

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE THREE – MONTH PERIOD ENDED MARCH 31, 2015
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has reviewed the statements of financial position of the Export-Import Bank of Thailand, as at March 31, 2015, and statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended, and the condensed notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting. The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of review

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

Conclusion

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

(Signed) *Jurairat Thipsatien*

(Miss Jurairat Thipsatien)

Director of Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

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

| | | Unit : Baht | |
|--|--------------|-----------------------|--------------------------|
| | <u>Notes</u> | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| | | <u>"Unaudited"</u> | <u>"Audited"</u> |
| | | <u>"Reviewed"</u> | |
| <u>Assets</u> | | | |
| Cash | | 238,227 | 254,654 |
| Interbank and money market items, net | | 4,155,721,745 | 5,164,251,221 |
| Derivative assets | 5.2 | 788,179,561 | 824,672,610 |
| Investments, net | 5.3 | 1,853,216,047 | 1,869,817,635 |
| Loans to customers and accrued interest receivables, net | 5.4 | | |
| Loans to customers | | 71,887,459,520 | 73,167,994,782 |
| Accrued interest receivables | | 266,858,925 | 245,983,358 |
| Total loans to customers and accrued interest receivables | | 72,154,318,445 | 73,413,978,140 |
| <u>Less</u> Deferred revenue | | (3,151,726) | (5,910,795) |
| <u>Less</u> Allowance for doubtful accounts | 5.5 | (4,807,956,149) | (4,609,015,698) |
| <u>Less</u> Revaluation allowance for debt restructuring | 5.6 | (111,002,323) | (117,584,233) |
| Total loans to customers and accrued interest receivables, net | | 67,232,208,247 | 68,681,467,414 |
| Properties foreclosed, net | | 839,748,320 | 843,948,443 |
| Premises and equipment, net | | 816,586,620 | 814,388,232 |
| Intangible assets, net | | 92,708,893 | 94,248,002 |
| Accrued interest receivables not related to loans | | 5,399,411 | 6,503,380 |
| Prepaid expenses | | 39,706,668 | 27,552,005 |
| Other assets, net | | 20,767,340 | 14,183,948 |
| Total assets | | 75,844,481,079 | 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 MARCH 31, 2015

| | | Unit : Baht | |
|---|--------------|-----------------------|--------------------------|
| | <u>Notes</u> | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| | | <u>"Unaudited"</u> | <u>"Audited"</u> |
| | | <u>"Reviewed"</u> | |
| <u>Liabilities and Shareholders' Equity</u> | | | |
| Deposits | | 8,691,940,706 | 5,493,950,733 |
| Interbank and money market items, net | | 9,581,711,311 | 13,430,747,598 |
| Liabilities payable on demand | | 264,828,636 | 259,508,592 |
| Derivative liabilities | 5.2 | 126,998,814 | 119,040,858 |
| Debt issued and borrowings | 5.7 | 37,511,906,032 | 39,825,852,532 |
| Provisions | 5.8 | 181,506,555 | 175,861,200 |
| Accrued interest payables | | 200,473,405 | 322,883,582 |
| Allowance for export credit insurance | | 116,679,181 | 88,785,173 |
| Other liabilities | | 917,222,874 | 752,680,323 |
| Total liabilities | | 57,593,267,514 | 60,469,310,591 |
| Shareholders' equity | | | |
| Capital | 5.9 | 12,800,000,000 | 12,800,000,000 |
| Paid-up capital | | 12,800,000,000 | 12,800,000,000 |
| Other components of equity | | 2,442,182 | 2,603,206 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | | 4,330,000,000 | 4,330,000,000 |
| Unappropriated | | 1,118,771,383 | 739,373,747 |
| Total shareholders' equity | | 18,251,213,565 | 17,871,976,953 |
| Total liabilities and shareholders' equity | | 75,844,481,079 | 78,341,287,544 |

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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

| | <u>Notes</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|-------------|-------------|
| | | | Unit : Baht |
| Interest revenue | 5.14 | 841,066,665 | 797,256,807 |
| Interest expenses | 5.15 | 232,127,042 | 235,824,034 |
| Net interest income | | 608,939,623 | 561,432,773 |
| Fees and service revenue | | 90,054,086 | 191,461,048 |
| Fees and service expenses | | 19,381,257 | 14,384,285 |
| Net fees and service income | 5.16 | 70,672,829 | 177,076,763 |
| Gains on tradings and foreign exchange transactions | 5.17 | 20,778,678 | 27,726,273 |
| Gains on investments | 5.18 | 3,250,014 | 1,212,878 |
| Other operating revenue | | 65,644 | 5,131,622 |
| Total operating revenue | | 24,094,336 | 34,070,773 |
| Other operating expenses | | | |
| Personnel expenses | | 145,818,945 | 138,811,492 |
| Directors' remuneration | | 1,437,400 | 1,623,067 |
| Premises and equipment expenses | | 6,957,324 | 9,642,807 |
| Taxes and duties | | 2,466 | 2,466 |
| Losses on claims and provision for insurance service | | 33,321,098 | 7,752,630 |
| Losses on impairment of properties foreclosed | | 4,264,291 | 8,506,944 |
| Others | | 31,662,703 | 33,755,911 |
| Total operating expenses | | 223,464,227 | 200,095,317 |
| Impairment loss of loans and debt securities | 5.19 | 100,844,925 | 202,254,139 |
| Net income | | 379,397,636 | 370,230,853 |
| Other comprehensive income (losses) | | | |
| Item that may be reclassified subsequently to profit or loss | | | |
| Gains (Losses) on revaluation of available-for-sale investment | | (161,024) | 187,860 |
| Total other comprehensive income (losses) | | (161,024) | 187,860 |
| Total comprehensive income | | 379,236,612 | 370,418,713 |

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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

| 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, 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) | - |
| Total comprehensive income | - | 187,860 | - | 370,230,853 | 370,418,713 |
| Ending balance as at March 31, 2014 | 12,800,000,000 | 1,261,347 | 4,330,000,000 | 351,472,607 | 17,482,733,954 |
| 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 |
| Total comprehensive income | - | (161,024) | - | 379,397,636 | 379,236,612 |
| Ending balance as at March 31, 2015 | 12,800,000,000 | 2,442,182 | 4,330,000,000 | 1,118,771,383 | 18,251,213,565 |

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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

| | <u>2015</u> | <u>2014</u> |
|---|---------------|-----------------|
| | | Unit : Baht |
| Cash flows from operating activities | | |
| Net income | 379,397,636 | 370,230,853 |
| Adjustments to reconcile net income to cash received (paid) from operating activities | | |
| Depreciation and amortization expenses | 13,734,007 | 13,651,357 |
| Bad debt and doubtful accounts | 178,615,757 | 204,034,592 |
| Loss on debt restructuring (reversal) | (1,449,328) | (936,546) |
| Loss on impairment of properties foreclosed | 4,264,291 | 8,506,944 |
| (Gain) Loss on revaluation of foreign currencies | (169,773,661) | 257,162,040 |
| Derivative revaluation | 1,016,749 | (81,379,231) |
| Gain on disposal of investments | (3,186,902) | - |
| Loss on impairment of investments (reversal) | (63,112) | (1,212,877) |
| Amortization of discount on debt securities | (3,389,875) | (17,790,555) |
| Increase in provisions | 5,645,355 | 1,938,234 |
| Bad debt and provision for other receivables | 9,985,654 | 13,082,244 |
| Loss on claims and provision for insurance service | 33,321,098 | 7,752,630 |
| Decrease (Increase) in revenue receivables | (5,276,850) | 1,599,676 |
| Increase in prepaid expenses | (12,513,534) | (4,196,026) |
| Increase in other accrued expenses | 14,833,601 | 24,446,186 |
| | 445,160,886 | 796,889,521 |
| Net interest income | (608,939,623) | (561,432,773) |
| Proceeds from interest income | 812,489,290 | 822,942,006 |
| Interest expenses paid | (353,371,675) | (200,302,411) |
| Income from operations before changes in operating assets and liabilities | 295,338,878 | 858,096,343 |
| (Increase) decrease in operating assets | | |
| Interbank and money market items | 1,015,139,329 | (1,016,238,633) |
| Loans, net | 845,666,575 | (6,091,734,742) |
| Properties foreclosed, net | (64,168) | (47,808) |
| Other assets, net | (7,805,653) | (4,222,904) |

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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

| | <u>2015</u> | <u>2014</u> |
|---|------------------------|------------------------|
| | | Unit : Baht |
| Cash flows from operating activities | | |
| Increase (decrease) in operating liabilities | | |
| Deposits | 3,212,043,791 | (118,885,745) |
| Interbank and money market items | (3,731,109,416) | 4,658,329,922 |
| Liabilities payable on demand | 3,917,025 | (250,488,171) |
| Short-term debt issued and borrowings | (300,000,000) | 300,000,000 |
| Other liabilities | 141,009,613 | 106,335,074 |
| Net cash provided by (used in) operating activities | <u>1,474,135,974</u> | <u>(1,558,856,664)</u> |
| Cash flows from investing activities | | |
| Proceeds from redemption of held-to-maturity debt securities | - | 1,600,000,000 |
| Proceeds from disposal of general investments | 18,577,075 | - |
| Purchases of premises and equipment | (10,965,413) | (2,958,377) |
| Purchases of intangible assets | (3,746,099) | (37,825,472) |
| Net cash provided by investing activities | <u>3,865,563</u> | <u>1,559,216,151</u> |
| Cash flows from financing activities | | |
| Proceeds from long-term debt issued and borrowings | 4,916,462,650 | - |
| Repayments of long-term debt issued and borrowings | (6,394,480,614) | (726,000) |
| Net cash used in financing activities | <u>(1,478,017,964)</u> | <u>(726,000)</u> |
| Net decrease in cash and cash equivalents | <u>(16,427)</u> | <u>(366,513)</u> |
| Cash and cash equivalents at the beginning of the period | <u>254,654</u> | <u>553,209</u> |
| Cash and cash equivalents at the end of the period | <u><u>238,227</u></u> | <u><u>186,696</u></u> |

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 THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015
(UNAUDITED/REVIEWED)

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EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015
(UNAUDITED/REVIEWED)

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2014): Interim Financial Reporting, covering the statements of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows as those of annual financial statements and notes on only material item.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2014. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2014.

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)

The Bank has adopted the new and revised 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 |
| 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 Rate |
| 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. However, for TFRS 4 (Revised 2014) Insurance Contracts which is effective for the financial statements beginning on or after January 1, 2016, the Bank is presently considering the potential impact in the period of initial adoption.

3. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS

As at March 31, 2015, the Bank's capital adequacy ratio (CAR) stood at 21.79 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.00%) and its capital to insurance service contingent liabilities ratio stood at 72.02%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.00%).

Capital Adequacy Ratio Based on the Ministerial Regulations

Unit: Million Baht

| | <u>Ministerial Regulations</u> | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
|--|------------------------------------|-----------------------|--------------------------|
| 1. Capital * | | 16,621.55 | 16,621.55 |
| 2. Risk assets ** | | 76,294.64 | 77,509.58 |
| 3. Insurance service contingent liabilities | | 23,078.01 | 15,841.97 |
| 4. Capital to risk assets (1)/(2) | Not less than 8.00% | 21.79% | 21.44% |
| 5. Capital to insurance service contingent liabilities (1)/(3) | Not less than 20.00% | 72.02% | 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.

4. 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.

5. ADDITIONAL INFORMATION

5.1 Supplementary Information of Cash Flow

Significant non-cash items for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|---|-----------------------|-----------------------|
| | <u>March 31, 2015</u> | <u>March 31, 2014</u> |
| Increase (decrease) in revaluation surplus on | | |
| investments in shareholders' equity | (0.16) | 0.19 |
| Increase in properties foreclosed from loan payment | - | 7.92 |

5.2 Derivatives

As at March 31, 2015 and December 31, 2014, the fair value and notional amount classified by type of risk are as follows:

| | Unit : Million Baht | | |
|---------------------|--------------------------|--------------------|------------------------|
| | <u>March 31, 2015</u> | | |
| <u>Type of Risk</u> | <u>Fair Value</u> | | <u>Notional Amount</u> |
| | <u>Assets</u> | <u>Liabilities</u> | |
| Exchange rate | 341.38 | 22.69 | 13,726.65 |
| Interest rate | <u>446.80</u> | <u>104.31</u> | <u>6,931.73</u> |
| Total | <u>788.18</u> | <u>127.00</u> | <u>20,658.38</u> |
| | <u>December 31, 2014</u> | | |
| <u>Type of Risk</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 March 31, 2015 and December 31, 2014, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

| <u>Counterparty</u> | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
|------------------------|-----------------------|--------------------------|
| Financial institutions | 85.68% | 82.98% |
| Third parties | <u>14.32%</u> | <u>17.02%</u> |
| Total | <u>100.00%</u> | <u>100.00%</u> |

5.3 Investments, Net

5.3.1 Available-for-Sale Investments

| | Unit: Million Baht | |
|---------------------------------------|-----------------------|--------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| | <u>Fair Value</u> | <u>Fair Value</u> |
| Domestic marketable equity securities | 3.52 | 3.68 |

5.3.2 Held-to-Maturity Debt Securities

| | Unit: Million Baht | |
|--|----------------------------|----------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| | <u>Cost/Amortized Cost</u> | <u>Cost/Amortized Cost</u> |
| Government and state enterprise securities | 1,401.21 | 1,397.60 |
| Foreign debt securities | <u>355.33</u> | <u>360.00</u> |
| Total | <u>1,756.54</u> | <u>1,757.60</u> |

5.3.3 General Investments

| | Unit: Million Baht | |
|---|-----------------------|--------------------------|
| | <u>March 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 | | |
| - MFC Energy Fund | 62.49 | 62.49 |
| - Thailand Prosperity Fund 2 (TTPF 2) | 24.64 | 40.03 |
| - Vayupak Fund 1 | 1.00 | 1.00 |
| Others | <u>0.37</u> | <u>0.42</u> |
| Total | 114.81 | 130.25 |
| <u>Less</u> Allowance for impairment | <u>(21.65)</u> | <u>(21.71)</u> |
| Total | <u>93.16</u> | <u>108.54</u> |
| Total investments, net | <u>1,853.22</u> | <u>1,869.82</u> |

As at March 31, 2015, domestic non-marketable equity securities amounting to Baht 26.31 million were ordinary shares derived from debt restructuring.

5.4 Loans and Accrued Interest Receivables, Net

5.4.1 Classified by Type of Loan

| | Unit : Million Baht | |
|--|-----------------------|--------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| Overdrafts | 290.44 | 316.40 |
| Domestic loans - customers | 47,133.63 | 47,865.14 |
| - export bills negotiation | 480.91 | 687.15 |
| - staff loans | 239.43 | 244.24 |
| Overseas loans - foreign government agencies | 2,069.95 | 2,351.81 |
| - customers operating overseas | 21,648.22 | 21,675.81 |
| Others | <u>24.88</u> | <u>27.44</u> |
| Total loans | 71,887.46 | 73,167.99 |
| <u>Less</u> Deferred revenue | <u>(3.15)</u> | <u>(5.91)</u> |
| Total loans, net of deferred revenue | 71,884.31 | 73,162.08 |
| <u>Add</u> Accrued interest receivables | <u>266.86</u> | <u>245.98</u> |
| Total loans to customers and accrued interest receivables, net of deferred revenue | 72,151.17 | 73,408.06 |
| <u>Less</u> Allowance for doubtful accounts | | |
| - Minimum allowance by BOT's regulation | (2,619.72) | (2,515.77) |
| - Excess allowance | (2,188.24) | (2,093.24) |
| Revaluation allowance for debt restructuring | <u>(111.00)</u> | <u>(117.58)</u> |
| Total loans, net | <u>67,232.21</u> | <u>68,681.47</u> |

As at March 31, 2015, overseas loans extended to foreign government agencies in the amount of Baht 2,069.95 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.

5.4.2 Classified by Loan Classification

Unit : Million Baht

March 31, 2015

| | <u>Loans and</u> | <u>Net Amount</u> | <u>Minimum</u> | <u>Allowance</u> |
|---|--------------------|--------------------------|------------------|------------------|
| | <u>Accrued</u> | <u>Subject to</u> | <u>Provision</u> | <u>for</u> |
| | <u>Interest</u> | <u>Allowance for</u> | <u>Rate (%)</u> | <u>Doubtful</u> |
| | <u>Receivables</u> | <u>Doubtful Accounts</u> | | <u>Accounts</u> |
| | | <u>Provisioning</u> | | |
| 1. Minimum allowance by BOT's regulation | | | | |
| Pass | 65,559.04 | 64,423.09 | 1,50,100 | 1,176.38 |
| Special mention | 126.62 | 125.60 | 2 | 2.51 |
| Substandard | 275.21 | 2.40 | 100 | 2.40 |
| Doubtful | 954.33 | 635.95 | 100 | 635.95 |
| Doubtful of loss | <u>2,847.20</u> | <u>802.48</u> | 100 | <u>802.48</u> |
| Total minimum allowance by BOT's regulation | 69,762.40 | 65,989.52 | | 2,619.72 |
| 2. Excess allowance | <u>-</u> | <u>-</u> | | <u>2,188.24</u> |
| Total | <u>69,762.40</u> | <u>65,989.52</u> | | <u>4,807.96</u> |

December 31, 2014

| | <u>Loans and</u> | <u>Net Amount</u> | <u>Minimum</u> | <u>Allowance</u> |
|---|--------------------|--------------------------|------------------|------------------|
| | <u>Accrued</u> | <u>Subject to</u> | <u>Provision</u> | <u>for</u> |
| | <u>Interest</u> | <u>Allowance for</u> | <u>Rate (%)</u> | <u>Doubtful</u> |
| | <u>Receivables</u> | <u>Doubtful Accounts</u> | | <u>Accounts</u> |
| | | <u>Provisioning</u> | | |
| 1. Minimum allowance by BOT's regulation | | | | |
| Pass | 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> |

5.4.2 Classified by Loan Classification (Continued)

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

Unit : Million Baht

| | <u>March 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 | 69,762.40 | 96.69 | 70,741.94 | 96.37 |
| Unclassified loans | <u>2,388.77</u> | 3.31 | <u>2,666.12</u> | 3.63 |
| Total | <u>72,151.17</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.

5.4.3 Non-Performing Loans (NPLs)

As at March 31, 2015 and December 31, 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>March 31, 2015</u> | <u>December 31, 2014</u> |
|---|-----------------------|--------------------------|
| NPLs before deducting allowance for doubtful accounts | 4,076.74 | 4,085.83 |
| Percentage of total loans * | 5.51 | 5.29 |
| NPLs after deducting allowance for doubtful accounts | 2,635.91 | 2,643.01 |
| Percentage of net loans | 3.64 | 3.49 |

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

As at March 31, 2015 and December 31, 2014, the outstanding balance of written-down accounts, which was not included in the financial statements, was Baht 4,017.50 million and Baht 4,097.69 million, respectively. For the three-month periods ended March 31, 2015 and 2014, the Bank recovered principal from written-down accounts in the amount of Baht 76.63 million and Baht 8.83 million, respectively, from which accounts the bank received cash in the amount of Baht 76.32 million and Baht 0.43 million, respectively.

5.4.4 Troubled Debt Restructuring

For the three-month periods ended March 31, 2015 and 2014, the Bank restructured debts as follows:

Unit : Million Baht

| <u>Types of Restructuring</u> | <u>Cases</u> | <u>2015</u> | |
|--------------------------------|--------------|-----------------------------|----------------------------|
| | | <u>Outstanding Debt</u> | |
| | | <u>Before Restructuring</u> | <u>After Restructuring</u> |
| Change of repayment conditions | 1 | - | 0.49 |

The tenure of the above-mentioned restructuring is 2.08 years. As at March 31, 2015, the outstanding of such restructured loans was Baht 0.26 million.

Unit : Million Baht

| <u>Types of Restructuring</u> | <u>Cases</u> | <u>2014</u> | |
|--------------------------------|--------------|-----------------------------|----------------------------|
| | | <u>Outstanding Debt</u> | |
| | | <u>Before Restructuring</u> | <u>After Restructuring</u> |
| Change of repayment conditions | 2 | 10.26 | 10.26 |

The weighted average tenure of the above-mentioned restructuring is 3.54 years. As at March 31, 2014, the outstanding of such restructured loans was Baht 18.75 million.

For the three-month periods ended March 31, 2015 and 2014, debts restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

| | <u>March 31, 2015</u> | | <u>March 31, 2014</u> | |
|--|-----------------------|---------------|-----------------------|---------------|
| | <u>Cases</u> | <u>Amount</u> | <u>Cases</u> | <u>Amount</u> |
| Debt restructuring during the period | 1 | - | 2 | 10.26 |
| Loans and accrued interest receivables net of deferred revenue | 1,063 | 72,151.17 | 1,010 | 73,456.19 |

As at March 31, 2015 and 2014, the Bank had outstanding restructured loans reclassified as normal for 35 cases amounting to Baht 1,076.76 million and for 34 cases amounting to Baht 1,255.29 million, respectively.

For the three-month periods ended March 31, 2015 and 2014, the Bank recognized interest income from debt restructuring in the amount of Baht 13.41 million and Baht 19.77 million, respectively.

5.5 Allowance for Doubtful Accounts

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

| | Unit : Million Baht | | | | | | |
|----------------------------------|---------------------|--------------------|------------------|-----------------|---------------------|---------------------|-----------------|
| | March 31, 2015 | | | | | | |
| | Pass | Special Mention | Sub- Standard | Doubtful | Doubtful of Loss | Excess Allowance | Total |
| 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>104.06</u> | <u>1.88</u> | <u>(622.49)</u> | <u>621.23</u> | <u>(0.73)</u> | <u>95.00</u> | <u>198.95</u> |
| Ending balance | <u>1,176.38</u> | <u>2.51</u> | <u>2.40</u> | <u>635.95</u> | <u>802.48</u> | <u>2,188.24</u> | <u>4,807.96</u> |
| | December 31, 2014 | | | | | | |
| | Pass | Special Mention | Sub- Standard | Doubtful | Doubtful of Loss | Excess Allowance | Total |
| 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> |

As at March 31, 2015 and December 31, 2014, the Bank's allowance for doubtful accounts on loans accounted for Baht 4,807.96 million and Baht 4,609.01 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 2,188.24 million and Baht 2,093.24 million, respectively (Note 5.4.2). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

5.6 Revaluation Allowance for Debt Restructuring

As at March 31, 2015 and December 31, 2014, the Bank had revaluation allowance for debt restructuring as follows:

| | Unit : Million Baht | |
|-------------------|---------------------|-------------------|
| | March 31, 2015 | December 31, 2014 |
| Beginning balance | 117.58 | 139.98 |
| Increase | 0.54 | 2.08 |
| Decrease | <u>(7.12)</u> | <u>(24.48)</u> |
| Ending balance | <u>111.00</u> | <u>117.58</u> |

5.7 Debt Issued and Borrowings

5.7.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

| | <u>March 31, 2015</u> | | |
|----------------------------------|-----------------------|------------------|------------------|
| | <u>Domestic</u> | <u>Foreign</u> | <u>Total</u> |
| Bonds | - | 29,136.82 | 29,136.82 |
| Promissory notes | 8,375.00 | - | 8,375.00 |
| Others | <u>0.09</u> | <u>-</u> | <u>0.09</u> |
| Total debt issued and borrowings | <u>8,375.09</u> | <u>29,136.82</u> | <u>37,511.91</u> |

| | <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> |

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

Unit : Million Baht

| | <u>Currency</u> | <u>Maturity</u> (year) | <u>Interest Rate /</u> <u>Interest Rate Index</u> | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
|----------------------------------|-----------------|---------------------------|--|-----------------------|--------------------------|
| | | | | | |
| Bonds | USD | 2015 - 2020 | LIBOR ± MARGIN | 29,136.82 | 31,150.03 |
| Promissory notes | THB | 2016 - 2021 | 3.80 - 4.75% | 6,125.00 | 6,425.00 |
| | | 2019 | 6M THBFIX ± MARGIN | 2,250.00 | 2,250.00 |
| Others | THB | 2015 | - | <u>0.09</u> | <u>0.82</u> |
| Total debt issued and borrowings | | | | <u>37,511.91</u> | <u>39,825.85</u> |

5.8 Provisions

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

| | Unit : Million Baht | |
|---------------------------------------|-----------------------|--------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| Employee benefits | 140.62 | 134.73 |
| Provisions for contingent liabilities | <u>40.89</u> | <u>41.13</u> |
| Total provisions | <u>181.51</u> | <u>175.86</u> |

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

| | Unit : Million Baht | |
|---|-----------------------|--------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| Beginning Balance | 134.73 | 116.44 |
| Current service cost* | 4.77 | 7.32 |
| Interest cost* | 1.12 | 4.66 |
| Employees benefit paid during the year | - | (4.13) |
| Actuarial gains based on updated assumption | <u>-</u> | <u>10.44</u> |
| Ending Balance | <u>140.62</u> | <u>134.73</u> |

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

5.9 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.

5.10 Contingent Liabilities

| | Unit : Million Baht | |
|---|-----------------------|--------------------------|
| | <u>March 31, 2015</u> | <u>December 31, 2014</u> |
| Liabilities under immature import bills | 432.65 | 303.76 |
| Letters of credit | 270.94 | 248.45 |
| Export bills insured | 20,670.18 | 13,393.35 |
| Other contingencies | | |
| Overdraft accounts not yet drawn | 576.22 | 545.24 |
| Other guarantees | 3,643.99 | 3,835.20 |
| Investment Insurance | 2,571.85 | 2,604.08 |
| Stand-by claims purchase agreement | <u>5,804.73</u> | <u>5,498.48</u> |
| Total other contingencies | <u>12,596.79</u> | <u>12,483.00</u> |
| Total | <u>33,970.56</u> | <u>26,428.56</u> |

5.11 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).

5.12 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>March 31, 2015</u> | <u>December 31, 2014</u> |
| Within 1 year | 4.64 | 4.63 |
| Over 1 - 5 years | 7.79 | 8.95 |

5.13 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.

5.14 Interest Revenue

Interest revenue for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|----------------------------------|---------------------|---------------|
| | <u>2015</u> | <u>2014</u> |
| Interbank and money market items | 26.29 | 12.53 |
| Investment in debt securities | 10.29 | 21.45 |
| Loans | <u>804.49</u> | <u>763.28</u> |
| Total interest revenue | <u>841.07</u> | <u>797.26</u> |

5.15 Interest Expenses

Interest expenses for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|----------------------------------|---------------------|---------------|
| | <u>2015</u> | <u>2014</u> |
| Deposits | 12.11 | 10.21 |
| Interbank and money market items | 65.79 | 62.62 |
| Debt issued | | |
| - Foreign bonds | 92.63 | 96.71 |
| - Promissory notes | 59.43 | 65.58 |
| - Borrowing fee | <u>2.17</u> | <u>0.70</u> |
| Total interest expenses | <u>232.13</u> | <u>235.82</u> |

5.16 Fees and Service Revenue, Net

Net fees and service revenue for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|-------------------------------------|---------------------|---------------|
| | <u>2015</u> | <u>2014</u> |
| Fees and service revenue | | |
| - Acceptance aval and guarantee | 9.41 | 4.90 |
| - Revenue from insurance | 32.70 | 30.37 |
| - Others | <u>47.94</u> | <u>156.19</u> |
| Total fees and service revenue | <u>90.05</u> | <u>191.46</u> |
| Fees and service expenses | | |
| - Expense on insurance | 18.27 | 13.51 |
| - Others | <u>1.11</u> | <u>0.87</u> |
| Total fees and service expenses | <u>19.38</u> | <u>14.38</u> |
| Total fees and service revenue, net | <u>70.67</u> | <u>177.08</u> |

5.17 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|---|---------------------|--------------|
| | <u>2015</u> | <u>2014</u> |
| Foreign exchanges and derivatives | 9.43 | 4.99 |
| Interest rate derivatives | <u>11.35</u> | <u>22.74</u> |
| Total gains on tradings and foreign exchange transactions | <u>20.78</u> | <u>27.73</u> |

5.18 Gains on Investments

Gains on investments for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|---|---------------------|-------------|
| | <u>2015</u> | <u>2014</u> |
| Gains on disposal of general investments | 3.19 | - |
| Reversal on impairment of general investments | <u>0.06</u> | <u>1.21</u> |
| Total gains on investments | <u>3.25</u> | <u>1.21</u> |

5.19 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the three-month periods ended March 31, 2015 and 2014 are as follows:

| | Unit : Million Baht | |
|--|---------------------|---------------|
| | <u>2015</u> | <u>2014</u> |
| Interbank and money market items | (20.02) | 3.18 |
| Loans | | |
| - Bad debts and doubtful accounts * | 122.31 | 200.01 |
| - Loss on restructuring | <u>(1.45)</u> | <u>(0.94)</u> |
| Total impairment loss of loans and debt securities | <u>100.84</u> | <u>202.25</u> |

* Includes written-down debt recovered and bad debt recovered

5.20 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.

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

| | Unit : Million Baht | | |
|--------------------------------|-----------------------|----------------|---------------|
| | <u>March 31, 2015</u> | | |
| | <u>Fair value</u> | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| Financial Assets | | | |
| Derivative assets | | | |
| - Exchange rate | - | 341.38 | 341.38 |
| - Interest rate | - | 446.80 | 446.80 |
| Available-for-sale investments | <u>3.52</u> | <u>-</u> | <u>3.52</u> |
| Total financial assets | <u>3.52</u> | <u>788.18</u> | <u>791.70</u> |
| Financial Liabilities | | | |
| Derivative liabilities | | | |
| - Exchange rate | - | 22.69 | 22.69 |
| - Interest rate | <u>-</u> | <u>104.31</u> | <u>104.31</u> |
| Total financial liabilities | <u>-</u> | <u>127.00</u> | <u>127.00</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.

5.20 Application of the new accounting policy (Continued)

Level 2 fair values for derivatives are the prices which are based on exchange traded 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.

5.21 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 June 2, 2015.
