

## **EXIM Thailand Announces First Half 2016 Operating Results**

### **Building Thailand Team to Support Thai Entrepreneurs’**

### **Penetration of New Frontiers**

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), announced EXIM Thailand’s first half of 2016 operating results. As of the end of June 2016, EXIM Thailand recorded outstanding loans of 73,316 million baht, a 3,205 million baht year-on-year growth, contributing to business turnover of 56,659 million baht. Of this total, outstanding SME loans amounted to 30,230 million baht, surging 9,415 million baht or 45% year-on-year and contributing to 39,098 million baht in SME business turnover. With such emphasis on SMEs support, EXIM Thailand accordingly recorded a decline in net revenues while helping to boost SMEs’ competitiveness in international trade and investment, with launches of special promotion campaigns offering lower interest rates to entrepreneurs. The Bank posted a net profit of 613 million baht, which was a 166 million baht decrease year-on-year.

Under its policy to support SME exporters unable to access other financial institutions’ loan facilities and to concurrently help them manage risk of non-payments for exported goods, in February 2016, EXIM Thailand launched a special promotion program, i.e. Super Value Export Credit which offers lending interest rate cut to 3.99% p.a. and insurance against non-payments from foreign buyers. With such promotion, the Bank has recorded higher financial cost but been able to maintain loan quality. Its NPL ratio as of the end of June 2016 remained stable at 5.11% or 3,744 million baht. The Bank’s allowance for doubtful accounts was 6,160 million baht, of which 3,084 million baht was minimum provisioning requirement by the Bank of Thailand, representing a ratio of loan loss provision against the requirement of 199.74%, hence enabling the Bank to maintain a strong financial status.

In June 2016, EXIM Thailand has repositioned itself by emphasizing its “catalyst” role, differentiating its service offering and avoiding competition with commercial banks while filling up gaps in the banking system. The Bank introduced a new export credit insurance facility called “Instant SMEs Export Insurance” which offers quick and convenient application and approval process, and selling the product via collaboration with commercial banks and government agencies. The number of its export credit insurance customers is expected to increase, with more tangible results anticipated by quarters 3-4 of this year. EXIM Thailand’s export credit insurance has generated 27,763 million baht in the first half of 2016 export and investment business turnover, of which 5,160 million baht came from SMEs’ exports, representing 18.58% of the Bank’s total export credit insurance business. Although such amount was a decline year-on-year in the backdrop of global economic slowdown, export and investment business turnover is expected to gradually improve and meet the 70,000 million baht target as major customers receive orders and export their goods in quarters 3-4.

As for international trade and investment credit facility, EXIM Thailand provides support to Thai entrepreneurs wishing to relocate their production bases to foreign countries, especially in the face of the stronger baht and subdued growth in major markets, particularly to CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) where economic growth of not lower than 8% has been recorded consecutively for the past 3-4 years and purchasing power as well as demand for Thai goods and services has consistently been increasing. At present, EXIM Thailand has a total accumulated loan approval amount of 50,499 million baht for international trade and investment, of which 3,243 million baht is new approval during the year, while outstanding loans as of June 2016 accounted for 31,102 million baht. EXIM Thailand has planned to open a representative office in Myanmar by this year, and to gradually open representative offices in Lao PDR, Cambodia and Vietnam in the next 1-2 years to promote and support Thai trade and investment in CLMV.

“In the latter half of 2016, we will move forward to help strengthen the Thailand Team by joining hands with public and private enterprises to help Thai entrepreneurs penetrate high potential trade and investment markets, especially the new frontiers, which have not yet been familiar with conducting business with Thai entrepreneurs, but have had high demand for Thai goods and services. EXIM Thailand is ready to serve as a financial arm for both the government and private sectors in facilitating Thailand’s international trade and investment expansion,” added Mr. Pisit.

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Office of Top Management