

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2015
(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, 2015, and the statements of profit or loss and other 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, 2015, 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 4, 2016

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

		Unit : Baht	
	<u>Notes</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<u>Assets</u>			
Cash		179,281	254,654
Interbank and money market items, net	6.2	4,969,562,311	5,164,251,221
Derivative assets	6.3	797,968,984	824,672,610
Investments, net	6.4	2,462,857,083	1,869,817,635
Loans to customers and accrued interest receivables, net	6.5		
Loans to customers		73,539,506,135	73,167,994,782
Accrued interest receivables		243,552,937	245,983,358
Total loans to customers and accrued interest receivables		73,783,059,072	73,413,978,140
<u>Less</u> Deferred revenue		(2,940,489)	(5,910,795)
<u>Less</u> Allowance for doubtful accounts	6.6	(5,615,545,433)	(4,609,015,698)
<u>Less</u> Revaluation allowance for debt restructuring	6.7	(38,725,782)	(117,584,233)
Total loans to customers and accrued interest receivables, net		68,125,847,368	68,681,467,414
Properties foreclosed, net	6.8	815,368,280	843,948,443
Premises and equipment, net	6.9	807,019,222	814,388,232
Intangible assets, net	6.10	96,114,450	94,248,002
Accrued interest receivables not related to loans		15,217,686	6,503,380
Prepaid expenses		39,970,901	27,552,005
Other assets, net	6.11	9,012,409	14,183,948
Total assets		78,139,117,975	78,341,287,544

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, 2015

		Unit : Baht	
	<u>Notes</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<u>Liabilities and Shareholders' Equity</u>			
Deposits	6.12	6,277,082,829	5,493,950,733
Interbank and money market items, net	6.13	15,143,736,503	20,580,747,598
Liabilities payable on demand		460,121,102	259,508,592
Derivative liabilities	6.3	119,466,090	119,040,858
Debt issued and borrowings	6.14	36,230,893,500	32,675,852,532
Provisions	6.15	208,452,242	184,876,149
Accrued interest payables		186,308,381	322,883,582
Allowance for export credit insurance		94,282,092	88,785,173
Other liabilities	6.16	600,772,324	743,665,374
Total liabilities		59,321,115,063	60,469,310,591
Shareholders' equity			
Capital	6.17	12,800,000,000	12,800,000,000
Paid-up capital		12,800,000,000	12,800,000,000
Other components of equity		1,395,533	2,603,206
Retained earnings			
Appropriated			
Legal reserve		5,089,000,000	4,330,000,000
Unappropriated		927,607,379	739,373,747
Total shareholders' equity		18,818,002,912	17,871,976,953
Total liabilities and shareholders' equity		78,139,117,975	78,341,287,544

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
			Unit : Baht
Interest revenue	6.23	3,294,128,609	3,441,544,677
Interest expenses	6.24	875,223,208	985,828,506
Net interest income		<u>2,418,905,401</u>	<u>2,455,716,171</u>
Fees and service revenue		488,537,213	650,024,875
Fees and service expenses		80,212,772	83,895,380
Net fees and service income	6.25	<u>408,324,441</u>	<u>566,129,495</u>
Gains on tradings and foreign exchange transactions	6.26	65,613,150	237,064,488
Gains (Losses) on investments	6.27	(5,982,150)	19,291,635
Other operating revenue		42,287,889	5,771,201
Total operating revenue		<u>101,918,889</u>	<u>262,127,324</u>
Other operating expenses			
Personnel expenses		578,097,229	554,525,404
Directors' remuneration		5,495,538	5,660,312
Premises and equipment expenses		41,543,637	41,068,842
Taxes and duties		2,493	3,797
Losses on claims and provision for insurance service		(9,205,668)	29,418,711
Losses on impairment of properties foreclosed		17,836,144	8,498,481
Others		143,540,216	282,469,760
Total operating expenses		<u>777,309,589</u>	<u>921,645,307</u>
Impairment loss of loans and debt securities	6.28	631,676,290	846,250,530
Net income		<u>1,520,162,852</u>	<u>1,516,077,153</u>
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(1,207,673)	1,529,719
Item that will not be reclassified subsequently to profit or loss			
Actuarial losses on defined benefit plans		(14,329,220)	(10,445,160)
Total other comprehensive income (losses)		<u>(15,536,893)</u>	<u>(8,915,441)</u>
Total comprehensive income		<u><u>1,504,625,959</u></u>	<u><u>1,507,161,712</u></u>

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Unit : Baht Total
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 regarding troubled debt restructuring		-	-	-	19,871,463	19,871,463
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		-	-	-	(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
Beginning balance as at January 1, 2015		12,800,000,000	2,603,206	4,330,000,000	739,373,747	17,871,976,953
Legal reserve		-	-	759,000,000	(759,000,000)	-
Remittance to the Ministry of Finance	6.18	-	-	-	(558,600,000)	(558,600,000)
Total comprehensive income		-	(1,207,673)	-	1,505,833,632	1,504,625,959
Ending balance as at December 31, 2015		12,800,000,000	1,395,533	5,089,000,000	927,607,379	18,818,002,912

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

(Mr. Manas Jamveha)

Chairman

(Mr. Kematat Saicheur)

Acting President

EXPORT-IMPORT BANK OF THAILAND
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
		Unit : Baht
Cash flows from operating activities		
Net income	1,520,162,852	1,516,077,153
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	54,315,208	56,285,310
Bad debt and doubtful accounts	886,554,632	955,983,669
Loss on debt restructuring (reversal)	(57,900,792)	(1,139,943)
(Gain) Loss on disposal of assets	(438,225)	237,534
Loss on impairment of properties foreclosed	17,836,144	8,498,481
Loss on revaluation of foreign currencies	128,506,862	259,934,478
Derivative revaluation	(51,604,317)	(238,997,691)
Gain on disposal of investments	(3,282,738)	(7,682,937)
Loss on impairment of investments (reversal)	9,264,888	(11,608,698)
Amortization of discount on debt securities	(10,309,115)	(24,409,793)
Increase in provisions	9,246,873	15,747,803
Bad debt and provision for other receivables (reversal)	(39,129,146)	174,524,754
Loss on claims and provision for insurance service (reversal)	(9,205,668)	29,418,711
Increase in revenue receivables	(2,601,516)	(2,484,332)
Increase in prepaid expenses	(10,548,616)	(7,056,235)
Increase in other accrued expenses	7,677,569	10,152,510
	2,448,544,895	2,733,480,774
Net interest income	(2,418,905,401)	(2,455,716,171)
Dividend income	-	(2,685)
Proceeds from interest income	3,272,733,458	3,424,850,506
Interest expenses paid	(1,013,052,042)	(895,708,972)
Proceeds from dividend income	-	2,685
	2,289,320,910	2,806,906,137
Income from operations before changes in operating assets and liabilities		
(Increase) decrease in operating assets		
Interbank and money market items	219,878,601	(271,835,539)
Loans, net	1,803,454,065	(5,593,642,654)
Properties foreclosed, net	15,164,019	(3,520,871)
Other assets, net	11,113,767	(34,423,096)

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, 2015

	<u>2015</u>	<u>2014</u>
	Unit : Baht	
Cash flows from operating activities		
Increase (decrease) in operating liabilities		
Deposits	771,317,646	(211,636,087)
Interbank and money market items	(5,168,567,826)	1,747,425,299
Liabilities payable on demand	200,739,794	(35,943,468)
Short-term debt issued and borrowings	(300,000,000)	300,000,000
Other liabilities	(91,372,510)	(215,660,556)
Net cash used in operating activities	(248,951,534)	(1,512,330,835)
Cash flows from investing activities		
Purchases of held-to-maturity debt securities	(2,210,000,000)	(1,900,000,000)
Proceeds from redemption of held-to-maturity debt securities	1,616,781,284	4,121,948,261
Proceeds from disposal of general investments	22,456,359	33,902,090
Purchases of premises and equipment	(35,238,350)	(31,889,058)
Proceeds from sales of premises and equipment	3,628,274	2,536,530
Purchases of intangible assets	(21,158,090)	(41,851,567)
Net cash provided by (used in) investing activities	(623,530,523)	2,184,646,256
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	10,262,782,548	5,637,650,768
Repayments of long-term debt issued and borrowings	(8,831,775,864)	(5,562,764,744)
Remittance to the Ministry of Finance	(558,600,000)	(747,500,000)
Net cash provided by (used in) financing activities	872,406,684	(672,613,976)
Net decrease in cash and cash equivalents	(75,373)	(298,555)
Cash and cash equivalents at the beginning of the period	254,654	553,209
Cash and cash equivalents at the end of the period	179,281	254,654

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

(Mr. Manas Jamveha)
Chairman

(Mr. Kematat Saicheur)
Acting President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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. 21/2558 dated December 4, 2015 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, 2015 as follows :

Thai Financial Reporting Standards

TAS 1	(Revised 2014)	Presentation of Financial Statements
TAS 7	(Revised 2014)	Statement of Cash Flows
TAS 8	(Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2014)	Events after the Reporting Period
TAS 16	(Revised 2014)	Property, Plant and Equipment

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

Thai Financial Reporting Standards

TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets
TFRS 13	Fair Value Measurement

Adopting TFRS 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 Reporting Interpretations, which are effective for the financial statements beginning on or after January 1, 2016. Thai Financial Reporting Standards that are relevant to the Bank are as follows :

Thai Financial Reporting Standards

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates

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

Thai Financial Reporting Standards

TAS 24 (Revised 2015)	Related Party Disclosures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Financial Reporting Interpretations

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

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.

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 statements of profit or loss and other comprehensive income.

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 profit or loss and other 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 profit or loss and other 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 profit or loss and other comprehensive income.

The Bank recognizes investments on the settlement date.

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

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

3.6 Loans

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

The Bank recognizes and derecognizes the transaction on settlement date.

3.7 Allowance for Doubtful Accounts

The Bank sets aside the allowance for doubtful accounts based on the outstanding loan amount and the financial status, collateral, repayment ability of the individual borrowers and classification of loans 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 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 in the statements of profit or loss and other comprehensive income.

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 statements of profit or loss and other comprehensive income.

3.8 Troubled Debt Restructuring

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

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

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

3.9 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 profit or loss and other comprehensive income.

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

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

3.10 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	20 - 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 profit or loss and other comprehensive income upon disposal.

3.11 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 profit or loss and other comprehensive income.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses in the statements of profit or loss and other comprehensive income upon disposal.

3.12 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 profit or loss and other comprehensive income.

3.13 Assets and Liabilities in Foreign Currencies

3.13.1 Functional Currency and Presentation Currency

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

3.13.2 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.

3.14 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).

3.15 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.

3.15 Investment Insurance Services and Provisions (Continued)

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).

3.16 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) 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.

3.17 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, the provision for the employment benefits and other provisions.

3.18 Post-Employment Benefits

3.18.1 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.

3.18.2 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.

3.19 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

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. Target customers are classified into two groups below:

1. Policy group: comprising customers to whom credit is granted in accordance with the government policy.
2. Commercial group: credit extension to whom is in the Bank's normal course of business operation to promote and support exporters, importers, and investors, with focus on businesses that have good potential and growth prospects, and local businesses in relation to national development.

4.1.1 Credit Risk (Continued)

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

4.1.2 Market Risk

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

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

1. Interest Rate Risk

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

2. Foreign Exchange Rate Risk

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

3. Equity Price Risk

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

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 established a policy on financial structure, and structure of assets, liabilities and off-balance sheet items. Under the policy, appropriate sources of funds and uses of funds are considered, with acquisition and

4.1.3 Liquidity Risk (Continued)

management of short-, medium-, and long-term borrowings that match the respective assets structure to ensure proper distribution of funding source concentration and no excessive dependence on any certain creditors or any particular types of creditors which might impact liquidity.

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, 2015 and 2014, the Bank had significant asset and liability items classified by maturity as follows:

Unit : Million Baht

	<u>December 31, 2015</u>			<u>December 31, 2014</u>		
	<u>Up to</u>	<u>Over</u>	<u>Total</u>	<u>Up to</u>	<u>Over</u>	<u>Total</u>
	<u>1 Year</u>	<u>1 Year</u>		<u>1 Year</u>	<u>1 Year</u>	
Assets						
Interbank and money market	4,969.56	-	4,969.56	5,164.25	-	5,164.25
Investments, net	2,218.44	244.42	2,462.86	1,635.73	234.09	1,869.82
Loans	<u>19,760.26</u>	<u>53,779.25</u>	<u>73,539.51</u>	<u>18,611.56</u>	<u>54,556.43</u>	<u>73,167.99</u>
Total assets	<u>26,948.26</u>	<u>54,023.67</u>	<u>80,971.93</u>	<u>25,411.54</u>	<u>54,790.52</u>	<u>80,202.06</u>
Liabilities						
Deposits	6,277.08	-	6,277.08	5,493.95	-	5,493.95
Interbank and money market	7,890.70	7,253.04	15,143.74	8,486.30	12,094.45	20,580.75
Debt issued and borrowings	<u>6,638.28</u>	<u>29,592.61</u>	<u>36,230.89</u>	<u>9,365.64</u>	<u>23,310.21</u>	<u>32,675.85</u>
Total liabilities	<u>20,806.06</u>	<u>36,845.65</u>	<u>57,651.71</u>	<u>23,345.89</u>	<u>35,404.66</u>	<u>58,750.55</u>

4.2 Fair Value of Financial Instruments

Unit : Million Baht

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets				
Cash	0.18	0.18	0.25	0.25
Interbank and money market items, net	4,969.56	4,969.56	5,164.25	5,164.25
Derivatives	797.97	797.97	824.67	824.67
Investments, net	2,462.86	2,466.55	1,869.82	1,877.72
Loans to customers and accrued interest receivable, net	<u>68,125.85</u>	<u>68,125.85</u>	<u>68,681.47</u>	<u>68,681.47</u>
Total financial assets	<u>76,356.42</u>	<u>76,360.11</u>	<u>76,540.46</u>	<u>76,548.36</u>
Financial liabilities				
Deposits	6,277.08	6,277.08	5,493.95	5,493.95
Interbank and money market items, net	15,143.74	15,143.74	20,580.75	20,580.75
Liabilities payable on demand	460.12	460.12	259.51	259.51
Derivatives	119.47	119.47	119.04	119.04
Debt issued and borrowings	<u>36,230.89</u>	<u>36,230.89</u>	<u>32,675.85</u>	<u>32,675.85</u>
Total financial liabilities	<u>58,231.30</u>	<u>58,231.30</u>	<u>59,129.10</u>	<u>59,129.10</u>

4.3 Capital Adequacy under the Ministerial Regulations

As at December 31, 2015, the Bank's capital adequacy ratio (CAR) stood at 24.04%, 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 110.86%, 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, 2015</u>
	<u>Regulations</u>	<u>December 31, 2014</u>
1. Capital *		17,583.33
2. Risk assets **		73,149.50
3. Insurance service contingent liabilities		15,861.46
4. Capital to risk assets (1)/(2)	Not less than 8%	24.04%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20%	110.86%
		16,621.55
		77,509.58
		15,841.97
		21.44%
		104.92%

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 years ended December 31, 2015 and 2014 are as follows:

Unit : Million Baht

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Increase (Decrease) in revaluation surplus on investments in		
shareholders' equity	(1.21)	1.53
Increase in properties foreclosed from loan payment	-	15.78

6.2 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	<u>December 31, 2015</u>			<u>December 31, 2014</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	27.35	680.00	707.35	17.52	-	17.52
Commercial banks	174.60	952.62	1,127.22	47.19	2,760.56	2,807.75
Specialized financial institutions	<u>0.01</u>	<u>1,200.00</u>	<u>1,200.01</u>	<u>0.01</u>	<u>1,300.00</u>	<u>1,300.01</u>
Total	201.96	2,832.62	3,034.58	64.72	4,060.56	4,125.28
<u>Add</u> Accrued interest receivables	-	0.04	0.04	-	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(21.52)</u>	<u>(21.52)</u>	<u>-</u>	<u>(40.60)</u>	<u>(40.60)</u>
Total domestic items	<u>201.96</u>	<u>2,811.14</u>	<u>3,013.10</u>	<u>64.72</u>	<u>4,019.96</u>	<u>4,084.68</u>
Foreign items						
US Dollars	314.63	899.28	1,213.91	134.87	429.51	564.38
Yen	31.83	-	31.83	18.17	-	18.17
Euro	480.54	197.19	677.73	99.93	360.48	460.41
Other currencies	<u>32.95</u>	<u>-</u>	<u>32.95</u>	<u>36.60</u>	<u>-</u>	<u>36.60</u>
Total	859.95	1,096.47	1,956.42	289.57	789.99	1,079.56
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.04</u>	<u>0.04</u>	<u>-</u>	<u>0.01</u>	<u>0.01</u>
Total foreign items	<u>859.95</u>	<u>1,096.51</u>	<u>1,956.46</u>	<u>289.57</u>	<u>790.00</u>	<u>1,079.57</u>
Total domestic and foreign items	<u>1,061.91</u>	<u>3,907.65</u>	<u>4,969.56</u>	<u>354.29</u>	<u>4,809.96</u>	<u>5,164.25</u>

6.3 Derivatives

As at December 31, 2015 and 2014, 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, 2015</u>		
	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	387.72	27.03	10,540.13
Interest rate	<u>410.25</u>	<u>92.44</u>	<u>6,881.98</u>
Total	<u>797.97</u>	<u>119.47</u>	<u>17,422.11</u>

<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>

As at December 31, 2015 and 2014, the proportions of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

<u>Counterparty</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Financial institutions	83.26%	82.98%
Third parties	<u>16.74%</u>	<u>17.02%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

6.4 Investments, Net

6.4.1 Available-for-Sale Investments

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.47	3.68

6.4.2 Held-to-Maturity Debt Securities

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,218.44	1,397.60
Foreign debt securities	<u>161.85</u>	<u>360.00</u>
Total	<u>2,380.29</u>	<u>1,757.60</u>

6.4.3 General Investments

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Core Flexible Fund (CORE)*	56.23	62.49
- Thailand Prosperity Fund 2 (TTPF2)	24.65	40.03
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.41</u>	<u>0.42</u>
Total	108.60	130.25
<u>Less</u> Allowance for impairment	<u>(28.50)</u>	<u>(21.71)</u>
Total	<u>80.10</u>	<u>108.54</u>
Total investments, net	<u>2,462.86</u>	<u>1,869.82</u>

* Formerly known as MFC Energy Fund

6.5 Loans and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
		Unit : Million Baht
Overdrafts	295.15	316.40
Domestic loans - customers	45,796.03	47,865.14
- export bills negotiation	448.21	687.15
- staff loans	232.94	244.24
Overseas loans - foreign government agencies	1,788.08	2,351.81
- customers operating overseas	24,972.57	21,675.81
Others	<u>6.53</u>	<u>27.44</u>
Total loans	73,539.51	73,167.99
<u>Less</u> Deferred revenue	<u>(2.94)</u>	<u>(5.91)</u>
Total loans, net of deferred revenue	73,536.57	73,162.08
<u>Add</u> Accrued interest receivables	<u>243.55</u>	<u>245.98</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	73,780.12	73,408.06
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,851.30)	(2,515.77)
- Excess allowance	(2,764.24)	(2,093.24)
Revaluation allowance for debt restructuring	<u>(38.73)</u>	<u>(117.58)</u>
Total loans, net	<u>68,125.85</u>	<u>68,681.47</u>

As at December 31, 2015, overseas loans extended to foreign government agencies in the amount of Baht 1,788.08 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, 2015</u>			<u>December 31, 2014</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	27,810.44	8,643.08	36,453.52	30,714.14	8,048.02	38,762.16
US Dollar	18,798.42	18,117.57	36,915.99	18,265.05	15,979.60	34,244.65
Other currencies	<u>167.06</u>	<u>-</u>	<u>167.06</u>	<u>155.27</u>	<u>-</u>	<u>155.27</u>
Total	<u>46,775.92</u>	<u>26,760.65</u>	<u>73,536.57</u>	<u>49,134.46</u>	<u>24,027.62</u>	<u>73,162.08</u>

6.5.3 Classified by Loan Classification

Unit : Million Baht

	<u>December 31, 2015</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	67,260.34	66,921.45	1,100	1,076.21
Special mention	453.39	452.61	2	9.05
Substandard	323.18	72.79	100	72.79
Doubtful	899.30	259.22	100	259.22
Doubtful of loss	<u>2,770.54</u>	<u>1,434.03</u>	100	<u>1,434.03</u>
Total minimum allowance by BOT's regulation	71,706.75	69,140.10		2,851.30
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,764.24</u>
Total	<u>71,706.75</u>	<u>69,140.10</u>		<u>5,615.54</u>

6.5.3 Classified by Loan Classification (Continued)

Unit : Million Baht

	<u>December 31, 2014</u>			
	<u>Loans and Accrued Interest Receivables</u>	<u>Net Amount Subject to Allowance for Doubtful Accounts Provisioning</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>

As at December 31, 2015 and 2014 the outstanding classified loans and loans which were not required to be classified (unclassified loans) were as follows:

Unit : Million Baht

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>Loans and Accrued Interest Receivables Net of Deferred Revenue</u>	<u>As % of Loans and Accrued Interest Receivables Net of Deferred Revenue</u>
Classified loans	71,706.75	97.19	70,741.94	96.37
Unclassified loans	<u>2,073.37</u>	2.81	<u>2,666.12</u>	3.63
Total	<u>73,780.12</u>		<u>73,408.06</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, 2015 and 2014, 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, 2015</u>	<u>December 31, 2014</u>
NPLs before deducting allowance for doubtful accounts	3,993.02	4,085.83
Percentage of total loans *	5.28	5.29
NPLs after deducting allowance for doubtful accounts	2,226.98	2,643.01
Percentage of net loans	3.01	3.49

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

As at December 31, 2015 and 2014, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 3,827.13 million and Baht 4,097.69 million, respectively. In 2015 and 2014, the Bank recovered principal from written-down accounts in the amount of Baht 297.87 million and Baht 120.07 million, respectively, from which accounts the bank received cash in the amount of Baht 196.98 million and Baht 108.12 million, respectively.

In 2015 and 2014, the Bank wrote off bad debts in the amount of Baht 9.17 million and Baht 0.99 million, respectively.

6.5.5 Troubled Debt Restructuring

In 2015 and 2014, the Bank restructured debts as follows:

		Unit : Million Baht	
		<u>2015</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	4	15.46	15.46

The weighted average tenure of the above-mentioned restructuring is 2.98 years. As at December 31, 2015, the outstanding of such restructured loans was Baht 98.44 million.

		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

6.5.5 Troubled Debt Restructuring (Continued)

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.

In 2015 and 2014, 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, 2015</u>		<u>December 31, 2014</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the year	4	15.46	3	97.41
Loans and accrued interest receivables net of deferred revenue	1,125	73,780.12	1,052	73,408.06

As at December 31, 2015 and 2014, the Bank had outstanding restructured loans reclassified as normal for 30 cases amounting to Baht 521.83 million and for 27 cases amounting to Baht 1,080.63 million, respectively.

In 2015 and 2014, the Bank recognized interest income from debt restructuring in the amount of Baht 40.11 million and Baht 69.10 million, respectively.

6.6 Allowance for Doubtful Accounts

As at December 31, 2015 and 2014, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	<u>December 31, 2015</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	1,072.32	0.63	624.89	14.72	803.21	2,093.24	4,609.01
Increase (decrease) in allowance							
for doubtful accounts	<u>3.89</u>	<u>8.42</u>	<u>(552.10)</u>	<u>244.50</u>	<u>630.82</u>	<u>671.00</u>	<u>1,006.53</u>
Ending balance	<u>1,076.21</u>	<u>9.05</u>	<u>72.79</u>	<u>259.22</u>	<u>1,434.03</u>	<u>2,764.24</u>	<u>5,615.54</u>
	<u>December 31, 2014</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Excess Allowance</u>	<u>Total</u>
Beginning balance	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>

6.9 Premises and Equipment, Net

As at December 31, 2015 and 2014, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	December 31, 2015								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	351.37	10.66	-	362.03	321.22
- Building improvement	129.89	2.35	1.79	130.45	118.02	3.36	1.79	119.59	10.86
Equipment									
- Office equipment and fixtures	272.74	15.08	8.09	279.73	242.72	12.50	8.08	247.14	32.59
- Vehicles	83.43	15.37	12.18	86.62	34.08	9.80	8.35	35.53	51.09
Assets pending for write off	-	3.77	3.77	-	-	-	-	-	-
Assets under construction*	-	1.61	1.61	-	-	-	-	-	-
Total	<u>1,560.57</u>	<u>38.18</u>	<u>27.44</u>	<u>1,571.31</u>	<u>746.19</u>	<u>36.32</u>	<u>18.22</u>	<u>764.29</u>	<u>807.02</u>

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

	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*	2.61	3.63	6.24	-	-	-	-	-	-
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.

6.10 Intangible Assets, Net

Changes in the Bank's intangible assets, which are computer software, for the years ended December 31, 2015 and 2014 are as follows;

Unit : Million Baht

	December 31, 2015								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	115.06	19.41	0.03	134.44	68.28	17.55	0.03	85.80	48.64
Software under installation*	<u>47.47</u>	<u>6.37</u>	<u>6.37</u>	<u>47.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.47</u>
Total	<u>162.53</u>	<u>25.78</u>	<u>6.40</u>	<u>181.91</u>	<u>68.28</u>	<u>17.55</u>	<u>0.03</u>	<u>85.80</u>	<u>96.11</u>

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

	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>

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

6.11 Other Assets, Net

Unit : Million Baht

	December 31, 2015	December 31, 2014
Revenue receivable, net	4.15	2.23
Insurance claim receivables, net of reinsurance	204.65	228.32
Allowance for insurance claim receivables	(204.65)	(228.32)
Leasehold rights	1.34	1.38
Advance deposits	2.31	9.62
Others	<u>1.21</u>	<u>0.95</u>
Total	<u>9.01</u>	<u>14.18</u>

6.12 Deposits

6.12.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Current	2,171.05	1,539.82
Savings	207.47	208.78
Fixed	<u>3,898.56</u>	<u>3,745.35</u>
Total	<u>6,277.08</u>	<u>5,493.95</u>

6.12.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>December 31, 2015</u>			<u>December 31, 2014</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	4,771.23	1.07	4,772.30	4,159.80	304.29	4,464.09
US Dollar	476.75	1,014.18	1,490.93	375.73	622.89	998.62
Other currencies	<u>13.85</u>	<u>-</u>	<u>13.85</u>	<u>31.24</u>	<u>-</u>	<u>31.24</u>
Total	<u>5,261.83</u>	<u>1,015.25</u>	<u>6,277.08</u>	<u>4,566.77</u>	<u>927.18</u>	<u>5,493.95</u>

6.13 Interbank and Money Market Items, Net (Liabilities)

	Unit : Million Baht					
	<u>December 31, 2015</u>			<u>December 31, 2014</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	-	8.11	8.11	-	13.69	13.69
Commercial banks	0.62	5,413.28	5,413.90	0.76	10,944.45	10,945.21
Specialized financial institutions	15.46	1,274.75	1,290.21	150.22	1,085.68	1,235.90
Other banks	<u>-</u>	<u>7,150.00</u>	<u>7,150.00</u>	<u>-</u>	<u>7,150.00</u>	<u>7,150.00</u>
Total domestic items	<u>16.08</u>	<u>13,846.14</u>	<u>13,862.22</u>	<u>150.98</u>	<u>19,193.82</u>	<u>19,344.80</u>
Foreign items						
US Dollar	317.78	-	317.78	484.27	-	484.27
Euro	654.86	-	654.86	434.06	-	434.06
Other currencies	<u>308.88</u>	<u>-</u>	<u>308.88</u>	<u>317.62</u>	<u>-</u>	<u>317.62</u>
Total foreign items	<u>1,281.52</u>	<u>-</u>	<u>1,281.52</u>	<u>1,235.95</u>	<u>-</u>	<u>1,235.95</u>
Total domestic and foreign items	<u>1,297.60</u>	<u>13,846.14</u>	<u>15,143.74</u>	<u>1,386.93</u>	<u>19,193.82</u>	<u>20,580.75</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, 2015</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	35,005.89	35,005.89
Promissory notes	<u>1,225.00</u>	-	<u>1,225.00</u>
Total debt issued and borrowings	<u>1,225.00</u>	<u>35,005.89</u>	<u>36,230.89</u>

	<u>December 31, 2014</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	31,150.03	31,150.03
Promissory notes	1,525.00	-	1,525.00
Others	<u>0.82</u>	-	<u>0.82</u>
Total debt issued and borrowings	<u>1,525.82</u>	<u>31,150.03</u>	<u>32,675.85</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, 2015</u>	<u>December 31, 2014</u>
		<u>(Year)</u>	<u>Interest Rate Index</u>		
Bonds	USD	2016-2020	LIBOR ± MARGIN	35,005.89	31,150.03
Promissory notes	THB	2016	3.80 – 4.50%	1,225.00	1,525.00
Others	THB	-	-	-	<u>0.82</u>
Total debt issued and borrowings				<u>36,230.89</u>	<u>32,675.85</u>

6.15 Provisions

As at December 31, 2015 and 2014, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Employee benefits	156.54	134.73
Provisions for contingent liabilities	49.79	41.13
Other provisions	<u>2.12</u>	<u>9.02</u>
Total provisions	<u>208.45</u>	<u>184.88</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, 2015</u>	<u>December 31, 2014</u>
Beginning balance	134.73	116.44
Current service cost*	10.38	7.32
Interest cost*	4.80	4.66
Employees benefit paid during the year	(7.70)	(4.13)
Actuarial losses based on updated assumption	<u>14.33</u>	<u>10.44</u>
Ending Balance	<u>156.54</u>	<u>134.73</u>

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

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

	<u>2015</u>	<u>2014</u>
Average salary increase	6.50% - 9.00%	6.50% - 8.50%
Average turnover rate	1.87% - 27.56%	1.68% - 16.67%
Discount rate	1.50% - 3.59%	2.06% - 4.26%

6.16 Other Liabilities

	Unit : Million Baht	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Advance deposits	50.66	49.85
Expenses payable	20.39	16.58
Account payable	10.57	12.38
Reinsurance payable	4.46	7.66
Deferred revenue	9.12	7.83
Withholding tax payable	5.69	4.35
Provision for stand-by claims purchase agreement	5.42	21.99
Provision for investment insurance	42.07	66.67
Provision for expected loss	311.96	320.57
Suspense liabilities	140.21	235.77
Others	<u>0.22</u>	<u>0.01</u>
Total	<u>600.77</u>	<u>743.66</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

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

On November 18, 2015 the Bank remitted the interim national revenue of the year 2015 amounting to Baht 272.80 million to the Ministry of Finance. Thereby, the total remittance in 2015 was Baht 558.60 million.

6.19 Contingent Liabilities and Commitments

	Unit : Million Baht	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Liabilities under immature import bills	398.85	303.76
Letters of credit	327.44	248.45
Export bills insured	14,157.29	13,393.35
Other contingencies		
Overdraft accounts not yet drawn	569.20	545.24
Other guarantees	4,455.24	3,835.20
Investment Insurance	1,840.52	2,604.08
Stand-by claims purchase agreement	<u>1,340.16</u>	<u>5,498.48</u>
Total other contingencies	<u>8,205.12</u>	<u>12,483.00</u>
Total	<u>23,088.70</u>	<u>26,428.56</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 commits to pay future lease as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Within 1 year	4.33	4.63
Over 1 - 5 years	4.33	8.95

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

	Unit : Million Baht	
<u>Remaining Period</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Within 1 year	0.22	0.02
Over 1 - 5 years	0.02	-

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, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Interbank and money market items	71.60	64.34
Investment in debt securities	40.72	55.99
Loans	<u>3,181.81</u>	<u>3,321.21</u>
Total interest revenue	<u>3,294.13</u>	<u>3,441.54</u>

6.24 Interest Expenses

Interest expenses for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Deposits	57.02	48.39
Interbank and money market items	351.22	494.60
Debt issued		
- Foreign bonds	407.29	381.57
- Promissory notes	51.15	56.61
- Borrowings fee	<u>8.54</u>	<u>4.66</u>
Total interest expenses	<u>875.22</u>	<u>985.83</u>

6.25 Fee and Service Revenue, Net

Net fee and service revenue for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Fee and service revenue		
- Acceptance aval and guarantee	41.41	25.79
- Revenue from insurance	168.15	193.35
- Others	<u>278.98</u>	<u>430.88</u>
Total fee and service revenue	<u>488.54</u>	<u>650.02</u>
Fee and service expenses		
- Expense on insurance	76.88	69.67
- Others	<u>3.33</u>	<u>14.22</u>
Total fees and service expenses	<u>80.21</u>	<u>83.89</u>
Total fee and service revenue, net	<u>408.33</u>	<u>566.13</u>

6.26 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Foreign exchanges and derivatives	78.09	49.38
Interest rate derivatives	<u>(12.48)</u>	<u>187.68</u>
Total gains on tradings and foreign exchange transactions	<u>65.61</u>	<u>237.06</u>

6.27 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Gains on disposal of general investments	3.28	7.68
Reversal (losses) on impairment of general investments	<u>(9.26)</u>	<u>11.61</u>
Total gains (losses) on investments	<u>(5.98)</u>	<u>19.29</u>

6.28 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Million Baht	
	<u>2015</u>	<u>2014</u>
Interbank and money market items	(19.08)	22.08
Loans		
- Bad debts and doubtful accounts *	708.66	825.31
- Loss on restructuring	<u>(57.90)</u>	<u>(1.14)</u>
Total impairment loss of loans and debt securities	<u>631.68</u>	<u>846.25</u>

* Includes written-down debt recovered and bad debt recovered

6.29 Application of the New Accounting Policy

Since January 1, 2015, the Bank has adopted the new accounting policy regarding the fair value measurement which is in accordance with TFRS 13 Fair Value Measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market. In the absence of a principal market, the most advantageous market, where is accessible to by the Bank, will be considered.

6.29 Application of the New Accounting Policy (Continued)

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

Unit : Million Baht

	<u>December 31, 2015</u>		
	<u>Fair value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Derivative assets			
- Exchange rate	-	387.72	387.72
- Interest rate	-	410.25	410.25
Available-for-sale investments	<u>2.47</u>	-	<u>2.47</u>
Total financial assets	<u>2.47</u>	<u>797.97</u>	<u>800.44</u>
Financial Liabilities			
Derivative liabilities			
- Exchange rate	-	27.03	27.03
- Interest rate	-	<u>92.44</u>	<u>92.44</u>
Total financial liabilities	<u>-</u>	<u>119.47</u>	<u>119.47</u>

Fair values are determined according to the following hierarchy :

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

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

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

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

6.30 Reclassification of Accounts

The Bank has reclassified some accounts in the comparative financial statements in order to conform with the presentation of the financial statements for the years ended December 31, 2015.

Reclassification of accounts has no impact on the statements of profit or loss and other comprehensive income. However, the impacts on the statement of financial position are as follows :

Unit : Million Baht

	<u>December 31, 2014</u>		
	<u>Before</u>	<u>After</u>	<u>Increase</u>
	<u>Adjustment</u>	<u>Adjustment</u>	<u>(Decrease)</u>
Liabilities and Shareholders' Equity			
Interbank and money market items, net	13,430.75	20,580.75	7,150.00
Debt issued and borrowings	39,825.85	32,675.85	(7,150.00)

6.31 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 4, 2016.
