

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2014
(TRANSLATION)

(TRANSLATION)
AUDITOR'S REPORT

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has audited the financial statements of Export-Import Bank of Thailand, which comprise the statements of financial position as at December 31, 2014, and the statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In the opinion of the Office of the Auditor General of Thailand, the financial statements referred to above present fairly, in all material respects, the financial position of Export-Import Bank of Thailand as at December 31, 2014, and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) *Jurairat Thipsatien*

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor-in-charge

Office of the Auditor General of Thailand

March 3, 2015

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

				Unit : Baht
	Notes	<u>December 31, 2014</u>	<u>December 31, 2013</u> (Restated)	<u>January 1, 2013</u> Brought Forward (Restated)
<u>Assets</u>				
Cash		254,654	553,209	312,144
Interbank and money market items, net	6.2	5,164,251,221	5,002,117,750	5,088,579,539
Derivative assets	6.3	824,672,610	877,418,091	339,262,450
Investments, net	6.4	1,869,817,635	4,078,316,972	3,721,515,314
Loans to customers and accrued interest receivables, net	6.5			
Loans to customers		73,167,994,782	67,526,796,976	66,676,345,788
Accrued interest receivables		245,983,358	257,691,902	252,778,879
Total loans to customers and accrued interest receivables		<u>73,413,978,140</u>	<u>67,784,488,878</u>	<u>66,929,124,667</u>
<u>Less</u> Deferred revenue		5,910,795	4,301,438	4,034,488
<u>Less</u> Allowance for doubtful accounts	6.6	4,609,015,698	3,663,603,847	3,206,907,882
<u>Less</u> Revaluation allowance for debt restructuring	6.7	117,584,233	139,977,314	142,122,382
Total loans to customers and accrued interest receivables, net		<u>68,681,467,414</u>	<u>63,976,606,279</u>	<u>63,576,059,915</u>
Properties foreclosed, net	6.8	843,948,443	833,146,053	875,103,428
Premises and equipment, net	6.9	814,388,232	824,237,094	844,314,926
Intangible assets, net	6.10	94,248,002	105,098,729	47,037,771
Accrued interest receivables not related to loans		6,503,380	1,599,537	3,067,746
Prepaid expenses		27,552,005	20,611,638	16,293,987
Other assets, net	6.11	14,183,948	16,068,777	16,580,986
Total assets		<u>78,341,287,544</u>	<u>75,735,774,129</u>	<u>74,528,128,206</u>

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	Notes	December 31, 2014	December 31, 2013 (Restated)	January 1, 2013 Brought Forward (Restated)
Unit : Baht				
<u>Liabilities and Shareholders' Equity</u>				
Deposits	6.12	5,493,950,733	5,727,131,202	7,103,230,710
Interbank and money market items, net	6.13	13,430,747,598	11,736,867,539	7,573,455,563
Liabilities payable on demand		259,508,592	295,537,173	145,909,283
Derivative liabilities	6.3	119,040,858	176,930,360	88,536,835
Debt issued and borrowings	6.14	39,825,852,532	39,387,573,532	42,294,277,532
Provisions	6.15	175,861,200	147,022,420	155,734,752
Accrued interest payables		322,883,582	235,227,353	283,461,506
Allowance for export credit insurance		88,785,173	92,536,175	128,315,111
Other liabilities	6.16	752,680,323	824,633,134	581,733,950
Total liabilities		60,469,310,591	58,623,458,888	58,354,655,242
Shareholders' equity				
Capital	6.17	12,800,000,000	12,800,000,000	12,800,000,000
Paid-up capital		12,800,000,000	12,800,000,000	12,800,000,000
Other components of equity		2,603,206	1,073,487	3,209,817
Retained earnings				
Appropriated				
Legal reserve		4,330,000,000	3,677,853,887	3,126,853,887
Unappropriated		739,373,747	633,387,867	243,409,260
Total shareholders' equity		17,871,976,953	17,112,315,241	16,173,472,964
Total liabilities and shareholders' equity		78,341,287,544	75,735,774,129	74,528,128,206

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

(Mr. Naris Chaiyasoot)

Chairman

(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Notes</u>	<u>2014</u>	Unit : Baht <u>2013</u> <u>(Restated)</u>
Interest revenue	6.23	3,441,544,677	3,241,944,528
Interest expenses	6.24	985,828,506	1,033,152,550
Net interest income		2,455,716,171	2,208,791,978
Fees and service revenue		650,024,875	414,096,843
Fees and service expenses		83,895,380	99,117,786
Net fees and service income	6.25	566,129,495	314,979,057
Gains on tradings and foreign exchange transactions	6.26	237,064,488	29,680,171
Gains (Losses) on investments	6.27	19,291,635	(27,198,128)
Other operating revenue		5,771,201	58,165,526
Total operating revenue		262,127,324	60,647,569
Other operating expenses			
Personnel expenses		554,525,404	540,729,671
Directors' remuneration		5,660,312	4,824,781
Premises and equipment expenses		41,068,842	47,213,177
Taxes and duties		3,797	2,541
Losses on claims and provision for insurance service		29,418,711	(24,291,185)
Losses on impairment of properties foreclosed		8,498,481	45,007,961
Others		282,469,760	57,797,799
Total operating expenses		921,645,307	671,284,745
Impairment loss of loans and debt securities	6.28	846,250,530	596,842,739
Net income		1,516,077,153	1,316,291,120
Other comprehensive income (losses)			
Gains (Losses) on revaluation of available-for-sale investment		1,529,719	(2,136,330)
Actuarial gains (losses) on defined benefit plans		(10,445,160)	10,687,487
Total other comprehensive income (losses)		(8,915,441)	8,551,157
Total comprehensive income		1,507,161,712	1,324,842,277

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

(Mr. Naris Chaiyasoot)

Chairman

(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
			Revaluation Surplus (Deficit) on Investments			
Beginning balance as at January 1, 2013		12,800,000,000	3,209,817	3,126,853,887	237,319,505	16,167,383,209
Effect of the change in accounting policy in 2012	2.3	-	-	-	6,089,755	6,089,755
Balance as at January 1, 2013 (Restated)		12,800,000,000	3,209,817	3,126,853,887	243,409,260	16,173,472,964
Legal reserve		-	-	551,000,000	(551,000,000)	-
Remittance to the Ministry of Finance		-	-	-	(386,000,000)	(386,000,000)
Total comprehensive income (Restated)	2.3	-	(2,136,330)	-	1,326,978,607	1,324,842,277
Ending balance as at December 31, 2013		12,800,000,000	1,073,487	3,677,853,887	633,387,867	17,112,315,241
Beginning balance as at January 1, 2014		12,800,000,000	1,073,487	3,677,853,887	613,516,404	17,092,443,778
Effect of the change in accounting policy in 2012	2.3	-	-	-	6,089,755	6,089,755
Effect of the change in accounting policy in 2013	2.3	-	-	-	13,781,708	13,781,708
Balance as at January 1, 2014 (Restated)		12,800,000,000	1,073,487	3,677,853,887	633,387,867	17,112,315,241
Legal reserve		-	-	652,146,113	(652,146,113)	-
Remittance to the Ministry of Finance	6.18	-	-	-	(747,500,000)	(747,500,000)
Total comprehensive income		-	1,529,719	-	1,505,631,993	1,507,161,712
Ending balance as at December 31, 2014		12,800,000,000	2,603,206	4,330,000,000	739,373,747	17,871,976,953

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

(Mr. Naris Chaiyasoot)

Chairman

(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
		Unit : Baht
Cash flows from operating activities		
Net income	1,516,077,153	1,316,291,120
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	56,285,310	52,534,856
Bad debt and doubtful accounts	955,983,669	731,055,952
Loss on debt restructuring (reversal)	(1,139,943)	44,996,866
(Gain) Loss on disposal of assets	237,534	(450,774)
Gain on sale of properties foreclosed	-	(54,819,099)
Loss on impairment of properties foreclosed	8,498,481	45,007,961
Loss on revaluation of foreign currencies	259,934,478	317,678,436
Derivative revaluation	(238,997,691)	133,446,582
(Gain) Loss on disposal of investments	(7,682,937)	22,062
Loss on impairment of investments (reversal)	(11,608,698)	27,176,066
Amortization of premium (discount) on debt securities	(24,409,793)	8,239,890
Increase in provisions	17,449,620	665,956
Bad debt and provision for other receivables (reversal)	171,110,451	(48,315,699)
Loss on claims and provision for insurance service (reversal)	31,131,197	(9,641,520)
Increase in revenue receivables	(2,484,332)	(1,919,246)
Increase in prepaid expenses	(7,056,235)	(3,126,560)
Increase (Decrease) in other accrued expenses	10,152,510	(6,275,170)
	2,733,480,774	2,552,567,679
Net interest income	(2,455,716,171)	(2,208,791,978)
Dividend income	(2,685)	-
Proceeds from interest income	3,424,850,506	3,184,839,567
Interest expenses paid	(895,708,972)	(1,085,517,098)
Proceeds from dividend income	2,685	-
	2,806,906,137	2,443,098,170
Income from operations before changes in operating assets and liabilities		
(Increase) decrease in operating assets		
Interbank and money market items	(271,835,539)	183,661,724
Loans, net	(5,593,642,654)	624,574,944
Properties foreclosed, net	(3,520,871)	173,338,622
Other assets, net	(34,423,096)	(16,564,735)

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)
Cash flows from operating activities		
Increase (decrease) in operating liabilities		
Deposits	(211,636,087)	(1,407,083,394)
Interbank and money market items	1,747,425,299	3,778,588,935
Liabilities payable on demand	(35,943,468)	149,415,492
Short-term debt issued and borrowings	300,000,000	-
Other liabilities	(215,660,556)	232,704,416
Net cash provided by (used in) operating activities	(1,512,330,835)	6,161,734,174
Cash flows from investing activities		
Proceeds from disposal of available-for-sale securities	-	200,000,000
Purchases of held-to-maturity debt securities	(1,900,000,000)	(5,480,000,000)
Proceeds from redemption of held-to-maturity debt securities	4,121,948,261	4,902,000,000
Purchases of general investments	-	(1,000,000)
Proceeds from disposal of general investments	33,902,090	9,983,174
Purchases of premises and equipment	(31,889,058)	(17,369,611)
Proceeds from sales of premises and equipment	2,536,530	2,908,459
Purchases of intangible assets	(41,851,567)	(34,945,316)
Net cash provided by (used in) investing activities	2,184,646,256	(418,423,294)
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	5,637,650,768	3,665,275,369
Repayments of long-term debt issued and borrowings	(5,562,764,744)	(9,022,345,184)
Remittance to the Ministry of Finance	(747,500,000)	(386,000,000)
Net cash used in financing activities	(672,613,976)	(5,743,069,815)
Net increase (decrease) in cash and cash equivalents	(298,555)	241,065
Cash and cash equivalents at the beginning of the period	553,209	312,144
Cash and cash equivalents at the end of the period	254,654	553,209

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

(Mr. Naris Chaiyasoot)

Chairman

(Mr. Suthanai Prasertsan)

Acting President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Note	Contents	Page
1	General Information	11
2	Basis of Preparation of the Financial Statements	
	2.1 Basis of Preparation of the Financial Statements	11
	2.2 The New and Revised Thai Financial Reporting Standards (TFRS)	11
	2.3 Change in Accounting Policy and Reclassification of Accounts	13
3	Significant Accounting Policies	14
4	Risk Management	
	4.1 The Bank's Risk Information	20
	4.2 Fair Value of Financial Instruments	22
	4.3 Capital Adequacy under the Ministerial Regulations	23
5	Estimates and Assumptions	23
6	Additional Information	
	6.1 Supplementary Information of Cash Flow	24
	6.2 Interbank and Money Market Items, Net (Assets)	24
	6.3 Derivatives	25
	6.4 Investments, Net	26
	6.5 Loans and Accrued Interest Receivables, Net	27
	6.6 Allowance for Doubtful Accounts	31
	6.7 Revaluation Allowance for Debt Restructuring	32
	6.8 Properties Foreclosed, Net	32
	6.9 Premises and Equipment, Net	33
	6.10 Intangible Assets, Net	34
	6.11 Other Assets, Net	34
	6.12 Deposits	35
	6.13 Interbank and Money Market Items, Net (Liabilities)	35
	6.14 Debt Issued and Borrowings	36
	6.15 Provisions	37
	6.16 Other Liabilities	38
	6.17 Capital	38
	6.18 Remittance to the Ministry of Finance	38
	6.19 Contingent Liabilities and Commitments	39

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Note	Contents	Page
6.20	Other Benefits to Directors and Executives	39
6.21	Long-Term Leasing Contracts	39
6.22	Financial Position and Operational Performance Classified by Domestic and Foreign Operations	39
6.23	Interest Revenue	40
6.24	Interest Expenses	40
6.25	Fee and Service Revenue, Net	40
6.26	Gains on Tradings and Foreign Exchange Transactions	41
6.27	Gains (Losses) on Investments	41
6.28	Impairment Loss of Loans and Debt Securities	41
6.29	Approval of the Financial Statements	41

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

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

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

2.2.1 The Bank has adopted the new and revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) which are effective for the financial statements beginning on or after January 1, 2014 as follows :

Thai Accounting Standards

- TAS 1 Presentation of Financial Statements (Revised 2012)
- TAS 7 Statement of Cash Flows (Revised 2012)
- TAS 17 Leases (Revised 2012)
- TAS 18 Revenue (Revised 2012)
- TAS 19 Employee Benefits (Revised 2012)
- TAS 21 The Effects of Changes in Foreign Exchange Rates (Revised 2012)
- TAS 24 Related Party Disclosures (Revised 2012)
- TAS 34 Interim Financial Reporting (Revised 2012)

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

Thai Accounting Standards

TAS 36 Impairment of Assets (Revised 2012)

TAS 38 Intangible Assets (Revised 2012)

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

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

	<u>Effective Date</u>
The Conceptual Financial Reporting Standards	January 1, 2015
<u>Thai Accounting Standards</u>	
TAS 1 Presentation of Financial Statements (Revised 2014)	January 1, 2015
TAS 7 Statement of Cash Flows (Revised 2014)	January 1, 2015
TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Revised 2014)	January 1, 2015
TAS 10 Events after the Reporting Period (Revised 2014)	January 1, 2015
TAS 16 Property, Plant and Equipment (Revised 2014)	January 1, 2015
TAS 17 Leases (Revised 2014)	January 1, 2015
TAS 18 Revenue (Revised 2014)	January 1, 2015
TAS 19 Employee Benefits (Revised 2014)	January 1, 2015
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Revised 2014)	January 1, 2015
TAS 21 The Effects of Changes in Foreign Exchange Rates (Revised 2014)	January 1, 2015
TAS 24 Related Party Disclosures (Revised 2014)	January 1, 2015
TAS 29 Financial Reporting in Hyperinflationary Economics (Revised 2014)	January 1, 2015
TAS 34 Interim Financial Reporting (Revised 2014)	January 1, 2015
TAS 36 Impairment of Assets (Revised 2014)	January 1, 2015
TAS 37 Provisions, Contingent Liabilities and Contingent Assets (Revised 2014)	January 1, 2015
TAS 38 Intangible Assets (Revised 2014)	January 1, 2015
<u>Thai Financial Reporting Standards</u>	
TFRS 4 Insurance Contracts (Revised 2014)	January 1, 2016
TFRS 13 Fair Value Measurement	January 1, 2015

The Bank has considered the impact of the above Thai Accounting Standards and Thai Financial Reporting Standards and determined that they will have no material impact on the Bank's financial statements in the period of initial adoption. However, for TFRS 4 Insurance Contracts (Revised 2014) the bank is presently considering the potential impact in the period of initial adoption.

2.3 Change in Accounting Policy and Reclassification of Accounts

The Bank has changed the recognition of interest income and accrued interest of restructured debts which have been classified as normal debts. With this regard, the Bank discontinues the recognition of accrued interest as interest income for debtors that the Bank has the right to claim when the debtors are not able to comply with the conditions set forth in debt restructuring agreements, and also discontinues the provision setting for accrued interest. Instead, the Bank recognizes only interest arising from new debt restructuring agreements as interest income.

The effects of the change in accounting policy to comparative financial statements are as follow :

1) Statements of financial position as at December 31, 2013

Unit: Million Baht

	<u>Before</u>	<u>Change in</u>	<u>After</u>
	<u>Adjustment</u>	<u>Accounting Policy</u>	<u>Adjustment</u>
Accrued interest receivables	1,191.13	(933.44)	257.69
Revaluation allowance for debt restructuring	1,093.29	(953.31)	139.98
Unappropriated retained earnings	613.52	19.87	633.39
- 2012		6.09	
- 2013		13.78	

2) Statements of comprehensive income for the year ended December 31, 2013

Unit: Million Baht

	<u>Before</u>	<u>Change in</u>	<u>Reclassification</u>	<u>After</u>
	<u>Adjustment</u>	<u>Accounting Policy</u>	<u>of Accounts</u>	<u>Adjustment</u>
Interest revenue	3,230.14	(54.26)	66.06	3,241.94
Written-down debt recovered *	587.48	(137.21)	(450.27)	-
Other operating revenue *	58.21	-	(0.05)	58.16
Impairment loss of loans and debt securities	1,186.35	(205.25)	(384.26)	596.84
Net income	1,302.51	13.78	-	1,316.29
Total comprehensive income	1,311.06	13.78	-	1,324.84

* Written-down debt recovered and bad debt recovered in the statements of comprehensive income for the year ended December 31, 2013 are reclassified in order to conform with the presentation of the statements of comprehensive income for the year ended December 31, 2014. The bad debt recovered and the principals of written-down debt recovered are presented net of impairment loss of loans and debt securities. The interest of written-down debt recovered are presented as interest revenue.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of Income

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

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

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

3.2 Recognition of Expenses

Interest expenses are recognized on an accrual basis.

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

3.3 Cash

Cash represents cash in hand and cash on collection.

3.4 Derivatives

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

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

3.5 Investments

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

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

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

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

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

The Bank recognizes investments on the settlement date.

3.5 Investments (Continued)

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

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

3.6 Loans

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

The Bank recognizes and derecognizes the transaction on settlement date.

3.7 Allowance for Doubtful Accounts

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

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

Allowance for doubtful accounts established during the period are recognized as bad debt and doubtful accounts expense.

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

3.8 Troubled Debt Restructuring

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

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

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

3.8 Troubled Debt Restructuring (Continued)

allowance for debt restructuring. The Bank recognized loss on debt restructuring as expenses in the statements of comprehensive income in the relevant accounting period.

3.9 Debt Write-Down

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

3.10 Properties Foreclosed

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

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

The Bank regularly appraises properties foreclosed by external appraisers on a yearly basis.

3.11 Premises, Equipment and Depreciations

Premises and equipment are stated at cost less accumulated depreciation and allowance for asset impairment (if any).

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

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

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

3.12 Intangible Assets

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

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

3.13 Leaseholds

Leaseholds are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the lease period, which are between 3-20 years. Amortization is recognized as other operating expenses in the statements of comprehensive income.

3.14 Assets and Liabilities in Foreign Currencies

3.14.1 Functional Currency and Presentation Currency

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

3.14.2 Translation of Foreign Currencies

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

3.15 Export Credit Insurance Services and Provisions

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

Provisions for export credit insurance are as follows:

1) Provisions for future claims against the export credit insurance policies

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

2) Provisions for the pending insurance claims payable

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

3) Allowance for doubtful accounts on the compensated claims

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

In case of any losses under the export credit insurance services which may affect the Bank's operations and/or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No. 2), 1999 (B.E. 2542).

3.16 Investment Insurance Services and Provisions

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

Provisions for investment insurance are as follows:

1) Provisions for future claims against the investment insurance policies

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

2) Provisions for doubtful accounts on pending claims payable

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

3) Allowance for doubtful accounts on the compensated claims

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

In case of any losses under the investment insurance services which may affect the Bank's operations and/or total required capital, the Bank will request a loss compensation from the Ministry of Finance as stated in Section 24 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No. 2), 1999 (B.E. 2542).

3.17 Stand-by Claims Purchase Agreement Services and Provisions

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

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

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

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

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

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

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

3) Allowance for doubtful accounts on the paid purchase under the stand-by claims purchase agreement services.

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

3.18 Provisions

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

3.19 Post-Employment Benefits

3.19.1 Defined Contribution Plans

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

Contributions to the employee provident fund are made under the rule of "The Registered Provident Fund of Export-Import Bank of Thailand's Employee". Employees contribute to the provident fund at 3-8.5% of salary and the Bank's supplemental contribution is at 4-8.5% of employee's salary according to the years of employment. Upon termination of employment, employees are entitled to receive this benefit.

3.19.2 Defined Benefit Plans

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

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

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

3.20 Appropriation of Annual Net Income

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

4. RISK MANAGEMENT

4.1 The Bank's Risk Information

The Bank has set to review its corporate risk management framework and risk management policy on a yearly basis or when any material change occurs in accordance with the guidelines of the Bank of Thailand (BOT). Its objective is to manage and monitor risks to an acceptable level. In 2014, the Bank monitored and managed all risk categories to be within the risk limits, key risk indicators (KRIs), risk appetite and risk tolerance at the levels approved by the Board of Directors. An emphasis was also placed on training for employees and parties concerned to promote awareness of the importance of risk management, with the ultimate goal of incorporating risk management process as part of the Bank's day-to-day operation and organizational culture.

4.1.1 Credit Risk

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

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

4.1.2 Market Risk

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

The Bank's major market risk can be classified into three types as follows:

1. Interest Rate Risk

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

2. Foreign Exchange Rate Risk

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

4.1.2 Market Risk (Continued)

3. Equity Price Risk

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

Moreover, there is clear segregation of authority and duties among business units relating to market risk management. The Bank has put in place delegation of approval authority and relevant criteria in writing, and designated the use of risk management approaches in alignment with the complication of the respective transactions and ensured that the Bank's market risk is contained to an acceptable level.

4.1.3 Liquidity Risk

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

The Bank has prudently concerned structure of assets, liabilities and off-balance sheet items to distribute funding source concentration. The Bank has also follow up its liquidity maintaining cost and return, for the maximum benefit of the Bank.

Furthermore, the Bank has in place a policy to maintain relationship with domestic and foreign business partners that are its funding sources on a regular and continual basis, which is regarded as part of liquidity management.

As at December 31, 2014 and 2013, the Bank had significant asset and liability items classified by maturity as follows:

	Unit : Million Baht					
	December 31, 2014			December 31, 2013		
	Up to	Over	Total	Up to	Over	Total
	1 Year	1 Year		1 Year	1 Year	
Assets						
Interbank and money market items, net	5,164.25	-	5,164.25	5,002.12	-	5,002.12
Investments, net	1,635.73	234.09	1,869.82	3,593.88	484.44	4,078.32
Loans	18,611.56	54,556.43	73,167.99	18,762.65	48,764.14	67,526.79
Total assets	<u>25,411.54</u>	<u>54,790.52</u>	<u>80,202.06</u>	<u>27,358.65</u>	<u>49,248.58</u>	<u>76,607.23</u>
Liabilities						
Deposits	5,493.95	-	5,493.95	5,727.13	-	5,727.13
Interbank and money market items, net	8,486.30	4,944.45	13,430.75	6,814.83	4,922.04	11,736.87
Debt issued and borrowings	<u>9,365.64</u>	<u>30,460.21</u>	<u>39,825.85</u>	<u>5,745.28</u>	<u>33,642.29</u>	<u>39,387.57</u>
Total liabilities	<u>23,345.89</u>	<u>35,404.66</u>	<u>58,750.55</u>	<u>18,287.24</u>	<u>38,564.33</u>	<u>56,851.57</u>

4.2 Fair Value of Financial Instruments

Unit : Million Baht

	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets				
Cash	0.25	0.25	0.55	0.55
Interbank and money market items, net	5,164.25	5,164.25	5,002.12	5,002.12
Derivatives	824.67	824.67	877.42	877.42
Investments, net	1,869.82	1,877.72	4,078.32	4,096.20
Loans to customers and accrued interest receivable, net	<u>68,681.47</u>	<u>68,681.47</u>	<u>63,976.60</u>	<u>63,976.60</u>
Total financial assets	<u>76,540.46</u>	<u>76,548.36</u>	<u>73,935.01</u>	<u>73,952.89</u>
Financial liabilities				
Deposits	5,493.95	5,493.95	5,727.13	5,727.13
Interbank and money market items, net	13,430.75	13,430.75	11,736.87	11,736.87
Liabilities payable on demand	259.51	259.51	295.54	295.54
Derivatives	119.04	119.04	176.93	176.93
Debt issued and borrowings	<u>39,825.85</u>	<u>39,825.85</u>	<u>39,387.57</u>	<u>39,387.57</u>
Total financial liabilities	<u>59,129.10</u>	<u>59,129.10</u>	<u>57,324.04</u>	<u>57,324.04</u>

4.3 Capital Adequacy under the Ministerial Regulations

As at December 31, 2014, the Bank's capital adequacy ratio (CAR) stood at 21.44%, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulation (not less than 8.0%), and its capital to insurance service contingent liabilities ratio stood at 104.92%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.0%).

Capital Adequacy Ratio Based on the Ministerial Regulations

		Unit : Million Baht
	<u>Ministerial</u>	<u>December 31, 2014</u>
	<u>Regulations</u>	<u>December 31, 2013</u>
1. Capital *		15,772.08
2. Risk assets **		73,587.38
3. Insurance service contingent liabilities		19,647.66
4. Capital to risk assets (1)/(2)	Not less than 8%	21.43%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	80.27%
		21.44%

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.

5. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The consideration for such estimates and assumptions is based on the experience and reliable information that is available at the time that the financial statements are being prepared. However, the actual results may differ from the estimates.

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

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flow

Significant non-cash items for the year ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Increase (Decrease) in revaluation surplus on investments in		
shareholders' equity	1.53	(2.14)
Increase in properties foreclosed from loan payment	15.78	121.57

6.2 Interbank and Money Market Items, Net (Assets)

	<u>December 31, 2014</u>			<u>December 31, 2013</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	17.52	-	17.52	20.02	320.00	340.02
Commercial banks	47.19	4,060.56	4,107.75	37.92	1,848.47	1,886.39
Specialized financial institutions	<u>0.01</u>	<u>-</u>	<u>0.01</u>	<u>0.07</u>	<u>-</u>	<u>0.07</u>
Total	64.72	4,060.56	4,125.28	58.01	2,168.47	2,226.48
<u>Add</u> Accrued interest receivables	-	-	-	-	0.11	0.11
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(40.60)</u>	<u>(40.60)</u>	<u>-</u>	<u>(18.48)</u>	<u>(18.48)</u>
Total domestic items	<u>64.72</u>	<u>4,019.96</u>	<u>4,084.68</u>	<u>58.01</u>	<u>2,150.10</u>	<u>2,208.11</u>
Foreign items						
US Dollars	134.87	429.51	564.38	357.09	1,666.22	2,023.31
Yen	18.17	-	18.17	13.20	-	13.20
Euro	99.93	360.48	460.41	300.30	405.20	705.50
Other currencies	<u>36.60</u>	<u>-</u>	<u>36.60</u>	<u>51.58</u>	<u>-</u>	<u>51.58</u>
Total	289.57	789.99	1,079.56	722.17	2,071.42	2,793.59
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>-</u>	<u>0.42</u>	<u>0.42</u>
Total foreign items	<u>289.57</u>	<u>790.00</u>	<u>1,079.57</u>	<u>722.17</u>	<u>2,071.84</u>	<u>2,794.01</u>
Total domestic and foreign items	<u>354.29</u>	<u>4,809.96</u>	<u>5,164.25</u>	<u>780.18</u>	<u>4,221.94</u>	<u>5,002.12</u>

6.3 Derivatives

As at December 31, 2014 and 2013, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2014</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	396.36	21.73	13,522.20
Interest rate	<u>428.31</u>	<u>97.31</u>	<u>6,934.31</u>
Total	<u>824.67</u>	<u>119.04</u>	<u>20,456.51</u>

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

As at December 31, 2014 and 2013, the proportions of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Financial institutions	82.98%	78.97%
Third parties	<u>17.02%</u>	<u>21.03%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Investments

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	3.68	2.15

Unit : Million Baht

6.4.2 Held-to-Maturity Debt Securities

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	1,397.60	3,572.32
Foreign debt securities	<u>360.00</u>	<u>380.65</u>
Total	<u>1,757.60</u>	<u>3,952.97</u>

Unit : Million Baht

6.4.3 General Investments

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- MFC Energy Fund	62.49	62.96
- Thailand Prosperity Fund 2 (TTPF 2)	40.03	65.95
- Vayupak Fund 1	1.00	1.00
Others	<u>0.42</u>	<u>0.47</u>
Total	130.25	156.69
<u>Less</u> Allowance for impairment	<u>(21.71)</u>	<u>(33.49)</u>
Total	<u>108.54</u>	<u>123.20</u>
Total investments, net	<u>1,869.82</u>	<u>4,078.32</u>

Unit : Million Baht

As at December 31, 2014, domestic non-marketable equity securities amounting to Baht 26.31 million were ordinary shares derived from debt restructuring.

6.5 Loans and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
		Unit : Million Baht
Overdrafts	316.40	315.96
Domestic loans - customers	47,865.14	49,530.97
- export bills negotiation	687.15	561.07
- staff loans	244.24	258.72
Overseas loans - foreign government agencies	2,351.81	3,013.99
- customers operating overseas	21,675.81	13,809.11
Others	<u>27.44</u>	<u>36.97</u>
Total loans	73,167.99	67,526.79
<u>Less</u> Deferred revenue	<u>(5.91)</u>	<u>(4.30)</u>
Total loans, net of deferred revenue	73,162.08	67,522.49
<u>Add</u> Accrued interest receivables	<u>245.98</u>	<u>257.69</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	73,408.06	67,780.18
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,515.77)	(1,650.95)
- Excess allowance	(2,093.24)	(2,012.65)
Revaluation allowance for debt restructuring	<u>(117.58)</u>	<u>(139.98)</u>
Total loans, net	<u>68,681.47</u>	<u>63,976.60</u>

As at December 31, 2014, overseas loans extended to foreign government agencies in the amount of Baht 2,351.81 million were loans extended to foreign government agencies in accordance with the Thai government policy, with interest charged from those borrowers at the rate of 1.50% p.a. and 3.00% p.a. The differences between such interest rates and the cost of fund of the Bank were subsidized by the Thai government or concerned state agencies. Moreover, for certain projects, the Bank also earned an additional operating fee at 0.75% p.a. apart from the interest revenue subsidy.

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	<u>December 31, 2014</u>			<u>December 31, 2013</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	30,714.14	8,048.02	38,762.16	33,808.13	7,506.17	41,314.30
US Dollar	18,265.05	15,979.60	34,244.65	16,862.88	9,316.93	26,179.81
Other currencies	<u>155.27</u>	<u>-</u>	<u>155.27</u>	<u>28.38</u>	<u>-</u>	<u>28.38</u>
Total	<u>49,134.46</u>	<u>24,027.62</u>	<u>73,162.08</u>	<u>50,699.39</u>	<u>16,823.10</u>	<u>67,522.49</u>

6.5.3 Classified by Loan Classification

Unit : Million Baht

	<u>December 31, 2014</u>			
	<u>Loans and Accrued Interest Receivables</u>	<u>Net Amount Subject to Allowance for Doubtful Accounts</u>	<u>Minimum Provision Rate (%)</u>	<u>Allowance for Doubtful Accounts</u>
1. Minimum allowance by BOT's regulation				
Pass	66,624.10	65,602.33	1,50,100	1,072.32
Special mention	32.01	31.39	2	0.63
Substandard	1,201.19	624.89	100	624.89
Doubtful	34.19	14.72	100	14.72
Doubtful of loss	<u>2,850.45</u>	<u>803.21</u>	100	<u>803.21</u>
Total minimum allowance by BOT's regulation	70,741.94	67,076.54		2,515.77
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,093.24</u>
Total	<u>70,741.94</u>	<u>67,076.54</u>		<u>4,609.01</u>

6.5.3 Classified by Loan Classification (Continued)

Unit : Million Baht

	<u>December 31, 2013</u>			
	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables</u>	<u>Net Amount Subject</u> <u>to Allowance for</u> <u>Doubtful Accounts</u>	<u>Minimum</u> <u>Provision</u> <u>Rate (%)</u>	<u>Allowance</u> <u>for Doubtful</u> <u>Accounts</u>
<u>Provisioning</u>				
1. Minimum allowance by BOT's regulation				
Pass	61,509.45	61,357.41	1,20,50,100	1,052.03
Special mention	49.06	48.45	2	0.97
Substandard	58.38	29.15	100	29.15
Doubtful	855.27	550.05	100	550.05
Doubtful of loss	<u>2,028.24</u>	<u>18.75</u>	100	<u>18.75</u>
Total minimum allowance by BOT's regulation	64,500.40	62,003.81		1,650.95
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,012.65</u>
Total	<u>64,500.40</u>	<u>62,003.81</u>		<u>3,663.60</u>

As at December 31, 2014 and 2013 the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

Unit : Million Baht

	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>Loans and</u> <u>Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>	<u>As % of Loans</u> <u>and Accrued Interest</u> <u>Receivables Net of</u> <u>Deferred Revenue</u>
Classified loans	70,741.94	96.37	64,500.40	95.16
Unclassified loans	<u>2,666.12</u>	3.63	<u>3,279.78</u>	4.84
Total	<u>73,408.06</u>		<u>67,780.18</u>	

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

6.5.4 Non-Performing Loans (NPLs)

As at December 31, 2014 and 2013, 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>December 31, 2014</u>	<u>December 31, 2013</u>
NPLs before deducting allowance for doubtful accounts	4,085.83	2,941.89
Percentage of total loans *	5.29	4.24
NPLs after deducting allowance for doubtful accounts	2,643.01	2,343.94
Percentage of net loans	3.49	3.41

* Total loans include loans to interbank and money market except accrued interest receivables.

As at December 31, 2014 and 2013, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,097.69 million and Baht 4,217.45 million, respectively. In 2014 and 2013, the Bank recovered principal from written-down accounts in the amount of Baht 120.07 million and Baht 384.21 million, respectively, from which accounts the bank received cash in the amount of Baht 108.12 million and Baht 148.76 million, respectively.

In 2014 and 2013, the Bank wrote off bad debts in the amount of Baht 0.99 million and Baht 0.02 million, respectively.

6.5.5 Troubled Debt Restructuring

In 2014 and 2013, the Bank restructured debts as follows:

		Unit : Million Baht	
		<u>2014</u>	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	97.41	97.41

The weighted average tenure of the above-mentioned restructuring is 8 years. As at December 31, 2014, the outstanding of such restructured loans was Baht 103.54 million.

		Unit : Million Baht	
		<u>2013</u>	
<u>Types of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	13	94.22	94.22

6.5.5 Troubled Debt Restructuring (Continued)

The weighted average tenure of the above-mentioned restructuring is 4.4 years. As at December 31, 2013, the outstanding of such restructured loans was Baht 325.29 million.

In 2014 and 2013, debt restructuring during the year compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

	Unit : Million Baht			
	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the year	3	97.41	13	94.22
Loans and accrued interest receivables net of deferred revenue	1,052	73,408.06	1,032	67,780.18

As at December 31, 2014 and 2013, the Bank had outstanding restructured loans reclassified as normal for 27 cases amounting to Baht 1,080.63 million and for 32 cases amounting to Baht 1,262.69 million, respectively.

In 2014 and 2013, the Bank recognized interest income from debt restructuring in the amount of Baht 69.10 million and Baht 86.60 million, respectively.

6.6 Allowance for Doubtful Accounts

As at December 31, 2014 and 2013, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>December 31, 2014</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</u>	
Beginning balance	1,052.03	0.97	29.15	550.05	18.75	2,012.65	3,663.60
Increase (decrease) in allowance							
for doubtful accounts	<u>20.29</u>	<u>(0.34)</u>	<u>595.74</u>	<u>(535.33)</u>	<u>784.46</u>	<u>80.59</u>	<u>945.41</u>
Ending balance	<u>1,072.32</u>	<u>0.63</u>	<u>624.89</u>	<u>14.72</u>	<u>803.21</u>	<u>2,093.24</u>	<u>4,609.01</u>
	<u>December 31, 2013</u>						
	<u>Pass</u>	<u>Special</u>	<u>Sub-</u>	<u>Doubtful</u>	<u>Doubtful</u>	<u>Excess</u>	<u>Total</u>
		<u>Mention</u>	<u>Standard</u>		<u>of Loss</u>	<u>Allowance</u>	
Beginning balance	821.08	0.18	6.07	418.06	24.44	1,937.08	3,206.91
Increase (decrease) in allowance							
for doubtful accounts	230.95	0.79	23.08	131.99	518.11	75.57	980.49
Debts written down	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(523.80)</u>	<u>-</u>	<u>(523.80)</u>
Ending balance	<u>1,052.03</u>	<u>0.97</u>	<u>29.15</u>	<u>550.05</u>	<u>18.75</u>	<u>2,012.65</u>	<u>3,663.60</u>

6.6 Allowance for Doubtful Accounts (Continued)

As at December 31, 2014 and 2013, the Bank's allowance for doubtful accounts on loans accounted for Baht 4,609.01 million and Baht 3,663.60 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 2,093.24 million and Baht 2,012.65 million, respectively (Note 6.5.3). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

6.7 Revaluation Allowance for Debt Restructuring

As at December 31, 2014 and 2013, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Beginning balance	139.98	142.12
Increase	2.08	15.14
Decrease	<u>(24.48)</u>	<u>(17.28)</u>
Ending balance	<u>117.58</u>	<u>139.98</u>

6.8 Properties Foreclosed, Net

As at December 31, 2014 and 2013, the Bank had properties foreclosed, net as follows:

	Unit : Million Baht			
	<u>December 31, 2014</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,069.92	19.30	-	1,089.92
- Movable properties	<u>208.17</u>	<u>-</u>	<u>-</u>	<u>208.17</u>
Total properties foreclosed	1,278.09	19.30	-	1,297.39
(Less) Allowance for impairment	<u>(444.94)</u>	<u>(8.50)</u>	<u>-</u>	<u>(453.44)</u>
Total properties foreclosed, net	<u>833.15</u>	<u>10.80</u>	<u>-</u>	<u>843.95</u>
	<u>December 31, 2013</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,067.05	121.57	118.70	1,069.92
- Movable properties	<u>278.04</u>	<u>-</u>	<u>69.87</u>	<u>208.17</u>
Total properties foreclosed	1,345.09	121.57	188.57	1,278.09
(Less) Allowance for impairment	<u>(469.99)</u>	<u>(45.01)</u>	<u>(70.06)</u>	<u>(444.94)</u>
Total properties foreclosed, net	<u>875.10</u>	<u>76.56</u>	<u>118.51</u>	<u>833.15</u>

As at December 31, 2014 and 2013, the Bank had immovable assets from debt repayment in the amount of Baht 1,089.22 million and Baht 1,069.92 million, respectively, which were appraised by external appraisers.

6.9 Premises and Equipment, Net

As at December 31, 2014 and 2013, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	December 31, 2014								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	340.70	10.67	-	351.37	331.88
- Building improvement	129.77	0.12	-	129.89	113.67	4.35	-	118.02	11.87
Equipment									
- Office equipment and fixtures	256.39	17.21	0.86	272.74	229.09	14.49	0.86	242.72	30.02
- Vehicles	77.17	16.90	10.64	83.43	32.75	8.60	7.27	34.08	49.35
Assets pending for write off	-	3.37	3.37	-	-	-	-	-	-
Assets under construction*	<u>2.61</u>	<u>3.63</u>	<u>6.24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,540.45</u>	<u>41.23</u>	<u>21.11</u>	<u>1,560.57</u>	<u>716.21</u>	<u>38.11</u>	<u>8.13</u>	<u>746.19</u>	<u>814.38</u>

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

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

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

6.10 Intangible Assets, Net

Changes in the Bank's intangible assets, which are computer software, for the years ended December 31, 2014 and 2013 are as follows;

Unit : Million Baht

	December 31, 2014								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	102.26	12.80	-	115.06	50.48	17.80	-	68.28	46.78
Software under installation*	<u>53.32</u>	<u>-</u>	<u>5.85</u>	<u>47.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.47</u>
Total	<u>155.58</u>	<u>12.80</u>	<u>5.85</u>	<u>162.53</u>	<u>50.48</u>	<u>17.80</u>	<u>-</u>	<u>68.28</u>	<u>94.25</u>

	December 31, 2013								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	79.33	23.20	0.27	102.26	36.13	14.62	0.27	50.48	51.78
Software under installation*	<u>3.84</u>	<u>66.67</u>	<u>17.19</u>	<u>53.32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53.32</u>
Total	<u>83.17</u>	<u>89.87</u>	<u>17.46</u>	<u>155.58</u>	<u>36.13</u>	<u>14.62</u>	<u>0.27</u>	<u>50.48</u>	<u>105.10</u>

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

6.11 Other Assets, Net

Unit : Million Baht

	December 31, 2014	December 31, 2013
Revenue receivable, net	2.23	1.62
Insurance claim receivables, net of reinsurance	228.32	221.38
Allowance for insurance claim receivables	(228.32)	(221.38)
Leasehold rights	1.38	1.68
Advance deposits	9.62	11.77
Others	<u>0.95</u>	<u>1.00</u>
Total	<u>14.18</u>	<u>16.07</u>

6.12 Deposits

6.12.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Current	1,539.82	1,569.39
Savings	208.78	220.90
Fixed	<u>3,745.35</u>	<u>3,936.84</u>
Total	<u>5,493.95</u>	<u>5,727.13</u>

6.12.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>December 31, 2014</u>			<u>December 31, 2013</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	4,159.80	304.29	4,464.09	4,669.17	226.16	4,895.33
US Dollar	375.73	622.89	998.62	444.28	376.57	820.85
Other currencies	<u>31.24</u>	<u>-</u>	<u>31.24</u>	<u>10.95</u>	<u>-</u>	<u>10.95</u>
Total	<u>4,566.77</u>	<u>927.18</u>	<u>5,493.95</u>	<u>5,124.40</u>	<u>602.73</u>	<u>5,727.13</u>

6.13 Interbank and Money Market Items, Net (Liabilities)

	Unit : Million Baht					
	<u>December 31, 2014</u>			<u>December 31, 2013</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	-	13.69	13.69	-	818.69	818.69
Commercial banks	0.76	10,944.45	10,945.21	1.18	9,222.04	9,223.22
Specialized financial institutions	<u>150.22</u>	<u>1,085.68</u>	<u>1,235.90</u>	<u>8.25</u>	<u>500.00</u>	<u>508.25</u>
Total domestic items	<u>150.98</u>	<u>12,043.82</u>	<u>12,194.80</u>	<u>9.43</u>	<u>10,540.73</u>	<u>10,550.16</u>
Foreign items						
US Dollar	484.27	-	484.27	395.17	-	395.17
Euro	434.06	-	434.06	711.10	-	711.10
Other currencies	<u>317.62</u>	<u>-</u>	<u>317.62</u>	<u>80.44</u>	<u>-</u>	<u>80.44</u>
Total foreign items	<u>1,235.95</u>	<u>-</u>	<u>1,235.95</u>	<u>1,186.71</u>	<u>-</u>	<u>1,186.71</u>
Total domestic and foreign items	<u>1,386.93</u>	<u>12,043.82</u>	<u>13,430.75</u>	<u>1,196.14</u>	<u>10,540.73</u>	<u>11,736.87</u>

6.14 Debt Issued and Borrowings

6.14.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>December 31, 2014</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	31,150.03	31,150.03
Promissory notes	8,675.00	-	8,675.00
Others	<u>0.82</u>	<u>-</u>	<u>0.82</u>
Total debt issued and borrowings	<u>8,675.82</u>	<u>31,150.03</u>	<u>39,825.85</u>

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

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
		<u>(Year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2015-2019	LIBOR ± MARGIN	31,150.03	31,008.85
Promissory notes	THB	2015-2021	2.70 – 4.75%	6,425.00	6,125.00
		2019	6M THBFIX ± MARGIN	2,250.00	2,250.00
Others	THB	2015	-	<u>0.82</u>	<u>3.72</u>
Total debt issued and borrowings				<u>39,825.85</u>	<u>39,387.57</u>

6.15 Provisions

As at December 31, 2014 and 2013, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Employee benefits	134.73	116.44
Provisions for contingent liabilities	<u>41.13</u>	<u>30.58</u>
Total provisions	<u>175.86</u>	<u>147.02</u>

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

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

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Beginning balance	116.44	120.57
Current service cost*	7.32	8.49
Interest cost*	4.66	4.80
Employees benefit paid during the year	(4.13)	(6.73)
Actuarial gains based on updated assumption	<u>10.44</u>	<u>(10.69)</u>
Ending Balance	<u>134.73</u>	<u>116.44</u>

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

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

	<u>2014</u>	<u>2013</u>
Average salary increase	6.50% - 8.50%	6.00% - 8.50%
Average turnover rate	1.68% - 16.67%	2.2% - 28.95%
Discount rate	2.06% - 4.26%	2.25% - 4.55%

6.16 Other Liabilities

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Advance deposits	49.85	47.21
Expenses payable	16.58	13.71
Account payable	12.38	43.85
Reinsurance payable	7.66	5.50
Deferred revenue	7.83	13.46
Withholding tax payable	4.35	0.68
Provision for stand-by claims purchase agreement	21.99	41.65
Provision for investment insurance	66.67	34.58
Provision for expected loss	329.59	173.32
Suspense liabilities	235.77	450.61
Others	<u>0.01</u>	<u>0.06</u>
Total	<u>752.68</u>	<u>824.63</u>

6.17 Capital

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

6.18 Remittance to the Ministry of Finance

On July 15, 2014 the Bank remitted a part of the net income for the year 2013 amounting to Baht 479.00 million to the Ministry of Finance in accordance with the State Enterprise Policy Office's letter No. KorKhor 0819.1/1921 dated July 19, 2014 regarding the Appropriation of the EXIM Bank's Net Income for the Year 2013. On October 31, 2014 the Bank remitted the interim net income of the year 2014 amounting to Baht 268.50 million. Thereby, the total remittance to the Ministry of Finance in 2014 was Baht 747.50 million.

6.19 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Liabilities under immature import bills	303.76	276.87
Letters of credit	248.45	2,439.32
Export bills insured	13,393.35	18,855.99
Other contingencies		
Overdraft accounts not yet drawn	545.24	479.00
Other guarantees	3,835.20	2,176.93
Investment Insurance	2,604.08	918.78
Stand-by claims purchase agreement	<u>5,498.48</u>	<u>7,374.79</u>
Total other contingencies	<u>12,483.00</u>	<u>10,949.50</u>
Total	<u>26,428.56</u>	<u>32,521.68</u>

6.20 Other Benefits to Directors and Executives

The Bank pays no further benefits to directors and executives other than normal remuneration such as monthly allowance, meeting allowance and bonus for directors (if any), salary for executives, special monthly allowance for executives (if any).

6.21 Long-Term Leasing Contracts

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Within 1 year	4.63	3.40
Over 1 - 5 years	8.95	6.71

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

As the Bank has no foreign branches, its financial position and operational performance are totally related to local branches.

6.23 Interest Revenue

Interest revenue for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Interbank and money market items	64.34	62.22
Investment in debt securities	55.99	86.41
Loans	<u>3,321.21</u>	<u>3,093.31</u>
Total interest revenue	<u>3,441.54</u>	<u>3,241.94</u>

6.24 Interest Expenses

Interest expenses for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Deposits	48.39	70.03
Interbank and money market items	298.11	215.68
Debt issued		
- Foreign bonds	381.57	396.62
- Promissory notes	253.10	346.48
- Borrowings fee	<u>4.66</u>	<u>4.34</u>
Total interest expenses	<u>985.83</u>	<u>1,033.15</u>

6.25 Fee and Service Revenue, Net

Net fee and service revenue for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Fee and service revenue		
- Acceptance aval and guarantee	25.79	17.18
- Revenue from insurance	193.35	167.03
- Others	<u>430.88</u>	<u>229.89</u>
Total fee and service revenue	<u>650.02</u>	<u>414.10</u>
Fee and service expenses		
- Expense on insurance	69.67	87.69
- Others	<u>14.22</u>	<u>11.43</u>
Total fees and service expenses	<u>83.89</u>	<u>99.12</u>
Total fee and service revenue, net	<u>566.13</u>	<u>314.98</u>

6.26 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Foreign exchanges and derivatives	49.38	29.19
Interest rate derivatives	<u>187.68</u>	<u>0.49</u>
Total gains on tradings and foreign exchange transactions	<u>237.06</u>	<u>29.68</u>

6.27 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Gains (losses) on disposal of general investments	7.68	(0.02)
Reversal (losses) on impairment of general investments	<u>11.61</u>	<u>(27.18)</u>
Total gains (losses) on investments	<u>19.29</u>	<u>(27.20)</u>

6.28 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Million Baht	
	<u>2014</u>	<u>2013</u>
Interbank and money market items	22.08	(14.36)
Loans		
- Bad debts and doubtful accounts *	825.31	596.06
- Loss on restructuring	<u>(1.14)</u>	<u>15.14</u>
Total impairment loss of loans and debt securities	<u>846.25</u>	<u>596.84</u>

* Includes written-down debt recovered and bad debt recovered

6.29 Approval of the Financial Statements

These financial statements have been authorized to issue by the Chairman of the Board of Directors and Acting President on March 3, 2015.
