

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE THREE – MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019  
(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 September 30, 2019, and the statement of profit or loss and other comprehensive income for the three-month and nine-month period ended September 30, 2019, statement of changes in equity and statement of cash flows for the nine-month period ended September 30, 2019, 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.

.....  
(Ms. Kanitha Siriwanatakul)

Director of Financial and  
Procurement Audit Office No.3

.....  
(Ms. Sunita Charounsilpa)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019

		Unit : Thousand Baht	
	<u>Notes</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Assets</u>			
Cash		1,124	183
Interbank and money market items, net	6.2	3,879,544	2,812,404
Derivatives assets	6.3	567,137	243,729
Investments, net	6.4	2,099,435	2,345,301
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		109,744,062	108,588,565
Accrued interest receivables		427,734	349,926
Total loans to customers and accrued interest receivables		110,171,796	108,938,491
<u>Less</u> Deferred revenue		(2,564)	(2,474)
<u>Less</u> Allowance for doubtful accounts	6.6	(10,365,453)	(9,223,266)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(173,453)	(161,338)
Total loans to customers and accrued interest receivables, net		99,630,326	99,551,413
Properties for sale, net	6.8	345,835	381,692
Premises and equipment, net	6.9	800,213	814,710
Intangible assets, net	6.10	118,471	90,988
Reinsurance assets	6.11	221,398	246,789
Prepaid expenses		56,750	63,550
Other assets, net	6.12	12,096	15,019
Total assets		107,732,329	106,565,778

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

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019

		Unit : Thousand Baht	
	<u>Notes</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
		<u>"Unaudited"</u>	<u>"Audited"</u>
		<u>"Reviewed"</u>	
<u>Liabilities and Equity</u>			
Deposits	6.13	25,296,480	30,160,027
Interbank and money market items, net	6.14	18,624,436	18,886,853
Liabilities payable on demand		437,557	160,196
Derivatives liabilities	6.3	102,440	148,327
Debt issued and borrowings	6.15	39,840,653	34,014,430
Provisions	6.16	311,668	247,211
Accrued interest payables		464,821	435,710
Reserves for insurance service	6.17	507,854	522,407
Other liabilities	6.18	656,824	816,351
Total liabilities		86,242,733	85,391,512
Equity			
Capital	6.19	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000
Other components of equity		(859)	(537)
Retained earnings			
Appropriated			
Legal reserve		7,866,000	7,183,000
Unappropriated		824,455	1,191,803
Total equity		21,489,596	21,174,266
Total liabilities and equity		107,732,329	106,565,778

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

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(Mr. Supant Mongkolsuthree)

Chairman

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(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Unit : Thousand Baht	
	<u>2019</u>	<u>2018</u>
Interest income	1,403,080	1,254,295
Interest expenses	571,888	410,138
Interest income, net	831,192	844,157
Fees and service income	104,070	79,334
Fees and service expenses	42,060	21,006
Fees and service income, net	62,010	58,328
Gain (Loss) on tradings and foreign exchange transactions, net	60,015	(36,109)
Gain (Loss) on investments, net	(576)	(298)
Other operating income	14,044	10,798
Income from public service account	-	-
Total operating income	966,685	876,876
Other operating expenses		
Employee's expenses	308,003	232,863
Directors' remuneration	2,057	1,756
Premises and equipment expenses	29,479	18,926
Loss on claims and reserves for insurance service	(1,291)	3,488
Loss on impairment of properties for sale	6,479	-
Others	104,575	(8,989)
Total other operating expenses	449,302	248,044
Impairment loss of loans and debt securities	493,058	280,567
Net profit	24,325	348,265
Other comprehensive income (loss)		
Item that will be reclassified subsequently to profit or loss		
Gain (Loss) on remeasuring available-for-sale securities	-	(215)
Total net other comprehensive income (loss)	-	(215)
Total comprehensive income	24,325	348,050

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

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(Mr. Supant Mongkolsuthree)

Chairman

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(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Unit : Thousand Baht			
Interest income	6.25	4,303,915	3,562,418
Interest expenses	6.26	1,662,774	1,057,585
Interest income, net		2,641,141	2,504,833
Fees and service income		286,316	246,803
Fees and service expenses		96,853	68,984
Fees and service income, net	6.27	189,463	177,819
Gain (Loss) on tradings and foreign exchange transactions, net	6.28	131,875	(48,088)
Gain (Loss) on investments, net	6.29	(2,211)	22,422
Other operating income		42,655	172,605
Income from public service account		-	30,539
Total operating income		3,002,923	2,860,130
Other operating expenses			
Employee's expenses		814,111	665,253
Directors' remuneration		5,778	5,495
Premises and equipment expenses		82,248	48,197
Loss on claims and reserves for insurance service	6.30	101,239	67,009
Loss on impairment of properties for sale		10,286	10,836
Others	6.31	269,978	28,711
Total other operating expenses		1,283,640	825,501
Expenses from public service account		-	17,827
Impairment loss of loans and debt securities	6.32	1,172,131	914,433
Net profit		547,152	1,102,369
Other comprehensive income (loss)			
Item that will be reclassified subsequently to profit or loss			
Gain (Loss) on remeasuring available-for-sale securities		(322)	(886)
Total net other comprehensive income (loss)		(322)	(886)
Total comprehensive income		546,830	1,101,483

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

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(Mr. Supant Mongkolsuthree)

Chairman

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(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

						Unit : Thousand Baht
Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	
						Revaluation Surplus (Deficit) on Investments
						Total
Balance as at January 1, 2018	12,800,000	483	6,502,000	1,041,921	20,344,404	
Legal reserve	-	-	681,000	(681,000)	-	
Remittance as the public revenue	-	-	-	(257,100)	(257,100)	
Total comprehensive income	-	(886)	-	1,102,369	1,101,483	
Balance as at September 30, 2018	12,800,000	(403)	7,183,000	1,206,190	21,188,787	
Balance as at January 1, 2019	12,800,000	(537)	7,183,000	1,191,803	21,174,266	
Legal reserve	-	-	683,000	(683,000)	-	
Remittance as the public revenue	-	-	-	(231,500)	(231,500)	
Total comprehensive income	-	(322)	-	547,152	546,830	
Balance as at September 30, 2019	12,800,000	(859)	7,866,000	824,455	21,489,596	

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

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(Mr. Supant Mongkolsuthree)

Chairman

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(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Unit : Thousand Baht	
	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Net profit	547,152	1,102,369
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	42,360	42,950
Bad debts and doubtful accounts	1,140,723	886,489
Loss on debt restructuring	36,970	71,470
Gain on disposal of assets	(251)	(303)
Loss on impairment of properties for sale	10,286	10,836
Gain on foreign currency translation	(1,092,442)	(579,168)
Derivative revaluation	(113,094)	42,835
Gain on disposal of investments	-	(21,746)
Loss (Reversal) on impairment of investments	2,211	(676)
Amortization of premium (discount) on debt securities	(6,705)	6,233
Increase (Decrease) in provisions	64,457	(19,775)
Bad debts and provision for other receivables (reversal)	72,202	(85,771)
Loss on claims and reserves for insurance service	101,239	67,009
Decrease in accrued income	6,994	48
Decrease (Increase) in other prepaid expenses	5,408	(5,354)
Increase (Decrease) in other accrued expenses	(20,308)	21,091
	797,202	1,538,537
Interest income, net	(2,641,141)	(2,519,546)
Dividend income	(481)	(778)
Proceeds from interest income	4,192,835	3,410,503
Interest paid	(1,632,854)	(924,294)
Proceeds from dividend income	481	778
	716,042	1,505,200
Income from operations before changes in operating assets and liabilities		
(Increase) Decrease in operating assets		
Interbank and money market items	(1,054,757)	(7,449,591)
Loans to customers, net	(2,603,060)	(3,517,719)
Properties for sale, net	35,944	346,339
Reinsurance assets	-	(41)
Other assets, net	(103,046)	(16,182)

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



EXPORT-IMPORT BANK OF THAILAND  
STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Unit : Thousand Baht	
	2019	2018
<b>Cash flows from operating activities</b>		
Increase (Decrease) in operating liabilities		
Deposits	(4,861,436)	9,797,519
Interbank and money market items	(235,744)	1,876,559
Liabilities payable on demand	276,889	(279,336)
Other liabilities	(195,486)	264,529
Net cash provided by (used in) operating activities	(8,024,654)	2,527,277
<b>Cash flows from investing activities</b>		
Purchases of held-to-maturity debt securities	(2,400,000)	(3,000,000)
Proceeds from redemption of held-to-maturity debt securities	2,650,000	3,200,000
Proceeds from disposal of general investments	-	46,390
Purchases of premises and equipment	(22,285)	(24,436)
Proceeds from disposal of premises and equipment	289	324
Purchases of intangible assets	(33,476)	(9,650)
Net cash provided by investing activities	194,528	212,628
<b>Cash flows from financing activities</b>		
Proceeds from debt issued and long-term borrowings	10,550,468	-
Repayments of debt issued and long-term borrowings	(2,487,901)	(2,483,678)
Remittance as the public revenue	(231,500)	(257,100)
Net cash provided by (used in) financing activities	7,831,067	(2,740,778)
<b>Net increase (decrease) in cash and cash equivalents</b>	941	(873)
<b>Cash and cash equivalents at the beginning of the period</b>	183	1,177
<b>Cash and cash equivalents at the end of the period</b>	1,124	304

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

-----  
(Mr. Supant Mongkolsuthree)

Chairman

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(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019  
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019  
(UNAUDITED/REVIEWED)

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**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**(UNAUDITED/REVIEWED)**

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**1. GENERAL INFORMATION**

Export-Import Bank of Thailand (“the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended (“Act”), with the objective to promote and support export, imports, and investment, both domestic and overseas, for the purpose of national development by providing credit facilities, guarantee, risk insurance or other necessary services under the provisions of this Act. 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 Interim Financial Statements**

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018): Interim Financial Reporting, covering the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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, 2018. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2018.

The interim financial statements have been 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 Thai Financial Reporting Standards (TFRS) Effective in Current Period**

The Bank has adopted Thai Financial Reporting Standards (TFRS), issued and revised by the Federation of Accounting Professions, which are effective for the financial statements of the period beginning on or after January 1, 2019. The Bank have considered to constitute no significant impacts on the Bank’s accounting policies and financial statements.

**2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective**

The Federation of Accounting Professions has issued TFRS, which have been announced in the Royal Gazette but are effective for the financial statements period beginning on or after January 1, 2020. TFRS that are relevant to the Bank are as follows:

TAS 1	Presentation of Financial Statements
TAS 2	Inventories
TAS 7	Statement of Cash Flows

### 2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective (Continued)

TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 12	Income Taxes
TAS 16	Property, Plant and Equipment
TAS 19	Employee Benefits
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	The Effects of Changes in Foreign Exchange Rates
TAS 23	Borrowing Costs
TAS 24	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 32	Financial Instruments: Presentation
TAS 33	Earnings per Share
TAS 34	Interim Financial Reporting
TAS 36	Impairment of Assets
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TAS 40	Investment Property
TAS 41	Agriculture
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 4	Insurance Contracts
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 8	Operating Segments
TFRS 9	Financial Instruments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements

### 2.3 Thai Financial Reporting Standards (TFRS) Announced but not yet Effective (Continued)

TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TFRS 16	Leases
TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 25	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets-Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 14	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies
TFRIC 22	Foreign Currency Transactions and Advance Consideration
TFRIC 23	Uncertainty over Income Tax Treatments

The Bank is presently considering the potential impact of the above TFRS. The Bank has not early adopted these TFRS before the effective date.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

	<u>September 30, 2019</u>		<u>December 31, 2018</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Financial assets				
Cash	1.12	1.12	0.18	0.18
Interbank and money market items, net	3,879.54	3,879.54	2,812.40	2,812.40
Derivatives assets	567.14	567.14	243.73	243.73
Investments, net	2,099.43	2,100.51	2,345.30	2,345.00
Loans to customers and accrued interest receivables, net	<u>99,630.33</u>	<u>99,630.33</u>	<u>99,551.41</u>	<u>99,551.41</u>
Total financial assets	<u>106,177.56</u>	<u>106,178.64</u>	<u>104,953.02</u>	<u>104,952.72</u>
Financial liabilities				
Deposits	25,296.48	25,296.48	30,160.03	30,160.03
Interbank and money market items, net	18,624.44	18,624.44	18,886.85	18,886.85
Liabilities payable on demand	437.56	437.56	160.19	160.19
Derivatives liabilities	102.44	102.44	148.33	148.33
Debt issued and borrowings	<u>39,840.65</u>	<u>39,840.65</u>	<u>34,014.43</u>	<u>34,014.43</u>
Total financial liabilities	<u>84,301.57</u>	<u>84,301.57</u>	<u>83,369.83</u>	<u>83,369.83</u>

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

##### 4.1 Capital under the Ministerial Regulations

As at September 30, 2019, the Bank was able to maintain capital adequacy ratio (CAR) at 18.70%, 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 81.77%, 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>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>Regulations</u>		
1. Capital *		20,958.91	20,106.98
2. Risk assets **		112,056.44	111,096.07
3. Insurance service contingent liabilities		25,632.70	23,549.16
4. Capital to risk assets	Not less than 8%	18.70%	18.10%
5. Capital to insurance service contingent liabilities	Not less than 20%	81.77%	85.38%

Remarks : \* Capital under the Ministerial Regulations includes only Teir 1 capital.

\*\* 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 September 30, 2019 and December 31, 2018, the Bank's capital adequacy ratio under Basel II standard were as follows:

<b>Capital Structure Based on Basel II Standard</b>		
	Unit: Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	7,866.00	7,183.00
Net profit after appropriation	<u>292.91</u>	<u>123.98</u>
Total Tier 1 Capital	20,958.91	20,106.98
Tier 2 Capital		
Provision for asset classification as normal	<u>1,699.67</u>	<u>1,687.16</u>
Total capital	22,658.58	21,794.14
<u>Less</u> Revaluation deficit on investments in available-for-sale equity securities	<u>(0.86)</u>	<u>(0.54)</u>
Total capital under Basel II standard	<u>22,657.72</u>	<u>21,793.60</u>

#### Capital Adequacy Ratio

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Tier 1 capital adequacy ratio	15.41%	14.90%
Total capital adequacy ratio	16.66%	16.15%

Unit: Million Baht

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Total capital after deducting capital add-on arising from single lending limit	22,157.97	21,157.81
Total capital adequacy ratio after deducting capital add-on arising from single lending limit	16.30%	15.68%

## 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, revenue 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 nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Decrease in revaluation surplus on investments in equity	(0.32)	(0.88)
Increase in properties for sale from loan payment	10.37	14.82

### 6.2 Interbank and Money Market Items, Net (Assets)

	Unit : Million Baht					
	<u>September 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Bank of Thailand	12.81	-	12.81	24.22	-	24.22
Commercial banks	271.07	1,273.55	1,544.62	203.80	1,420.00	1,623.80
Specialized financial institutions	<u>0.45</u>	<u>-</u>	<u>0.45</u>	<u>0.45</u>	<u>-</u>	<u>0.45</u>
Total	284.33	1,273.55	1,557.88	228.47	1,420.00	1,648.47
<u>Add</u> Accrued interest receivables	-	0.04	0.04	-	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(12.73)</u>	<u>(12.73)</u>	<u>-</u>	<u>(14.20)</u>	<u>(14.20)</u>
Total domestic items	<u>284.33</u>	<u>1,260.86</u>	<u>1,545.19</u>	<u>228.47</u>	<u>1,405.80</u>	<u>1,634.27</u>
Foreign items						
US Dollars	229.32	1,781.47	2,010.79	458.64	625.75	1,084.39
Yen	229.72	-	229.72	13.29	-	13.29
Euro	30.56	-	30.56	26.85	-	26.85
Other currencies	<u>54.56</u>	<u>-</u>	<u>54.56</u>	<u>53.53</u>	<u>-</u>	<u>53.53</u>
Total	544.16	1,781.47	2,325.63	552.31	625.75	1,178.06
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>8.72</u>	<u>8.72</u>	<u>-</u>	<u>0.07</u>	<u>0.07</u>
Total foreign items	<u>544.16</u>	<u>1,790.19</u>	<u>2,334.35</u>	<u>552.31</u>	<u>625.82</u>	<u>1,178.13</u>
Total domestic and foreign items	<u>828.49</u>	<u>3,051.05</u>	<u>3,879.54</u>	<u>780.78</u>	<u>2,031.62</u>	<u>2,812.40</u>

### 6.3 Derivatives

As at September 30, 2019 and December 31, 2018, all derivatives were held for trading. The fair value and notional amount classified by type of risk were as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>September 30, 2019</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	467.24	70.67	17,933.81
Interest rate	<u>99.90</u>	<u>31.77</u>	<u>4,100.00</u>
Total	<u>567.14</u>	<u>102.44</u>	<u>22,033.81</u>

<u>Type of Risk</u>	<u>December 31, 2018</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	102.67	109.59	17,440.84
Interest rate	<u>141.06</u>	<u>38.74</u>	<u>4,100.00</u>
Total	<u>243.73</u>	<u>148.33</u>	<u>21,540.84</u>

As at September 30, 2019 and December 31, 2018, the proportions of derivative transactions classified by type of counterparty based on the notional amount were as follows:

<u>Counterparty</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Financial institutions	87.48%	86.26%
Third parties	<u>12.52%</u>	<u>13.74%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Securities

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	0.21	0.54

Unit : Million Baht

6.4.2 Held-to-Maturity Debt Securities

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,092.84	2,336.13

Unit : Million Baht

6.4.3 General Investments

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.35</u>	<u>0.39</u>
Total	27.66	27.70
<u>Less</u> Allowance for impairment	<u>(21.28)</u>	<u>(19.07)</u>
Total	<u>6.38</u>	<u>8.63</u>
Total investments, net	<u>2,099.43</u>	<u>2,345.30</u>

Unit : Million Baht

6.5 Loans to Customers and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Overdrafts	294.56	291.66
Domestic loans - customers	76,261.96	77,419.49
- export bills negotiation	651.62	698.17
- staff loans	252.22	269.62
Overseas loans - foreign government agencies	1,064.35	1,096.34
- customers operating overseas	31,194.31	28,791.17
Others	<u>25.04</u>	<u>22.11</u>
Total loans to customers	109,744.06	108,588.56
<u>Less</u> Deferred revenue	<u>(2.56)</u>	<u>(2.47)</u>
Total loans to customers, net of deferred revenue	109,741.50	108,586.09
<u>Add</u> Accrued interest receivables	<u>427.73</u>	<u>349.92</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	110,169.23	108,936.01
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulations (Individual approach)	(7,118.21)	(4,411.03)
- Excess allowance	(3,247.24)	(4,812.24)
<u>Less</u> Revaluation allowance for debt restructuring	<u>(173.45)</u>	<u>(161.33)</u>
Total loans to customers, net	<u>99,630.33</u>	<u>99,551.41</u>

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

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Loan for National Road No.67 Construction Project ( Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,064.35	1,096.34

### 6.5.2 Classified by Currency and Residency

Unit : Million Baht

	September 30, 2019			December 31, 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	54,115.28	11,884.57	65,999.85	58,339.32	11,584.94	69,924.26
US Dollar	17,307.25	19,518.51	36,825.76	15,779.77	17,821.64	33,601.41
Other currencies	<u>6,060.31</u>	<u>855.58</u>	<u>6,915.89</u>	<u>4,579.48</u>	<u>480.94</u>	<u>5,060.42</u>
Total *	<u>77,482.84</u>	<u>32,258.66</u>	<u>109,741.50</u>	<u>78,698.57</u>	<u>29,887.52</u>	<u>108,586.09</u>

\* Total loans to customers, net of deferred revenue in Note 6.5.1

### 6.5.3 Classified by Business Type and Loan Classification

Unit : Million Baht

	September 30, 2019					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,230.77	4.18	-	0.50	330.66	3,566.11
Manufacturing and commercial	37,343.57	1,249.50	930.61	227.46	3,449.15	43,200.29
Real estate and construction	4,954.09	10.00	-	-	41.36	5,005.45
Public utilities and services	52,304.51	4,948.00	0.61	433.44	25.72	57,712.28
Others	<u>257.37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257.37</u>
Total *	<u>98,090.31</u>	<u>6,211.68</u>	<u>931.22</u>	<u>661.40</u>	<u>3,846.89</u>	<u>109,741.50</u>

  

	December 31, 2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,750.40	0.50	-	-	330.66	4,081.56
Manufacturing and commercial	42,612.72	554.62	537.81	249.70	2,916.38	46,871.23
Real estate and construction	4,394.55	-	-	-	41.20	4,435.75
Public utilities and services	46,889.45	5,392.98	-	0.02	27.16	52,309.61
Others	<u>887.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>887.94</u>
Total *	<u>98,535.06</u>	<u>5,948.10</u>	<u>537.81</u>	<u>249.72</u>	<u>3,315.40</u>	<u>108,586.09</u>

\* Total loans to customers, net of deferred revenue in Note 6.5.1

#### 6.5.4 Classified by Loan Classification

Unit : Million Baht

	<u>September 30, 2019</u>			
	<u>Loans and</u>	<u>Net Amount Subject</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued Interest</u>	<u>to Allowance for</u>	<u>Provision</u>	<u>for Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>	<u>Rate (%)</u>	<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulations				
Normal	98,469.93	96,665.34	1,36,100	1,279.09
Special mention	6,259.79	5,941.93	2,10,30,36,50,100	1,935.46
Substandard	931.22	819.87	100	819.87
Doubtful	661.40	615.93	100	615.93
Doubtful of loss	<u>3,846.89</u>	<u>2,467.86</u>	100	<u>2,467.86</u>
Total minimum allowance by BOT's regulations	110,169.23	106,510.93		7,118.21
2. Excess allowance	<u>-</u>	<u>-</u>		<u>3,247.24</u>
Total **	<u>110,169.23</u>	<u>106,510.93</u>		<u>10,365.45</u>

	<u>December 31, 2018</u>			
	<u>Loans and</u>	<u>Net Amount Subject</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued Interest</u>	<u>to Allowance for</u>	<u>Provision</u>	<u>for Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>	<u>Rate (%)</u>	<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulations				
Normal	98,832.17	97,071.49	1,36,100	1,549.02
Special mention	6,000.91	5,725.83	2,25,36,100	311.61
Substandard	537.81	203.22	100	203.22
Doubtful	249.71	211.47	100	211.47
Doubtful of loss	<u>3,315.41</u>	<u>2,135.71</u>	100	<u>2,135.71</u>
Total minimum allowance by BOT's regulations	108,936.01	105,347.72		4,411.03
2. Excess allowance	<u>-</u>	<u>-</u>		<u>4,812.24</u>
Total **	<u>108,936.01</u>	<u>105,347.72</u>		<u>9,223.27</u>

\*\* Total loans to customers and accrued interest receivables, net of deferred revenue in Note 6.5.1

### 6.5.5 Non-Performing Loans (NPLs)

As at September 30, 2019 and December 31, 2018, the Bank had non-performing loans which consisted of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
NPLs before deducting allowance for doubtful accounts	5,439.51	4,102.93
Percentage of total loans *	4.90	3.73
NPLs after deducting allowance for doubtful accounts	1,535.84	1,552.53
Percentage of net loans	1.43	1.44

\* Total loans are loans to interbank and money market and loans to customers.

As at September 30, 2019 and December 31, 2018, the outstanding balance of written-down accounts, which were excluded from the financial statements, were Baht 2,576.06 million and Baht 2,597.25 million, respectively. For the nine-month periods ended September 30, 2019 and 2018, the Bank recovered principal from written-down accounts in the amount of Baht 5.33 million and Baht 162.94 million, respectively, from which accounts the bank received cash in the amount of Baht 5.33 million and Baht 43.53 million, respectively.

### 6.5.6 Troubled Debt Restructuring

For the nine-month periods ended September 30, 2019 and 2018, the Bank restructured debts as follows:

		Unit : Million Baht	
		<u>2019</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	4	8.54	8.37

The average tenure of the above-mentioned debt restructuring was 4.08 years. As at September 30, 2019, the outstanding of such restructured loans was Baht 5.54 million.

		Unit : Million Baht	
		<u>2018</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	9	254.98	247.74

The average tenure of the above-mentioned debt restructuring was 4.49 years. As at September 30, 2018, the outstanding of such restructured loans was Baht 246.47 million.



### 6.5.6 Troubled Debt Restructuring (Continued)

For the nine-month periods ended September 30, 2019 and 2018, debt restructuring during the period compared to outstanding loans and accrued interest receivables net of deferred revenue were as follows:

	Unit : Million Baht			
	<u>September 30, 2019</u>		<u>September 30, 2018</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	4	5.54	9	246.47
Loans and accrued interest receivables, net of deferred revenue	2,148	110,169.23	1,878	96,219.09

As at September 30, 2019 and 2018, the Bank had outstanding restructured loans for 122 cases amounting to Baht 1,921.77 million and for 93 cases amounting to Baht 2,487.37 million, respectively.

The Bank recognized interest income from debt restructuring as follows:

	Unit : Million Baht			
	<u>For Three-Month Periods</u>		<u>For Nine-Month Periods</u>	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest income from debt restructuring	26.32	38.17	81.28	99.67

As at September 30, 2019 and December 31, 2018, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of Baht 0.62 million and Baht 15.00 million, respectively.

## 6.6 Allowance for Doubtful Accounts

As at September 30, 2019 and December 31, 2018, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	September 30, 2019						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,549.02	311.61	203.22	211.47	2,135.71	4,812.24	9,223.27
Increase (decrease) in allowance							
for doubtful accounts	<u>(269.93)</u>	<u>1,623.85</u>	<u>616.65</u>	<u>404.46</u>	<u>332.15</u>	<u>(1,565.00)</u>	<u>1,142.18</u>
Ending balance	<u>1,279.09</u>	<u>1,935.46</u>	<u>819.87</u>	<u>615.93</u>	<u>2,467.86</u>	<u>3,247.24</u>	<u>10,365.45</u>
	December 31, 2018						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
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>317.10</u>	<u>307.33</u>	<u>161.22</u>	<u>(185.42)</u>	<u>449.47</u>	<u>357.00</u>	<u>1,406.70</u>
Ending balance	<u>1,549.02</u>	<u>311.61</u>	<u>203.22</u>	<u>211.47</u>	<u>2,135.71</u>	<u>4,812.24</u>	<u>9,223.27</u>

As at September 30, 2019 and December 31, 2018, the Bank's allowance for doubtful accounts on loans accounted for Baht 10,365.45 million and Baht 9,223.27 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 3,247.24 million and Baht 4,812.24 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 September 30, 2019 and December 31, 2018, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	September 30, 2019	December 31, 2018
Beginning balance	161.33	99.24
Increase	36.97	102.85
Amortization to interest income	<u>(24.85)</u>	<u>(40.76)</u>
Ending balance	<u>173.45</u>	<u>161.33</u>

## 6.8 Properties for Sale, Net

As at September 30, 2019 and December 31, 2018, the Bank had properties for sale, net as follows:

	Unit : Million Baht			
	<u>September 30, 2019</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Properties for sale				
- Immovable properties	523.49	10.40	36.54	497.35
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	546.93	10.40	36.54	520.79
<u>(Less)</u> Allowance for impairment	<u>(165.24)</u>	<u>(10.29)</u>	<u>(0.58)</u>	<u>(174.95)</u>
Total properties for sale, net	<u>381.69</u>	<u>0.11</u>	<u>35.96</u>	<u>345.84</u>
	<u>December 31, 2018</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Properties for sale				
- Immovable properties	1,054.50	14.96	545.97	523.49
- Movable properties	<u>208.02</u>	<u>-</u>	<u>184.58</u>	<u>23.44</u>
Total properties for sale	1,262.52	14.96	730.55	546.93
<u>(Less)</u> Allowance for impairment	<u>(457.78)</u>	<u>(10.84)</u>	<u>(303.38)</u>	<u>(165.24)</u>
Total properties for sale, net	<u>804.74</u>	<u>4.12</u>	<u>427.17</u>	<u>381.69</u>

As at September 30, 2019 and December 31, 2018, the Bank had immovable properties from debt repayment in the amount of Baht 497.35 million and Baht 523.49 million, respectively, which were appraised by external appraisers.

For the nine-month periods ended September 30, 2019 and 2018 the Bank generated gain on sale of properties for sale in the amount of Baht 40.61 million and Baht 167.58 million, respectively.

## 6.9 Premises and Equipment, Net

As at September 30, 2019 and December 31, 2018, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	September 30, 2019								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	394.05	7.98	-	402.03	281.22
- Building improvement	141.17	3.89	3.45	141.61	126.98	1.82	3.45	125.35	16.26
Equipment									
- Office equipment and fixtures	316.44	14.25	34.17	296.52	264.57	15.86	34.16	246.27	50.25
- Vehicles	110.90	-	0.02	110.88	42.71	6.97	0.02	49.66	61.22
Assets under construction*	-	0.21	0.21	-	-	-	-	-	-
Total	<u>1,643.02</u>	<u>18.35</u>	<u>37.85</u>	<u>1,623.52</u>	<u>828.31</u>	<u>32.63</u>	<u>37.63</u>	<u>823.31</u>	<u>800.21</u>

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

	December 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	10.66	-	394.05	289.20
- Building improvement	133.46	7.82	0.11	141.17	125.01	2.08	0.11	126.98	14.19
Equipment									
- Office equipment and fixtures	300.40	25.56	9.52	316.44	254.24	19.83	9.50	264.57	51.87
- Vehicles	102.06	8.84	-	110.90	32.71	10.00	-	42.71	68.19
Assets under construction*	3.59	2.62	6.21	-	-	-	-	-	-
Total	<u>1,614.02</u>	<u>44.84</u>	<u>15.84</u>	<u>1,643.02</u>	<u>795.35</u>	<u>42.57</u>	<u>9.61</u>	<u>828.31</u>	<u>814.71</u>

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

As at September 30, 2019 and December 31, 2018, the Bank had equipment which are fully depreciated but still in use at the original cost amounting to Baht 319.83 million and Baht 340.47 million, respectively.

## 6.10 Intangible Assets, Net

As at September 30, 2019 and December 31, 2018, the Bank had intangible assets as follows:

Unit : Million Baht

	September 30, 2019								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	161.96	9.78	1.78	169.96	131.97	9.27	1.78	139.46	30.50
Software under installation*	<u>61.00</u>	<u>32.34</u>	<u>5.37</u>	<u>87.97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87.97</u>
Total	<u>222.96</u>	<u>42.12</u>	<u>7.15</u>	<u>257.93</u>	<u>131.97</u>	<u>9.27</u>	<u>1.78</u>	<u>139.46</u>	<u>118.47</u>

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

	December 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	14.27	0.09	161.96	117.80	14.27	0.10	131.97	29.99
Software under installation*	<u>49.21</u>	<u>23.06</u>	<u>11.27</u>	<u>61.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61.00</u>
Total	<u>196.99</u>	<u>37.33</u>	<u>11.36</u>	<u>222.96</u>	<u>117.80</u>	<u>14.27</u>	<u>0.10</u>	<u>131.97</u>	<u>90.99</u>

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

As at September 30, 2019 and December 31, 2018, the Bank had computer software which are fully amortized but still in use at the original cost amounting to Baht 108.54 million and Baht 100.45 million, respectively.

## 6.11 Reinsurance Assets

As at September 30, 2019 and December 31, 2018, the Bank had reinsurance assets as follows:

Unit : Million Baht

	September 30, 2019	December 31, 2018
Accrued income and reinsurance	0.04	0.04
Insurance reserves from reinsurance	<u>221.36</u>	<u>246.75</u>
Total	<u>221.40</u>	<u>246.79</u>

## 6.12 Other Assets, Net

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Revenue receivables, net	2.46	9.43
Insurance claim receivables, net of reinsurance	295.67	205.31
Allowance for insurance claim receivables	(295.67)	(205.31)
Leasehold rights	4.25	1.04
Advance deposits	2.77	2.77
Others	<u>2.62</u>	<u>1.78</u>
Total	<u>12.10</u>	<u>15.02</u>

## 6.13 Deposits

### 6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Demand	2,020.20	2,236.99
Savings	60.54	308.08
Time	5,866.85	6,006.21
Certificates of deposit	<u>17,348.89</u>	<u>21,608.75</u>
Total	<u>25,296.48</u>	<u>30,160.03</u>

### 6.13.2 Classified by Currency and Residency of Depositors

	<u>September 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	23,376.81	594.60	23,971.41	28,075.55	555.17	28,630.72
US Dollar	1,006.01	294.20	1,300.21	822.24	260.10	1,082.34
Other currencies	<u>24.86</u>	<u>-</u>	<u>24.86</u>	<u>446.97</u>	<u>-</u>	<u>446.97</u>
Total	<u>24,407.68</u>	<u>888.80</u>	<u>25,296.48</u>	<u>29,344.76</u>	<u>815.27</u>	<u>30,160.03</u>

#### 6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>September 30, 2019</u>			<u>December 31, 2018</u>		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Commercial banks	1.46	7,597.82	7,599.28	1.48	6,712.61	6,714.09
Specialized financial institutions	13.09	1,440.13	1,453.22	15.21	2,523.61	2,538.82
Other financial institutions	<u>-</u>	<u>9,400.00</u>	<u>9,400.00</u>	<u>-</u>	<u>9,400.00</u>	<u>9,400.00</u>
Total domestic items	<u>14.55</u>	<u>18,437.95</u>	<u>18,452.50</u>	<u>16.69</u>	<u>18,636.22</u>	<u>18,652.91</u>
Foreign items						
US Dollar	146.25	-	146.25	212.97	-	212.97
Euro	23.65	-	23.65	18.93	-	18.93
Other currencies	<u>2.04</u>	<u>-</u>	<u>2.04</u>	<u>2.04</u>	<u>-</u>	<u>2.04</u>
Total foreign items	<u>171.94</u>	<u>-</u>	<u>171.94</u>	<u>233.94</u>	<u>-</u>	<u>233.94</u>
Total domestic and foreign items	<u>186.49</u>	<u>18,437.95</u>	<u>18,624.44</u>	<u>250.63</u>	<u>18,636.22</u>	<u>18,886.85</u>

#### 6.15 Debt Issued and Borrowings

##### 6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>September 30, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	39,769.40	39,769.40
Others	<u>71.25</u>	<u>-</u>	<u>71.25</u>
Total debt issued and borrowings	<u>71.25</u>	<u>39,769.40</u>	<u>39,840.65</u>
	<u>December 31, 2018</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	33,910.04	33,910.04
Others	<u>104.39</u>	<u>-</u>	<u>104.39</u>
Total debt issued and borrowings	<u>104.39</u>	<u>33,910.04</u>	<u>34,014.43</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>Interest Rate Index</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Bonds	USD	2019-2024	LIBOR ± MARGIN	39,769.40	33,910.04
Others	THB	2021-2024	0	<u>71.25</u>	<u>104.39</u>
Total debt issued and borrowings				<u>39,840.65</u>	<u>34,014.43</u>

### 6.16 Provisions

As at September 30, 2019 and December 31, 2018, the Bank had set up provisions as follows:

			Unit : Million Baht	
			<u>September 30, 2019</u>	<u>December 31, 2018</u>
Provisions for the employee benefits			267.98	206.75
Provisions for contingent liabilities			19.85	19.85
Other provisions			<u>23.84</u>	<u>20.61</u>
Total provisions			<u>311.67</u>	<u>247.21</u>

The Bank assessed the provision for the employee benefits by using the Projected Unit Credit method. The details of the Bank's employee benefits for the period were as follows:

			Unit : Million Baht	
			<u>September 30, 2019</u>	<u>December 31, 2018</u>
Beginning balance			206.75	193.80
Current service cost*			19.35	20.03
Interest cost*			4.72	5.73
Employee benefits paid during the year			(3.28)	(8.26)
Past service cost*			40.44	-
Actuarial gain on defined benefit plans			<u>-</u>	<u>(4.55)</u>
Ending Balance			<u>267.98</u>	<u>206.75</u>

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

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

	<u>2019</u>
Average salary increase rate	5.75% - 11.50%
Average turnover rate	0% - 24.10%
Discount rate	1.79% - 3.32%
Mortality rate	TMO17



### 6.16 Provisions (Continued)

The Notification, issued by the State Enterprise Labor Relations Committee, regarding the minimum standards of conditions of employment in state enterprise (No.4) is published in the Royal Gazette on September 26, 2019 and effective on September 27, 2019. This Notification amends the legal severance pay rates for state enterprise employee to comply with The Labor Protection Act (No.7) B.E. 2562 by providing employee who has worked for an uninterrupted period of 20 years or more with the severance payment of not less than 400 days of wages at the most recent rate. The Bank recognizes an increase in provision for employee benefits in the amount of Baht 44.57 million as well as the past service cost as an expense in the period that the Notification is effective.

### 6.17 Reserves for Insurance Service

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Reserves for export credit insurance	317.04	258.07
Reserves for investment insurance	113.59	104.92
Reserves for stand-by claims purchase agreement	<u>77.22</u>	<u>159.42</u>
Total	<u>507.85</u>	<u>522.41</u>

### 6.18 Other Liabilities

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Collateral under Credit Support Annex contract *	202.82	148.62
Advance deposits	38.79	23.33
Accrued expenses	55.30	73.09
Account payables	14.18	11.82
Reinsurance payables	15.55	6.38
Deferred revenue	27.11	19.36
Withholding tax payable	5.21	7.57
Provision for expected loss **	164.67	100.41
Suspense liabilities	133.10	422.20
Others	<u>0.09</u>	<u>3.57</u>
Total	<u>656.82</u>	<u>816.35</u>

\* To mitigate counterparty risk, the Bank signed ISDA Credit Support Annex (CSA) with its counterparties which required posting collateral in the form of cash when the contract's fair value changes more than the threshold.

\*\* Reserve for changes in fair value of derivatives.

### 6.19 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 additional 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.

### 6.20 Remittance as the Public Revenue

The Ministry of Finance approved the appropriation of net profit for the year 2018 as the public revenue amounting to Baht 513.40 million. The Bank remitted the interim public revenue amounting to Baht 281.90 million on October 10, 2018 and the remaining amount Baht 231.50 million on July 19, 2019.

The Ministry of Finance approved the appropriation of net profit for the year 2017 as the public revenue amounting to Baht 505 million. The Bank remitted the interim public revenue amounting to Baht 247.90 million on October 20, 2017 and the remaining amount Baht 257.10 million on June 29, 2018.

### 6.21 Contingent Liabilities

	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Aval to bills	17.26	-
Guarantees of loans	1,131.31	1,496.55
Liabilities under immature import bills	639.14	1,270.32
Letters of credit	1,373.17	2,558.55
Export bills insured	22,767.94	20,451.17
Other contingencies		
Overdraft accounts not yet drawn	543.00	584.44
Other guarantees	5,321.82	3,524.56
Investment Insurance	3,120.37	3,309.88
Stand-by claims purchase agreement	<u>7,707.78</u>	<u>7,247.46</u>
Total other contingencies	<u>16,692.97</u>	<u>14,666.34</u>
Total	<u>42,621.79</u>	<u>40,442.93</u>

### 6.22 Other Benefits to Directors and Executives

The Bank paid 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).

### 6.23 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:

<u>Remaining Period</u>	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Within 1 year	4.86	3.93
Over 1 - 5 years	8.51	1.75
Over 5 years	9.01	-

The Bank has entered into the sublease agreement which the Bank will receive sublease rental in the future as follows:

<u>Remaining Period</u>	Unit : Million Baht	
	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Within 1 year	0.09	0.02

### 6.24 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

The Bank established representative office to promote and support international trade and investments. The Bank currently has 3 representative offices including, representative office in Yangon, the Republic of the Union of Myanmar, representative office in Vientiane, Laos People's Democratic Republic and representative office in Phnom Penh, Kingdom of Cambodia.

#### 6.24.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>September 30, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	107,729.51	2.82	107,732.33
Interbank and money market items, net (assets)	3,878.64	0.90	3,879.54
Investments, net	2,099.43	-	2,099.43
Loans to customers and accrued interest receivables, net	99,630.33	-	99,630.33
Deposits	25,296.48	-	25,296.48
Interbank and money market items, net (liabilities)	18,624.44	-	18,624.44
Debt issued and borrowings	39,840.65	-	39,840.65

6.24.1 Financial Position Classified by Business (Continued)

Unit : Million Baht

December 31, 2018

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	106,563.75	2.03	106,565.78
Interbank and money market items, net (assets)	2,811.73	0.67	2,812.40
Investments, net	2,345.30	-	2,345.30
Loans to customers and accrued interest receivables, net	99,551.41	-	99,551.41
Deposits	30,160.03	-	30,160.03
Interbank and money market items, net (liabilities)	18,886.85	-	18,886.85
Debt issued and borrowings	34,014.43	-	34,014.43

6.24.2 Operations Classified by Business

Unit : Million Baht

September 30, 2019

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	4,303.91	-	4,303.91
Interest expenses	<u>(1,662.77)</u>	-	<u>(1,662.77)</u>
Interest income, net	2,641.14	-	2,641.14
Fees and service income, net	189.46	-	189.46
Other operating income	172.32	-	172.32
Other operating expenses	<u>(2,445.13)</u>	<u>(10.64)</u>	<u>(2,455.77)</u>
Net profit	<u>557.79</u>	<u>(10.64)</u>	<u>547.15</u>

September 30, 2018

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	3,562.42	-	3,562.42
Interest expenses	<u>(1,057.59)</u>	-	<u>(1,057.59)</u>
Interest income, net	2,504.83	-	2,504.83
Fees and service income, net	177.82	-	177.82
Other operating income	177.48	-	177.48
Other operating expenses	<u>(1,752.71)</u>	<u>(5.05)</u>	<u>(1,757.76)</u>
Net profit	<u>1,107.42</u>	<u>(5.05)</u>	<u>1,102.37</u>

## 6.25 Interest Income

Interest income for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Interbank and money market items	244.66	77.92
Investment in debt securities	27.72	23.09
Loans	<u>4,031.53</u>	<u>3,461.41</u>
Total interest income	<u>4,303.91</u>	<u>3,562.42</u>

## 6.26 Interest Expenses

Interest expenses for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Deposits	317.27	229.19
Interbank and money market items	398.60	261.03
Debt issued		
- Bonds	935.16	560.09
- Borrowings fee	<u>11.74</u>	<u>7.27</u>
Total interest expenses	<u>1,662.77</u>	<u>1,057.58</u>

## 6.27 Fees and Service Income, Net

Net fees and service income for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Fees and service income		
- Acceptance aval and guarantee	39.43	33.18
- Income from insurance	164.03	137.31
- Others	<u>82.85</u>	<u>76.31</u>
Total fees and service income	<u>286.31</u>	<u>246.80</u>
Fees and service expenses		
- Expense on insurance	88.51	65.87
- Others	<u>8.34</u>	<u>3.11</u>
Total fees and service expenses	<u>96.85</u>	<u>68.98</u>
Total fees and service income, net	<u>189.46</u>	<u>177.82</u>

### 6.28 Gain (Loss) on Tradings and Foreign Exchange Transactions

Gain (loss) on tradings and foreign exchange transactions for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Foreign exchanges, debt securities and derivatives	166.07	5.70
Interest rate derivatives	<u>(34.19)</u>	<u>(53.79)</u>
Total gain (loss) on tradings and foreign exchange transactions	<u>131.88</u>	<u>(48.09)</u>

### 6.29 Gain (Loss) on Investments, Net

Gain (loss) on investments for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Gain on disposal of general investments	-	21.75
Reversal (loss) on impairment of general investments	<u>(2.21)</u>	<u>0.67</u>
Total gain (loss) on investments	<u>(2.21)</u>	<u>22.42</u>

### 6.30 Loss on Claims and Reserves for Insurance Service

Loss on claims and reserves for insurance service for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Doubtful account for export credit insurance	51.02	36.68
Doubtful account for investment insurance	4.69	10.66
Doubtful account for stand-by claims purchase agreement	<u>45.53</u>	<u>19.67</u>
Total	<u>101.24</u>	<u>67.01</u>

### 6.31 Other Operating Expenses - Others

For the nine-month period ended September 30, 2019 other operating expenses - others increased by Baht 241.27 million compared to the same period last year, mainly due to an increase of Baht 192.26 million in doubtful account for contingent liabilities and others and Baht 20.03 million in marketing expenses.

### 6.32 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit : Million Baht	
	<u>2019</u>	<u>2018</u>
Interbank and money market items	(1.46)	68.43
Loans		
- Bad debts and doubtful accounts *	1,136.62	807.38
- Loss on restructuring	<u>36.97</u>	<u>71.47</u>
Total	<u>1,173.59</u>	<u>878.85</u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>-</u>	<u>(32.85)</u>
Total impairment loss of loans and debt securities	<u>1,172.13</u>	<u>914.43</u>

\* Includes written-down debt recovery and bad debt recovery

### 6.33 Fair value of Assets and Liabilities

As at September 30, 2019 and December 31, 2018, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	<u>September 30, 2019</u>		
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	467.24	467.24
- Interest rate	-	99.90	99.90
Available-for-sale securities	<u>0.21</u>	<u>-</u>	<u>0.21</u>
Total financial assets	<u>0.21</u>	<u>567.14</u>	<u>567.35</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	70.67	70.67
- Interest rate	<u>-</u>	<u>31.77</u>	<u>31.77</u>
Total financial liabilities	<u>-</u>	<u>102.44</u>	<u>102.44</u>

### 6.33 Fair value of Assets and Liabilities (Continued)

Unit : Million Baht

	<u>December 31, 2018</u>		<u>Total</u>
	<u>Level 1</u>	<u>Fair Value Level 2</u>	
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	102.67	102.67
- Interest rate	-	141.06	141.06
Available-for-sale securities	<u>0.54</u>	-	<u>0.54</u>
Total financial assets	<u>0.54</u>	<u>243.73</u>	<u>244.27</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	109.59	109.59
- Interest rate	<u>-</u>	<u>38.74</u>	<u>38.74</u>
Total financial liabilities	<u>-</u>	<u>148.33</u>	<u>148.33</u>

Fair values were 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 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 adjusted with counterparty credit risk.

### 6.34 Events after the Reporting Period

On October 17, 2019 the Bank remitted the interim public revenue for the year 2019 amounting to Baht 203.20 million.

### 6.35 Approval of the Interim Financial Statements

These Interim financial statements have been authorized to issue by the Chairman of the Board of Directors and President on December 16, 2019.