank and money market items	70.90	59.40
Debt issued		
- Bonds	150.05	138.03
- Borrowings fee	<u>2.47</u>	<u>2.84</u>
Total interest expenses	<u>290.75</u>	<u>237.37</u>

6.25 Fees and Service Income, Net

Net fees and service income for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Fees and service income		
- Acceptance aval and guarantee	10.55	14.13
- Income from insurance	32.14	28.33
- Others	<u>23.93</u>	<u>27.99</u>
Total fees and service income	<u>66.62</u>	<u>70.45</u>
Fees and service expenses		
- Expense on insurance	17.59	13.17
- Others	<u>1.53</u>	<u>2.07</u>
Total fees and service expenses	<u>19.12</u>	<u>15.24</u>
Total fees and service income, net	<u>47.50</u>	<u>55.21</u>

6.26 Gains (Losses) on Tradings and Foreign Exchange Transactions

Gains (losses) on tradings and foreign exchange transactions for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Foreign exchanges and derivatives	15.41	15.29
Interest rate derivatives	<u>(11.56)</u>	<u>(4.51)</u>
Total gains (losses) on tradings and foreign exchange transactions	<u><u>3.85</u></u>	<u><u>10.78</u></u>

6.27 Gains (Losses) on Investments

Gains (losses) on investments for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Losses on disposal of general investments	-	(0.06)
Reversal (losses) on impairment of general investments	<u>(0.20)</u>	<u>(0.50)</u>
Total gains (losses) on investments	<u><u>(0.20)</u></u>	<u><u>(0.56)</u></u>

6.28 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the three-month periods ended March 31, 2018 and 2017 are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Interbank and money market items	5.53	(1.38)
Loans		
- Bad debts and doubtful accounts *	250.10	194.54
- Loss on restructuring	<u>52.58</u>	<u>1.51</u>
Total	<u><u>302.68</u></u>	<u><u>196.05</u></u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>(32.85)</u>	<u>(6.37)</u>
Total impairment loss of loans and debt securities	<u><u>275.36</u></u>	<u><u>188.30</u></u>

* Includes written-down debt recovery and bad debt recovery

6.29 Public Service Account

6.29.1 Summary of Public Service Account

As at March 31, 2018 and December 31, 2017, the assets from public service account are as follows:

	Unit : Million Baht	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Loans to customers from public service account and accrued interest receivables, net	0.37	3,253.88
Receivable eligible for government reimbursement	<u>1.76</u>	<u>3.55</u>
Total assets	<u>2.13</u>	<u>3,257.43</u>

Income and expenses from public service account for the three-month periods ended March 31, 2018 and 2017, are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Income from public service account	30.54	68.28
<u>Less</u> Expenses from public service account	(17.83)	(35.04)
<u>Less</u> Impairment loss of loans and debt securities from public service account	<u>32.85</u>	<u>6.37</u>
Net profit	<u>45.56</u>	<u>39.61</u>

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

			Unit : Million Baht	
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>March 31, 2018</u>	<u>December 31, 2017</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	0.37	3,253.88

6.29.3 Receivable Eligible for Government Reimbursement

As at March 31, 2018 and December 31, 2017, 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 1.76 million and Baht 3.55 million, respectively.

6.29.4 Income from Public Service Account

Income from public service account for the three-month periods ended March 31, 2018 and 2017, are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Income from public service account		
- Interest income	23.04	49.85
Compensation for public service account		
- Compensation for operating expenses	<u>7.50</u>	<u>18.43</u>
Total	<u>30.54</u>	<u>68.28</u>

6.29.5 Expenses from Public Service Account

Expenses from public service account for the three-month periods ended March 31, 2018 and 2017, are as follows:

	Unit : Million Baht	
	<u>2018</u>	<u>2017</u>
Interest expenses	15.83	31.62
Operating expenses	1.99	3.41
Other expenses	<u>0.01</u>	<u>0.01</u>
Total	<u>17.83</u>	<u>35.04</u>

6.30 Approval of the Financial Statements

These financial statements have been authorized to issue by the Chairman of the Board of Directors and President on June 19, 2018.
