

IMPORTANT NOTICE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

A REGISTRATION STATEMENT FOR THE OFFERING AND SALE OF THE NOTES HAS NOT BEEN AND WILL NOT BE FILED IN THAILAND AND THE NOTES MAY NOT BE OFFERED OR SOLD IN THAILAND, EXCEPT AS PERMITTED BY APPLICABLE THAI LAW.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the offering circular to any other person.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of our Bank in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in the Offering Circular), nor any person who controls each of them nor any director, officer, employee nor agent of each of them or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Dealer.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR

Export-Import Bank of Thailand

(established pursuant to the Export-Import Bank of Thailand Act B.E. 2536 (1993))



U.S.\$3,000,000,000

MEDIUM TERM NOTE PROGRAMME

On 2 May 2018, Export-Import Bank of Thailand established its Medium Term Note Programme. Such Medium Term Note Programme is amended as at the date of this Offering Circular (as amended, the **Programme**) and this Offering Circular supersedes all previous offering circulars and any supplement thereto. On 24 May 2022, the programme limit was increased from U.S.\$1,500,000,000 to U.S.\$3,000,000,000, in accordance with the terms of the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. The provisions described herein do not affect any notes issued under the Medium Term Note Programme prior to the date of this Offering Circular.

Under the Programme described in this Offering Circular, Export-Import Bank of Thailand (the **Bank** or the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between us and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by us (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of our merits, the Programme or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the **Pricing Supplement**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between us and the relevant Dealer. We may also issue unlisted Notes.

We may agree with any Dealer and the Principal Paying Agent (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

See "Investment Considerations" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each Tranche of Bearer Notes of each series (as defined in "Form of the Notes") will initially be represented by either a temporary bearer global note (a **Temporary Bearer Global Note**) or a permanent bearer global note (a **Permanent Bearer Global Note**) and, together with a Temporary Bearer Global Note, the **Bearer Global Notes**, and each a **Bearer Global Note** as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream.

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series.

Registered Notes sold in an "offshore transaction" within the meaning of Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**), which will be sold outside the United States (the **U.S.**) will initially be represented by a global note in registered form, without receipts or coupons, (a **Registered Global Note**) deposited with a common depositary for Euroclear and Clearstream, and registered in the name of a nominee of such common depositary.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Office of the Securities and Exchange Commission of Thailand and other applicable Thai laws for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in Thailand, including, but not limited to, the Office of the Securities and Exchange Commission of Thailand, any registrar of companies or any stock exchange in Thailand. This Offering Circular and the Notes are not and shall not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement in Thailand. The Notes have not been and will not be, offered or sold in Thailand. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. See "Subscription and Sale".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. See "Subscription and Sale".

JOINT ARRANGERS AND DEALERS

BNP PARIBAS

HSBC

MIZUHO

STANDARD
CHARTERED BANK

The date of this Offering Circular is 2 May 2024.

We accept responsibility for the information contained in this Offering Circular. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. We, having made all reasonable enquiries, confirm that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. We accept responsibility accordingly.

No person is or has been authorised by us to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorised by us, the Joint Arrangers, the Dealers or the Principal Paying Agent.

Neither the Joint Arrangers, the Dealers nor the Principal Paying Agent (as defined herein) has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by the Joint Arrangers or the Dealers, the Principal Paying Agent or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular, or for any other statement, made or purported to be made by the Joint Arrangers or the Dealers or on their behalf in connection with us or the Programme or any other information provided by us in connection with the Programme. The Joint Arrangers, the Dealers and the Principal Paying Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by us, the Joint Arrangers or the Dealers or the Principal Paying Agent that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of us. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of our Bank, the Joint Arrangers or the Dealers or the Principal Paying Agent to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning us is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Arrangers, the Dealers and the Principal Paying Agent expressly do not undertake to review the financial condition or affairs of our Bank during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Our Bank, the Joint Arrangers, the Dealers and the Principal Paying Agent do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by our Bank, the Joint Arrangers, the Dealers or the Principal Paying Agent which would permit a public offering of any Notes or distribution of this Offering

Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (EEA), the United Kingdom (UK), Singapore, Thailand, Hong Kong and Japan, see “Subscription and Sale”.

None of our Bank, the Joint Arrangers, the Dealers and the Principal Paying Agent makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Market Act 2000 (FSMA) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See “Subscription and Sale”.

In connection with the offering of any series of Notes, each Dealer is acting or will act for us in connection with the offering and will not be responsible to anyone other than us for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

For a description of other restrictions, see “Subscription and Sale”.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2011 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market

assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS AMENDED OR MODIFIED FROM TIME TO TIME – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme, each such offering, a **CMI Offering**, including certain Dealers, may be “capital market intermediaries” (**CMIs**) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **SFC Code**). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (**OCs**) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (**Association**) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors.

Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We maintain our financial books and records and prepare our financial statements in Thai baht in accordance with Thai Financial Reporting Standards (TFRS) applicable to us in the relevant period and guidelines promulgated by the Thailand Federation of Accounting Professions, the applicable rules and regulations of the Securities and Exchange Commission of Thailand, the Office of the Securities and Exchange Commission of Thailand, the Capital Market Supervisory Board, the Stock Exchange of Thailand and the Bank of Thailand, including the Bank of Thailand's Notification No. Sor.Nor.Sor. 21/2561 directive dated 31 October 2018 regarding “the preparation and announcement of the financial statements of commercial banks and parent companies of financial holding groups” as well as other supplementary notifications of the Bank of Thailand. Effective 1 January 2023, TFRS has been aligned with IFRS (Bound Volume 2022).

Our audited financial statements as at and for the years ended 31 December 2021, 2022 and 2023 (the Audited Financial Statements) included in this Offering Circular have been audited by the auditors as set out in paragraph 7 of the section entitled “General Information”.

The Audited Financial Statements have only been prepared in Thai and an English translation of which (the **Financial Statements Translation**) has been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Audited Financial Statements and the Financial Statements Translation, the Audited Financial Statements shall prevail. The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Audited Financial Statements. Neither the Joint Arrangers, the Dealers, the Agents, nor their respective affiliates, directors and advisers have independently verified or checked the accuracy of the Financial Statements Translation and can give no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete.

CERTAIN DEFINITIONS

Unless otherwise specified or the context otherwise requires, references to **Hong Kong** are to the Hong Kong Special Administrative Region of the PRC, **PRC** are to the People's Republic of China (excluding, for the purposes of this Offering Circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan), **U.S.** or **United States** are to the United States of America, **Thailand** are to the Kingdom of Thailand, **Government** are to the government of Thailand, **baht**, **Thai baht** and **THB** are to the lawful currency of Thailand, **Singapore dollars** or **S\$** are to the lawful currency of the Republic of Singapore, **U.S. dollars** or **U.S.\$** are to the lawful currency of the United States.

Reference to the **Conditions** is to the terms and conditions of the Notes, and any reference to a numbered **Condition** is to the correspondingly numbered provision thereof.

Unless otherwise indicated or the context otherwise requires, in this Offering Circular, references to “we”, “us”, “our” are to Export-Import Bank of Thailand and its subsidiaries, taken as a whole.

In this Offering Circular where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

ENFORCEMENT OF CIVIL LIABILITIES

The Bank is a juristic (legal) person established pursuant to the Export-Import Bank of Thailand Act B.E. 2536 (1993) (the **Act**). Most of the directors and officers of the Bank are residents of Thailand and a substantial portion of the assets of the Bank and of such officers and directors is located in Thailand. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside Thailand, or to enforce against them judgments obtained in courts outside Thailand predicated upon civil liabilities of the Bank or such directors and officers under laws other than Thailand, including any judgment predicated upon United States federal securities laws. The Bank has been advised by Allen Overy Shearman Sterling (Thailand) Co., Ltd., its Thai counsel, that a judgment or order obtained in a court outside Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of the courts of Thailand may be admitted as evidence of any obligation in new proceedings instituted in the courts of Thailand, which would consider the issue on the evidence before it.

FORWARD-LOOKING STATEMENTS

We have included statements in this Offering Circular which contain words or phrases such as “will”, “would”, “aimed”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “target”, “propose to”, “future”, “objective”, “goal”, “projected”, “should”, “can”, “could”, “may” and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes relating to the banking sector in Thailand and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, including our ability to complete our capacity expansion plans, technological changes, our exposure to market risks, general economic and political conditions in Thailand which have an impact on our business activities or investments, the monetary and fiscal policies of Thailand, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in Thailand and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the our industry.

For a further discussion on the factors that could cause actual results to differ, see the discussion under “Investment Considerations” contained in this Offering Circular.

NOTICE TO RESIDENTS OF THAILAND

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH OR APPROVED TO BE OFFERED AND SOLD IN THAILAND BY THE OFFICE OF THE SECURITIES AND EXCHANGE COMMISSION OF THAILAND. ANY OFFERING, SOLICITATIONS OR DISTRIBUTION OF THE NOTES IN THAILAND IS NOT LEGAL WITHOUT SUCH PRIOR REGISTRATION AND/OR APPROVAL. DOCUMENTS RELATING TO THE OFFERING OF THE NOTES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE CIRCULATED, DISTRIBUTED OR SUPPLIED IN THAILAND, AS THE OFFERING OF THE NOTES IS NOT AN OFFERING OF SECURITIES IN THAILAND, NOR MAY THEY BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE NOTES IN THAILAND.

CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	xi
GENERAL DESCRIPTION OF THE PROGRAMME	xii
SUMMARY OF THE PROGRAMME	1
FORM OF THE NOTES	6
FORM OF PRICING SUPPLEMENT	9
TERMS AND CONDITIONS OF THE NOTES	21
USE OF PROCEEDS	55
CAPITALISATION AND INDEBTEDNESS	56
INVESTMENT CONSIDERATIONS	57
BUSINESS	79
SUMMARY FINANCIAL INFORMATION	104
MANAGEMENT	108
REGULATIONS AND POLICIES	112
TAXATION	118
SUBSCRIPTION AND SALE	123
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN TFRS AND IFRS	131
GENERAL INFORMATION	132
INDEX TO FINANCIAL STATEMENTS	F-1

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) our most recently published audited annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim financial results (see “General Information” for a description of the financial statements currently published by us); and
- (b) all supplements or amendments to this Offering Circular circulated by us from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

We will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to us at our office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the principal paying agent in London (which for the time being is Citibank, N.A., London Branch) (the **Principal Paying Agent**) for the Notes listed on the SGX-ST.

Copies of the documents listed in (a) above which are deemed to be incorporated by reference in this Offering Circular may be obtained on the website of the SGX-ST at <https://www.sgx.com>. The websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuers and the Group may be obtained free of charge. Except as expressly stated otherwise, information appearing in such websites does not form part of this Offering Circular or any applicable Pricing Supplement and none of the Issuer, the Arrangers, the Dealers, the Paying Agents, the Transfer Agents or the Registrars accepts any responsibility whatsoever that any such information is accurate and/or up-to-date. Any such information should not form the basis of any investment decision by an investor to purchase or deal in the Notes.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Programme, a new offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, we may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between us and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes”.

This Offering Circular and any supplement will only be valid for listing Notes on the SGX-ST in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$3,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “Form of the Notes”) shall be determined, at our discretion, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by us on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “Form of the Notes”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “Form of the Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by us for the relevant issue.

The offering of the Notes will be made entirely outside Thailand. This Offering Circular may not be distributed in Thailand and the Notes are not being offered or sold and may not be offered or sold in Thailand.

Each purchaser of Notes will be deemed to represent that it is not located in Thailand, and understands that the Notes may not be offered, sold, pledged or otherwise transferred in Thailand, unless determined otherwise in compliance with applicable law.

The Government does not provide any guarantee or financial support in relation to any payment or obligation in respect of the Notes and has no commitment or obligation whatsoever in relation to any payment or obligation in respect of the Notes.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Issuer: Export-Import Bank of Thailand.

Issuer Legal Entity Identifier (LEI): 549300ITFBNFH0H6FK36

Investment Considerations: There are certain factors that may affect our ability to fulfil our obligations under Notes issued under the Programme. These are set out under “Investment Considerations” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “Investment Considerations” and include certain risks relating to the structure of a particular Series of Notes and certain market risks.

Description: Medium Term Note Programme

Joint Arrangers: BNP Paribas

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

Mizuho Securities Asia Limited

Standard Chartered Bank (Singapore) Limited

Dealers: BNP Paribas

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

Mizuho Securities Asia Limited

Standard Chartered Bank (Singapore) Limited and any other Dealers appointed in accordance with the Programme Agreement (as defined under “Subscription and Sale”).

Certain Restrictions: Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restrictions applicable at the date of this Offering Circular.

Principal Paying Agent: Citibank, N.A., London Branch

Transfer Agent: Citibank, N.A., London Branch

Registrar: Citibank, N.A., London Branch

Programme Size:	U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme”) in aggregate nominal amount of Notes outstanding at any time. We may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between us and the relevant Dealer.
Maturities:	Such maturities as may be agreed between us and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to us including but not limited to the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer and/or registered form as described in “Form of the Notes”.
Fixed Rate Notes:	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between us and the relevant Dealer, subject to any regulatory requirement and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between us and the relevant Dealer, subject to any regulatory requirement.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate, subject to any regulatory requirement, determined:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (ISDA), and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Pricing Supplement; or (ii) by reference to Euro inter-bank offered rate (EURIBOR), Secured Overnight Financing Rate (SOFR) or such other reference rate as specified in the applicable Pricing Supplement; or (iii) on such other basis as may be agreed between us and the relevant Dealer. <p>The margin (if any) relating to such floating rate will be agreed between our Bank and the relevant Dealer for each Series of Floating Rate Notes, subject to any regulatory requirement.</p>

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as we and the relevant Dealer may agree, subject to any regulatory requirement.

Other provisions in Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a relation to maximum interest rate, a minimum interest rate or both, subject to any regulatory requirement.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by us and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between our Bank and the relevant Dealer.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as we and the relevant Dealer may agree, subject to any regulatory requirement.

Partly Paid Notes:

We may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as we and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Other Notes:

We may agree with any Dealer and the Principal Paying Agent that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

Unless otherwise indicated in the applicable Pricing Supplement, the relevant Notes cannot be redeemed prior to their stated maturity other than (i) in specified instalments, if applicable, (ii) for taxation reasons, (iii) following a Noteholder Redemption Event (as defined in Condition 7.3) or (iv) following an Event of Default (as defined in Condition 10).

The applicable Pricing Supplement may provide that Notes may be redeemable in separate instalments in such amounts and on such dates as are indicated in the applicable Pricing Supplement, subject to any regulatory requirements.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between us and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 8), subject as provided in Condition 8. In the event that any such deduction is made, we will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.</p> <p>Without prejudice to our obligation to pay additional amounts as described above, all payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 8.</p>
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, our unsecured obligations of and will rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all of our other unsecured obligations (other than subordinated obligations, if any), from time to time outstanding.
Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	<p>Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between our Bank and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in any other currency).</p> <p>Unlisted Notes may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.

Clearing System:

Euroclear, Clearstream (each as defined in Condition 1) and/or any other clearing system, as specified in the applicable Pricing Supplement (see “Form of the Notes”).

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Singapore, Thailand, Hong Kong and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see “Subscription and Sale”).

United States Selling Restrictions:

Regulation S, Category 1. TEFRA C or D, or TEFRA not applicable as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

The Notes of each Series will either be in bearer form, with or without interest coupons (**Coupons**) attached (**Bearer Notes**), or registered form, without interest coupons attached (**Registered Notes**). The Notes will be issued outside the United States in reliance on Regulation S.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be represented by either a temporary bearer global note (a **Temporary Bearer Global Note**) or a permanent bearer global note (a **Permanent Bearer Global Note**) and, together with a Temporary Bearer Global Note, the **Bearer Global Notes**, and each a **Bearer Global Note** as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream. While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes (**Definitive Bearer Notes**) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above, unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) we have been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available or (iii) we have or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. We will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, we may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form (**Definitive Registered Notes**).

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of our Bank, any Paying Agent or the Registrar (each as defined under “Terms and Conditions of the Notes”) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event (as defined under “Form of the Notes – Bearer Notes”).

We will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) of the definition of Exchange Event under “Form of the Notes – Bearer Notes”, we may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note (each a **Global Note**) held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear and/or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Principal Paying Agent, our Bank and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Principal Paying Agent, our Bank and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the Agency Agreement and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then the Global Note will become void as from 8.00 p.m. (London time) on the day immediately following such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, as the case may be, will become entitled to proceed directly against our Bank on the basis of statements of account provided by Euroclear and/or Clearstream on and subject to the terms of the Notes.

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 5, 6, 7, 11, 12, 13 and/or 14 (insofar as such Notes are not listed or admitted to trade on any stock exchange), they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Global Note representing such Notes is exchanged for definitive Notes. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) or a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA⁴⁴. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MIFID II/UK MIFIR product governance/target market – [appropriate target market legend to be included]]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the SFA) – [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

[Date]

Export-Import Bank of Thailand
Legal entity identifier (LEI): 549300ITFBNFH0H6FK36

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●]
under the U.S.\$3,000,000,000
Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 2 May 2024 [and the supplements] to it dated [●] and [●]] (the **Offering Circular**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[The following language applies if the Notes are intended to be “qualifying debt securities” (as defined in the Income Tax Act 1947 of Singapore):

Where interest, discount income, early redemption fee or redemption premium is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the **ITA**) shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|----|--|---|
| 1. | Issuer: | Export-Import Bank of Thailand |
| 2. | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible) |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the m Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]] [Not Applicable] |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [●] |
| | (b) Tranche: | [●] |
| 5. | (a) Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable) |
| | (b) [Net proceeds: | [●]] |
| 6. | (a) Specified Denominations: | [●] (N.B. Notes must have a minimum denomination of €100,000 or equivalent) (Note – where Bearer Notes with multiple denominations above [€100,000] or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in |

definitive form will be issued with a denomination above [€199,000].”)

(N.B. If an issue of Notes is: (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)

(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)

- (b) Calculation Amount (and in relation to calculation of interest in global form see Conditions): [●]
(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: [●]
(b) Trade Date: [●]
(c) Interest Commencement Date: [Specify/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[●] per cent. Fixed Rate]
[EURIBOR/Compounded Daily SOFR/
Compounded Index SOFR] +/- [●] per cent.
Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or Redemption/
Payment Basis: [Applicable/Not Applicable]

(if applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis) (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

12. (a) Status of the Notes: [Senior]
- (b) Date of board approval for issuance of Notes obtained: [●] [and [●], respectively]]/[None required]
(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)
- (c) Date of regulatory approval/ consent for issuance of Notes obtained: [●]/[None required]
(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)
13. Listing: [Singapore Exchange Securities Trading Limited/specify other/None]
(N.B. Consider disclosure requirements under the EU Prospectus Directive applicable to securities admitted to an EU regulated market)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date (Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
- (e) Count Fraction: [Actual/Actual (ICMA)]
[30/360]
[Actual/365 (Fixed)]
[specify other]
- (f) Determination Date(s): [[●] in each year] [Not Applicable] (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

16. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention set out in (b) below/not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not applicable.]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): [●]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/[Not Applicable]/[specify other]]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●] (the **Calculation Agent**)
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)
- Reference Rate: [●] month [EURIBOR/specify other Reference Rate]
- (Either EURIBOR or other, although additional may be information required if other, including fallback provisions in the Agency Agreement).
- [Compounded Daily SOFR]
- [Compounded Index SOFR]
- Interest Determination Date(s): [●]
- (Second day on which the T2 is open prior to the start of each Interest Period if EURIBOR) [The U.S. Government Securities Business Day [immediately following/falling [●] after] [the end of each Observation Period/the Cut-off Date)], where the Reference Rate is SOFR. Note that Interest Determination Date should fall at least 5 business days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent)]
- Relevant Screen Page: [●]
- (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Observation Method: [Observation Shift/Lookback/Lockout]
 - p: [●]

(g) ISDA Determination:	[Applicable/Not Applicable]
	(If not applicable, delete the remaining items of this subparagraph)
• ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]
• Floating Rate Option:	[●]
	If “2021 ISDA Definitions” is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
• Designated Maturity:	[●]/[Not Applicable]
	(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)
• Reset Date:	[●]
	(In the case of a EURIBOR based option, the first day of the interest period)
• Compounding:	[Applicable/Not Applicable]
	(If not applicable, delete the remaining items of this subparagraph)
• Compounding Method:	[Compounding with Lookback]
	Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]
	[Compounding with Observation Period Shift]
	Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
	Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
	[Compounding with Lockout]
	Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
	Lockout Period Business Days: [●]/[Applicable Business Days]]
• Averaging:	[[Applicable/Not Applicable]
	(If not applicable, delete the remaining items of this subparagraph)

- Averaging Method: [Averaging with Lookback
 Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
 [Averaging with Observation Period Shift
 Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
 Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
 [Averaging with Lockout
 Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
 Lockout Period Business Days: [●]/[Applicable Business Days]]
- Index provisions: [Applicable/Not Applicable]
 (If not applicable, delete the remaining items of this subparagraph)
- Index Method: Compounded Index Method with Observation Period Shift
 Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
 Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
- (h) Margin(s): [+/-] [●] per cent. per annum
- (i) Minimum Rate of Interest: [●] per cent. per annum
- (j) Maximum Rate of Interest: [●] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)]
 [Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]
 [360/360]
 [Bond Basis]
 [30E/360]
 [Eurobond Basis]
 [30E/360 (ISDA)]
 [specify other]
 (See Condition 5 for alternatives)

- (l) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes: [Benchmark Replacement (General) (Condition 5.2(b)(iv)(A) is applicable / Benchmark Replacement (SOFR) (Condition 5.2(b)(iv)(B) is applicable / Not Applicable / *specify others if different from those set out in the Conditions*]
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Any other formula/basis of determining amount payable: [●]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365] [specify other]
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name]
- (c) Calculation Agent responsible for calculating the interest due: [●]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●] (Need to include a description of market disruption or settlement disruption events and adjustment provisions)
- (e) Specified Period(s)/Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [●]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [●]
19. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (b) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent): [●]
- (c) Provision s for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●]
- (d) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 20. Final Redemption Amount: [●] per Calculation Amount
- 21. Early Redemption Amount payable on redemption for tax reasons, on Noteholder Redemption Event or on Event of Default and/or the method of calculating the same (if required): [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22. Form of Notes: [Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes upon an Exchange Event]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Offering Circular and the Notes themselves. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:

“[€ 100,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 199,000]. No Notes in definitive form will be issued with a denomination above [€ 199,000]”.
- [Registered Notes:

Registered Global Note ([●] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream (specify nominal amounts)]

23. Additional Financial Centres: [Not Applicable/give details]
- (Note that this item relates to the date of payment and not Interest Period end dates to which items 16(c) and 18(g) relate)
24. Talons for future Coupons to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
25. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues]
26. Details relating to Instalment Notes: [Not Applicable]
- (a) [Instalment Amount(s): [give details]]
- (b) [Instalment Date(s): [give details]]
27. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

28. (a) If syndicated , names of Managers: [Not Applicable/give names]
- (b) Stabilisation Manager(s) (if any): [Not Applicable/give name(s)]
29. If non-syndicated , name of relevant Dealer: [●]
30. U.S. Selling Restrictions: Reg S Compliance Category 1; [TEFRA D/TEFRA C/TEFRA not applicable]
31. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products in the EEA and no key information document will be prepared, “Applicable” should be specified.)
32. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products in the UK and no key information document will be prepared, “Applicable” should be specified.)

33. Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]
34. Additional selling restrictions: [Not Applicable/give details]

RATINGS

35. Ratings: [●]

OPERATIONAL INFORMATION

36. Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
37. Delivery: Delivery [against/free of] payment
38. Additional Paying Agent(s) (if any): [●]
39. ISIN: [●]
40. Common Code: [●]
41. FISN: [[●]/Not Applicable]
42. CFI: [[●]/Not Applicable]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified as “Not Applicable”)

HONG KONG SFC CODE OF CONDUCT

43. Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby they are deploying their own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMI otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
44. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: *[Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]* / [Not Applicable]
45. Marketing and Investor Targeting Strategy: *[if different from the Offering Circular]*

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager(s)] (the Stabilising Manager(s)) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However,

there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

[INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes. Prospective investors should have regard to the factors described under the section headed “Investment Considerations” in the Offering Circular before purchasing any Notes. Before entering into any transaction, prospective investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Prospective investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$3,000,000,000 Medium Term Note Programme of Export-Import Bank of Thailand.]

RESPONSIBILITY

We accept responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the **SGX-ST**) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of our merits, the Programme or the Notes.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and except for the paragraphs in italics, are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Pricing Supplement” for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Export-Import Bank of Thailand (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note in bearer form (a **Bearer Global Note**);
- (iii) any Global Note in registered form (a **Registered Global Note**);
- (iv) definitive Notes in bearer form (**Definitive Bearer Notes**, and together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Bearer Global Note; and
- (v) definitive Notes in registered form (**Definitive Registered Notes**, and together with Registered Global Notes, the **Registered Notes**), whether or not issued in exchange for a Registered Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (such amended and restated agency agreement as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 2 May 2024 and made between the Issuer, Citibank, N.A., London Branch as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents); Citibank, N.A., London Branch as transfer agent (the **Transfer Agent**, which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and Citibank, N.A., London Branch as registrar (the **Registrar**, which expression shall include any successor registrar). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the Registrar, the Paying Agents, and other Transfer Agents together referred to as the **Agents**.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions (**Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these

Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and Series means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 2 May 2024 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the registered office for the time being of the Principal Paying Agent (being at Citigroup Centre, 33 Canada Square, Canary Wharf, E14 5LB, London, United Kingdom) or (ii) may be provided by email to a Noteholder following their prior written request to the Principal Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Principal Paying Agent and the corporate office of the Issuer save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, Denomination and Title

The Notes are in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as specified in the applicable Pricing Supplement and, in the case of definitive Notes, will be serially numbered, in the currency (the Specified Currency) and the denominations (the **Specified Denomination(s)**), specified in the applicable Pricing Supplement. Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar in accordance with the provisions of the Agency Agreement. The Issuer, the Principal Paying Agent, any Paying Agent, the Registrar and the Transfer Agent will (except as otherwise ordered by a court of competent jurisdiction or required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held by a common depositary on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agents, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer or registered holder of the relevant Global Note shall be treated by the Issuer, any Paying Agent, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, as the case may be. References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. Transfers of Registered Notes

2.1 Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes Generally

Registered Notes may not be exchanged for Bearer Notes and vice versa.

Holders of Definitive Registered Notes may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer: (i) the holder or holders must (a) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of

transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Registrar, or as the case may be, the relevant Transfer Agent from time to time may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of Registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. Status

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. Negative Pledge

4.1 Negative Pledge

(a) So long as any Note remains outstanding (as defined in the Agency Agreement):

- (i) neither the Issuer nor any of its Subsidiaries (as defined in Condition 10) will create any mortgage, charge, pledge or lien (each, a “**lien**”) on or over any of its present or future assets, undertakings or revenues as security for any Relevant Indebtedness;
- (ii) the Issuer will procure that no other person creates any lien on or over any of that other person’s present or future assets, undertakings or revenues to secure any of the Issuer’s Relevant Indebtedness; and
- (iii) the Issuer will procure that no other person gives any guarantee of, or indemnity in respect of, any of the Issuer’s Relevant Indebtedness;

without at the same time or prior thereto either (x) according to the Notes a lien, so as to secure the Notes equally and rateably with such Relevant Indebtedness, or a guarantee or indemnity in substantially identical

terms thereto, as the case may be, or (y) providing such other lien, guarantee or indemnity, as the case may be, as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

- (b) For the purposes of this Condition, “**Relevant Indebtedness**” means any present or future indebtedness of the Issuer, any of its Subsidiaries or any other person which is in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other organised securities market.

5. Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest is required to be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement:
- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the

relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if **30/360** is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; or

(c) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Accrual Period divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as of the Issue Date of the first Tranche of the Notes; or (ii) if “2021 ISDA Definitions” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes; (together, the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Pricing Supplement;
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement;
- (D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:
 - (I) Compounding with Lookback;
 - (II) Compounding with Observation Period Shift; or
 - (III) Compounding with Lockout; and
- (E) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (i), **Floating Rate, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Averaging with Lookback, Averaging with Observation Period Shift, Averaging with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

- (ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being Compounded Daily SOFR or Compounded Index SOFR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as of 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable or such other party specified in the applicable Pricing Supplement. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, Compounded Daily SOFR or Compounded Index SOFR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as of the time specified in the preceding paragraph.

- (iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being Compounded Daily SOFR or Compounded Index SOFR
- (A) For each Floating Rate Note where the Reference Rate is specified as being Compounded Daily SOFR in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject to Condition 5.2(b)(iv)(B) and as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

Compounded Daily SOFR means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

Applicable Period means, in relation to an Interest Period:

- (A) (where “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement) the Observation Period relating to such Interest Period; and
- (B) (where “Lookback” or “Lockout” is specified as the Observation Method in the applicable Pricing Supplement) such Interest Period;

d means the number of calendar days in the relevant Applicable Period;

d_o means, for the relevant Applicable Period, the number of U.S. Government Securities Business Days in such Applicable Period;

i means, for the relevant Applicable Period, a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the Applicable Period;

Interest Determination Date means, with respect to a Rate of Interest and Interest Period:

(A) (where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement) the U.S. Government Securities Business Day immediately following the Rate Cut-off Date; and

(B) (where “Lookback” or “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement) the U.S. Government Securities Business Day immediately following the end of each Observation Period,

unless otherwise specified in the applicable Pricing Supplement;

n_i means, for any U.S. Government Securities Business Day “i”, the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day;

Non-Reset Date means, each U.S. Government Securities Business Day “i” in an Applicable Period which falls on or after the Rate Cut-Off Date (if any);

Observation Period means, for the relevant Interest Period, the period from (and including) the date falling “p” U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

p means the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement;

Rate Cut-Off Date means:

(A) (where “Lockout” is specified as the Observation Method in the applicable Pricing Supplement) in relation to any Interest Period, the date falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable); and

(B) in any other circumstances, no Rate Cut-Off Date shall apply;

SOFR_i means, in respect of any U.S. Government Securities Business Day “i” in the Applicable Period, the SOFR Reference Rate for the SOFR Determination Date in relation to such U.S. Government Securities Business Day “i”, provided that where Lockout is specified as the Observation Method, SOFR_i in respect of each Non-Reset Date (if any) in an Applicable Period shall be SOFR_i as determined in relation to the Rate Cut-Off Date;

SOFR Determination Date means, in respect of any U.S. Government Securities Business Day “i”:

(A) where “Lookback” is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to such U.S. Government Securities Business Day “i”; and

(B) otherwise, such U.S. Government Securities Business Day “i”;

SOFR Reference Rate means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate (**SOFR**) as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) published at or around 3:00 p.m. (New York City time) on the New York Federal Reserve’s Website on the next succeeding U.S. Government Securities Business Day for trades made on such U.S. Government Securities Business Day;

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (**SIFMA**) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Subject to Condition 5.2(b)(iv)(B), if, in respect of the determination of SOFR, for any U.S. Government Securities Business Day in the relevant Applicable Period, the Calculation Agent determines that the relevant SOFR Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SOFR Reference Rate shall be SOFR published on the New York Federal Reserve’s Website on the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Federal Reserve’s Website;

(B) For each Floating Rate Note where the Reference Rate is specified as being Compounded Index SOFR, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be Compounded Index SOFR plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any).

Compounded Index SOFR means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{SOFR\ Index_{end}}{SOFR\ Index_{start}} - 1 \right) \times \left(\frac{360}{d} \right)$$

where:

d means the number of calendar days in the relevant Observation Period;

Interest Determination Date means, with respect to a Rate of Interest and Interest Period the U.S. Government Securities Business Day immediately following the end of each Observation Period, unless otherwise specified in the applicable Pricing Supplement;

Observation Period means, for the relevant Interest Period, the period from (and including) the date falling “p” U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

p means the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement;

SOFR Index Value means, with respect to any U.S. Government Securities Business Day:

- (A) the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the Federal Reserve Bank of New York's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value appears on the Federal Reserve Bank of New York's Website on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index Value in relation to such U.S. Government Securities Business Day; or
- (B) if the index in sub-paragraph (A) is not published or displayed by the administrator of the SOFR rate or other information service on the relevant Interest Determination Date as specified in the applicable Pricing Supplement, the Reference Rate for the applicable Interest Period for which the index is not available shall be Compounded Daily SOFR, and for these purposes, the Observation Method shall be deemed to be Observation Shift and "p" shall be as set out in the applicable Pricing Supplement, as if Index Determination had been specified as being Not Applicable and these alternative elections had been made;

SOFR Index_{end} means the SOFR Index Value on the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days before the Interest Payment Date relating to the relevant Interest Period (or in the case of the final Interest Period, the Maturity Date); and

SOFR Index_{start} means the SOFR Index Value on the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days before the first day of the relevant Interest Period;

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (**SIFMA**) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

- (C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5.2(b)(iv)(B), the Rate of Interest shall be:
 - (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or
 - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Applicable Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date.
- (D) If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the relevant SOFR formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(iv) Benchmark Replacement

In addition, notwithstanding the provisions above in this Condition 5:

(A) where “Benchmark Replacement (General)” is specified as being applicable in the applicable Pricing Supplement, if the Issuer determines that a Benchmark Event (as defined below) has occurred in relation to the relevant Reference Rate specified in the Applicable Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (ii) if the Issuer (acting in good faith) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(b)(iv)(A); provided, however, that if sub-paragraph (B) applies and the Issuer (acting in good faith) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin (as defined below), Maximum Rate of Interest or Minimum Rate Interest that applied to such preceding Interest Period for the Margin, Maximum Rate of Interest or Minimum Rate Interest that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (C) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(b)(iv)(A);
- (iv) if the Independent Adviser or the Issuer (acting in good faith) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as defined below) (as applicable);
- (v) if the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in good faith) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt,

the Agent shall, at the direction and expense of the Issuer, without any requirement for the consent or approval of the Noteholders or Couponholders, effect such consequential amendments to the Agency Agreement, these Conditions and/or any other documents in connection therewith as may be required in order to give effect to this Condition 5.2(b)(iv)(A) and the Agent shall not be liable to any party for any consequences thereof, provided that the Agent shall not be obliged to effect any such amendments if, in the opinion of the Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in the Agency Agreement and/or these Conditions and/or any document to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way. Noteholder or Couponholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Agent (if required); and

- (vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Agent and the Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions (including the amount of the Adjustment Spread, if any), provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

For the purposes of this Condition 5.2(b)(iv)(A):

Adjustment Spread means (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such determination as provided in (b) above is made, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith) to be appropriate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable).

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith) is most comparable to the relevant Reference Rate.

Benchmark Event means, in respect of a Reference Rate:

- (a) such Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

- (b) the making of a public statement by the administrator of such Reference Rate that it has ceased or will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);
- (c) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;
- (d) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate will be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions;
- (e) the making of a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (f) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate,

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Reference Rate or the discontinuation of the Reference Rate, as the case may be, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition or restriction of use of the Reference Rate and (iii) in the case of sub-paragraph (e) above, on the date with effect from which the Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense.

Relevant Nominating Body means, in respect of a reference rate:

- (a) the central bank for the currency to which the relevant Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the relevant Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

- (B) Where “Benchmark Replacement (SOFR)” is specified as being applicable in the applicable Pricing Supplement, if the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, then the following provisions shall apply:
 - (i) the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates, and the Issuer shall promptly give notice thereof to the Calculation Agent, the Agent and the Noteholders, which shall specify the effective date(s) for such Benchmark Replacement and any Benchmark Replacement Conforming Changes;

- (ii) in connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time without the consent of or approval of the Noteholders or Coupon holders;
- (iii) at the request of the Issuer, the Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, effect such Benchmark Replacement Conforming Changes (including, inter alia, by the execution of a supplemental agency agreement) as may be required in order to give effect to this Condition 5.2(c)(ii) and the Agent shall not be liable to any party for any consequences thereof, provided that the Agent shall not be obliged to effect any such amendments if, in the opinion of the Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way;
- (iv) any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.2(b)(iv)(B), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.

For the purposes of this Condition 5.2(b)(iv)(B):

Benchmark means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark (or the daily published component used in the calculation thereof), then **Benchmark** means the applicable Benchmark Replacement;

Benchmark Replacement means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then **Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (a) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (b) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; and
- (c) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and
- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for

calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of Interest Period, timing and frequency of determining rates and making payments of interest, changes to the definition of Corresponding Tenor solely when such tenor is longer than the Interest Period, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of paragraphs (a) or (b) of the definition of Benchmark Transition Event, the later of: (i) the date of the public statement or publication of information referenced therein, and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (b) in the case of paragraph (c) of the definition of Benchmark Transition Event, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

designee means a designee as selected and separately appointed by the Issuer in writing, which may include a subsidiary or affiliate of the Issuer or an Independent Adviser;

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source;

Interpolated Benchmark with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

- (a) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and
- (b) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means:

- (a) if Compounded Daily SOFR is specified as the Reference Rate in the applicable Pricing Supplement, 3:00 p.m. (New York time) on the next succeeding U.S. Government Securities Business Day in respect of any U.S. Government Securities Business Day;
- (b) if Compounded Index SOFR is specified as the Reference Rate in the applicable Pricing Supplement, 3:00 p.m. (New York time) on the relevant U.S. Government Securities Business Day; and
- (c) if the Benchmark is not SOFR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Principal Paying Agent or, as the case may be, the Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, the Issuer will notify such stock exchange or other relevant authority as soon as practicable after it is notified of the same by the Calculation Agent.

The Principal Paying Agent or the Calculation Agent, as the case may be, will calculate the amount of interest (the Interest Amount) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if **Actual/365 (Sterling)** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1))}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if **30E/360** or **Eurobond Basis** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1))}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vii) if **30E/360 (ISDA)** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1))}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period to be notified to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression London Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

5.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

5.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from and including the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

5.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Pricing Supplement; and either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (T2) is open.

6. Payments

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of Instalment Amounts (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on

issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Registrar or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer in respect of such Global Note to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States only if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland) or (B) in relation to any sum payable in euro, a day on which the T2 is open.

6.7 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;

- (c) the Early Redemption Amount of the Notes;
- (d) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

6.8 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

7. Redemption and Purchase

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

7.2 Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Notes are neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Note) or on any Interest Payment Date (if the Notes are either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office (during the hours of 9:30 am to 3 pm, Mondays to Fridays (except public holidays)) to the Noteholders (1) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption upon a Noteholder Redemption Event

Within 15 days following the occurrence of a Noteholder Redemption Event, the Issuer will give notice to the Noteholders and the Principal Paying Agent in accordance with Condition 14 stating that a Noteholder Redemption Event has occurred (the “**Noteholder Redemption Event Notice**”).

Following the occurrence of a Noteholder Redemption Event, each Noteholder will have the right to require the Issuer to redeem any of the Notes held by such Noteholder at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

To exercise the right to require redemption of any Notes, the holder of the Notes must deliver such Notes at the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar, in the case of Registered Notes, on any business day (being, in relation to any place, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in that place) at the place of such specified office falling not more than 60 days nor less than 30 days prior to the date of redemption, accompanied by a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held in a clearing system, be any form acceptable to the clearing system delivered in a manner acceptable to the clearing system) obtainable from any specified office of any Paying Agent, Transfer Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by such Notes or evidence satisfactory to the relevant Paying Agent, Transfer Agent or the Registrar, as the case may be, that such Notes will, following delivery of the Put Notice, be held to its order or under its control.

A Put Notice given by a holder of any Note shall be irrevocable and no Note deposited with a Paying Agent, Transfer Agent or the Registrar pursuant to this Condition 7.5 may be withdrawn (except as provided in the Agency Agreement) without the prior written consent of the Issuer.

The right of any Noteholder to require the Issuer to redeem any Note upon the occurrence of a Noteholder Redemption Event is not conditional upon a Noteholder Redemption Event Notice having been given by the Issuer, but will, if such notice is given by the Issuer, be exercised by such Noteholder within 45 days of the giving of such notice.

A **Noteholder Redemption Event** will have occurred if the Kingdom of Thailand (“**Thailand**”) ceases to own, directly or indirectly, 100 per cent. of the capital of the Issuer.

7.4 Early Redemption Amounts

For the purpose of Conditions 7.2 and 7.3 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (+AY)^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.5 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.4 above.

7.6 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.7 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. The Notes so purchased, while held by or on behalf of the Issuer or any Subsidiary of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 15. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation in accordance with applicable laws.

7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.7 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

7.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7.1, 7.2 or 7.5 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.4(c) above as though the references therein to the date fixed for the

redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. Taxation

8.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); or
- (c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim.

8.2 Interpretation

As used herein:

- (i) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14; and
- (ii) **Tax Jurisdiction** means Thailand or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject.

9. Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any interest on any of the Notes when due; or
- (b) **Breach of Other Obligations:** the Issuer defaults in performance or observance of or compliance with any one or more of its other obligations set out in the Notes which default is incapable of remedy or is not remedied within 7 days after notice of such default shall have been given to the Principal Paying Agent at its specified office by any Noteholder; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due or expressed to be due any amount payable or expressed to be payable by it under any present or future guarantee for any moneys borrowed or raised, other than (with respect to (i), (ii) or (iii) above) in the case of any guarantee (A) in respect of indebtedness which is being contested in good faith by the primary obligor, or (B) where and for so long as payment by the Issuer under such guarantee has been restrained by order of a competent court; or
- (d) **Enforcement Proceedings:** a distress execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries and is not discharged or stayed within 60 days; or
- (e) **Security Enforced:** an encumbrancer takes possession or a receiver, manager or other similar officer is appointed over the whole or any part of the undertaking, property, assets or revenues of the Issuer or any of its Subsidiaries; or
- (f) **Insolvency:** the Issuer or any of its Subsidiaries becomes insolvent or is unable to pay its debts as they mature or applies for, consents to or suffers the appointment of an administrator, liquidator or receiver over the whole or any part of the undertaking, property, assets or revenues of the Issuer or any of its Subsidiaries or takes any proceeding under any law for a readjustment or deferment of its or any of its Subsidiaries' obligations or any part of them or enters into a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or stops or threatens to cease to carry on its business or any substantial part of its business; or
- (g) **Winding-up:** a petition in any bankruptcy, reorganisation, winding-up or liquidation proceeding is filed against the Issuer or any of its Subsidiaries and remains undischarged for more than 30 days or the Issuer or any of its Subsidiaries initiates or consents to proceedings relating to itself under any applicable bankruptcy, insolvency or reorganisation laws or an order is made or an effective resolution passed for the liquidation or winding-up of the Issuer or any of its Subsidiaries; or
- (h) **Moratorium or Expropriation:** a moratorium is agreed or declared in respect of any indebtedness of the Issuer or any of its Subsidiaries or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Issuer or any of its Subsidiaries; or
- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are

legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Thailand and the English courts, as the case may be, is not taken, fulfilled or done; or

- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (k) **Thailand:** Thailand declares a moratorium on the payment of any borrowed moneys (including obligations arising under guarantees) by it or Thailand becomes liable to repay prematurely any sums in respect of such borrowed moneys (including obligations arising under guarantees) as a result of a default under, or breach of the terms applicable to, such borrowed moneys or obligations, or Thailand ceases to be a member in good standing of the International Monetary Fund or the International Bank for Reconstruction and Development, or the international monetary reserves of Thailand become subject to any lien, charge, mortgage, encumbrance or other security interest or any segregation or other preferential arrangement (whether or not constituting a security interest) for the benefit of any creditor or class of creditors; or
- (l) **Analogous Events:** any event occurs which under the laws of Thailand has an analogous effect to any of the events referred to in (d) to (h) or (k) above,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

“**Subsidiary**” means, at any particular time, a company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Paying Agents, Registrar and Transfer Agents

The names of the initial Paying Agents, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of the Principal Paying Agent, Paying Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered

Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

- (c) so long as the Notes are listed on the SGX-ST, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given promptly to the Noteholders by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents, Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. Notices

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia. It is expected that such publication will be made in the Asian Wall Street Journal. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery by electronic mail of the relevant notice by the Principal Paying Agent to Euroclear and/or Clearstream for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 14.

15. Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than one-tenth of the aggregate principal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing greater than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, the Receipts or the Coupons, to amend the Deed of Covenant or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)), the quorum shall be two or more persons holding or representing not less than three quarters in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-quarter in aggregate principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

Notwithstanding the foregoing, no consent or approval of the Noteholders shall be required (a) in the case of an application of a Successor Rate, an Alternative Reference Rate, a Benchmark Replacement or any adjustment rate or any rate determined in accordance with Condition 5.2(b)(iv); and (b) any related Benchmark Replacement Conforming Changes or for any other variation of these Conditions and/or the Agency Agreement and/or any other documents in connection therewith required to be made in the circumstances described in Condition 5.2(b)(iv),

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which, in the opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or

- (ii) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. Governing Law and Submission to Jurisdiction

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

18.2 Submission to jurisdiction

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly the Issuer in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its specified office for the time being at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Waiver of Immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

18.5 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by us for our general funding purposes.

CAPITALISATION AND INDEBTEDNESS

As at 31 December 2023, the paid-up capital of the Bank was 16,998 million baht. The Bank was established with an initial paid-up capital of 2,500 million baht being provided by the Bank of Thailand and the Ministry of Finance. Since establishment, the Bank has received additional paid-up capital of 14,498 million baht from the Ministry of Finance.

The following table sets out the capitalisation and indebtedness of the Bank as at 31 December 2023. The information as at 31 December 2023 below has been extracted from the audited financial statements of the Bank as at and for the year ended 31 December 2023. The table should be read in conjunction with the audited financial statements of the Bank as at 31 December 2023 and the notes thereto.

	As at 31 December 2023
	(million baht)
Indebtedness (By TTM)	
Short-Term Debt issued and borrowings	15,401
Long-Term Debt issued and borrowings	49,252
Total	<u>64,653</u>
Capital	
Paid-up capital	16,998
Revaluation surplus on investments	–
Retained earnings	
Appropriated	
Legal reserve	9,639
Unappropriated	(279)
Total capitalisation	<u>26,358</u>

Save as disclosed above, there has been no material change in the capitalisation of the Bank since 31 December 2023.

INVESTMENT CONSIDERATIONS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuer or which the Issuer currently deems to be immaterial, may affect the Issuer's business, financial condition or results of operations or its ability to fulfil its obligations under the Notes.

Unless otherwise indicated or the context otherwise requires, in this Offering Circular, references to “we”, “us”, “our” or “Bank” are to Export-Import Bank of Thailand and its subsidiaries, taken as a whole.

Considerations Relating to the Bank and its Business

The Bank is entirely state-owned, is subject to government supervision and relies upon the Government for capital support

The Bank is a specialised financial institution wholly owned by the Government. The interests of the Government may differ from those of Noteholders and there can be no assurance that the Government's policies and decisions regarding the Bank will not negatively affect Noteholders and the value of Notes. In particular, the Bank is an instrument of Government policy as Thailand's export credit agency and aims to sustainably finance itself rather than being primarily a profit-oriented institution. The Bank has been mandated to support foreign trade and Thai investors operating overseas and certain of the other principal strategies of the Bank are determined by Thailand's priorities, such as enhancing exports from Thailand and promoting cross-border trade and investments. The Bank is occasionally required by the Government to undertake public service account that may not otherwise meet the Bank's criteria for lending. Such lending comprised approximately 3.0 per cent. per cent. of the Bank's loan portfolio as at 31 December 2023. Although any losses from such lending are the subject of an indemnity from the Government pursuant to the Export-Import Bank of Thailand Act B.E. 2536 (1993) (as amended) (the **Act**), this lending may be at a lower profit margin than the Bank would otherwise pursue or on non-market standard terms. The Bank's strategies or actions, therefore, may not necessarily be the same as those pursued by an independent profit-oriented institution.

The Bank's sources of funds include periodic capital contributions from the Government. For more information see the “*Business – Sources of Funding – Capitalisation*” section. There can be no assurance that Government support will continue in the future in the same manner or at all. Any reduction in capital contributions, loans and other forms of Government support could adversely affect the Bank's business, its future financial performance and the trading price of Notes.

The Ministry of Finance's obligations under the Act to indemnify the Bank against losses sustained from business operation in certain circumstances are broadly prescribed and the Bank may not be able to seek indemnity from the Ministry of Finance pursuant to the Act

The Act requires that the Ministry of Finance allocates funds to indemnify the Bank for losses that it may incur from operating its business in compliance with Government policies or resolutions of the cabinet of the Government. In addition, the Ministry of Finance is required under the Act to indemnify the Bank for losses sustained from providing certain types of insurances. However, these provisions are broadly written and remain vague in a number of respects. For example, it is unclear whether the Bank, not having used its prudent judgment when carrying out the business operation in compliance with the Government policies or resolutions of the cabinet of the Government, is entitled to the indemnity claim. The indemnity provisions have not been tested in practice. If the Bank cannot seek indemnification from the Ministry of Finance under the Act, the Bank will have to absorb its own losses and the financial condition of the Bank may be weakened.

The Bank's business depends mainly on the demand for Thai exports and Thai overseas investment, which are concentrated by region and sector

As Thailand's export credit agency, the Bank supports Thai exporters, contractors and investors through various credit and insurance programmes. Accordingly, the Bank's business and growth prospects depend significantly on demand for Thai exports and Thai overseas investment. In 2023, Thai exports contracted 1 per cent. Such a trend may lead to a reduction in demand for the Bank's products and services.

The Bank's loan portfolio relates to exports concentrated in certain countries and sectors. As at 31 December 2023, approximately 71.9 per cent. of the Bank's country exposure related to Thailand, 13.8 per cent. to the Lao People's Democratic Republic (**Lao PDR**), 3.7 per cent. to Vietnam, 2.5 per cent. to Cambodia and 0.6 per cent. to Myanmar. Lao PDR, Vietnam, Cambodia and Myanmar are particularly high risk jurisdictions which the Bank operates in, as a result of the political risks, the lack of developed import infrastructure or regulatory regimes and the utility of legal systems for enforcing contracts in those countries. The Bank's country exposure arises from credit facilities, guarantees and insurance extended to Thai exporters, importers, investors and certain foreign importers. Any deterioration of the political and economic conditions in these countries, or a downturn in any of these sectors, individually or in the aggregate may adversely affect the general demand for Thai exports and Thai overseas investment and the financial condition of the companies operating in such sectors and may result in, among other things, a decrease in loans to exporters, defaults on their obligations owed to the Bank or a need for the Bank to increase provisions in respect of such loans, any of which could have an adverse effect on the Bank's business, financial condition and results of operations.

The Bank's results of operations are significantly affected by the ability of its borrowers to repay their loans and the adequacy of the Bank's loan loss reserves

A significant portion of the Bank's business involves lending to customers. Failure by borrowers to repay loans extended to them may have an adverse impact on the business, results of operation and financial condition of the Bank. The risk of non-payment by the Bank's customers is affected by numerous factors, including the credit profile of particular borrowers, the tenor of loans and changes in economic and industry conditions, such as those which occurred during the global downturn as a result of the COVID-19 pandemic in recent years. The Bank's profitability will be adversely affected should its borrowers experience financial difficulties and are unable to repay loans.

As at 31 December 2023, the total amount of loans to customers (net of deferred revenue, plus accrued interest receivables) was 176,222 million baht, accounting for 98.50 per cent. of total assets. As at 31 December 2023, the Bank's NPLs classified as financial assets that are credit-impaired, as per TFRS 9 and Bank of Thailand classifications, represented an NPL ratio¹ of the Bank of 4.62 per cent. The Bank's NPL increased from 4,872 million as at 31 December 2022 to 8,150 million baht as at 31 December 2023, which is attributed by one large customer in the industrial product sector as well as SMEs facing challenges during the post-COVID economic slowdown. If borrowers are unable to repay loans or if loans become non-performing, NPLs and NPL provisioning, allowances for loan losses and charge-offs may increase and in turn, adversely affect the quality of the Bank's total loan portfolio. There is no precise method of predicting loan and credit loss and there can be no assurance that the Bank's loan loss forecasting model will be accurate. The Bank gives no assurances that its NPLs or delinquencies will not increase or that its loan loss reserve is or will be sufficient to absorb actual losses.

Any downturn in the economy in Thailand may also increase the Bank's NPLs. An increase in NPLs would require the Bank to make substantial additional provisions for loan losses and adversely affect its results of operations, financial condition, and capital adequacy. There can be no assurance that the Bank's provisions for loan losses are or will be sufficient to absorb actual losses.

¹ NPL ratio means NPLs (before deducting allowance for expected credit losses) as a proportion of total loans to customers (net of deferred revenue, plus accrued interest receivables)

The banking industry in Thailand is highly competitive and the Bank's growth strategy depends on its ability to compete effectively

The banking industry in Thailand remains highly competitive. The Bank's primary competitors are major domestic and foreign banks operating in Thailand. Further, the Government has implemented a policy of deregulating domestic financial and banking markets by allowing banks and financial institutions to provide a wider range of services, by permitting increased competition from foreign banks and other financial institutions and by broadening the range of investment instruments, such as mutual funds, available to the public.

The Bank may also face increased competition in the future from financial institutions (including non-bank institutions) offering a wider array of commercial banking services and products than the Bank and that have larger lending limits, greater financial resources and stronger balance sheets than the Bank does. Increased competition may result from:

- foreign banks, due to, among other things, relaxed standards permitting large foreign banks to open additional branch offices and acquire control of Thai banks;
- domestic banks entering into strategic alliances with foreign banks with significant financial and management resources;
- financial services companies that specialise in products which the Bank offers directly or through strategic alliances;
- other entities owned by or affiliated with the Government that provide industrial development funding and export and import lending and services;
- other state-owned banks and Government reform of the financial sector and restructuring and recapitalisation of Thai banks, many of which also have established relationships with the Government and large corporate groups and which benefit from the ability of the Government to direct opportunities to them and otherwise favour their interests over the Bank's; and
- continued consolidation, both with and without Government assistance, in the banking sector involving domestic and foreign banks, driven in part by the liberalisation of foreign ownership restrictions.

The global trend towards the adoption of financial technologies in the past few years has shifted consumer behaviour and changed the business environment, particularly in the banking sector. Crowdfunding has been introduced and become an alternative funding option for entrepreneurs. Furthermore, the Bank may face increased competition from virtual banks which would be permitted by the Bank of Thailand to operate in Thailand in the near future. The Bank is required to keep abreast of the changing technologies and adapt itself to serve customers' evolving needs and remain competitive. The adoption of these technologies may also raise issues of cyber security and the protection of consumer data. There can be no assurance that the Bank's cyber security system will be able to protect it adequately from advanced and sophisticated cyber attacks. For more information, see “– *Security breaches in the Bank's computer systems and network infrastructure, fraud, systems failures and calamities could have a material adverse effect on its business*”.

There can be no assurance that the Bank will be able to compete effectively. Increased competition may make it difficult for the Bank to increase the size of its loan portfolio and deposit base, which could have a material adverse effect on the Bank's growth plans and, in turn, its business, results of operations and financial condition.

Restructured loans may become non-performing if the Bank's assumptions regarding repayment prove incorrect

In the restructuring of a number of its high risk loans, the Bank may from time-to-time agree to set payments of principal and/or interest at a relatively low level for a certain time frame followed by increased payments in later periods to match the Bank's expectation of the borrowers' ability to service the debt. The relatively low

payments improve the likelihood that a restructured loan will be categorised as performing during the period of such payments. If borrowers are unable to make larger repayments in later periods in respect of the restructured loans, such restructured loans may become non-performing, thereby requiring additional provisions which would adversely affect the Bank's business, results of operations and financial condition.

While the Bank's restructuring policy and its provisioning in respect of restructured loans are in accordance with regulations set out by the Bank of Thailand, a portion of the Bank's NPLs have been restructured based on various assumptions regarding the timing and extent of the recovery of the borrower involved. In particular, recovery of the Bank's restructured loans is highly dependent on the level of economic growth in Thailand, which has a direct impact on the financial condition of borrowers and their ability to make gradually increasing debt service payments. Consequently, a slowdown or downturn in the economy of Thailand could result in a material increase in the number of failed restructurings and corresponding increase in the number of NPLs on the Bank's balance sheet. In turn, this may have a material adverse effect on the Bank's financial condition and results of operations. There can be no assurance that the Bank's existing restructured loans will not become NPLs again in the future.

The Bank may not be able to realise the full value of the collateral securing its loan portfolio

A substantial portion of the Bank's loan portfolio is collateralised by assets, including land, buildings and plant and equipment.

The Bank may not be able to recover the value of collateral or enforce any guarantee due, in part, to the difficulties and delays involved in enforcing such obligations in the legal system in Thailand. Bankruptcy laws and enforcement procedures in Thailand are different from those in other countries and the time required to complete enforcement processes in Thailand may be lengthy. As a result, it may take several years for a bank to enforce and realise the value of collateral underlying NPLs, and a particular loan may be classified as non-performing for several years before collateral may be seized and liquidated. The length of time required to realise collateral may lead to deterioration in the physical condition and market value of the collateral. These factors have exposed, and may continue to expose, the Bank to legal liability while in possession of collateral. The difficulties relating to enforcement may significantly reduce the Bank's ability to realise the value of its collateral and therefore the effectiveness of taking security for the loans it makes.

In the case of collateral securing loans being in the form of land and buildings, a downturn in the real estate market may result in the principal amount of certain loans exceeding the value of the underlying real estate collateral. If the economy in Thailand in general, or real estate values in particular, deteriorates, the Bank may have to adjust downward the value of the collateral securing its loans in future periods. Any decline in the value of the collateral securing NPLs or a decrease in the market value of real estate or other property secured as collateral may result in an increase in the Bank's allowance for doubtful accounts and a reduction in the recovery from collateral realisation.

There can be no assurance that the Bank will be able to dispose of any particular foreclosed or surrendered property at values acceptable to the Bank within the time frame prescribed by the Bank of Thailand, or at all. Such failure to realise the value of collateral may adversely affect the Bank's business, results of operations and financial condition.

The Bank may be unable to grow its loan portfolio

As part of its strategy, the Bank has sought to grow its loan portfolio steadily. As at 31 December 2023, total loans (i.e. loans to customers net of deferred revenue, plus accrued interest receivables) of the Bank were 176,222 million baht, representing an increase of 7,218 million baht from 169,004 million baht as at 31 December 2022.

The Bank's continued ability to achieve growth in its loan portfolio will depend, to a large extent, on the economic performance of Thailand and countries that are Thailand's principal trading partners. Loan growth may also face potential pressure in Thailand from the growth of the domestic bond and stock markets, which may result in some of the Bank's customers refinancing their outstanding loans with domestically issued bonds or debentures, or equities.

The Bank relies largely on borrowings to meet its funding requirements

A significant portion of the Bank's funding needs is satisfied from borrowings, primarily in the form of bonds and interbank/money market items.

Although a substantial portion of interbank/money market items are refinanced upon maturity and have historically been a stable source of funding, there can be no assurance that this will continue to be the case. In the event a substantial number of items fail to be refinanced upon maturity, the Bank's liquidity position would be adversely affected and it may not be able to fund the growth of its loan portfolio. The Bank may be required to seek alternative sources of short-term or long-term funding. There can be no assurance as to the availability or terms of such funding. To the extent the Bank is unable to obtain sufficient funding on acceptable terms or at all, the Bank's business, results of operations and financial condition may be adversely affected.

The Bank may not be successful in implementing new business strategies or penetrating new markets

The Bank's ability to implement its business strategy depends on several factors including, the growth of the banking industry in Thailand and the Bank's continued ability to maintain capital adequacy ratios, develop and maintain its information technology and risk management systems, and develop new products and services as well as good communication within its organisation and its employees' ability to embrace changes.

The Bank believes its strategy enables it to diversify its revenue sources, increase loans in a sustained and prudent manner, enhance its fee-based income and maintain its net interest margin and profitability. However, expansion of the Bank's business activities may expose it to a number of risks and challenges including, among other things, the following:

- new and expanded business activities may have less growth or profit potential than the Bank anticipates, and there can be no assurance that new business activities will become profitable at the level the Bank desires or at all;
- altering the risk profile of the Bank's portfolio;
- the Bank may fail to identify and offer attractive new services in a timely fashion, putting it at a disadvantage to competitors;
- the Bank's competitors may have substantially greater experience and resources for the new and expanded business activities and thus the Bank may not be able to attract customers from its competitors;
- the Bank may need to enhance the capability of its information technology systems to support a broader range of activities; and
- economic conditions, such as rising interest rates or inflation, could hinder the Bank's expansion.

The Bank's inability to implement its business strategy could have a material adverse effect on its business, results of operations and financial condition.

The Bank's loans to small and medium-sized enterprise (SME) businesses may expose it to a high degree of credit risk and may result in a deterioration of its asset quality

As at 31 December 2023, the Bank's loans to SMEs, defined as loans to customers in the manufacturing sector having total revenue of not more than 500 million baht and not more than 200 employees and customers in service and the trade sector having total revenue of not more than 300 million baht and not more than 100 employees, amounted to 34,219 million baht, representing a decrease of 3,205 million baht or 8.6 per cent. compared with the position as at 31 December 2022 and amounting to 19.5 per cent. of the Bank's total loan portfolio by value of loans outstanding as at 31 December 2023.

Compared to corporate loans, defined as loans to customers that have total fixed assets of more than 200 million baht and more than 200 employees, which tend to have borrowers that are better capitalised and able to weather economic downturns with greater ease, or loans to individuals and households, which tend to be secured with homes and with respect to which the borrowers are therefore less willing to default, loans to SMEs, a majority of which are collateralised, have historically had a relatively higher delinquency ratio. Many SMEs represent sole proprietorships or very small businesses dependent on a relatively limited number of suppliers or customers and tend to be affected to a greater extent than large corporate borrowers by fluctuations in the Thailand and global economy. In addition, SMEs often maintain less sophisticated financial records than large corporate borrowers. Therefore, it is generally more difficult for the Bank to judge the level of risk inherent in lending to these enterprises, as compared to large corporations. In addition, many SMEs may have close business relationships with large corporations, primarily as suppliers, and any difficulties encountered by those large corporations would likely hurt the liquidity and financial condition of related SMEs, including those to which the Bank may have exposure, also resulting in an impairment of their ability to repay loans.

Competition among banks to lend to this segment in recent years has been intense which could lead to a deterioration in the asset quality of the Bank's and other banks' loans to this segment. Accordingly, the Bank's inability to manage the risks associated with this customer segment could materially and adversely affect the Bank's business, results of operations and financial condition.

The Bank has significant exposure to the public utilities, manufacturing, transport and communication agro-industrial products and services sectors and also to loans in Lao PDR and financial difficulties experienced by companies and customers operating in such sectors and Lao PDR may result in a deterioration of the Bank's asset quality and earnings

As at 31 December 2023, the Bank had outstanding gross loans to customers in the public utilities, manufacturing, transport and communication, agro-industrial products and services sectors of 54,752 million baht, 32,092 million baht, 22,356 million baht, 18,226 million baht and 16,646 million baht, respectively, which represents 31.2 per cent., 18.3 percent., 12.7 per cent., 10.4 per cent., and 9.5 per cent., respectively, of the Bank's total loan portfolio as at such date. Also, as at 31 December 2023, the Bank had outstanding loans in Lao PDR of 24,249 million baht, which represents 13.8 per cent. of the Bank's total loan portfolio as at such date.

There can be no assurance that the Bank's allowances for such loans will be sufficient to cover all future losses arising from its exposure to such companies or customers or to Lao PDR. If the credit quality of the Bank's exposure to companies or customers in the aforementioned industries or in Lao PDR declines, the Bank may be required to make substantial additional provisions, including in connection with restructurings of such companies, which could adversely impact its business, results of operations and financial condition. Furthermore, although a portion of the Bank's credit exposure to these companies is secured by collateral, such collateral may not be sufficient to cover uncollectable amounts in respect of such credit exposure.

The Bank's business is inherently subject to the risk of market fluctuations

The Bank's business is inherently subject to risks in the financial markets and in the wider economy, including changes in, and increased volatility of, exchange rates, interest rates, inflation rates, credit spreads, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with business, pricing and hedging assumptions. Market movements may have an impact on the Bank in a number of key areas. For example, changes in interest rate levels, yield curves and spreads affect the interest rate margin realised between lending and borrowing costs. Historically, there have been periods of high and volatile interbank lending margins over official rates (to the extent banks have been willing to lend at all), which have exacerbated such risks. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Bank in its ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

Volatility in the value of the Baht may adversely affect the Bank's business and financial condition

The economy in Thailand may, from time to time, experience devaluations in the Thai baht and limited availability of foreign exchange. Depreciation in the value of the Thai baht would increase, in Thai baht terms,

the outstanding foreign currency debt of the Bank's customers. Such an increased debt burden could negatively affect the creditworthiness of some or all of such customers and may result in more customers being unable to repay their debts as they become due. Appreciation in the value of the Thai baht could also have an adverse effect on the Bank's financial condition by making the price of Thai exports more expensive, which could have a negative impact on the financial condition of certain of the Bank's borrowers. There can be no assurance that the value of the Thai baht will not fluctuate significantly against the U.S. dollar or other currencies in the future. This may adversely affect demand for the Bank's products and services which could in turn adversely affect the Bank's liquidity, financial condition and results of operations. In addition, there can be no assurance that the Government will not adopt policies that adversely affect the value of the Thai baht.

The Bank's risk management policies and procedures may not operate in the way the Bank anticipates

In the course of its operations, the Bank is exposed to a variety of risks, including credit risk, market risk, liquidity risk, portfolio risk, foreign exchange risk and operational risk. The Bank's risk management policies include, among other things, credit consideration and approval and review processes, regular internal reporting of financial data. The risk management team is also continuously developing its risk management policies and procedures, including portfolio management tools.

While the Bank believes that these policies and procedures will result in improvements in risk management, there can be no assurance that this will be the case or that these policies and procedures will operate in the way that the Bank has anticipated or keep pace with the Bank's changing risk exposures. Failure to appropriately manage risk may materially and adversely affect the Bank's business, results of operations and financial condition.

Any failure by the Bank to implement, or consistently follow, its risk management systems may adversely affect its business, results of operations and financial condition. There can be no assurance that the Bank's risk management systems will be effective.

Any substantial failure to carry out planned improvements to the Bank's information technology (IT) infrastructure and its management information systems properly or in a timely manner, as well as any damage to its data centres, could adversely affect the Bank's business, results of operations and financial condition

The Bank has made and may in the future be required to make significant investments and improvements in its IT infrastructure in order to remain competitive. The information available to and received by the Bank's management through its current information systems may not be timely and sufficient for the Bank's management to manage risks and plan for, and respond to, market and other developments in the future. As a result, the Bank may be required to further upgrade its IT infrastructure and management information systems. Any substantial failure to improve or upgrade the Bank's IT infrastructure and management information systems properly or on a timely basis could adversely affect its business, results of operations and financial condition.

The Bank's business could be harmed if it experiences any significant system delays, failure or loss of data. All of the Bank's data processing activities are currently performed at its data centres in Bangkok. The occurrence of a major catastrophic event or other system failure at these data centres could interrupt data processing or result in the loss of stored data.

Security breaches in the Bank's computer systems and network infrastructure, fraud, systems failures and calamities could have a material adverse effect on its business

The Bank's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could have a security impact. Any failure in the Bank's systems, particularly those utilised for its retail products and services and transaction banking, the occurrence of natural disasters that affect areas in which it has a significant presence, or if such systems are inadequate to meet its needs or the Bank's employees are not adequately trained in how to operate its systems as they evolve, the Bank's business, results of operations and financial condition could be materially and adversely affected.

If the Bank is unable to maintain IT systems and implement planned IT projects, its business could be adversely affected

Operating a large bank generally requires effective and maintained IT systems. The Bank has made substantial investments in its IT systems and further projects to develop its IT infrastructure are currently being progressed. There can be no assurance, however, that these investments will be sufficient in order for the Bank to remain competitive or that planned projects will be completed or delivered on budget. The Bank may also be required to make significant additional investments and improvements in its IT systems in the future to remain competitive. Any substantial failure to improve or upgrade the Bank's IT infrastructure properly or on a timely basis could adversely affect the Bank's competitiveness, financial condition and results of operations.

The Bank is subject to counterparty risks

Like most financial institutions, the Bank acts as an intermediary, primarily in domestic and international foreign exchange and derivative markets, and the Bank currently has foreign currency forward and swap arrangements with a number of domestic and international banks, financial institutions and other entities including those in Asian countries. In addition, the Bank has a number of interest rate swap arrangements. Therefore, the Bank is subject to credit risk from its various counterparties. Although the Bank believes that the overall credit quality of its counterparties is adequate, there can be no assurance that parties with significant exposure will not face difficulties in paying amounts on derivative contracts when due.

The Bank depends on the accuracy and completeness of information regarding customers and counterparties

The effectiveness of the Bank's risk management is limited by the quality, timeliness and availability of data to the Bank in relation to factors such as the credit history of proposed borrowers and the loan exposure borrowers have with other financial institutions.

In deciding whether to extend credit or to enter into other transactions with customers and counterparties, the Bank may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. The Bank may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, the Bank may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the results of operations, financial condition and liquidity of the customer. The Bank's results of operations and financial condition could be adversely affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading, both of which could affect the Bank's ability to effectively manage its credit risk.

The Bank is required to maintain its capital ratios above the minimum required level and a failure to do so could have a material adverse effect on the Bank's business, results of operations and financial condition

The Bank is subject to capital adequacy requirements under regulations of the Bank of Thailand. The Bank of Thailand requires specialised financial institutions such as the Bank to maintain, at the end of each day, a minimum total capital ratio of not less than 8.5 per cent. of the total risk-weighted assets, provided that Tier 1 capital must not be less than 4.25 per cent. of the total risk-weighted assets. As at 31 December 2023, the Bank's total capital adequacy to total risk-weighted assets ratio under the Bank of Thailand's criteria, its total capital adequacy ratio after deducting capital add-on arising from single lending limit and its Tier 1 capital adequacy ratio were 13.38 per cent., 13.38 per cent. and 12.13 per cent., respectively.

In addition, the Bank of Thailand requires the Bank to maintain Tier 1 capital of at least 20 per cent. of the estimated contingent liabilities that may arise from the insurance products that the Bank provides, except for those insured against the risks that the cabinet of the Government has separately allocated reserves for their repayments, after deduction of reserves allocated for each such insurance risk. As at 31 December 2023, the Bank held Tier 1 capital of 159.37 per cent. of such liabilities. These capital adequacy requirements for specialised financial institutions are less stringent than those applicable to commercial banks, which follow the standards introduced by the Basel Committee on Banking Supervision (BCBS).

While the Bank is currently in compliance with the capital adequacy requirements, there can be no assurance that it will continue to be able to comply with such requirements. The Bank's failure to comply with minimum capital adequacy requirements under current or future regulations could have a material adverse effect on the Bank's business, results of operations and financial condition. Furthermore, the capital requirements may change in the future with the implementation of new standards introduced by BCBS.

Any inability of the Bank to attract and retain talented professionals may adversely impact its business

The Bank's continued success depends in part on the continued service of key members of its management team and its ability to continue to attract, train, motivate and retain highly qualified professionals as well as to attract and train young professionals, particularly to its marketing team. The successful implementation of the Bank's strategy depends on the availability of skilled management at both its head office and at each of its business units and international locations.

If the Bank loses one or more of its key senior executives and fails to replace them in a satisfactory and timely manner, the Bank's business and, in turn, its results of operations and financial condition, including its control and operational risks, may be affected. If the Bank fails to attract and appropriately train, motivate and retain young professionals or other talent, its business may similarly be affected.

The Bank's financial statements are prepared in accordance with TFRS which differs from International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

The Bank is subject to financial reporting requirements that have differences from those applicable to companies in other countries, including the United States and the United Kingdom. The Bank's financial statements are prepared in accordance with TFRS, which differ from IFRS as issued by the IASB.

In accordance with TFRS, the Bank has not (i) performed a reconciliation of the financial statements included in this Offering Circular to IFRS as issued by the IASB, or (ii) quantified the differences between IFRS as issued by the IASB and TFRS with respect to such financial statements.

Changes to accounting standards may negatively affect the Bank's financial results

The Bank prepares its consolidated financial statements in accordance with TFRS, and there may be new and revised accounting standards and interpretations in the future requiring the adoption of new accounting policies. Changes to TFRS or interpretations thereof may cause the Bank's future reported results and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the Bank's regulatory capital and ratios. There is no assurance that these changes will not have a significant impact on the presentation of the Bank's financial statements or have a significant impact on the Bank's results of operations. Investors should exercise caution when making comparisons of any financial figures against those from prior years in light of any changes made to accounting standards and, in turn, when evaluating the Bank's financial condition, results of operations and results.

The Bank operates in a heavily regulated environment and is subject to legal and regulatory risks; material changes in the regulations that govern the Bank and its business activities may adversely affect its business and future financial performance

The Bank operates in a heavily regulated environment under the supervision of the Ministry of Finance and the Bank of Thailand. The Bank is also subject to the banking, corporate and other laws in effect in Thailand from time to time. The regulatory and legal framework governing the Bank differs in certain material respects from that in effect in other jurisdictions and may continue to change as the economy in Thailand and commercial and financial markets evolve. If additional rules or regulations are introduced, the Bank may incur substantial compliance and monitoring costs.

The Bank's business could also be directly affected by any changes in the Bank of Thailand's policies, including in the areas of specific lending activities, loan loss provisioning, capital adequacy and liquidity requirements.

There can be no assurance that future changes in the regulatory environment for banks in Thailand will not adversely affect its business, results of operations and financial condition. Failure by the Bank to comply with applicable rules and regulations could result in penalties and reputational damage, which could have a material adverse effect on the Bank's business, cash flows, results of operations, financial condition and prospects.

The Bank's ability to implement its strategy and conduct its operations may be affected by regulatory compliance with future capital and liquidity standards in substantial and unpredictable ways which could have a consequent material adverse effect on the Bank's business, cash flows, results of operations, financial condition and prospects.

There is no assurance that the Bank will not face increased pressure on its capital and liquidity in the future. If the regulatory capital requirements, liquidity restrictions or ratios applied to the Bank are increased in the future, any failure of the Bank to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on the Bank's results of operations.

Furthermore, Thailand enacted the Anti-Money Laundering Act B.E. 2542 (1999) (the **Anti-Money Laundering Act**) with an aim to combat money laundering activities and terrorist financing activities. Pursuant to the Anti-Money Laundering Act and relevant laws and regulations of Thailand, predicate offences include, among others, crimes relating to narcotics, public fraud, malfeasance in office, smuggling under the customs laws and terrorism. The Anti-Money Laundering Office (the **AMLO**) was established under the Anti-Money Laundering Act to serve as Thailand's financial intelligence unit and as the main regulatory body responsible for regulating, preventing and suppressing money laundering and terrorist financing activities. The Anti-Money Laundering Act and all relevant laws and regulations issued thereunder (the **AML Laws**) require a wide range of financial institutions (including specialised financial institutions) and other non-financial businesses and professions to conduct certain Know Your Customer (**KYC**) and Customer Due Diligence (**CDD**) checks to identify and verify their customers' identities and the ultimate beneficial owner of the entity customers prior to the acceptance of any new customers and periodically review the customer account to manage the risk level on money laundering and terrorist financing activities of each customer until the account is closed or until their relationship has been terminated. In this regard, the financial institutions (including specialised financial institutions) are required to report cash and/or asset transaction and wire transfer activities which reach certain monetary threshold and/or any suspicious transactions of their customers to the AMLO.

Although Thailand is not classified by Financial Action Task Force (**FATF**) as a country with strategic Anti-Money Laundering (**AML**) and Counter Financing Terrorist (**CFT**) deficiencies with effect from June 2013 and is not currently subject to FATF's monitoring under its ongoing global AML/CFT compliance process, Thailand remains subject to enhanced follow-up with the Asia/Pacific Group on Money Laundering (**APG**) to address the full range of AML/CFT issues identified in its mutual evaluation report (**MER**). As a result, Thailand is required to continue to report to the APG on progress to strengthen its implementation of AML/CFT measures, with an aim to standardise the Thai AML Laws to be completely in line with the FATF recommendations. For example, between 2013 and 2015, Thailand issued various regulations relating to KYC and CDD to amend the previous AML Laws, including the Anti-Money Laundering Act and the Counter Terrorism Financing Act B.E. 2556 (2013) (the **2013 Counter Terrorism Financing Act**), and to supplement and enhance the existing preventive measurements. Furthermore, Thailand enacted the Counter Terrorism and Proliferation of Weapons of Mass Destruction Financing Act B.E. 2559 (2016) (the **2016 Counter Terrorism Financing Act**) in December 2016, repealing the 2013 Counter Terrorism Financing Act to expands previously existing laws to cover offences in relation to the involvement in the proliferation of weapons of mass destruction, in response to FATF recommendations. Thailand has also made progress in addressing several technical deficiencies identified in the initial MER based on the follow-up MERs published in 2018, 2021 and 2023.

If Thailand is re-classified as a country with strategic AML/CFT deficiencies and therefore is subject to FATF's monitoring under its ongoing global AML/CFT compliance process, the Bank may face burdensome procedures and additional costs in its operations, especially relating to international banking transactions. In addition, there can be no assurance that future changes in the AML/CFT regulatory environment for financial institutions in Thailand will not adversely affect their business, liquidity, financial condition and results of operations. Failure by the Bank to comply with applicable rules and regulations could result in penalties and reputational damage, which could have a material adverse effect on the Bank's business, results of operations and financial condition.

Limitation under the laws governing guarantees and mortgages and other legislation governing the Bank's products and services could affect the Bank's business and reduce the effectiveness of taking and enforcing security interests for loans

The Civil and Commercial Code of Thailand Amendment Act No. 20 and 21 (the **Amendment**) came into force on 11 February 2015 and 15 July 2015 respectively. One of the main purposes of the Amendment is to provide protective mechanisms for non-financial institutions and individual guarantors and mortgagors. For instance, when entering into certain types of a guarantee agreement, certain particulars including the maximum guaranteed amount and duration for creating the underlying obligation must be specified in some cases. The Amendment also prohibits guarantors who are not juristic persons from being held liable as a principal debtor. In addition, the Amendment also prescribes administrative procedures for creditors to follow before calling for performance of the guarantors, failing which the ability of the creditors to enforce their rights against the guarantors would be impaired. As for the law on mortgages, the Amendment limits the liability of third-party mortgagors to the value of the mortgaged property and generally prohibits such third party mortgagors from acting as a guarantor for the same underlying debts that are already secured by the mortgage, except in the case where the debtor is a juristic person and such third-party mortgagor is the person having management power or control over such debtor and a guarantee contract has been entered into separately. Provisions in guarantee and mortgage agreements that are contrary to such mechanisms under the laws are mostly void.

The Amendment has, to a certain extent, affected the Bank's business strategy and reduced the effectiveness of taking and enforcing security interests for loans. For example, enforcing the Bank's rights as a creditor against third party guarantors who are individuals have become more burdensome when the guarantors, who are prohibited from holding themselves as a principal debtor, can demand that creditors enforce their rights against the assets of or the original debtors themselves first. This limits the Bank's ability and is likely to prolong the default recovery process. Furthermore, if the administrative procedures under the amended laws are not followed when calling on performance of guarantors, the Bank may not be able to fully recover the interests, and compensation and expenses arising from the defaulted debts after the specified period of time. As a result, the Bank has to implement more stringent credit risk management control. Such implementation may lead to increased administrative and operational costs.

In addition, as there have been just a few supreme court precedent cases available to the public with respect to the Amendment, there is the risk that parts or all of the provisions in the Bank's standard form of guarantee and mortgage agreements may be held invalid and unenforceable despite the Bank's good faith effort to comply with the Amendment, as the courts may take different views in certain aspects when interpreting the law.

Apart from the Amendment on the law of guarantees and mortgages, another significant legal development relevant to the Bank's products and services that may pose risks to the Bank's operations is the Business Collateral Act B.E. 2558 (2015) (the **Business Collateral Act**). Although the purpose of the Business Collateral Act is to facilitate lending transactions as a broader range of assets can be used as security and to speed up the security creation and enforcement process, the law and its mechanism are not entirely clear, and the interpretation of some provisions is uncertain. For example, it remains ambiguous whether a "whole business" that can be provided as security under the Business Collateral Act must be all assets of a particular business or only a portion of assets that are adequate to operate the business. Moreover, since there is a lack of security enforcement and Supreme Court precedent pursuant to the Business Collateral Act in the market, the Bank might be unable to predict the outcome of security enforcement to accurately evaluate risks in respect of securities provided under the Business Collateral Act and to fully assess its impact on the Bank's commercial businesses.

The Bank has contingent liabilities

As at 31 December 2023, the Bank has contingent liabilities of approximately 62,699 million baht on account of liabilities to policyholders, guarantees, outstanding import bills, letters of credit and other contingencies. If the Bank's contingent liabilities materialise, this may have an adverse effect on the Bank's future financial performance and the trading price of Notes.

The Act requires the Government to compensate or inject further capital into the Bank in the event of it suffering significant losses from its insurance business.

Considerations Relating to Thailand and the Macroeconomic Environment

Although the economy in Thailand experienced a reasonable growth rate for considerable periods of time after it recovered from financial crises in 1997 and 2009 there are still risks that may hinder Thailand's future economic growth.

Thailand's economy is largely dependent on exports, which may struggle to grow in the current macroeconomic environment

Thailand recorded a slower than expected GDP growth of 1.9% in 2023 and current projections and forecasts for 2024 and beyond also suggest low or stagnant growth. Key factors that continue to affect the growth rate in Thailand's economy include:

- the ongoing tit-for-tat trade war between the U.S. and the PRC which continues to put pressure on certain Thai export products that are parts of the PRC supply chain;
- continued geopolitical conflicts, such as the current Ukraine-Russia conflict and the ongoing conflict in the Middle East, which may have a material adverse impact on the levels of global trade. In the meantime, while high global oil and commodity prices benefit some Thai export products which relate to oil price (e.g. refined fuel, chemicals and plastic and rubber products), they also put negative pressure on others through high costs of raw material on which many of Thailand's exports rely (e.g. metal, fertiliser and animal feed);
- continued fluctuations in exchange rates of Thai baht and foreign currencies as a result of economic and political uncertainties around the world which pose an additional risk for Thai exporters; and
- the ongoing supply chain disruption such as shortages of semiconductor, labour and container as well as high cost of transportation remain the main issues faced by Thai exporters for the rest of the year.

Some of the information included in this Offering Circular has been prepared by third parties and may be inaccurate or outdated

This Offering Circular includes information on the Kingdom of Thailand, the Thai economy and the Thai financial services industry taken from third parties, which the Bank believes to be reliable. However, the information taken from third parties and included in this Offering Circular may be inaccurate and outdated, and the Bank makes no representation or warranty, express or implied, as to the accuracy or completeness of this information. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Offering Circular. The Bank also cannot provide any assurance that the third parties have used correct or sound methodology to prepare the information included in this Offering Circular.

Investor confidence may be affected by delays, postponements or cancellations of Government infrastructure projects

A significant amount of the Government's capital expenditure allocated for infrastructure projects is expected to be a key driver of the Thai economy in the short to medium term. The targeted infrastructure projects include those in relation to logistics development, transportation and other infrastructure development nationwide, particularly in Thailand's Eastern Economic Corridor, a developing economic region which is expected to be one of the key drivers to lift the Thai economy out of the middle income trap. Delays, postponements or cancellations of these projects could affect the confidence of investors in Thailand and affect the wider Thai economy.

Private consumption may not grow in the long term

The increases in the cost of living in recent years, especially food and energy prices which have been partly accelerated by the Ukraine-Russia conflict, inevitably affects the purchasing power of the Bank's customers. In addition, the persistent high level of household debt in Thailand is expected to be a major hindrance for private consumption to significantly and sustainably grow. There is no assurance that private consumption in Thailand will grow in the long term.

The Thai economy faces structural challenges that may negatively affect its prospects

The Thai economy faces a number of structural challenges, including:

- an aging society, as a result of improvements in medical treatment in Thailand and low birth rates over recent decades, which could result in labour shortages, affect Thailand's productivity and cause businesses to move their production bases to other countries; and
- a lack of technological development, as a result of the lack of public or private investment in research and development, which has affected the competitiveness of Thai exports in comparison with those from more developed countries.

Thailand's sovereign credit rating may be downgraded

Currently, Thailand's sovereign foreign currency long-term debt is rated "Baa1" with a stable outlook by Moody's Investors Service (**Moody's**), "BBB+" with a stable outlook by Fitch Ratings (**Fitch**) and "BBB+" with a stable outlook by Standard & Poor's (**S&P**). These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due, and are an improvement over the sovereign ratings granted by these international credit rating agencies to Thailand following its political crisis of 2013 and 2014.

There can be no assurance that international credit rating agencies will not downgrade the ratings of Thailand or companies in Thailand, including the Bank, in the future. The credit rating assigned to a country may be an important determinant of the credit ratings of corporates with operations in that country, particularly state-owned institutions such as the Bank, and as a result, their cost of financing. Any downgrade to the credit rating of Thailand could have an adverse impact on the credit ratings of corporates in Thailand, particularly state-owned institutions such as the Bank, and as a result, the ability of the Government, the Bank or other companies in Thailand to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

In addition, the availability of credit to entities operating within emerging markets is significantly influenced by levels of investor confidence in such markets as a whole and therefore any factors that impact market confidence, for example, a decrease in credit ratings or state or central bank intervention in one market, could affect the price or availability of funding for entities within any of these markets. These factors may have an adverse impact on the Bank's business, cash flows, results of operations, financial condition and prospects.

Risks posed by political instability in Thailand may adversely affect the Bank's business, results of operations, financial condition and prospects

The Bank's results and those of most of its corporate customers may be influenced in part by the political situation in Thailand. Thailand has experienced periods of instability, including coups, anti-government protests and counter-protests, declarations of martial law and states of emergency in southern provinces in response to violence. Following the recent general election in May 2023, Pheu Thai Party has formed a coalition government with different political parties and Srettha Thavisin has been officially elected and appointed as the prime minister. There is no assurance that interest of these political parties within the coalition government will be aligned throughout the parliamentary term, forming a fragmented and uncertain political landscape. There is also no assurance that the populace will continue to support this coalition government or if there will not be any further political disruptions or vacuum in the near future. In addition, this coalition government may cause significant changes in policy. The legal and regulatory framework that we are subject to may, therefore, change as the political situation changes. Protracted political instability and changes in the legal and regulatory environment in Thailand may adversely affect the Bank's business and operations. There can be no assurance that there will not be further political disruptions in the future. The Bank cannot predict whether there will be any further amendment or introduction of new laws or whether the current government will seek to make further changes to the legal and regulatory framework to which the Bank is subject. Any changes in the legal and regulatory environment in Thailand may adversely affect the Bank's business and operations, cash flows, results of operations, financial condition and prospects.

Extreme weather and natural disasters may adversely affect the Bank's business

Any extreme weather, future droughts, floods or other natural disasters could disrupt the economic growth in Thailand and result in business interruptions and property damage for the Bank and its customers. This could lead to deferred payments of interest by, or extension of the loan repayment profile for, some of the Bank's customers, and consequently, have a material and adverse effect on the Bank's business and results of operations.

Enforcement difficulties may prevent lenders from recovering the assessed value of collateral when the Bank's borrowers default on their obligations in Thailand and Lao PDR, where over 54.6 per cent. of the Bank's loans are located as at 31 December 2023

Thai banks may not be able to fully recover collateral or enforce any guarantees due, in part, to the legal uncertainties in enforcing such rights.

Although the law in Thailand provides for expedited procedures for the enforcement of certain types of collateral, in practice lenders generally end up submitting a petition to a court in Thailand or face challenges by borrowers which could result in delays that can last several years and lead to deterioration in the physical condition and market value of the collateral. In the past, these factors have exposed, and continue to expose, lenders in Thailand to legal liability while in possession of collateral.

The law in Lao PDR is subject to uncertainty as a result of the lack of developed laws and legal processes and government intervention in the court system. Procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances, it may not be possible to obtain the legal remedies provided under the Lao PDR law and regulations in a timely manner. Additionally, the effectiveness of security may be very limited in relation to third parties who purchase secured assets without knowledge of the security, even if the security is registered on the public register. As such, the Bank may find it difficult to enforce collateral in Lao PDR or may only be able to enforce it after lengthy delays.

The current difficulty of bringing enforcement actions under the legal systems in Thailand and Lao PDR significantly reduces the ability of lenders to realise the value of collateral located in such countries and therefore the effectiveness of taking a secured position on loans to borrowers. In addition, there can be no assurance that lenders will be able to realise the full value, or any value, of any collateral located in Thailand or Lao PDR in a bankruptcy or foreclosure proceeding or otherwise, especially as the value of secured assets such as real property has been, and may continue to be, negatively affected by the current political, economic and social conditions in Thailand and Lao PDR.

Challenging conditions and turbulence in the global economy and financial markets may adversely affect the Bank's business, asset quality, capital adequacy and results of operations and the Bank's future operational and financial results may not be in line with market expectation or historical trends

Macroeconomic developments creating challenging conditions and turbulence in the global economy and financial markets could lead to disruptions and/or higher volatility in the functioning of international financial markets and adversely affect Thailand and other economies in which the Bank operates. Any economic downturns and/or material changes in the relevant financial markets or economies may materially and adversely affect the Bank's business, asset quality, capital adequacy and results of operations.

There has been political unrest in certain countries within the Southeast Asian region such as Myanmar. On 1 February 2021, Myanmar's military declared a one-year state of emergency and appointed a general as acting president, after arresting civilian leader Aung San Suu Kyi and other senior officials of the National League for Democracy. Since the declaration of the state of emergency, opposition activists have organised strikes and mass protests against the military government and what started as civil disobedience has essentially turned into a civil war across Myanmar. Further, geopolitical risks have continued to emerge globally in relation to the Ukraine-Russia conflict and the ongoing conflict in the Middle East, leading to rising tensions and increased military activity in the Baltic Sea, the increased nuclear capabilities of Iran and North Korea, the maritime claims in the South and East China Seas, and China-Taiwan tensions. Any of these risks could result in a global economic slowdown, higher inflation, financial and commodity market volatilities and capital flight from emerging markets.

Trade tensions between the U.S. and major trading partners, most notably China, remain heightened following the introduction of a series of tariff measures in both the U.S. and China, including a ban on new US investments in China targeting three high-tech sectors (i.e. AI, advanced semiconductors and quantum information technologies) in August 2023. These ongoing tensions could significantly impact global trade. Such tensions are set to continue in the areas of data and technology security, build-up of military presence in the Indo-Pacific region and human rights accusations particularly as the U.S. heads towards a general election on 5 November 2024. In addition, financial market volatility and increased economic uncertainty may arise due to specific country-related factors. For example, the Chinese government is further tightening its regulatory oversight on specific sectors (such as property and platform technology companies) and reining in debt growth even as it attempts to stabilise economic growth. To the extent that uncertainty regarding the economic outlook is heightened, consumer confidence and consumer credit factors globally or regionally could be negatively impacted.

Global economic growth has been falling in recent years, with the International Monetary Fund (IMF) revising down estimates of global economic growth from 6.3 per cent. in 2021 to 3.1 per cent. in 2024. The IMF's global forecast for 2024-2025 is lower than the historical average of 3.8 per cent., with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth fuelling the lower predictions. The IMF has cited commodity price spikes from geopolitical shocks, including continued attacks in the Red Sea, and ongoing supply disruptions as risk factors for prolonged tighter monetary conditions. In addition, the development of significant global macroeconomic events, such as the United States-PRC trade tensions, the ongoing Ukraine-Russia conflict and the ongoing conflict in the Middle East, continue to bring uncertainty which could have a significant negative impact on international markets.

Any of these factors could have a material adverse effect on the Thai economy, and in turn the Bank's financial condition and results of operations. As a result, the Bank's future operational and financial results may not be in line with market expectation or historical trends.

Global liquidity tightening may adversely affect the Bank's business, asset quality, capital adequacy and results of operations

Rising inflation rates and energy costs, in part as a result of the ongoing Ukraine-Russia conflict, have resulted in the Federal Reserve Board of the United States enacting steep rises in the federal funds rate in recent years. Increases in the federal funds rate are indicative of general increases of interest rates not only in the United States but globally. A change in the monetary policy direction in the United States could have a detrimental effect on global financial stability, especially in emerging market economies, including Thailand. An increase of one percentage point in the United States Treasury bill rate may raise Thailand's local money market interest rates proportionately. The increase in interest rates may also create disruptions in foreign exchange markets, especially in emerging market currencies, as investment capital pursue assets of higher quality in more developed markets.

Despite Thailand historically having a variety of potential sources of funding, strong financial stability (with a high level of international reserves and a low level of external debt), there can be no assurance that the market disruptions in the United States or globally, including the increased cost of funding for certain governments and financial institutions and the ongoing Ukraine-Russia conflict, will not affect financial institutions in Thailand, including the Bank. Nor can there be any assurance that future policy accommodation by central banks, or other governmental bodies, will be available or, even if provided, will be sufficient to stabilise the affected countries and markets. Global economic uncertainty, regulatory initiatives and reforms have impacted, and are likely to continue to impact, non-U.S. credit and trading portfolios. The Bank will continue to monitor and manage this risk but there can be no assurance its efforts in this respect will be sufficient or successful.

As a result, the Bank may be forced to scale back on certain of its core lending activities (for example, by imposing lending limits) and other operations and/or borrow money at higher funding costs or face a tightening in its net interest margin, any of which may have a negative impact on its earnings and profitability and uncertainties as to the nature, extent, sustainability and pace of recovery of the markets in which the Bank operates, which may have a material effect on the Bank's business, liquidity, financial condition and results of operations.

Considerations Relating to an Investment in the Notes

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

1. have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
2. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
3. have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
4. understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
5. be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes are not guaranteed by the Ministry of Finance or the Government

Although the Bank is wholly owned by the Government and partly relies on the government for funding, the notes are not in any way guaranteed by the Government. The Act requires the Ministry of Finance to allocate funds to indemnify the Bank for losses that it may incur from business operation carried out in compliance with Government policies or resolutions of the cabinet of the Government and for certain losses suffered by it from its insurance business, which may affect business operation of the Bank or result in the Bank's inability to maintain the prescribed capital requirements. However, other than in those specific circumstances, neither the Ministry of Finance nor the Government is legally liable under the Act for the Bank's debts or other obligations (including the Notes). The Notes are not guaranteed by the Kingdom of Thailand.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Modification, waivers and substitution

The Terms and Conditions of the Notes and the Agency Agreement contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and

vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which, in the opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

The Notes are subject to the risk of change in law

The Terms and Conditions of the Notes are based on English law in effect as of the date of issue of the relevant Notes. No assurance can be given, as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes, and any such change could materially and adversely impact the value of any Notes affected by it.

The price of the Notes following the offering may be volatile

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Bank's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions and interest rates could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued, depending on many factors.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as specified in the applicable Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case any holders who, as a result of trading such amounts, hold an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Bank will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note

must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Notes are subject to selling restrictions and restrictions on transfer, and may be transferred only to a limited pool of investors, which may adversely affect their liquidity and the price at which they may be sold

We are not obligated to, and do not intend to, register the Notes under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or a transaction not subject to the registration requirements of, the Securities Act and any other applicable laws. As a result, the Notes can only be transferred to a limited group of investors, which may adversely affect their liquidity and the price at which they may be sold. See “Subscription and Sale – Thailand”.

Investors may be subject to risks relating to Singapore taxation.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2028 are intended to be qualifying debt securities (**QDS**) for the purposes of the Income Tax Act 1947 of Singapore (**ITA**), subject to the fulfilment of certain conditions more particularly described in the section titled “Taxation – Singapore”. However, no assurance is given that the Notes would continue to be QDS or that the tax concessions and exemptions in connection therewith would apply throughout the tenure of the Notes should the relevant tax laws be amended or revoked at any time.

Considerations Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Payments of principal and interest are subject to exchange rate risks and exchange controls

The Bank will pay principal and interest on the Notes in the currency specified (the **Settlement Currency**). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the **Investor’s Currency**) other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to the devaluation of the Settlement Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settlement Currency would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor’s Currency-equivalent market value of the Notes.

Investment in the Notes is subject to interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Considerations Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the EURIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which would further adversely affect the market value of those Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where we have the right to effect such a conversion, this will affect the secondary market and the market value of the Notes, since we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If we convert from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” (including the euro interbank offered rate (**EURIBOR**)) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union (**EU**). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the

benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of Notes provide for certain fallback arrangements in the event that a Benchmark Event or Benchmark Transition Event, as the case may be (each term as defined in the Terms and Conditions) occurs in respect of the relevant Reference Rate or other relevant reference rate (which could include, without limitation, a mid-swap rate) and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Benchmark Replacement, Successor Rate or an Alternative Rate (each term as defined in the Terms and Conditions), with the application of an adjustment spread (which could be positive, negative or zero), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the new benchmark, all as more fully described at Condition 5.2(b)(iv). It is possible that the adoption of a Benchmark Replacement, Successor Rate or Alternative Rate, including any adjustment spread, may result in any Notes linked to or referencing a Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. Please refer to the risk factor entitled ***“The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”*** for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SOFR, may mean that interest on the Notes which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date. It may be difficult for investors in Notes which reference any such risk free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to securities which referenced the London interbank offered rate (**LIBOR**), if Notes referencing SOFR become due and payable as a result of an event of default under the Conditions, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk free rates.

Since risk free rates are relatively new market indices, Notes linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, that are designed for specific investment objectives or strategies or that have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than would conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Notes.

Ratings of Notes

Credit ratings assigned to us or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to us or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

The Notes do not restrict the Bank's ability to incur additional debt, repurchase the Notes or to take other actions that could negatively impact holders of the Notes

The Bank is not restricted under the terms of the Notes from incurring additional debt, including secured debt, or from repurchasing the Notes except as described in the Conditions, as applicable. In addition, the covenants applicable to the Notes do not require the Bank to achieve or maintain any minimum financial results relating to its financial position or results of operations. The Bank's ability to recapitalise, incur additional debt and take other actions that are not limited by the terms of the Notes could have the effect of diminishing its ability to make payments on the Notes when due.

BUSINESS

Overview and History

The Bank is a specialised financial institution wholly owned by the Government and under the supervision of the Ministry of Finance. It was established with initial capital of 2.5 billion baht by the Export-Import Bank of Thailand Act B.E. 2536 (1993) (the **1993 Act**), which took effect on 7 September 1993. The Bank officially started its operations on 17 February 1994. In November 1999, the Export-Import Bank of Thailand Act (No. 2) B.E. 2542 (1999) (the **1999 Act**) amended the 1993 Act to clarify and expand the Bank's objective and scope of operations with regard to investment promotion and support. This amendment enabled the Bank to provide more comprehensive support to Thai investors overseas as well as local investors in businesses relating to export or businesses operating with exposure to foreign currencies. In July 2018, the Export-Import Bank of Thailand Act (No. 3) B.E. 2561 (2018) (the **2018 Act**) amended the 1993 Act and the 1999 Act to expand the scope of the Bank's trade and insurance services. This amendment enabled the Bank to provide a broader range of trade and investment insurance services to Thai customers and commercial banks, in order to support Thai businesses in their investment outside of Thailand. The Bank's ultimate statement of direction is to focus on international trade promotion with the aim of enhancing Thailand's export, import and overseas investment capabilities.

Under the Act, the Bank is empowered to engage in a broad range of business undertakings, including the provision of short-term as well as long-term credit facilities, in either domestic or overseas markets and in baht or any foreign currency, export credit insurance, investment insurance, guarantees, outwards/inwards remittances and buyer/bank risk assessment services. Ultimately, the Bank can engage in any financial activities customarily undertaken by a commercial bank, except for accepting deposits from the general public.

As a platform for its funding, the Bank can borrow from local or overseas financial institutions, as well as issue short-term or long-term financial instruments for sale to financial institutions and the general public, both domestically and internationally.

The Bank's head office and four of its branches are located in Bangkok, with an additional five branches located across Thailand in Songkhla, Chonburi, Chiang Mai, Khon Kaen and Pathum Thani. The Bank also has four overseas representative offices in Myanmar, Lao PDR, Cambodia and Vietnam.

Business Strategy

The Bank is a specialised financial institution under the supervision of the Ministry of Finance and the Bank aims to expand its role as a "Green Development Bank" to develop the economic, social, and environmental areas in Thailand in a balanced and sustainable manner.

The Bank will apply this model in developing its organisation and driving the economic growth, as well as societal and environmental improvements in Thailand. In addition to supporting renewable energy and other green projects, the Bank aims to be a catalyst for green transformation through (i) creating a sustainable ecosystem of business operations that incorporate Environmental, Social, and Corporate Governance (**ESG**) principles, (ii) uplifting Thai businesses into the ESG supply chain, and (iii) promoting the development of innovation, in particular, in S-curve industries and the manufacturing, agricultural and service industries in order to consumers' demand and global trends. The Bank aims to leverage on the synergy between the public and private sectors to support Thai entrepreneurs to expand their businesses globally, by equipping them with knowledge, market opportunities, financing and hedging tools against international trade or investment risks.

The Bank's vision is "To take the lead in driving Thailand's trade and investment strategies to grow on the global stage in a sustainable manner" and to become the country's leading "Green Development Bank." To drive the organisation toward its vision, the Bank has implemented a 5-year Strategic Plan which comprises "7S" strategies that correspond to its ESG expansion as follows:

E (Environment Commitment) is driven by:

- (i) **Strategy 1: "Sustainable Growth Escalator – Uplifting Thai businesses to ESG Economy"** is anchored on two tactics, which are (a) to offer loans to support environmentally-friendly investments, and (b) to

implement mechanisms to assist businesses in transitioning towards sustainability. Under this strategy, the Bank aims to introduce new products and services to aid Thai entrepreneurs in their carbon reduction efforts, and help businesses with the establishment of policy guidelines, including ESG risk management frameworks.

S (Social Empowerment & Industrial Development) is driven by:

- (ii) **Strategy 2: “S-curve Stimulator – Driving business expansion in S-curve industries to compete and grow on the global stage”** is anchored on one tactic, which is to support investment and export in target industries to uplift the Thai manufacturing sector throughout the value chain.
- (iii) **Strategy 3: “Service Sector & Soft Power Promoter – Supporting the service sector to create value added”** is anchored on one tactic, which is to support investment and export of high-potential service industries such as the creative economy, the digital economy, and the health, tourism and logistics industries.
- (iv) **Strategy 4: “Smart Agro-industry Value Creator – Enhancing Thailand’s agro/bio-based industries”** is anchored on two tactics, which are (a) to support the enhancement of productivity for Thai entrepreneurs across the value chain, and (b) to facilitate opportunities for Thai businesses to expand in overseas markets through initiatives such as business matching.

G (Corporate Governance at All Levels) is driven by:

- (v) **Strategy 5: “Synergy Arranger – Integrating with partners for increasing SMEs’ capabilities”** is anchored on two tactics, which are (a) to support financial access for Thai entrepreneurs through integration with partners, and (b) to develop well-rounded knowledge and competence among Thai entrepreneurs to foster export growth.
- (vi) **Strategy 6: “Safeguard for Entrepreneur – Providing protection against international trade and investment risks”** is anchored on one tactic, which is to offer export credit and investment insurance to Thai businesses and enhance awareness of the Bank’s insurance service.
- (vii) **Strategy 7: “Sustainable Organisation Driver – Driving organisational management toward sustainability”** is anchored on four tactics, which are (a) to strengthen the Bank’s stable financial position through additional funding sources and proper risk management, (b) to utilise innovation and digital technology to enhance productivity and customer service, (c) to develop personnel knowledge and capabilities to adapt to skills required in the new era, and (d) to increase eco-efficiency and reduce environmental impact within the organisation.

For the year ended 31 December 2023, the Bank contributed approximately 2.6 per cent. to Thailand’s gross national income, which surpassed its target of 2.4 per cent.

Business Strengths

The Bank has a high degree of Government supervision and support as a policy bank of Thailand

The Bank is wholly owned by the Government and is under the supervision of the Ministry of Finance and regulated by the Bank of Thailand. As an important arm of the Government in implementing Government policy, the Bank has also benefitted from certain forms of Government support, such as financial compensation for Government policy initiatives, liquidity support and historic capital injections. The Act sets out that the key objective of the Bank is to support Government policy, acting as the Government’s financial mechanism in promoting and developing Thailand’s international trade and overseas investment, which has resulted in the Bank becoming a significant link between the Government and the Thai export sector. In line with the Act, the Bank has a mandate to promote and support Thai exports, imports and domestic and overseas investment for national development by providing credit facilities, guarantees, insurances and other essential services.

As a state-owned entity, the Bank collaborates effectively with government entities such as the Board of Investment of Thailand, the Ministry of Commerce, the Ministry of Foreign Affairs, the Ministry of Industry, and trade associations. These relationships enhance the Bank's ability to support Thai businesses, through providing financial support such as loans and insurance services, and non-financial assistance by nurturing Thai businesses for export or investment endeavours. The Bank continues to support Government policies, including the elevation of Thai businesses to the ESG economy in line with international environmental standards to create sustainable growth. This commitment underscores the Bank's role as the country's leading "Green Development Bank".

The Bank is also protected against losses arising from Government-directed transactions under the Act. The Ministry of Finance is required to allocate funds from the national budget to compensate for any loss incurred from business transactions carried out by order of the Government or the cabinet of the Government. The Bank, as an important policy tool in providing export and investment credit insurance facilities for Thai companies, can also request compensation for losses or a capital injection from the Ministry of Finance by virtue of section 24 of the Act.

The Bank is the only specialised financial institution in Thailand with a strong expertise in project finance and has a diverse base of customers

As a specialised financial institution with a mandate to promote and support Thai exports, imports and investment, the Bank engages in financial activities by focusing on financing that commercial banks do not provide, such as financing and insurance facilities for overseas investment projects. The Bank also aims to drive comprehensive development across economic, social and environmental aspects, by developing products and services in accordance with international trade regulations, particularly focusing on environmental or financing offshore projects that yield economic returns to Thailand (such as a hydropower project in Lao PDR that routes power to Thailand for distribution). In addition, the Bank finances domestic projects that contribute to the country's economic development (such as infrastructure and public utilities development). By offering such facilities and being closely involved with Thai national development projects, the Bank has developed its project finance capability. Also, the Bank's ability to focus on products that enhance the national interest rather than being solely profit-oriented allows the Bank to provide its products to a broad and diverse base of customers ranging from SMEs to large corporations.

The Bank benefits from a lower cost of funding from international capital markets as a result of its credit rating, which is aligned to Thailand's sovereign credit rating

Although the Bank is not permitted to collect deposits from the general public, the Bank's customers typically maintain a certain amount of deposits as collateral for their borrowings. The Bank is allowed to collect deposits from non-retail customers such as state-owned enterprises, government agencies and juristic entities for their investment purposes.

Most of the Bank's funding, however, is from local debt issues, U.S. dollar notes and interbank borrowing. The Bank's stable financial position and its status as a "quasi-sovereign" allow the Bank to be rated in line with the Thai sovereign rating and give it access to international capital markets at a lower cost than for Thai commercial banks. The Bank's policy role and close relationship with the Government also allows it to obtain low-cost funding from commercial lenders and Government organisations.

The Bank is in a strong and stable financial position

As at 31 December 2023, the Bank had a total capital adequacy ratio, after deducting capital add-on arising from single lending limit, of 13.38 per cent. (based on Basel II criteria) and its loan-loss reserve coverage ratio was 190.87 per cent, stronger than the Thai commercial bank average of 179.0 per cent. (based on calculations from the data taken from the Bank of Thailand as at 31 December 2023). For more information, see "– Capital Adequacy" below.

The Bank consistently improves its strong product suite

The Bank aims to develop IT applications to meet business requirements in every part of its organisation and has developed an online marketing channel, upgraded core banking software and introduced paperless process management. The Bank plans to create a new online channel for its transactional banking to improve its efficiency and make its products more convenient for customers with the aim of increasing the volume of banking transactions conducted by the Bank.

The Bank continuously develops new credit and insurance products to meet the needs of all groups of Thai entrepreneurs which can be categorised into three groups comprising:

- **Small and Medium Enterprises Support Product Programme:** This programme focuses on providing support tailored for SMEs;
- **Business Expansion Product Programme:** This programme aims at assisting entrepreneurs in expanding their businesses, this program offers revolving credit facilities, term loan facilities, and risk management tools; and
- **Environmentally Friendly Entrepreneurs Product Programme:** As global concerns about environmental impacts rise, the Bank, known as the green development bank, initiates programmes to encourage Thai entrepreneurs, especially SMEs, to operate with environmental, social, and governance considerations.

In 2023, to enhance business of Thai SME entrepreneurs, the Bank collaborated with Thai Credit Guarantee Corporation and launched EXIM One's SMEs, a revolving credit facility aimed at providing easier financial access for SMEs. The Bank also supports SMEs with other tailored product programs and non-financial supports, including buyer risk assessment and export-related knowledge training.

As part of its Environmentally Friendly Entrepreneurs Product Programme, the Bank offers environmentally friendly initiatives, including:

- **EXIM Green Start Financing:** Revolving credit facilities to provide financial incentives for entrepreneurs who operate their business environmentally friendly.
- **EXIM Extra Transformation Loan:** Long-term credit facilities for entrepreneurs to support an investment to further enhance their businesses with higher technology leading to efficiency production, cost reduction, or environmental-friendly process.
- **EXIM Solar D-Carbon Financing:** Term loans to support investments in installation of solar systems for power generation and registration for sales of carbon credits for Thai entrepreneurs under EXIM Thailand's financial support.
- **EXIM Green Goal:** Transition loans to support entrepreneurs who need financial facilities to shift their business for environmentally-friendly production or decarbonization. The interest rate will be reduced in favour of their green goal achievement.

Moreover, the Bank provides sustainability linked loans to eligible Thai entrepreneurs, further aligning financial support with sustainable business practices.

The Bank's stringent credit approval process and strong risk management systems

The Bank's credit approval procedures, which involve a system of checks and balances, including pre-approval, credit approval and debt restructuring, as well as post-approval, allow the Bank to manage its credit risks and to constantly monitor its loan portfolio for signs of default at an early stage. For more information, see “– *Credit Approval Process*” below. Additionally, the Bank has in place strong credit, market and liquidity risk management policies that are reviewed yearly. For more information, see “– *Risk Management*” below.

The Bank's experienced senior management team with extensive knowledge and regulatory background

The Bank places considerable emphasis on the quality of its management, both at a senior level and at an operational level, and continuously seeks to attract skilled professionals to enhance its business and operations. The Bank's operations are managed by executives with extensive industry experience and a proven track record in, *inter alia*, financial institutions and international accounting firms. The Bank's board of directors plays a vital role in determining the direction and strategic plans of the Bank as well as in overseeing and monitoring management on a regular basis. The Bank recognises the importance of a capable workforce and has adopted various initiatives to attract proficient professionals to join the Bank such as offering competitive remuneration packages, promoting staff development and encouraging career advancement. The Bank's management teams are experienced and well-versed in project finance, especially in overseas investment projects, renewable energy and infrastructures in neighbouring countries such as Cambodia, Laos, Myanmar and Vietnam. The expertise brought by the management team enables the Bank to adjust its business strategies on a timely basis based on market trends and client needs.

The Bank's management team directly controls its key assets, businesses and investments. Management's exercise of control ensures that the strategic directions of businesses are aligned and makes the Bank's operations more efficient, reduces risk and enhances the Bank's competitiveness.

Relationship with the Government

Government Supervision

The Bank's operations and certain of its policies are scrutinised and prescribed by governmental agencies including the Ministry of Finance, the Fiscal Policy Office, the State Enterprise Policy Office, the State Audit Office of the Kingdom of Thailand and the Bank of Thailand.

The Minister of Finance, supported by the Fiscal Policy Office, monitors the Bank to ensure that the Bank's business is properly administered and complies with Government regulations and policies. The Act gives general authority to the Minister of Finance to supervise and direct the Bank and also empower the Minister of Finance (in certain circumstances, subject to the approval of the cabinet of the Government) to grant or withhold certain approvals, including in relation to the establishment of overseas branches, to sanction increases in the Bank's capital and to appoint the President, chairman and certain directors.

The State Enterprise Policy Office, the Bank's shareholder, measures the performance of the Bank (and all Thai state-owned enterprises) annually against benchmarks, such as cost-to-income ratio and outstanding loans, determined in consultation with the Bank on a yearly basis. Any failure by the Bank to meet the prescribed benchmarks will affect executive remuneration.

Since 1 January 2017, the Bank has been bound to comply with certain of the Bank of Thailand's regulations. For a summary of the applicable Bank of Thailand regulations please see "*Regulations and Policies – Principal Regulations relating to Specialised Financial Institutions*". The Bank of Thailand periodically monitors and reports to the Ministry of Finance on the Bank's compliance with these regulations.

In common with other state-owned enterprises, the Bank is required (under the Act) to have its annual financial statements audited by the State Audit Office of the Kingdom of Thailand (formerly known as the Office of the Auditor General of Thailand). The State Audit Office of the Kingdom of Thailand reviews the Bank's quarterly financial statements and audits the Bank's annual financial statements, in each case in accordance with Thai Standards on Auditing (which is the same auditing standard which is applied to state enterprises generally). The Bank publishes its audited financial statements within four months of the end of its financial year end on 31 December.

Government Support

As at 31 December 2023, the Bank's paid-up capital was 16,998 million baht, all of which was provided by the Ministry of Finance and the Bank of Thailand. The Act requires that at least half of the Bank's annual net profit

is appropriated as retained earnings (for use in its operations), with the remainder required either to be retained as capital by the Bank or remitted to the Government and as at 31 December 2023, the Bank had unappropriated retained loss of 279 million baht. The Bank's most recent remittance to the Ministry of Finance, in relation to the year ended 31 December 2022, was 651 million baht and it expects to make a further remittance of 228 million baht to the Ministry of Finance in July 2024, in relation to the year ended 31 December 2023. The Bank agrees with the State Enterprise Policy Office the amount to be remitted to the Ministry of Finance on an annual basis and the State Enterprise Policy Office's policy since 2021 requires the Bank to remit 40 per cent. of its net profit (prior to the deduction of employee/director bonuses) to the Ministry of Finance.

The Act requires the Ministry of Finance to allocate funds to compensate the Bank for losses that it may incur from operating its business in compliance with Government policies or resolutions of the cabinet of the Government. In addition, the Act requires the Government to compensate or inject further capital into the Bank in the event of it suffering certain significant losses from its insurance business. However, other than in those specific circumstances, neither the Ministry of Finance nor the Government is legally liable under the Act for the Bank's debts or other obligations (including in respect of the Notes). The Bank has not made any claim against the Ministry of Finance or the Government under these provisions up to the date of this Offering Circular.

Overview of Business Activities

The Bank is a state-owned specialised financial institution and aims to offer products and services to help Thai businesses explore and access new opportunities and to assist them in dealing with changes in the international business environment. The Bank's core business lines relate to the provision of products in services in respect of – (1) credit and guarantee and (2) insurance. For further details of these business lines see the “– *Credit and Guarantee Business*” and “– *Insurance Business*” sections below.

More than four-fifths of the Bank's total revenue for the year ended 31 December 2023 results from the provision of loan facilities, although the Bank is aiming to grow its non-interest income. The remaining of the Bank's total revenue for the year ended 31 December 2023 results from insurance, guarantee and other services.

Customers

At present, the Bank offers its services not only to exporters but also those engaging in any part of the international trade and investment value chain (for example, overseas importers, suppliers of exporters and Thai investors).

SMEs are important customers for the Bank's credit and guarantee business (forming 83.1 per cent. of the Bank's total loan customers as at 31 December 2023), as SMEs are a vital part of the Thai economy, operating approximately 99 per cent. of Thailand's businesses according to a study by the Thailand's Office of Small and Medium Enterprises Promotion in 2023. SMEs are also the focus of special emphasis from the Government and servicing SMEs is part of the Bank's policy on lending. For more information see the section “– *Public Service Account*” below. The Bank has developed specific products and services to support SMEs in light of the nature of their business model and the restrictions they face. The Bank's SME loans outstanding amounted to 34,219 million baht as at 31 December 2023 (forming 19.5 per cent. of the Bank's total loans). The Bank's turnover from credit and guarantees supplied to SMEs amounted to 77,628 million baht during the year ended 31 December 2023.

Products and Services

The Bank's services include providing export credit, import finance, term loans for business expansion and capital investment, buyer's credit, guarantees, export credit insurance, supplier finance and logistics services finance. These services are primarily aimed at facilitating trade and investment transactions between Thai businesses and their overseas counterparts. New facilities have also been developed to support the success of the Government's policies to upgrade the infrastructure of Thai businesses, improve Thai technological innovation and enhance the research and development capabilities of SMEs. The Bank also offers financing and investment insurance to facilitate Thai businesses engaging in large-scale development projects.

Credit and Guarantee Business

Overview

The facilities offered by the Bank to Thai exporters and investors under its credit and guarantee business can be broadly categorised as:

- (1) working capital loans (trade finance); or
- (2) domestic term loans and overseas term loans (project finance).

As at 31 December 2023, working capital loans contributed 54,634 million baht to the credit business while domestic term loans and overseas term loans contributed 120,970 million baht, and the guarantee business contributed 7,735 million baht. These products are offered within and outside Thailand and while certain products are similar to those offered by commercial banks, others are more specialised financing facilities which would not normally be offered by commercial banks.

To the extent that similar facilities are provided by commercial banks in Thailand, the Bank's aim is to service those exporters for whom the commercial banks are either not fully accessible or do not fully cater to their commercial arrangements (such as SMEs, new exporters, or exporters to new markets with which commercial banks are unfamiliar) and to promote competition by providing its services in order to offer alternative financing choices for Thai exporters.

Performance

The Bank's revenue from its credit and guarantee business was 9,933 million baht for the year ended 31 December 2023, an increase of 43.3 per cent. from 6,932 million baht for the year ended 31 December 2022.

As at 31 December 2023, the Bank's total loan portfolio (net of deferred revenue, plus accrued interest receivables) grew to 176,222 million baht (or 175,604 million baht in gross amount) from 169,004 million baht as at 31 December 2022 (or 168,331 million baht in gross amount). This represents a 7,218 million baht increase or 4.3 per cent (or 7,273 million baht increase in gross amount).

The Bank's NPL ratio (net of deferred revenue, plus accrued interest receivables) for the year ended 31 December 2023 was 4.62 per cent., increasing from its NPL ratio of 2.88 per cent. for the year ended 31 December 2022. The Bank's allowance for expected credit loss for the year ended 31 December 2023 was 15,556 million baht complying with the provisioning requirements of Thai Financial Reporting Standards No. 9 (**TFRS 9**).

Loan portfolio by maturity

The Bank's loan portfolio and the remaining maturities of loans provided by it as at 31 December 2022 and 31 December 2023 are set out in the table below.

Loan Amount Outstanding as at 31 December 2022 and 31 December 2023

	2022	% of total	2023	% of total
	(million	loans	(million	loans
	baht)		baht)	
Short-term credit (365 days or less)				
Pre-Shipment	47,407	28.2	54,254	30.9
Export Bill Negotiation/Collection	660	0.4	380	0.2
Total Short-term	48,067	28.6	54,634	31.1
Long-term credit (Over 1 year)				
Export Business Expansion	46,560	27.7	60,482	34.5
Merchant Marine Finance	10,896	6.5	11,077	6.3
Overseas Projects	61,450	36.5	48,523	27.6
Impaired Debt Restructuring	1,108	0.6	644	0.4
Employee loans	250	0.1	244	0.1
Total long-term	120,264	71.4	120,970	68.9
Total credit facilities (Gross)	168,331	100.0	175,604	100.0
Total credit facilities (net of deferred revenue, plus accrued interest receivables)	169,004	100.0	176,222	100.0

Largest borrowers

The Bank's 15 largest borrowers by outstanding gross loan value as at 31 December 2021, 31 December 2022 and 31 December 2023 are set out in the table below. These borrowers are concentrated in the manufacturing, public utilities, agro-industrial products, services and transportation and communication sectors.

As at 31 December 2021

Ranking	Customer	Amount	% of total
	Name	(million	loans
		baht)	
1	A	6,851	4.5
2	B	5,653	3.7
3	C	5,598	3.7
4	D	4,127	2.7
5	E	4,000	2.6
6	F	3,921	2.6
7	G	3,800	2.5
8	H	3,425	2.2
9	I	3,356	2.2
10	J	3,246	2.1
11	K	2,992	2.0
12	L	2,067	1.4
13	M	1,953	1.3
14	N	1,903	1.2
15	O	1,896	1.2

As at 31 December 2022

Ranking	Customer Name	Amount (million baht)	% of total loans
1	A	7,362	4.4
2	B	5,360	3.2
3	C	5,034	3.0
4	D	4,700	2.8
5	E	3,922	2.3
6	F	3,706	2.2
7	G	3,698	2.2
8	H	3,408	2.0
9	I	3,262	1.9
10	J	2,898	1.7
11	K	2,385	1.4
12	L	2,170	1.3
13	M	2,100	1.2
14	N	1,896	1.1
15	O	1,854	1.1

As at 31 December 2023

Ranking	Customer Name	Amount (million baht)	% of total loans
1	A	6,200	3.5
2	B	4,976	2.8
3	C	4,507	2.6
4	D	4,000	2.3
5	E	3,300	1.9
6	F	3,217	1.8
7	G	3,063	1.7
8	H	2,789	1.6
9	I	2,781	1.6
10	J	2,512	1.4
11	K	2,502	1.4
12	L	2,304	1.3
13	M	2,200	1.3
14	N	2,169	1.2
15	O	1,980	1.1

Loan portfolio by geographic region

The Bank's outstanding gross loans by geographical location as at 31 December 2021, 31 December 2022 and 31 December 2023 are set out in the table below.

	2021	% of total	2022	% of total	2023	% of total
	(million	loans	(million	loans	(million	loans
	baht)		baht)		baht)	
Thailand	86,339	56.5	105,652	62.8	126,280	71.9
Lao PDR	28,113	18.4	26,025	15.5	24,249	13.8
Vietnam	11,957	7.8	14,272	8.5	6,496	3.7
Cambodia	2,180	1.4	2,845	1.7	4,411	2.5
Maldives	3,921	2.6	3,922	2.3	3,422	1.9
China	3,246	2.1	2,898	1.7	2,789	1.6
USA	1,511	1.0	1,386	0.8	2,641	1.5
Australia	1,383	0.9	1,429	0.8	1,417	0.8
Myanmar	1,893	1.2	1,529	0.9	1,026	0.6
Japan	5,439	3.6	1,890	1.1	1,026	0.6
Indonesia	1,903	1.3	1,831	1.1	859	0.5
Singapore	4,787	3.1	4,395	2.6	776	0.4
Turkey	–	–	160	0.1	127	0.1
Mozambique	–	–	–	–	85	0.1
Bangladesh	100	0.1	96	0.1	–	–
Spain	1	–	1	–	–	–
Total (Gross)	152,773	100.0	168,331	100.0	175,604	100.0
Total (net of deferred revenue, plus accrued interest receivables)	153,284	100.0	169,004	100.0	176,222	100.0

The Bank's outstanding loans by geographical location reflect its focus on increasing opportunities for Thai trade and investment within the ASEAN. During the year ended 31 December 2023 the Bank approved new loans for trade and investment within the ASEAN amounting to 109,488 million baht.

Loan portfolio by industry sector

The Bank's outstanding gross loans by industrial sector as at 31 December 2021, 31 December 2022 and 31 December 2023 are set out in the table below.

	2021	% of total	2022	% of total	2023	% of total
	(million	loans	(million	loans	(million	loans
	baht)		baht)		baht)	
Public Utilities	49,933	32.7	53,262	31.6	54,752	31.2
Manufacturing	34,772	22.8	39,071	23.2	32,092	18.3
Transportation and Communication	20,165	13.2	23,151	13.8	22,357	12.7
Agro-industrial Products	11,208	7.3	13,004	7.7	18,226	10.4
Services	14,342	9.4	15,297	9.1	16,646	9.5
Agriculture Product	12,784	8.4	13,047	7.7	13,584	7.7
Properties	1,923	1.3	3,142	1.9	5,951	3.4
Mining and Fuel Products	4,013	2.6	4,198	2.5	4,269	2.4
Construction	1,867	1.2	1,646	1.0	3,111	1.8
Others	1,766	1.1	2,513	1.5	4,616	2.6
Total (Gross)	152,773	100.0	168,331	100.0	175,604	100.0
Total (net of deferred revenue, plus accrued interest receivables)	153,284	100.0	169,004	100.0	176,222	100.0

The Bank's increased investment in loans for the public utilities, agro-industrial products, services, agriculture product, properties, mining and fuel products and construction sectors reflect an expansion of its role in supporting and promoting project finance, Thai outbound investment and national development projects.

Credit and Guarantee Products and Services

Trade Finance

Short-term Export Finance

The Bank offers a variety of export finance products and services to exporters and suppliers of exporters to encourage the growth of Thai exports. The Bank's short-term export finance products are set out below.

- (1) *Export credit*: the Bank extends revolving lines of credit in baht, U.S. dollar and Japanese yen to exporters of all kinds of products to meet their pre-shipment financial needs. The Japanese yen-denominated facility is only available to exporters possessing a Japanese yen-denominated letter of credit (**L/C**), contract or purchase order (**P/O**). The foreign currency lines of credit allow exporters to use U.S. dollar or Japanese yen-denominated proceeds to repay loans extended in the same currency without converting into baht, thereby reducing foreign exchange risks. Once a credit line is established and a credit agreement signed, an exporter can obtain financing using an L/C, contract or P/O as evidence to make a drawdown under the credit line. For each drawdown, an exporter must issue a promissory note (**P/N**) in an amount equal to the drawdown amount and in the currency specified in its credit agreement. The term of repayment does not normally exceed 120 days. After goods are shipped out, the exporter can factor export bills with the Bank, using the proceeds to settle the P/N debt while retaining the balance, which in the case of U.S. dollars or Japanese yen will be converted to baht before payment to the exporter.
- (2) *Finance for suppliers*: this involves the Bank extending revolving lines of credit to indirect exporters (suppliers to exporters) to finance the preparation of goods destined for export. Eligible suppliers include those who import raw materials for export-oriented production and/or possess a P/O from an exporter or copies of a supply invoice that has been endorsed by an exporter to show receipt of goods.
- (3) *“EXIM for Your Suppliers”*: the Bank also extends revolving lines of credit to exporters enabling them to issue post-dated cheques to suppliers, which the Bank can factor for suppliers to allow them to receive funds for use as working capital before the cheque's due date.
- (4) *L/C related services*: the Bank has a worldwide correspondent network covering more than 600 banks overseas, which allow it to:
 - (i) *issue L/Cs* that can be redeemed at any of the banks within the correspondent network;
 - (ii) *advise on and amend L/Cs* issued by banks internationally. Exporters will be notified upon the arrival of documents, irrespective of whether they maintain an account with the Bank. Exporters can also ask their buyers to specify the Bank as their advising bank;
 - (iii) *transfer L/Cs* received from a buyer to a different beneficiary as necessary, if the L/C is transferable; and
 - (iv) *collect or negotiate export bills* for exporters that present post-shipment export documents to the Bank.
- (5) *Export bills for collection (B/C)*: under this service, the Bank forwards export documents to buyers overseas through their representative bank for proceeds collection. The export documents are then provided to the importer once they have paid for the goods or accepted the goods.
- (6) *Inward remittance*: the Bank offers an inward remittance service to allow exporters to receive export proceeds within two working days after their buyers transfer payment of goods or services via SWIFT, provided that all conditions are met.
- (7) *Foreign exchange forward contracts*: the Bank offers forward contracts, which protect against foreign currency fluctuations when a settlement date is set in the future.

- (8) *Trade fair financing*: the Bank extends short/medium-term credit facilities to exporters, particularly SMEs, wishing to expand through attending international trade fairs. These exporters have access to a credit line of 0.5 million to 1 million baht per trade fair.

Medium and long-term Export Finance

Medium and long-term export finance is also offered by the Bank to customers and details of some of these products are set out below.

- (1) *Business Expansion Loans*: the Bank offers credit facilities (with terms varying from two to seven years) to support the expansion of exporters' production capacity, for example to expand a factory, purchase additional machinery, invest in fixed assets or construct new manufacturing plants. Businesses eligible for support are export-oriented manufacturers, those with earnings in foreign currencies, or import substitution enterprises.
- (2) *Long-term credit for the export of capital goods*: the Bank can provide long-term credit facilities (with a term of up to seven years based on project type or the remaining lifetime of capital goods), which is aimed at Thai exporters of new or used machinery or other capital goods. The Bank will lend up to 85 per cent. of a capital good's value, taking into account the project's debt-to-equity ratio.

The Bank offers three types of credit:

- (i) credit to importers' banks for relending to importers abroad (provided in U.S. dollars);
 - (ii) credit to importers abroad in U.S. dollars; and
 - (iii) credit to exporters in Thailand in baht or U.S. dollars.
- (3) *Financing Facilities for Logistics Service Providers*: the Bank offers three types of facility for logistics service providers:
- (i) *working capital facility*: this facility is available in the form of P/N issuance with loans disbursed against invoices and aims to finance business expansion and provide help with working capital;
 - (ii) *guarantee facility*: this facility is available for air freight forwarders and provides airlines with a guarantee when they render the air freight forwarding service, with loans disbursed against confirmation certificates or air freight forwarder certificates from airlines; and
 - (iii) *medium-/long-term facility*: this facility is available to finance the expansion, improvement or upgrading of logistics services used in the exporting process, including warehouses, distribution centres and international freight-forwarding services.

Buyer's Credit

The Bank offers credit services to overseas buyers with the aim of increasing their purchasing power for Thai exports and in turn giving Thai exporters a competitive advantage.

The Bank offers two types of service:

- (1) *medium-/long-term credit facilities to overseas buyers* importing goods and/or services from Thailand; and
- (2) *short-/long-term credit facilities to overseas banks*, including:
- (i) revolving trade finance facilities extended on a short term to a buyer's bank, enabling that bank to offer a trust receipt to the buyer when the buyer is paying for Thai exports;
 - (ii) long-term finance facilities provided to a buyer's bank to finance the buyer's purchase of Thai capital goods; and
 - (iii) re-lending facilities provided to overseas banks on a long term for relending to overseas Thai investment projects.

Import Finance

The Bank provides various services to support the import of merchandise from a supplier in one country for re-exporting to a buyer in another country as set out below.

- (1) *L/C issuing facility*: customers can utilise the Bank's L/C issuing facility under which, the Bank provides short-term credit to re-exporters. The facility is repaid on the date the exporter is due to receive payment from its end customer.
- (2) *L/C opening*: the Bank provides an L/C opening service to importers purchasing goods, raw materials or machinery from abroad. After an L/C is opened, the Bank makes payment on behalf of importers, provided that the documents received are correct and complete in accordance with the L/C's conditions.
- (3) *Import B/C*: this is a payment tool allowing an exporter to forward export documents to an importer through the importer's bank once the goods have been shipped. The export documents are then provided to the importer once they have paid for the goods or accepted the goods. The Bank plays an intermediary role in payment collection and is not obliged to make payment on behalf of an importer.
- (4) *Trust receipt*: this is a short-term facility offered to importers who buy goods or raw materials from abroad under different types of payment terms such as L/C, B/C or direct payment and compensates the importer when the goods are not received.
- (5) *Shipping guarantee*: the Bank issues shipping guarantees in favour of shipping companies to enable importers to collect goods prior to the arrival of shipping documents, allowing for the reduction of storage costs in ports.
- (6) *Outward remittance*: the Bank also offers outward remittance services to those wishing to transfer money to make payment for goods or services abroad.
- (7) *Revolving guarantee for import duty payment*: the Bank offers revolving guarantee facilities for import duty payment to the Thai customs department against exporters' import duty payment.

Project Finance

Overseas Construction

The Bank extends facilities to support various kinds of overseas construction, such as building renovation, machinery maintenance and renovation, and technical consultancy. The Bank offers three categories of facility:

- (1) *long-term loans to companies contracting with parties in foreign countries* who engage Thai contractors for up to 85 per cent. of the cost of construction work;
- (2) *short-/medium-term credit for Thai contractors* (in baht or U.S. dollars) to use to provide working capital for undertaking contracts; and
- (3) *issuance of guarantees* for different stages of project from bidding to completion.

Overseas Investment

The Bank offers:

- (1) *long-term credit* to support Thai investors' overseas investment projects;
- (2) *to arrange syndicated loans* for capital-intensive projects; and
- (3) *term loan facilities for Thai restaurants* denominated in baht, U.S. dollar, Euros, or Japanese yen to support Thai investors who intend to open Thai restaurants in foreign countries.

Domestic Project Finance

- (1) *Merchant marine financing*: the Bank extends long-term credit facilities with a term of up to seven years to finance Thai maritime companies (where majority owned by Thai nationals) for the purchase of ships;
- (2) *Term loans for National Development Projects*: the Bank provides medium-/long-term credit facilities with a term of up to ten years to support infrastructure projects, such as power plants, transportation infrastructure and telecommunication projects, aiming to promote investments by entrepreneurs that assist in the country's development. Eligible projects must help to increase Thailand's capacity to export or save foreign currency in the long-term; and
- (3) *"Clean Development Mechanism" loans*: the Bank offers medium/long-term credit facilities with a term of up to ten years to support projects under the Government's "Clean Development Mechanism", such as biogas and biomass power plants. These loans are available in conjunction with a term loan for national development projects.

Insurance Business Activities

Overview

The Bank is the sole state-owned specialised financial institution to provide insurance services to support Thai exporters and investors in payment default risks that may arise from overseas trade and investment activities. Various types of insurance facilities have been developed to meet customers' diverse requirements according to the nature of their business, including short-term, medium and long-term export credit insurance (short and medium to long-term), and investment insurance. Short-term export credit insurance, however, accounts for the bulk of the Bank's insurance business activities.

Performance

The Bank approved export credit insurance facilities covering foreign buyers in 200 countries and 179,557 million baht worth of exports for the year ended 31 December 2023, an increase of 6.03 per cent. from the exports of 169,338 million baht insured during the course of the year ended 31 December 2022. The amount insured under the Bank's investment insurance facilities was U.S.\$89.37 million for the year ended 31 December 2023, from one project in Vietnam and another one project in Myanmar.

The number of the Bank's policyholders increased following the introduction of various new types of insurance policies to meet the requirements of different businesses and industries of all sizes. The value of exports insured increased due to the Bank's aggressive policy in relation to market penetration. Canned and processed seafood occupied the largest share of insurance turnover, followed by petroleum, chemical, and jewellery and accessories, respectively. In 2023, the Bank paid claims totalling 32.93 million baht in respect of its export credit insurance products to exporters, which is lower than 2022 when the Bank paid claims of 84.02 million baht. Claims paid were due mainly to foreign buyers defaulting on their payment obligations, followed by buyers going bankrupt. Nearly 27.87 per cent. of claims paid by the Bank during 2023 related to buyers in the United Arab Emirates, who, together with buyers in United States of America and Singapore, amounted to 38.87 per cent.

The passing of the 2018 Act has affected four of the Bank's insurance products. These are:

1. *Trade credit insurance*. The 2018 Act allows the Bank to extend its coverage for the Thai exporters' supply chain and also allows the Bank to cover Thai service exporters. Previously, the Bank could only provide trade credit insurance for Thai product exporters.
2. *Investment Insurance*. The 2018 Act allows the Bank to undertake the following:
 - provide investment insurance without having to provide a loan at the same time; and
 - provide investment insurance to bank customers over bank loans that they provide to Thai investors that are investing abroad.

3. *Bond Risk Insurance.* The 2018 Act allows the Bank to provide insurance over payment obligations, caused by unfair calling conditions, under a letter of guarantee issued by a bank for the benefit of the exporter or investor in accordance with, and subject to, the rules, procedures and conditions prescribed by the board of directors of the Bank.
4. *Inward Reinsurance.* Under the 2018 Act, the Bank is now able to provide inward reinsurance. The Bank has been coordinating with the Thailand's Office of Insurance Commission to conduct a feasibility study on reinsurance schemes and has shared findings with targeted insurers.

While the Bank is currently pursuing business opportunities for investment insurance and inward reinsurance products, further relevant guidelines and detailed regulations will have to be issued by the relevant authorities for trade credit insurance (supply chain) and bond risk insurance products.

Insurance Products and Services

The Bank currently offers a wide range of insurance products and services which include the following:

Export Credit Insurance

Short-term Export Credit Insurance

The Bank's export credit insurance facilities aim to protect exporters against non-payment risks. When an overseas buyer defaults on payment to an exporter the Bank will compensate the exporter for the loss according to the conditions specified in the insurance policy. Various insurance policies are offered as set out below.

- (1) "*EXIM SURE*": offers protection to exporters against commercial and political risks for exports on payment terms (L/C and non L/C (Document against payment (**D/P**), Document against acceptance (**D/A**), Open Account (**O/A**)) not exceeding 180 days from the date of shipment.
- (2) "*EXIM FLEX*": offers bespoke, flexible protection to experienced exporters against commercial and political risks under payment terms (Non L/C: D/P, D/A, O/A) not exceeding 180 days from the date of shipment if the exporter maintains good records of customer payment history.
- (3) "*EXIM Smart SME*": offers protection to small and medium-sized exporters with an annual export value up to 500 million baht against non-payment derived from commercial and political risks. The indemnity rate is up to 90 per cent. against loss under payment terms (Non L/C: D/P, D/A, O/A) not exceeding 120 days from the date of shipment.

Medium and long-term Export Credit Insurance

The Bank is also able to provide medium/long-term export credit insurance products which covers against default of payment caused for commercial and political reasons, including on credit and loans extended to overseas buyers and borrowers.

Investment Insurance

The Bank offers insurance coverage against losses caused by political risk relating to overseas investment in a project that is invested in by a Thai national or Thai company (for example, in relation to regulatory changes or government intervention). There are two types of investment insurance policy:

- (1) *equity insurance*, which covers losses on assets, profits or other monetary benefits derived from the insured investment; and
- (2) *loan insurance*, which covers the original principal advanced by the investor and any interest amounts.

The Bank has provided investment insurance in relation to public utility projects, especially solar power systems. These projects have generally involved investments in countries in the Greater Mekong Subregion, which are in great need of public utility systems and have high-resource potential.

Other Services

Buyer/Bank Risk Assessment Report

The Bank offers an assessment service to allow customers to mitigate their risks by ascertaining the creditworthiness of a buyer or a bank before making decisions on credit limits or terms of payment. To analyse the creditworthiness of each buyer/bank, the Bank purchases its credit information from specialised credit information agencies. After receiving information relating to each buyer/bank, the Bank will make a report to exporters indicating useful quantitative and qualitative information for assessment such as financial information (if any), the bank's credit rating, suggested credit line and terms of payment.

Collateral policy

The Bank seeks the optimum collateral available for each loan facility it provides. The actual amount and type of collateral accepted is determined on a case-by-case basis with each customer based on the Bank's internal credit rating assessment. The Bank revalues its collateral consistently with the Bank of Thailand's regulations applicable to specialised financial institutions, every three years for performing loans and between every one to three years for NPLs undergoing restructuring or loans undergoing enforcement proceedings.

The majority of the existing collateral in respect of the Bank's outstanding loans is over property in Thailand.

Public service account

Public Service Account means government programmes implemented by specialised financial institutions as approved by the Cabinet. Such programmes may rely on service models with more accommodative conditions and may have various objectives such as assisting or rehabilitating those affected by natural disasters or sabotage, economic stimulus, occupational capacity building or enhancement in wellbeing of individuals and businesses.

For example, the Bank received cabinet approval on the following two projects:

- (1) *Investment and Production Efficiency Enhancement Credit Scheme*: To encourage entrepreneurs to purchase and improve their machinery and equipment or factories in order to uplift production efficiency and cost reduction.
- (2) *EXIM Biz Transformation Loan*: To support entrepreneurs affected by COVID-19 that wish to acquire or improve machinery and equipment or make new investment for efficiency enhancement, as well as the entrepreneurs who gradually recover to continue their business, with the competitive interest rate.

Public service account comprised approximately 3.0 per cent. of the Bank's loan portfolio as at 31 December 2023.

Non-financial Products and Services

Entrepreneur's Capacity Building

The Bank offers non-financial products and services through capacity building of entrepreneurs to ensure their sustainable export or investment abroad. This includes knowledge provision services, including training, incubation and consultation, alongside business matching and e-commerce support.

Non-performing loans

Loan Classification

The Bank classifies loans in accordance with TFRS 9 and the Bank of Thailand's regulations. Such regulations require specialised financial institutions such as the Bank to classify their loan portfolios into three stages: (1) stage 1 "Performing", (2) stage 2 "Underperforming", and (3) stage 3 "Non-performing". The classification of loans shall be conducted on an account-by-account basis. In addition, loans whose cash inflows are related are

classified in the same stage. The loan classification under TFRS 9 and the Bank of Thailand's regulations is explained in further detail in “*Regulations and Policies – Principal Regulations relating to Specialised Financial Institutions*” and in the table below.

Loan Classification	TFRS 9 and Bank of Thailand's Provisioning Requirements
Stage 1	Loans with no significant increase in credit risk (12-mth ECL)
Stage 2	Loans with a significant increase in credit risk (Lifetime ECL – not credit impaired)
Stage 3	Loans that are credit-impaired (Lifetime ECL – credit impaired)

The following table sets out the asset classification of the Bank's outstanding credit as at 31 December 2022 and 31 December 2023.

	2022		2023	
	Loans to Customers and Accrued Interest Receivables	Allowance for Expected Credit Losses	Loans to Customers and Accrued Interest Receivables	Allowance for Expected Credit Losses
	(million baht)			
Financial assets where there has not been a significant increase in credit risk	157,496	4,549	162,381	4,544
Financial assets where there has been a significant increase in credit risk	6,636	4,153	5,691	3,911
Financial assets that are credit-impaired	4,872	4,119	8,150	7,101
Total	169,004	12,821	176,222	15,556
NPL Ratio (%)	2.88		4.62	

Loss Provisioning

The Bank's NPL ratio as at 31 December 2023 stood at 4.62 per cent., or an NPL of 8,150 million baht, a 3,278 million baht increase year-on-year. In 2023, the Bank's allowance for expected credit losses was 15,556 million baht.

The Bank sets aside its allowance for expected credit losses based on the outstanding loan amount and the financial status, collateral, repayment ability of the individual borrowers and classification of loans in accordance with TFRS 9 and the Bank of Thailand's rules, as shown in the table in “– *Loan Classification*” above.

The Bank does not set aside an allowance for the loans extended in accordance with the Government's policies or the directives or resolutions of the cabinet of the Government that are covered against losses under Section 23 of the Act by the Ministry of Finance. Allowances for expected credit losses established during the period are recognised as expected credit losses expense in the statements of profit or loss and other comprehensive income. Bad debt written off is deducted from the allowance for expected credit losses and bad debt recovered is recognised as income and is presented net of expected credit losses expenses in the statements of profit or loss and other comprehensive income.

The following table sets out the provision for credit losses of the Bank as at the dates indicated below.

	As at 31 December		
	2021	2022	2023
	(million baht)		
Reserve (A)	11,670	12,821	15,556
NPL (B)	4,163	4,872	8,150
Total equity (C)	23,680	24,547	26,358
Reserve to NPL (%) (A/B)	280.32	263.16	190.87

Credit and Insurance Approval Process

The Bank's credit approval procedures involve a system of checks and balances. Each department or committee that is part of the Bank's credit approval process has its own defined role, which is summarised below.

Pre-approval process

Marketing Department: The Bank's marketing department is responsible for planning and carrying out marketing activities, visiting companies, analysing customers' needs, advising and introducing the Bank's products to customers, negotiating the Bank's product terms and conditions to fit customers' needs, and processing applications for credit limit approval. This department also monitors portfolios to detect troubled loans and discusses debt restructuring solutions with customers.

Insurance Business Promotion Department: The Bank's insurance business promotion department is responsible for developing sales strategies, promoting products and services, selling and building and maintaining relationships with clients. This department also conducts business reviews to ensure that clients are satisfied with the Bank's products and services. This team also undertakes insurance policy underwriting in order to analyse risk associated with insurance proposals, determine policy terms and calculate premiums on the basis of actuarial, statistical and background information. The department also gives commercial advice to customers on export transactions to be insured with the Bank.

Credit Analysis Department: The Bank's credit analysis department screens and analyses information received from the Bank's marketing department. This department comments on the risks associated with each application and reports its views to the committees responsible for the credit approval.

Insurance Underwriting and Operations Department: The Bank's insurance underwriting and operations department conducts insurance risk assessment by gathering information on buyers and/or L/C issuing banks to try and identify the level of risk. This department is responsible for accepting new requests for insurance cover from both new and existing customers. This includes applying underwriting principles and financial techniques in order to assess the risk exposure of potential new cover and in existing risks. The department also monitors the development of the Bank's insurance risk portfolio. This team decides upon the modification of buyers' risk management approaches in the assessment of risks and ensures that proactive action is taken to compensate for defaulted risks.

Credit approval process and debt restructuring

Board of Directors: The Board of Directors is responsible for making decisions on the approval of lines of credit, contingent liabilities and credit-like transactions that are over 5,000 million baht, and other significant approvals.

Board of Executive Directors: The Board of Executive Directors is the body with responsibility for making decisions on approving lines of credit over 500 million baht to 5,000 million baht and other significant approvals.

Credit Committee: The Bank's various credit and insurance committees are responsible for granting credit, credit-like and insurance approvals. Each level of committee has responsibility for a particular band of credit approval up to 500 million baht.

Debt Restructuring Committee: The Bank's debt restructuring committee manages all underperforming and NPLs and executes strategies for the resolution and restructuring of such loans, including making decisions on the provision of additional credit as necessary for the debt restructuring.

The Bank has set criteria for granting credit approval and takes into consideration, among other factors, the credit limit granted to the customer, the collateral provided by the customer, the terms and conditions in the agreement with the customer and the customer's credit rating. Credit approval for high-risk customers, such as customers with a poor credit history or undergoing debt restructuring, is subject to enhanced scrutiny by the Bank.

Post-approval process

Legal Affairs and Credit Procedure Department: The Bank's legal affairs and credit procedures department (i) advises the Bank on legal issues and assists with producing the agreements that the Bank and its customers enter into in relation to the provision of the Bank's credit products and (ii) performs the necessary actions to complete the process of taking collateral in respect of the Bank's credit facilities.

Banking Department: The Bank's banking department manages customer drawdowns under the loan facilities provided by the Bank and ensures that customer drawdowns are in compliance with the agreed terms and conditions and that conditions precedent have been satisfied. This department is also responsible for collecting and following up on all payments due from customers.

Risk Management Department: The Bank's risk management department examines the Bank's whole loan portfolio and assesses the Bank's exposures to certain industries or borrower credit ratings and ensures that the portfolio is in compliance with the Bank of Thailand's regulations.

Compliance Department: The Bank's compliance department oversees all of the Bank's operations (including the credit business) and also comments and focuses on compliance risk to ensure that operations are in compliance with internal practices and applicable laws and regulations.

Internal Audit Department: The Bank's internal audit department examines the effectiveness of all of the Bank's credit approval processes and reviews a sample of the work of the Bank's compliance department to ensure compliance with internal practices and applicable laws and regulations.

The Bank monitors its loan portfolio as part of its post-approval processes and aims to detect signs of default at an early stage. The Bank performs an annual review of the credit extended to a sample group of customers to ascertain whether the relevant credit limit is appropriate given the customer's most recent financial statements, litigation history, credit warning signs and the Bank's policies.

The Bank also undertakes monitoring of its entire loan portfolio, taking into account concentrations of credit within certain industries, sectors, clients or geographical areas, and carries out credit risk analysis of this data.

Sources of Funding

The Bank's key sources of funding are borrowing (usually from institutional investors and the capital markets) and interbank/money market items. The Bank also obtains funding from its revenue and equity capital. Under the Act, the Bank must set aside at least half of its annual net income as a reserve for its operations (see "*Relationship with the Government*").

Borrowing

The Bank is prohibited by the Act from accepting deposits from the general public. The deposits that the Bank holds (as shown on its balance sheet) are deposits from its credit customers as part of a trade transaction or as collateral for credit facilities and deposits from non-retail customers such as state-owned enterprises, government agencies and juristic entities for their investment purposes.

The Bank borrows from interbank markets, money markets, capital markets and from state financial institutions for its funding needs.

The table below sets out the Bank's sources of funds as at the date indicated:

	Sources of funding as at 31 December	
	2022	2023
	(million baht)	
Bonds	67,827	64,639
Others	17	14
Total debt issued and borrowings	67,844	64,653
Total Interbank and Money Market Items (Liabilities)	21,815	20,559
Total Deposits	50,223	61,614

The table below sets out the repayment schedule of the Bank's medium-term and long-term borrowings for the next six financial years, in underlying debt.

Currency	Repayment schedule sorted by year (underlying)						Total
	2024	2025	2026	2027	2028	2029	
	(million)						
US dollars	450.00	350.00	100.00	350.00	—	—	1,250.00
Baht	11,523.39	21,153.68	23,806.78	1,652.30	1,881.75	2,000.00	62,017.90

Capitalisation

Following rapid expansion of the Bank's business, its capital was increased with a contribution from the Bank of Thailand and the Ministry of Finance of 2.5 billion baht and 4 billion baht in April 1998 and July 1998, respectively. In December 2008, the Ministry of Finance injected another 1.3 billion baht in capital to enhance the Bank's capability to fulfil its mission as a state-run specialised financial institution with a mandate to promote and support Thai exports, imports and investments, both domestically and overseas. In September 2009, the Ministry of Finance increased the Bank's capital by another 5 billion baht. This additional contribution was intended for export promotion through export credit insurance to further the aims of the Government's "Strong Thailand Scheme". The Bank's export credit insurance service helps safeguard exporters against non-payment risk by overseas buyers, and aims to boost exporters' confidence in their business expansion.

In 2021, for the first time in 12 years, the Thai cabinet approved capital injection for the Bank in the amount of 4.2 billion baht. Payment of the first instalment of 2.2 billion baht was made by the Ministry of Finance in November 2021, and payment of the second instalment of 2 billion baht was made by the Ministry of Finance in March 2023. This capital injection serves to expand the Bank's role as a development bank, which is well-positioned to provide full-fledged financial and non-financial services to Thai businesses.

Risk Management

Credit Risk

The Bank manages its credit risk that arises from failure by a debtor or counterparty to perform in compliance with the agreement relating to credit provision, investment and incurrence of commitments (including export credit and investment insurance). The Bank's credit risk policy aims to ensure that the quality of the Bank's credit and export credit and investment insurance is in line with that required by the Act and its missions, key financial laws, risk management best practice and sustainable banking and responsible finance principles. A particular emphasis is put on credit lending in accordance with government policy including the Public Service Account and promotion of international trade to enhance the competitiveness of Thai exporters and importers, Thai overseas investment and domestic investment with a view to national development in line with the relevant domestic business support framework.

In addition, in order to better respond to client demand, the Bank may also provide specific credit under certain economic or industrial circumstances and within an appropriate risk management framework.

The Bank has a clear framework for its credit process based on the principle of three lines of defence. The main functional duties and responsibilities are assigned to (i) perform credit transactions; (ii) manage risks associated with credit transactions and (iii) examine credit transactions. The persons in charge and the delegation of duties in relation to the credit process are as follows:

(1) *Perform credit transactions (First Line of Defence)* – these comprise:

- (i) *Credit analysis* – the person in charge analyses credit lines, financial data and other necessary information, in order to assess the borrower's status and repayment ability, and screens and concludes risk issues before submission to the approval authority.
- (ii) *Approval of credit transactions also including debt restructuring* – the Board of Directors considers and approves the structure, composition and authority in credit underwriting and approval as well as debt correction of each committee. The persons with approval authority shall have appropriate qualifications i.e. relevant expertise and experience and capability to make good and reasonable judgment among other skills.
- (iii) *Post-approval process and verification of post-approval proceeding* – the person in charge reviews the post-approval operation e.g. legal documentation, collateral registration to ensure compliance with credit approval conditions and payment or incurrence of commitments to ensure correctness and completeness.

(2) *Manage risks associated with credit transactions (Second Line of Defence)*: the person in charge follows up and reports on the risks associated with the credit transaction such as credit transaction information, quality of credit and insurance portfolio, and operational performance as well as other financial data to support the Bank's administration and credit risk management, and also monitors the Bank's operation to ensure compliance with the relevant laws, rules and regulations.

(3) *Examine credit transactions (Third Line of Defence)*: the person in charge examines and reviews the overall performance of operation systems and the performance of the persons in charge in the first and second lines of defence, monitors the operational performance according to the action plans or projects, and reports the results directly to the audit committee.

The Bank calculates provisions for expected credit loss according to the requirements of TFRS 9 and conduct of reasonableness test for the calculation model on a regular basis.

In 2023, the Bank performed credit stress test based on the Bank of Thailand supervisory stress test framework for assessing quality of portfolio, expected provisions, and set portfolio management within risk appetite. Additionally, the Bank conducted a concise review of its credit policy, aligning it with ESG risk management practices such as ESG due diligence. This included initiatives to raise awareness of risk culture, hosting SME academy courses emphasising end-to-end NPL prevention processes. Furthermore, efforts were made to enhance the credit process, including initial onboarding, approval procedures, loan administration, and monitoring.

Market Risk

The Bank has put in place a market risk management policy, which is reviewed annually, for use as its guidelines to ensure sound market risk management.

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

- (1) *interest rate risk*, which refers to the risk of an 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 items that could affect the Bank's net interest income (**NI**), market value of trading account items, and other income and expense items associated with interest rates;
- (2) *foreign exchange rate risk*, which refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of fluctuations in foreign exchange rates relating to foreign currency transactions or holding of foreign currency assets or liabilities; and

- (3) *equity price risk*, which refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of changes in equity instrument prices.

In this regard, the Bank focuses on implementing the strategy of managing market risk with appropriate costs and returns taken into account. There is clear segregation of authority and delegation of authority among business units relating to market risk management. The Bank has defined and delegated approval authority together with relevant criteria in writing, as well as designated the use of market risk assessment, monitoring and management approaches that cover both banking book and trading book positions in alignment with the complexity of the respective transactions so as to ensure that the Bank's market risk is contained within the acceptable level in line with, and in response to, the public-sector equity holder and the Bank's vision and mission.

In 2023, the Bank recorded risk hedging transactions conducted hedge effectiveness test on a regular basis in accordance with the TFRS 9.

Liquidity Risk

The Bank has established a liquidity risk management policy, which is reviewed on a yearly basis, for use as guidelines in preventing risks 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 obtaining adequate funds but at exorbitant costs, which could affect the Bank's earnings and capital funds both at present and in the future. It also aims to prevent liquidity risk from the Bank's inability to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at prices lower than the acquisition costs due to low liquidity of the assets or market liquidity shortage.

The Bank has managed liquidity with proper acquisition and distribution of short, medium and long-term borrowings that match its respective asset structure. Major applications of funds are credit provisions to debtors and investments in liquid assets, while sources of funds are mainly from fund raisings or issuances of financial instruments both onshore and offshore (such as US dollar bond issues under the Programme), as well as business partners, that are its funding sources on a regular and consistent basis as part of its liquidity management.

In 2023, the Bank maintained its liquidity position to serve its net funds requirement at a level higher than its internal criteria and average liquid assets higher than that specified by the Bank of Thailand. The main liquid assets held by the Bank included government bonds, Bank of Thailand bonds, and treasury bills. Holdings of liquid assets have been reviewed as appropriate to sufficiently accommodate settlements of debts and obligations, and ensure smooth operation under both normal and crisis situations. Moreover, reports on liquidity position and operational results are made on a regular basis.

The Bank has conducted liquidity stress testing on a quarterly basis in three scenarios comprising: (i) institution-specific crisis (ii) market-wide crisis and (iii) a combination of institution-specific and market-wide crises. It has also identified specific risk factors, both internally and externally, that may affect its liquidity according to the Bank of Thailand's guidelines. In addition, a liquidity contingency plan has been developed to safeguard the Bank against any liquidity crisis. The plan outlines the roles, duties and responsibilities of the management and business units concerned, early warning signals, and the execution process to timely cope with stress conditions.

As at 31 December 2022 and 31 December 2023, the Bank had significant asset and liability items classified by maturity as follows:

Maturity:	31 December 2022					
	At Call	Up to 1 Year	1 – 5 Year	Over 5 year	No Maturity	Total
	(million baht)					
Assets						
Interbank and money market items, net	1,762	3,725	–	–	–	5,487
Investments, net	–	3,986	–	–	6	3,992
Loans to customers	–	60,584	65,623	37,636	–	163,843
Loans to customers from public service account . . .	–	1,192	3,120	176	–	4,488
Total assets	1,762	69,487	68,743	37,812	6	177,810
Liabilities						
Deposits	4,033	34,267	11,922	–	–	50,222
Interbank and money market items	95	10,607	10,113	1,000	–	21,815
Liabilities payable on demand	384	–	–	–	–	384
Debt issued and borrowings	–	10,373	48,555	8,916	–	67,844
Total liabilities	4,512	55,247	70,590	9,916	–	140,265
Maturity:	31 December 2023					
	At Call	Up to 1 Year	1 – 5 Year	Over 5 year	No Maturity	Total
	(million baht)					
Assets						
Interbank and money market items, net	2,316	6,751	–	–	–	9,067
Investments, net	–	4,546	–	–	2	4,548
Loans to customers	–	65,314	69,952	35,034	–	170,300
Loans to customers from public service account . . .	–	1,491	3,559	254	–	5,304
Total assets	2,316	78,102	73,511	35,288	2	189,219
Liabilities						
Deposits	6,354	37,841	17,419	–	–	61,614
Interbank and money market items	16	3,283	17,260	–	–	20,559
Liabilities payable on demand	347	–	–	–	–	347
Debt issued and borrowings	–	15,401	40,197	9,055	–	64,653
Total liabilities	6,717	56,525	74,876	9,055	–	147,173

Capital adequacy

The Bank's capital adequacy ratios as at 31 December 2022 and 31 December 2023 are set out below:

Capital Composition

	31 December 2022	31 December 2023
	(million baht)	
Tier 1 capital		
Paid-up capital	14,998	16,998
Legal reserve	8,886	9,639
Net loss after appropriation	(856)	(755)
Total Tier 1 capital	23,028	25,882
Tier 2 capital		
Provision for asset classification as normal	1,649	2,666
Revaluation surplus on investments in equity securities designated at fair value through other comprehensive income, net	2	–
Total Tier 2 capital	1,651	2,666
Total capital under Basel II standard	24,679	28,548

Capital Adequacy Ratios (CAR)

	31 December 2022	31 December 2023
Tier 1 capital adequacy ratio (%)	11.25	12.13
Total capital adequacy ratio (%)	12.05	13.38
Total capital after deducting of capital add-on arising from single lending limit (million baht)	24,191	28,533
Total capital adequacy ratio after deducting of capital add-on arising from single lending limit (%)	11.81	13.38

For the Bank of Thailand's requirements on the maintenance of capital and the composition of capital funds please see "*Regulations and Policies – Principal Regulations relating to Specialised Financial Institutions – Capital Adequacy Requirements*".

Major Investments

EXIM Thailand has made key investments to get the organisation prepared for the transformation journey and boost proactive operational efficiency by driving the organisation toward digital banking with the use of digital infrastructure that can accommodate changes and enable the Bank to adopt innovations for the development of new products and new channels to optimise its customer service. This aims to support trade and investment and enhance competitiveness of Thai entrepreneurs. Such investment projects are as described below:

- (1) *Development of core banking system:* To ensure the Bank has an advanced and updated core banking system to accommodate credit, deposit and international trade operations, the Bank has focused its efforts in developing support system in line with existing and future business requirements, and increasing flexibility and efficiency in work processes. In addition, initiatives are underway to establish linkages for exchanging

information within the Bank and connecting with commercial partners via Application Programming Interface (**API**). These endeavours are aimed at meeting the increasing and diverse demands and expectations of entrepreneurs and stakeholders..

- (2) *Development of Insurance Origination System and Core Insurance System*: To increase efficiency, streamline and shorten the insurance process including insurance approval and determination of buyer review cycle to enable timely customer analysis and service as well as to accommodate growth of insurance turnover in the future.

Litigation

As at 31 December 2023, there are five cases claimed against the Bank which are awaiting interlocutory judgments at the Civil Court and Administrative Court with a cumulative claim value of 35.17 million baht. As of 31 December 2023, the Bank had recorded aggregate provisions on the Bank's statements of financial position of 10.09 million baht for potential liabilities. The Bank has provisioned for two out of five cases mentioned in this paragraph. The provisioning is made in respect of cases where the Court of First Instance's judgments were against the Bank. The remaining three cases mentioned in this paragraph were not provisioned by the Bank because the judgments of the Court of First Instance were in favour of the Bank.

As of the date of this Offering Circular, there are no proceedings (including the five cases mentioned in the aforementioned paragraph) individually or in the aggregate that could have a significant effect on the Bank's financial position.

Competition

The Bank's finance facilities face competition from Thailand's other financial institutions, including both commercial banks and other specialised financial institutions that provide trade finance facilities and term loans. The Bank's main purpose, however, is to sustainably provide financial support to Thai exporters and investors and therefore limits its risk in relation to competition from other financial institutions.

SUMMARY FINANCIAL INFORMATION

The summary audited financial information set forth below has been extracted from the Issuer's audited financial statements as at and for the years ended 31 December 2021, 2022 and 2023 (the “**Audited Financial Statements**”) (which have been audited by the State Audit Office of the Kingdom of Thailand). This financial information should be read in conjunction with the Issuer's audited financial statements as at and for the years ended 31 December 2021, 2022 and 2023, which are included elsewhere in this Offering Circular.

Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2021, 2022 and 2023

	For the year ended 31 December		
	2021	2022	2023
	(thousand baht)	(thousand baht)	(thousand baht)
	(audited)	(audited)	(audited)
Interest income	4,658,813	6,182,514	9,085,810
Interest expenses	1,205,817	2,361,611	4,775,709
Interest income, net	3,452,996	3,820,903	4,310,101
Fees and service income	538,517	592,920	548,582
Fees and service expenses	180,003	226,322	174,423
Fees and service income, net	358,514	366,598	374,159
Gains on financial instruments measured at fair value through profit or loss, net	5,818	34,340	62,889
Other operating income	10,642	87,980	12,403
Income from public service account	90,248	156,641	298,483
Total operating income	3,918,218	4,466,462	5,058,035
Other operating expenses			
Employee's expenses	1,067,695	1,057,495	1,094,546
Directors' remuneration	6,991	9,534	8,891
Premises and equipment expenses	138,199	120,735	128,000
Bad debts on claims and reserves for insurance services	10,165	79,499	25,411
Loss on impairment of properties for sale	2,861	4,443	145
Doubtful account for contingent liabilities and other reserve	(80,519)	12,709	(20,671)
Others	277,882	389,352	341,864
Total other operating expenses	1,423,274	1,673,767	1,578,186
Expenses from public service account	113,106	156,145	247,576
Expected credit losses	850,364	1,132,295	2,776,046
Net profit	1,531,474	1,504,255	456,227
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Gains (loss) on investments in equity instruments designated to be measured at fair value through other comprehensive income	2,004	(1,098)	226
Actuarial gains on defined benefit plans	35,523	25,994	5,066
Total net other comprehensive income	37,527	24,896	5,292
Total comprehensive income	1,569,001	1,529,151	461,519

Statement of Financial Position as at 31 December 2021, 2022 and 2023

	As at 31 December		
	2021	2022	2023
	(audited)	(audited)	(audited)
	(thousand baht)		
Assets			
Cash	715	193	145
Interbank and money market items, net	8,604,628	5,486,992	9,067,160
Financial assets measured at fair value through profit or loss ...	1,261	1,210	1,270
Derivatives assets	286,409	360,664	466,427
Investments, net	4,002,715	3,992,251	4,548,273
Loans to customers and accrued interest receivables, net	138,486,026	151,739,405	155,447,370
Loans to customers from public service account and accrued interest receivables, net	3,127,908	4,442,887	5,218,714
Receivable eligible for government reimbursement	52,459	41,957	181,273
Properties for sale, net	286,984	340,227	640,489
Premises and equipment, net	776,209	721,566	710,754
Intangible assets, net	242,327	168,001	175,918
Reinsurance assets	312,355	390,956	401,223
Prepaid public revenue	308,830	266,520	30,500
Prepaid expenses	57,543	71,789	57,329
Collateral under credit support annex contract	174,118	2,157,483	1,841,081
Other assets, net	83,802	112,296	113,398
Total assets	156,804,289	170,294,397	178,901,324

	As at 31 December		
	2021	2022	2023
	(audited)	(audited)	(audited)
	(thousand baht)		
Liabilities and Equity			
Deposits	48,150,034	50,222,530	61,614,427
Interbank and money market items	21,087,766	21,814,817	20,558,747
Liabilities payable on demand	233,027	383,619	347,364
Derivatives liabilities	748,135	2,765,767	2,071,633
Debt issued and borrowings	60,639,636	67,844,450	64,652,672
Provisions	619,021	637,139	564,587
Accrued interest payables	216,776	557,079	814,691
Reserves for insurance service	651,033	784,774	814,491
Other liabilities	779,024	737,234	1,105,205
Total liabilities	<u>133,124,452</u>	<u>145,747,409</u>	<u>152,543,817</u>
Equity			
Capital	<u>14,998,000</u>	<u>14,998,000</u>	<u>16,998,000</u>
Paid-up capital	14,998,000	14,998,000	16,998,000
Other components of equity	442	(656)	(430)
Retained earnings			
Appropriated			
Legal reserve	8,120,000	8,886,000	9,639,000
Unappropriated	<u>561,395</u>	<u>663,644</u>	<u>(279,063)</u>
Total equity	<u>23,679,837</u>	<u>24,546,988</u>	<u>26,357,507</u>
Total liabilities and equity	<u>156,804,289</u>	<u>170,294,397</u>	<u>178,901,324</u>

MANAGEMENT

The Bank's Board of Directors has authority under the Act to determine the Bank's policies and to generally supervise the affairs of the Bank within the scope of the objectives prescribed in the Act, subject to the right of the Minister of Finance to order the Bank to comply with the policies of the Government.

Pursuant to the Act, the Board of Directors must include, in addition to the President of the Bank, the following Government officials: the Director-General of the Fiscal Policy Office, the Director-General of the Department of Foreign Trade, the Director-General of the Office of Industrial Economics, the Secretary-General of the Office of Agricultural Economics, and the Director-General of International Economic Affairs Department. The Act also permit the Minister of Finance to appoint, for a term of up to three years, up to five other directors, of whom at least three are required to be from the private sector and a reappointment is allowed for not more than two consecutive terms.

The Board of Directors holds monthly meetings and four of its members form the Board of Executive Directors, which supervises the day-to-day management of the Bank. The President of the Bank is the only member of the Board of Directors who is a full time employee of the Bank.

The remuneration of directors is at the discretion of the Minister of Finance pursuant to the Act.

The current members of the Board of Directors and their principal outside positions (as at 31 December 2023) are as follows:

Name	Internal Positions	External Positions
Dr. Pasu Loharjun ¹	Chairman	Chairman, Must Be Company Limited Chairman, Thai-German Institute Director, Thai Beverage Public Company Limited Director and Chairman of the Nomination and Remuneration Committee, Allianz Ayudhya Capital Public Company Limited Director, Office of the Council of State Director and Chairman of Corporate Governance and Sustainability Committee, Nomination and Remuneration Committee Member, Electricity Generating Public Company Limited Director, Thailand Convention & Exhibition Bureau (Public Organization) Board Member, Thai-Nichi Institute of Technology Director, Foundation for Industrial Development

¹ Dr. Pasu Loharjun has retired as Chairman of the Bank as at 13 March 2024. The Chairman of the Bank is in the process of being appointed by the Cabinet of the Government.

Name	Internal Positions	External Positions
Dr. Warotai Kosolpisitkul	Director (Ex-officio) Chairman of the Corporate Governance and Sustainability Committee and Executive Director	International Economic Advisor, Fiscal Policy Office, Ministry of Finance Director, Neighbouring Countries Economic Development Cooperation Agency (Public Organization) Director, NEP Realty and Industry Public Company
Mr. Ronnarong Phoolpipat	Director (Ex-officio) Chairman of the Employee Relations Committee and Member of the Risk Oversight Committee	Director-General, Department of Foreign Trade, Ministry of Commerce
Mrs. Warawan Chitaroon	Director (Ex-officio) Chairman of the Audit Committee and Member of the Corporate Governance and Sustainability Committee	Director-General, Office of Industrial Economics, Ministry of Industry Director, Institute of Small and Medium Enterprise Development Director, Rubber Authority of Thailand Extraordinary Committee to consider the Draft Cane and Sugar Act Chairman, the Committee on Considering the Draft Cane and Sugar Act Chairman, Thai Cane and Sugar Corporation Limited
Mr. Chantanon Wannakejohn . . .	Director (Ex-officio) Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee	Secretary-General, Office of Agricultural Economics, Ministry of Agriculture and Cooperatives Director, Dairy Farming Promotion Organization of Thailand, Ministry of Agriculture and Cooperatives
Mr. Cherdchai Chaivaivid	Director (Ex-officio) Chairman of the Risk Oversight Committee and Member of the Audit Committee	Director-General, Department of International Economic Affairs, Ministry of Foreign Affairs Director, Neighbouring Countries Economic Development Cooperation Agency (Public Organization)

Name	Internal Positions	External Positions
Mr. Kanit Savangvarorose	Director Chairman of the Corporate Strategy and Innovation Committee and Member of the Nomination and Remuneration Committee	Executive Director, Charoen Pokphand Capital Company Limited Advisor, CP All Public Company Limited Advisor to the Board of Directors, Institute for Small and Medium Enterprises Development Advisor to the Board of Directors, Ploenchit Capital Company Limited Member, State Enterprise Evaluation Oversight Subcommittee (Risk Management), State Enterprise Policy Office, Ministry of Finance Member, State Enterprises Performance Agreement and Evaluation Committee (Energy Sector and Communications Sector), State Enterprise Policy Office, Ministry of Finance
Mr. Suwat Kamolpanus	Director Chairman of the Board of Executive Directors and Member of the Nomination and Remuneration Committee	Director, The Institute of Industrial Energy, The Federation of Thai Industries
Prof. Wisit Wisitsora-at	Director Chairman of the Legal Affairs Committee and the IT Strategy and Policy Committee	Permanent Secretary, Ministry of Digital Economy and Society Chairman, Electronic Transactions Development Agency Director, Sukhumvit Asset Management Company Limited
Dr. Rak Vorrakitpokatorn	Director (Ex-officio) President, Export-Import Bank of Thailand Executive Director and Member of the Risk Oversight Committee, Nomination and Remuneration Committee, Corporate Strategy and Innovation Committee, Corporate Governance and Sustainability Committee and the IT Strategy and Policy Committee	—

The Bank has not made any loans to directors.

Employees

As at 31 December 2023, the Bank employed 832 officers and other staff.

Since its establishment, the Bank has recruited staff, at salary levels comparable to those in commercial banks, from a range of organisations in both the public and the private sector, including other banks and financial institutions. The Bank does not pay performance-based remuneration. All staff are entitled to a fixed bonus of two months' salary. The Bank offers subsidised housing and car loans to its employees. There have been no strikes or other industrial action by employees of the Bank since its establishment.

REGULATIONS AND POLICIES

General Introduction

The Bank is a specialised financial institution wholly owned by the Government. It was established by the 1993 Act, which took effect on 7 September 1993 and was amended by the 1999 Act and the 2018 Act, respectively. The operation of the Bank is subject to the Act (including all rules and regulations issued by virtue of such Act), the Financial Institution Business Act B.E. 2551 (2008) (as amended) (the **Financial Institution Business Act**) and certain regulations of the Bank of Thailand. The Bank is operated under the supervision of the Minister of Finance. The following discussion sets forth information with respect to significant Thai regulations applicable to the Bank.

Principal Regulations relating to Specialised Financial Institutions

Capital Adequacy Requirements

With respect to capital adequacy requirements, the Bank is subject to the Bank of Thailand's regulations.

The Bank of Thailand's capital adequacy requirements for specialised financial institutions have been adapted from those applicable to commercial banks, which in turn follow the standard introduced by the BCBS. From 1 January 2017 onwards, the Bank is required to maintain, at the end of each day, a minimum total capital ratio of not less than 8.5 per cent. of the total risk-weighted assets, **provided that** Tier 1 capital (referred to below) must not be less than 4.25 per cent. of the total risk-weighted assets and Tier 2 capital (referred to below) must not exceed Tier 1 capital in number. In addition, the Bank is required to maintain a minimum ratio of Tier 1 capital to contingent liabilities that may arise from insurances that the Bank provides (after deduction of reserves allocated for each insurance) of 20 per cent. Contingent liabilities that may arise from insurances provided in respect of the risks that the cabinet of the Government has separately allocated reserves for their repayment, are not counted for the purpose of calculating the said 20 per cent. Tier 1 capital ratio.

The Bank of Thailand also sets out the criteria for classification of each component of capital, including Tier 1 capital and Tier 2 capital. Tier 1 capital, as applicable to the Bank, includes: (i) initial capital as prescribed in the Act; (ii) capital injection from the Government or the national budget appropriation or from other sources; (iii) reserve funds set aside from net income at the end of the accounting period (excluding reserve funds for depreciation in asset values, reserve funds appropriated as national revenue and reserve funds set aside for debt payments); (iv) remaining net profit after allocation in accordance with the Act; and (v) proceeds derived from an issue of equity-like subordinated debt instruments where interests are non-accumulative and not paid during the accounting year where the Bank realises no profits (the **Hybrid Tier 1 instrument**).

Tier 2 capital, as applicable to the Bank, includes: (i) the portion of Hybrid Tier 1 instruments that is not qualified as Tier 1 capital; (ii) proceeds derived from an issue of equity-like instruments where interest payments may be postponed and long-termed subordinated debt instruments; (iii) the values of land, buildings or apartments that are in excess of the appraised values; (iv) general provisions for assets classified as Normal in accordance with the Bank of Thailand's regulation (excluding provisions for off-balance sheet items where the Bank may count toward Tier 2 capital not more than 1.25 per cent. of the risk-weighted assets); and (v) revaluation surplus on investments in equity securities designated at fair value through other comprehensive income (where the Bank may count toward Tier 2 capital not more than 45 per cent. of the surplus).

The said composition is also subject to adjustment and deduction in accordance with criteria imposed by the Bank of Thailand.

Failure of a specialised financial institution to maintain its capital adequacy ratios might result in its directors, managers or persons in charge of managing the financial institution being subject to certain penalties such as fines as imposed under the Financial Institution Business Act.

Liquidity Ratio

Beginning on 1 January 2017, specialised financial institutions in Thailand must maintain at the end of each month high-quality liquid assets in an amount not less than 6 per cent. of the total amount of all types of deposits. Although the Bank is prohibited from accepting deposits from the general public, this requirement is *mutatis mutandis* applicable to the Bank as well. For the purpose of complying with this requirement, the Bank uses the deposits that it accepts from customers as part of a trade transaction or as collateral for credit facilities for calculation.

Pursuant to the Bank of Thailand's regulation, high-quality liquid assets include: (i) deposits in a current account opened with the Bank of Thailand; (ii) deposits in a savings account opened with the Bank of Thailand; (iii) cash maintained at specialised financial institutions or at the central cash centre of commercial banks; (iv) certain negotiable securities or instruments as specified in the Bank of Thailand's regulation which are free of encumbrances and transferable; (v) debt instruments issued by the Bank of Thailand pursuant to the relevant Bank of Thailand's regulations which are free of encumbrances; (vi) securities or debt instruments issued in order to rectify financial status of a financial institution which are guaranteed by the Ministry of Finance, the Bank of Thailand or the Financial Institutions Development Fund and are free of encumbrances.

Loan Classification and Reserve

From 1 January 2017 onwards, specialised financial institutions in Thailand are required under the Bank of Thailand's regulations to establish reserves based on the classification of their assets. Such classification is used to determine minimum levels of loan loss reserves that specialised financial institutions are required to maintain. However, specialised financial institutions are permitted to use more stringent methods for determining their loan loss reserves.

The Bank of Thailand regulates asset classification, including loan classification and reserves, collateral valuation and loan monitoring. In regulating loan classification and reserve, the Bank of Thailand also takes into account the accounting and financial reporting standards applicable to financial institutions. Generally, financial institutions, including commercial banks, were required to comply with TFRS 9 from 1 January 2020. Upon TFRS 9 becoming effective, the Bank of Thailand imposed its reformed regulations on asset classification and reserves on general financial institutions to be in line with TFRS 9 (the **Reformed Rules**). However, as the Ministry of Finance postponed the implementation of TFRS 9 for specialised financial institutions, the Bank of Thailand has not amended asset classification and reserves regulations for specialised financial institutions but instead prescribes a guideline to be applied during this transition period. Under such guideline, specialised financial institutions, including the Bank, which have complied with TFRS 9 despite the postponement, are required to follow the Reformed Rules until the Bank of Thailand officially reforms and issues such particular regulations for them. At present, the Bank classifies loans in accordance with the Bank of Thailand's regulations and guideline referred to above, under which the loan portfolios of the Bank are classified into three stages: – (1) stage 1 “Performing”, (2) stage 2 “Underperforming”, and (3) stage 3 “Non-performing”. The classification of loans shall be conducted on an account-by-account basis. In addition, loans whose cash inflows are related are classified in the same category.

In addition, specialised financial institutions, including the Bank, are required under the Bank of Thailand's regulations and TFRS 9 to establish reserves based on the category of classification. “Non-performing” and “Underperforming” loans require reserves of lifetime expected credit losses, while “Performing” loans require reserves of the 12-month expected credit losses.

Restrictions on lending: Single lending limit

The amount of money that the Bank uses in granting credit to, making investments in the business of, or assuming contingent liabilities of or entering into credit-like transactions with any person and its related person(s), at the end of any one day, shall not exceed 25 per cent. of the total capital. However, the Bank of Thailand may grant relaxation or waiver of such restriction to the Bank in cases where the Bank enters into the restricted transactions (i) in order to comply with the Government's fiscal policy; or (ii) with the business sectors

that would directly result in Thailand's growth in productivity in the long term or that is in line with the Bank's mission. In the latter case, the Bank of Thailand may require the Bank to maintain capital add-on and comply with certain additional regulations to ensure the Bank's stability.

Anti-Money Laundering and Counter-Terrorist Financing Laws

The Anti-Money Laundering Act B.E. 2542 (1999) (the **Anti-Money Laundering Act**) became effective on 20 August 1999. The Anti-Money Laundering Act criminalises the act of money laundering and related conspiracy, establishes a civil forfeiture system for confiscating assets identified as having been acquired with the proceeds of specific predicate criminal offences. The Anti-Money Laundering Office (the **AMLO**), which was established under Anti-Money Laundering Act, is primarily responsible for measuring, preventing and suppressing money laundering and terrorist financing activities under the Anti-Money Laundering Act. The AMLO's duties include collection and analysis of various reports submitted to it by financial institutions and other sources of information.

In October 2015, an amendment to Anti-Money Laundering Act (the **AML Amendment**) was issued, under which the scope of predicate offences has been extended to cover a broader range of criminal offences including offences relating to human trafficking, online gambling, unfair trading in relation to derivatives and agricultural futures and trading of firearms, ammunition and explosive. In addition, the power of AMLO has also been extended by empowering the Secretary-General of the Anti-Money Laundering Board to instruct the AMLO officers, where necessary in performing their duty, to go undercover for the purpose of evidence gathering and examination in order to take action against assets connected with the commission of an offence, prosecution of offenders in money laundering cases and/or terrorism financing cases.

The Anti-Money Laundering Act requires financial institutions, including specialised financial institutions, to submit a report to the AMLO for certain transactions made with its customers that involve: (i) baht 2 million or more in cash or baht 500,000 or more in cash in respect of a foreign exchange transaction, unless the transaction involves an electronic transfer or payment of money, which also includes transactions involving movable property, in which case such cash transaction of baht 100,000 or greater must be reported; (ii) baht 5 million or more in assets, unless the transaction involves an electronic transfer or payment of money for movable property, in which case such transaction of baht 700,000 or greater must be reported; or (iii) any other suspicious transaction, whether or not such transaction falls within (i) or (ii) above.

Furthermore, specialised financial institutions are required to conduct "know your customer" and "customer due diligence" to identify and verify their customers' identities and the ultimate beneficial owner(s) of those customers prior to the acceptance of any of them as new customers in accordance with the requirements and procedures prescribed in the Ministerial Regulation Prescribing Rules and Procedures for Customer Due Diligence B.E. 2563 (2020) (as amended or replaced) (the **CDD Rule**) and the Prime Minister Office's Notification on Customer Identification for Financial Institutions and Businesses and Professions under section 16 B.E. 2562 (2019) (as amended or replaced) (the **KYC Rule**).

In order to conduct "know your customer" and "customer due diligence", specialised financial institutions must request for certain information of the customers as prescribed by the KYC Rule. According to the CDD Rule and the KYC Rule, if a customer due diligence cannot be conducted, specialised financial institutions must refuse to establish a relationship, perform transaction or terminate the relation with such customer and shall consider filling a suspicious transaction report to the AMLO. In addition, specialised financial institutions are prohibited from establishing business relationships or transacting with customers who are anonymous, use fictitious names or are unable to provide the required information. Separately, in case where any customer is found, through the customer due diligence process, to be the designated person as announced by the AMLO, specialised financial institutions are required to freeze the asset of such customer; terminate their relationship and report suspicious transaction to the AMLO.

Once the customers have been identified, verified and accepted by specialised financial institutions, the specialised financial institutions are required to continue to conduct customer due diligence and customer's account review periodically to manage the risk level on money laundering of each customer until the account is

closed or until the business relationship between the specialised financial institutions and that customer has been terminated. In connection with this, the CDD Rule set out detailed criteria and procedures for conducting factual investigations of their customers, as well as periodic reviews of their customer information, identifying the beneficiaries under insurance policies, and provision of electronic fund transfer services for customers (both domestic and international).

To further elaborate the regulations set forth under the CDD Rule, the AMLO and the Anti-Money Laundering Board have issued several notifications prescribing details on customer due diligence. The scope of these notifications extends to various areas, for instance, the assessment, management and mitigation of risks associated with money laundering, terrorism financing and proliferation of weapons of mass destruction, the identification of customer and ultimate beneficial owner, the information accompanying wire transfers, the prescription of high risk areas or countries, etc. In addition to the aforesaid notifications, specialised financial institutions are required to lay down and implement internal control policies and procedures commensurate with their risk exposure and the size of the business in accordance with the guidelines prescribed by the Secretary-General of the Anti-Money Laundering Board and to ensure that their compliance officers and staff are equipped with adequate understanding of the rules and regulations on money laundering, terrorism financing and proliferation of weapons of mass destruction, as well as receive training compulsory for their duties as prescribed by the relevant notifications. Specialised financial institutions are also required to consider the risk level of each new and existing customer against the need to acquire additional information, and also to a guideline for considering factors to be taken into account for determining each such risk level. The said factors are categorised as follows: (i) the types of customers, (ii) the areas or jurisdictions of customers, (iii) the categories of products or services offered to the customers, and (iv) the channels of operation.

In addition to the above regulations, for the efficient implementation of the CDD Rule, specialised financial institutions must also comply with guidelines, procedures or manuals issued by the Secretary-General of the Anti-Money Laundering Board (the **Guidelines**).

To ensure that specialised financial institutions continue to manage the risk of their customers periodically, the CDD Rule requires specialised financial institutions to adopt and implement written policies and measures for assessing and managing risks relating to money laundering and terrorist financing activities in accordance with the risk level of their customers, which must be reviewed periodically. Such measures adopted by specialised financial institutions must cover the measures to assess the specific risks of customers and must manage each classified risk accordingly. Specialised financial institutions must take into account certain factors relating to customers, countries, products or services, transaction or channel of operations when determining the risk level of their customers and enhanced customer due diligence is required for those types of customers who are classified as high risk. Furthermore, the anti-money laundering policy of specialised financial institutions must also include mitigation measures against risks that may arise in relation to the development of new products, new services, and new business practices, including new delivery mechanisms and the use of new or developing technologies for existing and new products.

The CDD Rule, the relevant notifications and the Guidelines referred to above were issued for the purpose of further aligning the requirements imposed by the AMLO with international standards and the Financial Action Task Force. Therefore, it is recommended that specialised financial institutions adopt certain principles and measures set forth in the Guidance on Anti-Money Laundering and Terrorist Financing Measures and Financial Inclusion issued by the Financial Action Task Force along with the criteria and principles stipulated in the CDD Rule, the KYC Rule, the relevant notifications and the Guidelines as their anti-money laundering policy.

With the aim of strengthening the enforceability and independence of legal enforcement authorities as well as conforming with international standards, the Counter Terrorism Financing Act B.E. 2556 (2013) (the **2013 Counter-Terrorism Financing Act**) was enacted in February 2013 to set out measures to prevent and suppress any actions which are considered as a terrorist financing offence. In December 2016, the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act B.E. 2559 (2016) (the **2016 Counter-Terrorism Financing Act**) was promulgated to replace the 2013 Counter-Terrorist Financing Act. The 2016 Counter-Terrorist Financing Act still contains provisions in relation to terrorist financing offences but expands to include provisions to combat involvement in the proliferation of weapons of mass destruction as well.

Pursuant to the 2016 Counter-Terrorist Financing Act, where there is a resolution made or announcement passed by the UN Security Council to determine the list of persons, groups of persons, entities or organisations acting as terrorists, if the AMLO deems that such resolution or announcement does not conflict with the Thai Constitution or Thai laws, the AMLO shall announce the list of designated persons pursuant to the rules and procedures set out in the relevant ministerial regulation, without delay. In addition, if the AMLO suspects that any person is involved in terrorism or terrorist financing or acting on behalf of or pursuant to an order or control of any designated persons, the AMLO shall, upon receipt of approval from the Transaction Commission, which is established under the Anti-Money Laundering Act, submit the name of such person to the state attorney for the state attorney will request the court to determine such person as a designated person. The list of designated persons announced in accordance with the 2013 Counter-Terrorist Financing Act was published by the AMLO in May 2013 and is updated on an ongoing basis. The list is still in full force and effect despite the 2013 Counter-Terrorist Financing Act being repealed and replaced by the 2016 Counter-Terrorist Financing Act.

With respect to the proliferation of weapons of mass destruction, where it appears that a person, group of persons, juristic person or entity is involved in the prohibited activities, the AMLO with the approval of the Committee for Considering the Names of Designated Person, which is appointed by the AMLO itself, may refer the matter to the Ministry of Foreign Affairs in order to request the UN Security Council to enlist such person, group of persons, juristic person or entity as the designated person.

In connection with these designation procedures, the 2016 Counter-Terrorist Financing Act imposes certain duties on specialised financial institutions by requiring specialised financial institutions to: (i) terminate any actions involving the assets of designated persons; (ii) provide the AMLO with any information relating to the assets of designated persons; and (iii) inform the AMLO if the designated persons are or used to be their customers.

Personal Data Protection Laws

In 2019, Thailand introduced a data protection law imposing fiduciary duties on persons/entities collecting, using or disclosing personal data. The Personal Data Protection Act B.E. 2562 (2019) (the **PDPA**) was published on the Royal Gazette on 27 May 2019 and became fully effective from 1 June 2022. The supervisory authority of the PDPA is the Personal Data Protection Committee (the **PDPC**), which has been established under the PDPA on 11 January 2022. The PDPC is entrusted with several duties, among others, to issue detailed regulations and guidelines to effectively implement the PDPA, including criteria for providing protection of personal data which is being sent or transferred across the border, and to promote and support Government agencies and the private sector in carrying out data protection measures, in accordance with the Government policies, national strategies and relevant national plans.

The PDPA generally applies to any person in Thailand (including the Bank) who collects, uses or discloses personal data of a data subject. The term “Personal Data” is defined under the PDPA as any information of an individual which can be directly or indirectly used to identify a data subject of that information (the **Data Subject**). Under the PDPA, a person who has decision-making power with respect to collection, usage or disclosure of Personal Data is qualified as a data controller (the **Data Controller**) and a person who merely collects, uses or discloses Personal Data on behalf of or in accordance with instructions from, a Data Controller, will be regarded as a data processor (the **Data Processor**). Depending on relevant business activities of the Bank, it is possible that the Bank is qualified as both a Data Controller and a Data Processor in respect of Personal Data collected, used or disclosed by it. The PDPA mainly imposes duties, obligations and penalties on the Data Controller. The Data Processor generally has contractual obligations as agreed with the Data Controller, in line with those obligations and duties of the Data Controller under the PDPA. The Data Processor may be subject to liabilities and penalties under an agreement made with the Data Controller and/or under the PDPA in case of the Data Processor’s failure to comply with: (i) its contractual obligations under such agreement; and (ii) the Data Controller’s instructions given in accordance with the PDPA.

Under the PDPA, the Bank, as a Data Controller, must obtain consent from a Data Subject to collect, use or disclose Personal Data, unless an exemption under the PDPA or other laws applies. Collection of Personal Data must be done only to the extent necessary for lawful purposes. Collection of Personal Data that is regarded as

“sensitive data” under the PDPA (such as biometric, ethnic, religious belief, political opinion, criminal records, health and fitness, and sexual behaviour data) is subject to more stringent restrictions. A Data Controller must not use or disclose any Personal Data for any purposes other than those which were notified to the Data Subject in a privacy notice upon the collection of such data or by any similar methods, unless the Data Subject is already aware of the details relevant to such collection and processing activities.

In addition, a disclosure or transfer of Personal Data outside of Thailand must also be made in compliance with relevant guidelines prescribed by the PDPC and the destination country must have an adequate data protection regime, except where such cross-border disclosure or transfer falls under any of the exemptions provided under the PDPA, for instance, where a disclosure: (i) is required to be made in compliance with laws; or (ii) is as consented by the Data Subject and the Data Subject is made aware of the lack of sufficient data protection mechanism in the destination country; or (iii) is made pursuant to contractual obligations where the Data Subject is a party to the relevant contract or in accordance with the Data Subject’s request made prior to entering into a contract.

Moreover, the Data Controller must set up appropriate security measures to prevent loss, unauthorised or unlawful access, modification or disclosure of Personal Data. The security measures must be periodically updated as appropriate. In addition, it is duties of the Data Controller to report any mistreatment of Personal Data to the PDPC within 72 hours after it has become aware of such mistreatment, unless such mistreatment poses no threat to any person’s right and liberty.

Any violation or non-compliance with the PDPA may result in civil penalties, criminal sanctions and administrative sanctions. The civil penalties include compensations for (i) actual damages suffered by the Data Subject and (ii) punitive damages not exceeding two times the actual damages, at the discretion of the court. Criminal punishment includes imprisonment of up to one year and a fine of up to baht 1 million. A director or any other person who is in charge of ensuring compliance with the PDPA may have personal liability in respect of the criminal sanctions. Administrative sanctions include compliance with a rectification order and a fine of not more than baht 5 million.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular all of which are subject to changes. It is not intended to be legal or taxation advice and does not consider any investor's particular circumstances. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO WHICH COUNTRIES TAX LAWS COULD BE RELEVANT TO ACQUIRING, HOLDING AND DISPOSING OF THE NOTES AND RECEIVING PAYMENTS OF INTEREST, PRINCIPAL AND/OR OTHER AMOUNTS UNDER THE NOTES AND THE CONSEQUENCES OF SUCH ACTIONS UNDER THE TAX LAWS OF THOSE COUNTRIES. IT IS EMPHASISED THAT NEITHER THE BANK NOR ANY OTHER PERSONS INVOLVED IN THE NOTES ACCEPTS RESPONSIBILITY FOR ANY TAX EFFECTS OR LIABILITIES RESULTING FROM THE SUBSCRIPTION FOR PURCHASE, HOLDING OR DISPOSAL OF THE NOTES.

THAILAND

This summary contains a description of the principal Thai income tax consequences of the purchase, ownership and disposition of the Notes by an individual or corporate investor who is not resident in Thailand for tax purposes (referred to as “non-resident individual holders” and “non-resident corporate holders”, respectively, and together as “non-resident holders”). This summary is based upon the tax laws of Thailand in effect on the date of this Offering Circular.

Income Tax

Non-resident individual holders

In considering whether the individual holder is a tax resident of Thailand, Thai law does not look at the nationality of such individual holder, but will determine whether the holder has resided in Thailand at one or more times for a period equal in the whole to 180 days or more in any calendar year regardless of the nationality of the individual holders.

Interest

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, interest paid or deemed to be paid on the Notes from or within Thailand to a non-resident individual holder is subject to 15.0 per cent. withholding tax on the gross amount of the interest payment.

Capital Gains

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Notes (except for Zero Coupon Notes), and paid or deemed to be paid in or from Thailand, is subject to 15.0 per cent. withholding tax. The transferee or the payer of the gain has a duty to withhold tax at such rate on payments of gain in respect of the transfer of the Notes and remit the tax withheld to Thai Revenue Department. Capital gains from the transfer of the Notes between non-tax residents will not be subject to Thai taxes if the proceeds are not paid from or within Thailand.

Non-resident corporate holders

A non-resident corporate holder is a company, a registered partnership or any entity established pursuant to a foreign law and: (i) not carrying on business in Thailand; (ii) not being deemed as carrying on business in Thailand; and (iii) not having permanent establishment, employees, agents or representatives in Thailand but receiving from or in Thailand interest or capital gains from the transfer of the Notes.

Interest

Depending on the applicable double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder, interest paid or deemed to be paid on the Notes from or within Thailand to the non-resident corporate holder of the Notes may not be subject to any withholding tax.

Capital Gains

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Notes, and being paid or deemed to be paid in or from Thailand is subject to a 15.0 per cent. withholding tax. The transferee or the payer of the gain has a duty to withhold tax at such rate on payments of gain in respect of the transfer of the Notes and remit the tax withheld to Thai Revenue Department. Capital gains from the transfer of the Notes between non-tax residents will not be subject to Thai taxes if the proceeds are not paid in or from Thailand.

Double Taxation Agreement

Currently, Thailand has concluded double taxation agreements with more than 50 countries. Both individual and corporate holders of the Notes, who are regarded as tax residents of the countries which are parties to the double taxation agreements and receive interest and/or capital gains in respect of the Notes, will be subject to withholding tax at the rates specified above. The rates of withholding tax, however, may be reduced or exempted depending on the terms and conditions of the particular double tax agreement.

A limited number of corporate holders of the Notes resident in such a country for tax purposes who are not regarded as tax residents in Thailand, may be entitled to an exemption from Thai capital gains tax for the capital gain received in or from Thailand depending on the terms and conditions of the particular double tax treaty.

Stamp Duty

An instrument of transfer of the Notes is not subject to stamp duty in Thailand. Each certificate of Notes will be subject to THB5 stamp duty, if the certificate is executed in Thailand or brought into Thailand.

SINGAPORE

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by Inland Revenue Authority of Singapore (**IRAS**) and the Monetary Authority of Singapore (the **MAS**) in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (**QDS**) scheme for early redemption fee (as defined in the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the **ITA**) and redemption premium (as such term has been amended by the ITA). These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Holders and prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes,

including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Joint Arrangers, the Dealers and any other persons involved in the issue of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Qualifying Debt Securities Scheme

Debt securities that are issued on or after 15 February 2023 must be substantially arranged in Singapore by specified licensed persons in order to satisfy the requirement to be qualifying debt securities (**QDS**) for the purposes of the ITA. If the Notes are issued under the Programme during the period on and after the date of this Offering Circular to on or before 31 December 2028 and more than half of the Notes are distributed by specified licensed persons, any tranche of the Notes (the **Relevant Notes**) issued as debt securities would be qualifying debt securities for the purposes of the ITA and subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the **Qualifying Income**) from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates).

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Relevant Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

- (A) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (B) even though the Relevant Notes are “qualifying debt securities”, if at any time during the tenure of such Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for concessionary rate of tax as described above.

The term **related party**, in relation to a person (A), means any person (a) who directly or indirectly controls A, (b) who is being controlled directly or indirectly by A, or (c) who, together with A, is directly or indirectly under the control of a common person.

For the purposes of the ITA and/or this Singapore tax disclosure:

- (a) **early redemption fee** means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities;

- (b) **redemption premium** means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and
- (c) **specified licensed persons** means any of the following persons:
- (i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
 - (ii) a finance company licensed under the Finance Companies Act 1967 of Singapore;
 - (iii) a person who holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore to carry on a business in any of the following regulated activities:
 - (A) advising on corporate finance; or
 - (B) dealing in capital markets products; or
 - (iv) such other person as may be prescribed by rules made under Section 7 of the ITA.

2. Gains on Disposal of Notes

Any gains considered to be in the nature of capital made from the sale of the Notes will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. In addition, any foreign-sourced disposal gains received in Singapore from outside Singapore from the sale of the Notes that occurs on or after 1 January 2024 by an entity of a multinational group that does not have adequate economic substance in Singapore may be taxable as further described in Section 10L of the ITA.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109 – Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section and certain “opt-out” provisions. The IRAS has also issued an e-tax guide entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-tax guide entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. We may be a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of Thailand) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 2 May 2024 as amended, restated and/or supplemented from time to time (the **Programme Agreement**), agreed with us a basis upon which it may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, we have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to us.

In order to facilitate the offering of any Tranche of the Notes, a nominated Dealer participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the price of the relevant Notes, which support the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by us. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level higher than that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Under UK laws and regulations stabilising activities may only be carried on by the Stabilisation Manager (or any person acting for the Stabilisation Manager) named in the applicable Pricing Supplement and only for a period of 30 days following the Issue Date of the relevant Tranche of Notes.

The Dealers and their affiliates may have engaged in, and may in the future engage in, investment or commercial banking and other dealings in the ordinary course of business with our Bank or our subsidiaries or affiliates, jointly controlled entities or associated companies from time to time and may have and may, in the future, receive fees and commissions for these transactions. In addition to the transactions noted above, the Dealers and their affiliates may, from time to time after completion of the offering of Notes, engage in other transactions with, and perform services for, our Bank or our affiliates in the ordinary course of their business. The Dealers or their affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold the Notes on behalf of clients or in the capacity of investment advisers. While the Dealers and their affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Dealers or their affiliates or their clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Dealers may receive returns on such transactions and have no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes. Further, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of our Bank or our subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this

Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression Prospectus Regulation means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Bank; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Singapore

Unless the Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Thailand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell any Notes, in Thailand and it has not distributed, and will not distribute any other documents or material in connection with the Notes, in Thailand. No invitation to subscribe for any Notes will be made in Thailand. Notes cannot be offered, sold or transferred in Thailand.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes and other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result

in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to

investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or

permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither we, the Principal Paying Agent nor the Dealers shall have any responsibility therefor.

None of our Bank, the Principal Paying Agent, the Joint Arrangers and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of our Bank in such jurisdiction.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as we and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

Broker-dealer Affiliates

If a jurisdiction requires that such offering be made by a licensed broker or dealer and an Arranger or a Dealer or any affiliate of it is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by it or such affiliate on behalf of us in such jurisdiction.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN TFRS AND IFRS

The Bank prepared audited financial statements in accordance with TFRS and guidelines promulgated by the Thailand Federation of Accounting Professions, the applicable rules and regulations of the Securities and Exchange Commission of Thailand, the Office of the Securities and Exchange Commission of Thailand, the Capital Market Supervisory Board, the Stock Exchange of Thailand and the Bank of Thailand, including the Bank of Thailand's Notification No. Sor.Nor.Sor. 21/2561 directive dated 31 December 2018 regarding "the preparation and announcement of the financial statements of commercial banks and parent companies of financial holding groups" as well as other supplementary notifications of the Bank of Thailand. Effective 1 January 2023, TFRS has been aligned with IFRS (Bound Volume 2022).

For the purposes of this Offering Circular, the Bank provides below a summary of the significant differences between TFRS and IFRS.

The differences identified below are limited to those significant differences that are appropriate to the Bank's audited financial statements. However, they should not be construed as being exhaustive. Accordingly, no assurance is provided that the following summary of differences between TFRS and IFRS as issued by the IASB is complete. Furthermore, no attempt has been made to identify future differences between TFRS and IFRS as issued by the IASB as a result of prescribed changes in accounting standards nor to identify all future differences that may affect the Bank's financial statements as a result of transactions or events that may occur in the future. Potential investors should consult their own professional advisors for an understanding of the differences.

Insurance Contracts

IFRS 17 introduces the new measurement model which consists of fulfilment cash flows and a contractual service margin. The fulfilment cash flows represent the risk adjusted present value of the insurer's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for nonfinancial risk. The contractual service margin represents the unearned profit from in-force contracts that the Bank will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

TFRS permits the Bank to utilise established local methodologies for the measurement and disclosure of insurance contracts. The Bank assesses and measures insurance contract liabilities, comprising: (1) Long-term technical reserves representing liabilities for contractual benefits and claims that are expected to be incurred in the future; these are recognised upon premium recognition and released upon claim occurrence, and (2) Provision for loss reserves and outstanding claims, which reflect estimated costs of all claims notified but not settled at the reporting date. The Bank is required to perform liability adequacy testing by comparing the aggregated best current estimate of future contractual cash flows by using current assumptions with the aggregated carrying amount of gross insurance contract provisions. The Bank recognises premium written as revenue when premium is received and insurance policy is approved, and recognises benefit payments and insurance claims as expenses when incurred or approved.

GENERAL INFORMATION

Authorisation

1. The establishment and update of the Programme, the issue of Notes and the borrowing limits have been duly authorised by resolutions of our Board dated 30 November 2017 and 30 November 2023.

Approvals

2. An approval from the Office of Securities and Exchange Commission of Thailand on the offshore offering of the Notes to be issued under the Programme which is required prior to a purchase or subscription of the Notes has been obtained.

Listing

3. Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of our merits, the Programme or the Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in any other currency).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Global Note representing such Notes is exchanged for definitive Notes. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Clearing systems

4. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream Luxembourg. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No significant change

5. Save as disclosed in this Offering Circular, there has been no significant or material adverse change in our financial or trading position since 31 December 2023.

Litigation

6. We are not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which we are aware) which may have or have had in the 12 months preceding the date of this document a significant effect on our financial position.

Accounts

7. The auditor of the Bank in respect of the audited financial statements as at and for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 was the State Audit Office of the Kingdom of Thailand (formerly known as the Office of the Auditor General of Thailand). Such auditor has audited our financial statements, without qualification, in accordance with generally accepted auditing standards in Thailand for each of the periods mentioned above.

Documents Available

8. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from our corporate office and from the specified office of the Paying Agent in London:
 - (a) our audited financial as at and for the years ended 31 December 2021, 31 December 2022 and 31 December 2023;
 - (b) the Deed of Covenant, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
 - (c) a copy of this Offering Circular; and
 - (d) any future offering circulars, prospectuses, information memoranda and supplements, including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to us and or the Principal Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

INDEX TO FINANCIAL STATEMENTS

The Bank's audited financial statements as at and for the years ended 31 December 2021, 2022 and 2023 (the **Audited Financial Statements**) have only been prepared in Thai and the Financial Statements Translation has been prepared and included in this Offering Circular for reference only. Should there be any inconsistency between the Audited Financial Statements and the Financial Statements Translation, the Audited Financial Statements shall prevail. The Financial Statements Translation does not itself constitute audited financial statements, and is qualified in its entirety by, and is subject to the more detailed information and the financial information set out or referred to in, the Audited Financial Statements. None of the Joint Arrangers, the Dealers, the Agents, or their respective affiliates, directors and advisers have independently verified or checked the accuracy of the Financial Statements Translation and can give no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete.

The following are extracted from the Financial Statements Translation of the Bank as of and for the year ended 31 December 2021, 2022 and 2023 together with the independent auditor's report. References to page numbers refer to the original page numbers in the Financial Statements Translation of the Issuer for the year ended 31 December 2021, 2022 and 2023 together with the independent auditor's report.

AUDITED FINANCIAL STATEMENTS (TRANSLATION) OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's Report	F-4
Statement of Financial Position for the years ended 31 December 2022 and 2023	F-8
Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2022 and 2023	F-10
Statement of Changes in Equity for the years ended 31 December 2022 and 2023	F-11
Statement of Cash Flows for the years ended 31 December 2022 and 2023	F-12
Notes to the Financial Statements for the years ended 31 December 2022 and 2023	F-14

AUDITED FINANCIAL STATEMENTS (TRANSLATION) OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's Report	F-73
Statement of Financial Position for the years ended 31 December 2021 and 2022	F-77
Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2021 and 2022	F-79
Statement of Changes in Equity for the years ended 31 December 2021 and 2022	F-80
Statement of Cash Flows for the years ended 31 December 2021 and 2022	F-81
Notes to the Financial Statements for the years ended 31 December 2021 and 2022	F-83

**AUDITED FINANCIAL STATEMENTS (TRANSLATION) OF THE BANK FOR THE YEAR ENDED
31 DECEMBER 2021**

Auditor's Report	F-143
Statement of Financial Position for the years ended 31 December 2020 and 2021	F-147
Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2020 and 2021	F-149
Statement of Changes in Equity for the years ended 31 December 2020 and 2021	F-150
Statement of Cash Flows for the years ended 31 December 2020 and 2021	F-151
Notes to the Financial Statements for the years ended 31 December 2020 and 2021	F-153

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2023
(TRANSLATION)



(TRANSLATION)

AUDITOR'S REPORT

TO : MINISTER OF FINANCE

Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Export-Import Bank of Thailand (the Bank), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing. The State Audit Office of the Kingdom of Thailand's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. The State Audit Office of the Kingdom of Thailand is independent of the Bank in accordance with the State Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to the State Audit Office of the Kingdom of Thailand's audit of the financial statements, and the State Audit Office of the Kingdom of Thailand has fulfilled other ethical responsibilities in accordance with these standards and requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion

State Audit Office of the Kingdom of Thailand

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report. The annual report of the Bank is expected to be made available to The State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The State Audit Office of the Kingdom of Thailand's opinion on the financial statements does not cover the other information and the State Audit Office of the Kingdom of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, the State Audit Office of the Kingdom of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations, 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.



Auditor's Responsibilities for the Audit of the Financial Statements

The State Audit Office of the Kingdom of Thailand's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the State Audit Standards and Thai Standards on Auditing, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The State Audit Office of the Kingdom of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 controls.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to



the date of the auditor's report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The State Audit Office of the Kingdom of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the State Audit Office of the Kingdom of Thailand identifies during the audit.

(Signed) *Ladawan Chotimanont*

(Mrs. Ladawan Chotimanont)

Director of Financial and

Procurement Audit Office No.3

(Signed) *Suchada Srisakonkit*

(Ms. Suchada Srisakonkit)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Unit : Thousand Baht	
	<u>Notes</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Assets</u>			
Cash		145	193
Interbank and money market items, net	6.3	9,067,160	5,486,992
Financial assets measured at fair value through profit or loss		1,270	1,210
Derivatives assets	6.4	466,427	360,664
Investments, net	6.5	4,548,273	3,992,251
Loans to customers and accrued interest receivables, net	6.6	155,447,370	151,739,405
Loans to customers from public service account			
and accrued interest receivables, net	6.32.2	5,218,714	4,442,887
Receivable eligible for government reimbursement	6.32.4	181,273	41,957
Properties for sale, net	6.8	640,489	340,227
Premises and equipment, net	6.9	710,754	721,566
Intangible assets, net	6.10	175,918	168,001
Reinsurance assets	6.11	401,223	390,956
Prepaid public revenue		30,500	266,520
Prepaid expenses		57,329	71,789
Collateral under credit support annex contract		1,841,081	2,157,483
Other assets, net	6.12	113,398	112,296
Total assets		<u>178,901,324</u>	<u>170,294,397</u>

The accompanying notes are an integral part of the financial statements.

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Unit : Thousand Baht	
	Notes	December 31, 2023	December 31, 2022
<u>Liabilities and Equity</u>			
Deposits	6.13	61,614,427	50,222,530
Interbank and money market items	6.14	20,558,747	21,814,817
Liabilities payable on demand		347,364	383,619
Derivatives liabilities	6.4	2,071,633	2,765,767
Debt issued and borrowings	6.15	64,652,672	67,844,450
Provisions	6.16	564,587	637,139
Accrued interest payables		814,691	557,079
Reserves for insurance service	6.17	814,491	784,774
Other liabilities	6.18	1,105,205	737,234
Total liabilities		<u>152,543,817</u>	<u>145,747,409</u>
Equity			
Capital	6.20	16,998,000	14,998,000
Paid-up capital		<u>16,998,000</u>	<u>14,998,000</u>
Other components of equity		(430)	(656)
Retained earnings			
Appropriated			
Legal reserve		9,639,000	8,886,000
Unappropriated		(279,063)	663,644
Total equity		<u>26,357,507</u>	<u>24,546,988</u>
Total liabilities and equity		<u>178,901,324</u>	<u>170,294,397</u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Senior Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit : Thousand Baht	
	Notes	2023	2022
Interest income	6.26	9,085,810	6,182,514
Interest expenses	6.27	4,775,709	2,361,611
Interest income, net		4,310,101	3,820,903
Fees and service income		548,582	592,920
Fees and service expenses		174,423	226,322
Fees and service income, net	6.28	374,159	366,598
Gains on financial instruments measured at fair value through profit or loss, net	6.29	62,889	34,340
Other operating income		12,403	87,980
Income from public service account	6.32.5	298,483	156,641
Total operating income		5,058,035	4,466,462
Other operating expenses			
Employee's expenses		1,094,546	1,057,495
Directors' remuneration		8,891	9,534
Premises and equipment expenses		128,000	120,735
Bad debts on claims and reserves for insurance services	6.30	25,411	79,499
Loss on impairment of properties for sale		145	4,443
Doubtful account for contingent liabilities and other reserve		(20,671)	12,709
Others		341,864	389,352
Total other operating expenses		1,578,186	1,673,767
Expenses from public service account	6.32.6	247,576	156,145
Expected credit losses	6.31	2,776,046	1,132,295
Net profit		456,227	1,504,255
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Gains (loss) on investments in equity instruments designated to be measured at fair value through other comprehensive income		226	(1,098)
Actuarial gains on defined benefit plans		5,066	25,994
Total net other comprehensive income		5,292	24,896
Total comprehensive income		461,519	1,529,151

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Senior Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht					
<u>Notes</u>	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
		Revaluation Surplus (Deficit) on Investments			
Balance as at January 1, 2022	14,998,000	442	8,120,000	561,395	23,679,837
Legal reserve	-	-	766,000	(766,000)	-
Remittance as the public revenue	-	-	-	(662,000)	(662,000)
Total comprehensive income	-	(1,098)	-	1,530,249	1,529,151
Balance as at December 31, 2022	<u>14,998,000</u>	<u>(656)</u>	<u>8,886,000</u>	<u>663,644</u>	<u>24,546,988</u>
Balance as at January 1, 2023	14,998,000	(656)	8,886,000	663,644	24,546,988
Capital increase from the Ministry of Finance	6.20 2,000,000	-	-	-	2,000,000
Legal reserve	-	-	753,000	(753,000)	-
Remittance as the public revenue	6.21 -	-	-	(651,000)	(651,000)
Total comprehensive income	-	226	-	461,293	461,519
Balance as at December 31, 2023	<u>16,998,000</u>	<u>(430)</u>	<u>9,639,000</u>	<u>(279,063)</u>	<u>26,357,507</u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Senior Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Thousand Baht	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net profit	456,227	1,504,255
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	139,558	118,181
Expected credit losses	2,797,107	1,169,735
(Gain) loss on disposal of assets	(944)	6,606
Gain from write-off of intangible assets	-	(42,667)
Loss (gain) on financial instruments measured at fair value through profit or loss	806,923	(2,265,587)
Loss on impairment of properties for sale	145	4,443
Loss on foreign currency translation	143,171	1,341,871
Derivative revaluation	(558,454)	2,671,264
Amortization of premium on debt securities	1,263	8,853
Increase in provisions	11,721	29,315
Fee income on guarantee	2,290	-
Bad debts on claims and reserves for insurance service	25,411	79,499
Decrease in advance for other expenses	31	27
Increase in accrued income	(3,366)	(3,804)
Decrease (increase) in other prepaid expenses	13,249	(14,704)
(Decrease) increase in other accrued expenses	(13,790)	17,853
	<u>3,820,542</u>	<u>4,625,140</u>
Interest income, net	(4,479,603)	(3,926,566)
Dividend income	(6)	(8)
Proceeds from interest income	9,254,658	6,124,189
Interest paid	(4,647,688)	(2,060,727)
Proceeds from dividend income	6	8
Income from operations before changes in operating assets and liabilities	<u>3,947,909</u>	<u>4,762,036</u>
(Increase) decrease in operating assets		
Interbank and money market items	(3,631,559)	3,122,946
Loans to customers	(9,363,319)	(16,261,769)
Properties for sale	14,373	33,081
Collateral under credit support annex contract	338,671	(2,032,268)
Other assets	(24,578)	(15,541)

The accompanying notes are an integral part of the financial statements.

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Thousand Baht	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase (decrease) in operating liabilities		
Deposits	11,393,108	2,150,400
Interbank and money market items	(1,157,107)	676,756
Liabilities payable on demand	(36,808)	150,898
Other liabilities	349,702	(82,841)
Net cash from operating activities	<u>1,830,392</u>	<u>(7,496,302)</u>
Cash flows from investing activities		
Proceeds from disposal of equity securities measured at fair value		
through other comprehensive income	3,967	484
Purchases of debt securities measured at amortized cost	(5,819,000)	(8,960,000)
Proceeds from redemption of debt securities measured at amortised cost	5,255,000	8,960,000
Purchases of premises and equipment	(31,532)	(21,906)
Proceeds from disposal of premises and equipment	3,361	26,113
Purchases of intangible assets	(26,031)	(35,275)
Proceeds from write-off of intangible assets	-	89,747
Net cash from investing activities	<u>(614,235)</u>	<u>59,163</u>
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	7,047,061	17,029,211
Repayments of long-term debt issued and borrowings	(9,826,640)	(8,956,361)
Proceeds from capital increase	2,000,000	-
Repayments of lease liabilities	(21,646)	(16,543)
Remittance as the public revenue	(414,980)	(619,690)
Net cash from financing activities	<u>(1,216,205)</u>	<u>7,436,617</u>
Net decrease in cash and cash equivalents	<u>(48)</u>	<u>(522)</u>
Cash and cash equivalents at the beginning of the period	<u>193</u>	<u>715</u>
Cash and cash equivalents at the end of the period	<u><u>145</u></u>	<u><u>193</u></u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Senior Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Notes	Contents	Page
1	General Information	13
2	Basis of Preparation of the Financial Statements	13
3	Summary of Significant Accounting Policies	17
4	Risk Management	29
5	Estimates and Assumptions	35
6	Additional Information	
6.1	Supplementary Information of Cash Flows	35
6.2	Classification of Financial Assets and Liabilities	36
6.3	Interbank and Money Market Items, Net (Assets)	38
6.4	Derivatives	39
6.5	Investments, Net	42
6.6	Loans to Customers and Accrued Interest Receivables, Net	43
6.7	Allowance for Expected Credit Losses	46
6.8	Properties for Sale, Net	50
6.9	Premises and Equipment, Net	51
6.10	Intangible Assets, Net	52
6.11	Reinsurance Assets	52
6.12	Other Assets, Net	52
6.13	Deposits	53
6.14	Interbank and Money Market Items (Liabilities)	53
6.15	Debt Issued and Borrowings	54
6.16	Provisions	55
6.17	Reserves for Insurance Service	57

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Notes	Contents	Page
6.18	Other Liabilities	57
6.19	Fair value of Assets and Liabilities	58
6.20	Capital	59
6.21	Remittance as the Public Revenue	59
6.22	Contingent Liabilities	60
6.23	Other Benefits to Directors and Executives	60
6.24	Leases	61
6.25	Financial Position and Operational Performance Classified by Domestic and Foreign Operations	61
6.26	Interest Income	64
6.27	Interest Expenses	64
6.28	Fees and Service Income, Net	64
6.29	Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net	65
6.30	Bad debts on claims and Reserves for Insurance Services	65
6.31	Expected Credit Losses	65
6.32	Public Service Account	66
6.33	Approval of the Financial Statements	68

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Export-Import Bank of Thailand (the Bank) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended (Act), with the objective to promote and support export, imports, and investment, both domestic and overseas, for the purpose of national development by providing credit facilities, guarantee, risk insurance or other necessary services under the provisions of this Act. The Bank's head office is located at 1193 Phaholyothin Road, Phayathai, Phayathai, Bangkok, with five branch offices in Bangkok and its vicinity, four branch offices in upcountry, and four representative offices in the CLMV (CLMV) countries.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The financial statements are prepared in accordance with generally accepted accounting standards by adopting Thai Financial Reporting Standards (TFRSs), which assigned by the Federation of Accounting Professions, presented and disclosed in accordance with the Notification of the Bank of Thailand, No. SorNorSor. 21/2561 dated October 31, 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups. Staging for impairment and allowance for expected credit losses are considered in accordance with the Bank of Thailand's circular No. TorPorTor.ForNorSor2.Wor. 802/2564 dated September 3, 2021, regarding Guidelines regarding the Provision of Financial Assistance to the Debtors Affected by the Coronavirus Disease 2019 (COVID-19) (Sustainable Debt Resolution). The debt restructuring is considered in accordance with the Bank of Thailand's Notification No. SorKorSor2.14/2564 dated December 16, 2021, regarding Guidance on Sustainable Debt Restructuring for the Specialized Financial Institutions' Debtors and the Bank of Thailand's circular No. TorPorTor.ForKorChor.(07) Wor. 1156/2564 dated December 16, 2021, regarding Guidance on Financial Assistance to the Debtors Affected by Situations that Affect the Thai Economy (Sustainable Debt Restructuring). The Federation of Accounting Professions under the Royal Patronage of His Majesty the King has also issued an announcement regarding accounting guidance in relation to Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic, which have been announced in the Royal Gazette on December 22, 2021. Its objectives are to provide temporary relief measures for entities providing assistance to debtors affected by COVID-19 Pandemic, in accordance with the assistance measures of government and the Bank of Thailand. The Bank has complied with all the temporary relief measures specified in this guidance.

2.2 New or Revised Thai Financial Reporting Standards (TFRSs)

Revised Thai Financial Reporting Standards (TFRSs), effective for the financial statements beginning on or after January 1, 2023, and has impact on the Bank's financial statements are as follows:

TAS 16	Property, Plant and Equipment
TAS 32	Financial Instruments: Presentation
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TFRS 4	Insurance Contracts
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

The adoption of TFRSs mentioned above has no material impact on the Bank's financial statements.

2.3 Thai Financial Reporting Standards (TFRSs) announced in the Royal Gazette but not yet Effective

2.3.1 The Federation of Accounting Professions has issued TFRSs, which are effective for the financial statements beginning on or after January 1, 2024. Thai Financial Reporting Standards that are relevant to the Bank are as follows :

TAS 1	Presentation of Financial Statements
TAS 7	Statement of Cash Flows
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 16	Property, Plant and Equipment
TAS 19	Employee Benefits
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 32	Financial Instruments: Presentation
TAS 34	Interim Financial Reporting
TAS 36	Impairment of Assets
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 15	Revenue from Contracts with Customers

The Bank has considered the impact of TFRSs mentioned above and determined that they will have no material impact on the Bank's financial statements. However, the Bank has not early adopted these TFRSs before the effective date.

2.3.2 The Federation of Accounting Professions has issued TFRS 17 Insurance Contracts, which have been announced in the Royal Gazette on August 19, 2022, but is effective for the financial statements beginning on or after January 1, 2025. However, The Bank is presently considering the potential impact of the above TFRS. The Bank has not early adopted this TFRS before the effective date.

2.4 The Bank of Thailand's Regulations and Accounting Guidance, issued by the Federation of Accounting Professions, regarding Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic

The Bank of Thailand announced circular No. TorPorTor.ForNorSor2. Wor. 802/2564 dated September 3, 2021, regarding Guidelines regarding the Provision of Financial Assistance to the Debtors Affected by the Coronavirus Disease 2019 (COVID-19) (Sustainable Debt Resolution) to promote financial institutions in providing the affected debtors with the sustainable long-term debt restructuring during January 1, 2022 to December 31, 2023. The Federation of Accounting Professions has also issued an announcement regarding accounting guidance in relation to Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic. Its objectives are to provide temporary relief in determining the classification and provisioning for the debt restructuring program for financial institutions that assist affected debtors as follow:

1) The debt restructuring with the purpose of reducing the debt burden of debtors more than just extending the payment timeline, for example, the debt restructuring involving a reduction of accrual interest, a reduction of the contractual interest rate which leads to a decrease in the effective interest rate (EIR) or a decrease in the average of interest rate throughout the contract, or other less stringent payment conditions (including modifying conditions that will benefit the debtors such as directing the payment towards reducing the principal before interest payment), asset foreclosure, receipt of debtors' equity arising from debt to equity conversion, short-term debt to long-term debt transformation employed with other types of debt restructuring measures that reduces the debtors' debt burden as well as the restructuring package offered with an additional credit line to the debtors, is allowed as follow:

Asset classification

- The debt restructuring for non-NPL debtors: Financial institutions are then able to classify such debtors that do not have a significant increase in credit risk in performing stage or stage 1 immediately without having to wait for the outcome whether or not the debtors honor the conditions under the debt restructuring program if the terms and conditions regarding the payment are clearly stated in the agreement or the new contract and, under the financial institutions' judgment that the debtors are able to honor the stated conditions.

- The debt restructuring for NPL debtors: Financial institutions are then able to classify such debtors in performing stage or stage 1 if the debtors are able to honor the payment conditions stated in the new debt restructuring contracts for 3 months or 3 payment due dates consecutively whichever is of longer time period.

- Extending new credit to be used as additional capital or liquidity for continuing the debtors' business operation during the debt restructuring period: financial institutions are able to classify this new credit in performing stage or stage 1 immediately if, under a careful consideration, the financial institutions view that the debtors are able to honor the stated conditions.

- With regards to the re-classification from performing stage (stage 1) to under-performing stage (stage 2), financial institutions shall consider re-classifying the debtors based on the number of days overdue for principal or interest payments of more than 30 days or 1 month from the due date set forth on the contract or the agreement.

Provisioning

- In case the debt restructuring results in the original effective interest rate (EIR) being inconsistent with the projected cash flow on the loans, financial institutions can employ the new EIR rate to calculate the present value of their restructured loans.

2) The debt restructuring involving just the payment timeline extension such as the extension of the payment due date, issuing the grace period on the principle and/or interest payments, and short-term debt to long term debt transformation, is allowed as follow:

- the financial institutions shall adhere to Bank of Thailand's regulations and the relevant financial reporting standards for the asset classification and provisioning.

- financial institutions shall use the guidelines for considering a significant increase in credit risk (SICR) in accordance with the Bank of Thailand's circular regarding Guidelines for sustainable debt resolution in considering changing the classification of the debtors to under-performing stage (stage 2).

3) If financial institutions employ measures to provide assistance to debtors affected by the COVID-19 in accordance with the Bank of Thailand's circular regarding Guidelines for sustainable debt resolution, financial institutions can calculate the expected credit loss based on the current credit outstanding (the used credit line) without having to calculate the expected credit loss for the unused credit line.

4) For retail and SME debtors who are classified by using the current debt classification developed by the individual financial institution and are in the process of the debt restructuring that cannot be completed by December 31, 2021, financial institutions are able to apply the current classification to those debtors up until March 31, 2022.

5) If financial institutions apply the temporary relief measures according to the accounting guidance, financial institutions must disclose information about the adoption of such alternatives, facts and situations that

financial institutions applied in accordance with the related Bank of Thailand's circulars, in the notes to the financial statements, including the disclosures required by related Thai Financial Reporting Standards, credit risk management, and the impact on expected credit loss. In addition, financial institutions must still comply with all financial reporting standards that are effective and related in preparing the financial statements in each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income Recognition

Interest income is recognized using the effective interest method, which is used in calculating amortized cost based on the effective interest rate of a financial assets or financial liabilities. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial assets or financial liabilities.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of that financial assets. If the financial assets are no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount.

Government and government agency grant related to compensation for interest or operating expense is recognized as revenue from public service account on an accrual basis.

Income from export credit insurance, investment insurance and stand-by claims purchase agreement are recognized as fee and service income upon the services performed.

3.2 Expenses Recognition

Interest expenses are recognized using the effective interest method. Any fees that are not an integral part of the effective interest rate 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 and Hedge Accounting

Derivatives are initially recorded at fair value in the statement of financial position and are classified as trading, except for derivatives designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value throughout the life of the contracts and presented as assets when fair values are positive and as liabilities when fair values are negative.

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in qualifying hedging relationships, which can be applied hedge accounting.

At the inception of the hedging relationship, the Bank prepares a formal document indicating the relationship between the hedging instruments and hedged items, the risk management objectives, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of hedging relationship. The Bank makes an assessment of the effectiveness, both at the inception of the hedge relationship and on an ongoing basis whether the hedging instruments remain effective in offsetting the change in fair value or cash flows of the hedged item.

1) Fair Value Hedge

When a derivative is designated as the hedging instruments of the change in fair value of a recognized asset or liability that could affect profit or loss, the changes in the fair value of the hedging instruments are recognized immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risks is recognized in profit or loss. If the hedged item would otherwise be measured at cost or amortized cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, fair value of hedged items will be new carrying amount for which the effective interest method is used to amortized to profit or loss (if hedged items are measured through other comprehensive income, then is used to amortized to retained earnings) over its remaining life.

2) Cash Flow Hedge

When a derivative is designated as the hedging instruments in the hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve within shareholders' equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in gain (loss) on financial instruments measured at fair value through profit or loss. The amount recognized in the hedging reserve is classified from other comprehensive income to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively. If the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not

reclassified until the hedged cash flows occur. If the hedged cash flows are no longer expected to occur, then the Bank will reclassify the amount in the hedging reserve from other comprehensive income to profit or loss.

3.5 Net Gains (Losses) from Financial Instruments Measured at Fair Value through Profit or Loss

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading financial assets and trading financial liabilities as well as non-trading financial instruments that are assigned to measure at fair value through profit or loss, and net profit (loss) from hedge accounting which is changes in the fair value of the hedged instruments and fair value of hedged items, changes in the fair value of the ineffective portion of the cash flow hedge, net profit (loss) on the hedged instruments and the hedged item when the cash flow hedge is terminated. This includes gain (loss) from foreign exchange trading and translation of foreign currency assets and liabilities into Thai baht.

3.6 Financial Instruments

Classification of Financial Instruments

1) Financial Assets

The Bank classifies the financial assets, within the scope of TFRS 9, in accordance with the Bank's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

1.1) Financial Assets Measured at Amortized Cost

Financial assets are classified as measured at amortized cost only if it meets both of the following conditions:

- The Bank holds the financial assets within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above financial assets are initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at amortized cost using the effective interest method.

Financial assets measured at amortized cost are presented at the amount of net of allowance for expected credit losses (if any) in the statement of financial position.

Gain or loss on disposal of those financial assets is recognized in profit or loss.

1.2) Investment Measured at Fair Value through Other Comprehensive Income

Investment in Debt Instruments

Investment in debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions:

- The Bank holds the investment in debt instruments within a business model whose objective is achieved by both collecting contractual cash flows and selling investment in debt instrument; and
- The contractual terms of the Investment in debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above investment in debt instruments is initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at fair value. Gain or loss from changes in fair value is reported through other comprehensive income (loss), after which gain or loss on disposal of the instruments will be recognized in profit or loss upon disposal. The Bank recognizes impairment loss, interest income, and gain or loss on exchange in profit or loss.

Investment in debt instruments measured at fair value through other comprehensive income is presented at the amount of net of allowance for expected credit losses (if any) in the statement of financial position.

Investment in Equity Securities

Investment in equity securities that is not held for trading is designated as measured at fair value through other comprehensive income on initial recognition, where an irrevocable election has been made by the management.

Gain or loss from change in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal. Dividend on this investment is recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

1.3) Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss consists of

- Financial assets held for trading
- Financial assets designated as measured at fair value through profit or loss on initial recognition; and
- Debt instruments that the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding

The above financial assets are initially recognized at fair value, which transaction costs directly attributable to its acquisition is recognized in statement of profit or loss, and subsequently measured at fair value in statement of profit or loss.

When a financial assets are measured at fair value, the change in credit risk, including the credit rating of counterparties, is considered in the fair value measurement of such financial assets. Therefore, the change in fair value includes the change in credit risk as well.

Financial Assets Held for Trading

The Bank classifies financial assets as held for trading when the business model is to sell or buyback in a near future, or are initially designated as part of a portfolio of financial instruments that are managed together, for which there is an evidence of short-term profit making, or are derivatives (except where they are designated as part of an effective hedge relationship).

2) Financial Liabilities

The Bank classifies financial liabilities as measured at amortized cost or fair value through profit or loss in the case of derivatives.

Recognition and Derecognition of Financial Instruments

The Bank initially recognizes investments, loans, and debts issued and borrowings on settlement date, and other financial instruments (under regular way purchases or sale of financial assets) on trade date, which is the date on which the Bank become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities those are measured at fair value through profit or loss are initially recognized at fair value. Other financial assets are recognized at fair value plus transaction costs directly attributable to its acquisition or issuance.

When the transaction price differs from the fair values of the similar financial instruments in active market or the fair value measured using a valuation technique that uses observable inputs, the Bank recognizes such difference (at inception) in the statement of profit or loss. If the fair values are measured using unobservable market data, the difference between transaction price and fair value measured using a valuation technique is recognized in the statement of profit or loss when data used in valuation become observable or the Bank derecognizes such financial instruments.

The Bank derecognizes financial assets when the contractual cash flows from the asset expire or the Bank transfers its rights to receive contractual cash flows on the financial assets in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, are recognized separately as asset or liability.

Moreover, the Bank derecognizes loan to customers when the contractual terms of a loan are substantially modified and such loan is recognized as a new loan, then the difference is recognized as gain or loss from derecognition financial instruments measured at amortized cost in profit or loss.

Financial liabilities are derecognized from the statement of financial position when the Bank has discharged its obligation, or the contract is cancelled or expired.

Modification of Financial Instruments

1) Financial Assets

If the terms of financial assets are modified, then the Bank evaluates whether the cash flows of the modified assets are substantially different from the original financial assets. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial assets are deemed to have expired. Therefore, the Bank will derecognize the original financial assets and recognize a new financial assets at fair value.

If the modification of financial assets measured at amortized cost is not substantially different, which does not result in derecognition of the financial assets, then the Bank recalculates the gross carrying amount of the financial assets and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with expected credit losses. In other cases, it is presented as interest income.

2) Financial Liabilities

The Bank derecognizes the financial liabilities when the original financial liabilities are replaced with a new substantially modified financial liabilities or its terms are modified and the cash flows of the modified financial liabilities are substantially different. A new financial liabilities based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liabilities extinguished and the new financial liabilities is recognized in the statement of profit or loss.

Write-down

The Bank writes down the financial assets either partially or in full when there is no reliable evidence that the Bank will collect cash flows from such financial assets. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off are still subjected to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.7 Allowance for Expected Credit Losses

As of the reporting date, the Bank assesses whether financial assets measured at amortized cost and investment in debt instruments measured at fair value through other comprehensive income are credit-impaired. Financial assets are assessed as credit impaired when one or more events those have a detrimental impact on the estimated future cash flows of those assets have occurred. Evidence that financial assets are credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower
- Breach of contract such as default or a past due event
- The consent to debt restructuring to the borrower who is in financial difficulties from the economics, which in other case the Bank does not consider the relaxation
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for the applicable financial assets due to financial difficulties of the borrower

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan with over 90 days past due is considered to be credit-impaired.

In order to assess whether the government bond investment is credit-paired or not, the Bank considers the following factors:

- Credit rating evaluated by the market, reflecting in the bonds' returns
- Credit rating evaluated by external credit rating agencies
- Ability to access the capital market of the issuing country, in case of new bond issuances
- Probability of the bond's restructuring, making the bondholders intentionally or forcibly forgo the debt
- Existing international measures to support the country issuing the bonds, the clear intention of the government to use such measures, as well as through evaluation on the effectiveness of such measures to mitigate the bond issuers' credit risk

3.8 Troubled Debt Restructuring

When the original contractual terms of a financial asset have been modified or an original financial assets are replaced with a new financial assets because of financial difficulties of the borrower, the Bank will consider whether the financial assets are derecognized, and measure the expected credit loss as follow:

- If the modification does not result in derecognition of the financial assets, then the Bank estimates cash flows from the modified financial assets to calculate loss from the original financial assets.

- If the modification results in derecognition of the financial assets, at the date of derecognition fair value of a new financial assets are considered as the final cash flows of original financial assets, which will be input in calculating loss from the original financial assets. Fair value of a new financial assets are discounted from the expected derecognition date till the reporting date using the loan's original effective interest rate.

The Bank's policy in monitoring the modified loans ensured that debtors regularly repay debt in the future, the Bank expects no loss on modification when the future cash flows are discounted by the loan's original effective interest rate . If there is loss on modification, such loan is recognized as troubled debt restructuring unless the Bank receives debt repayment or derecognizes the loan.

A loan determined as troubled debt restructuring will be classified as troubled debt restructuring for at least 12 months. When debtor repays loan with the new contractual terms for at least 12 months from the date of restructuring, such loan is moved from Stage 2 financial assets where there have been a significant increase in credit risk.

3.9 Properties for Sale

Properties for sale consist of movable and immovable properties, acquired as debt settlement and from purchase at a court-ordered auction sale, which are stated at the lower of cost or fair value less accumulated impairment loss. Loss on impairment or reversal of loss on impairment is recognized as other operating expenses or income in profit or loss.

Gain or loss on disposal of properties for sale is recognized as other operating income or expenses in profit or loss upon disposal.

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

3.10 Premises, Equipment and Depreciations

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment loss (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

Gain or loss on disposal of premises and equipment is recognized as other operating income or expenses in profit or loss 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 accumulated impairment loss (if any). Amortization is

calculated by the straight-line method, based on the estimated useful life of the assets, which is between three to five years. The amortization is recognized as other operating expenses.

Gain or loss on disposal of intangible assets is recognized as other operating income or expenses in profit or loss upon disposal.

3.12 Right-of-use Assets and Lease Liabilities

The Bank recognizes lease agreements as right-of-use assets and lease liabilities in the statement of financial position, except for lease agreement with lease term less than 1 year and low-value lease agreement, which underlying assets are less than 500,000 baht.

Rental fee consists of interest expenses and payment of lease liabilities, which interest expenses are recognized as expenses in profit or loss.

Right-of-use is amortized over the straight-line method throughout the lease term and recognized as expenses in profit or loss.

3.13 Deposits, Liabilities Payable on Demand, Debt Issued and Borrowings

Deposits, liabilities payable on demand, debt issued and borrowings are initially recognized at fair value less transaction costs and are subsequently measured at amortized cost using effective interest method.

3.14 Assets and Liabilities in Foreign Currencies

3.14.1 Functional Currency and Presentation Currency

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

3.14.2 Translation of Foreign Currencies

The Bank translates items denominated in foreign currencies arising during the period into Thai Baht at the exchange rate prevailing at the transaction date and the foreign currency balances of monetary assets and liabilities at the reference exchange rate, which is the average rate between the average buying rate of money transfers and the average selling rate, announced by the Bank of Thailand as at the reporting date. Gain or loss on translation of foreign currencies is recognized and presented as gain (loss) on trading and foreign exchange transactions.

3.15 Export Credit Insurance Services and Reserves

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

Reserves for export credit insurance are as follows:

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

The Bank provides reserves for future claims against the export credit insurance policies at the rate of 1% of the amount of export bills insured outstanding not yet claimed.

2) Reserves for the pending insurance claims payable

The Bank provides make reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.16 Investment Insurance Services and Reserves

Investment insurance services are recorded as the contingent liabilities from investment insurance, which are off-the statement 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.

Reserves for investment insurance are as follows:

1) Reserves for future claims against the investment insurance policies

The Bank provides reserves 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) Reserves for the pending insurances claims payable

The Bank provides reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.17 Stand-by Claims Purchase Agreement Services and Reserves

Stand-by claims purchase agreement services are recorded as the contingent liabilities from stand-by claims purchase agreement, which are off-the statement 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.

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

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

The Bank provides reserves for future service claims against the stand-by claims purchase agreement policies at the rate of 1% of the amount of stand-by claims purchase agreement outstanding not yet claimed.

- 2) Reserves for the pending claims payable

The Bank provides reserves for the pending claims of such stand-by claims purchase agreement service at the rate of 50% of the exposures.

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

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

3.18 Provisions

The Bank recognizes provisions in the statement of financial position, when the Bank has a legal or constructive obligation as a result of a past events whereby it is probable that an outflow of economic benefits resource will be required to settle the obligation, and where a reliable estimate of the amount of the obligation can be determined. The provisions recognized in the statement of financial position are the provision for the employee benefits and other provisions.

3.19 Post-Employment Benefits

3.19.1 Defined Contribution Plans

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

Contributions to the employee provident fund are made under the rule of “The Registered Provident Fund of Export-Import Bank of Thailand’s Employee”. Employees contribute to the provident fund at 3-15% of salary and the Bank’s supplemental contribution is at 5.5%-10% of employee’s salary according to the years of employment. Upon termination of employment, employees are entitled to receive this benefit.

3.19.2 Defined Benefit Plans

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

The provision for the employee benefits is determined by calculating present value of the cash flows of employee benefits to be paid in the future. The calculation is based on the Projected Unit Credit Method (an actuarial technique). The 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 Thai Bond Market Association. The employee benefits are presented as part of provisions in the statement of financial position.

The actuarial gain or loss on defined benefit plans is recognized in other comprehensive income and recorded directly to the retained earnings in the period in which they arise.

3.20 Appropriation of Annual Net Profit

Section 27 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended, 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 as the public revenue.

3.21 Loan Commitments and Financial Guarantee Contracts

Loan commitments are the undrawn amount on the loan commitments.

The Bank issues guarantee contracts to customers for operating business. Financial guarantee contracts are initially recognized at fair value, which is the fee received unless there is other evidences. The Bank measures the value of financial guarantee contracts at the higher amount between the expected payment to reimburse the holder for a loss incurred and the initial amount less the accumulated income recognized in profit or loss.

The Bank recognizes expected credit loss for loan commitments and financial guarantee contracts as liabilities in the statement of financial position.

4. RISK MANAGEMENT

4.1 Risk Profile

4.1.1 Credit Risk

The Bank has managed credit risk arising from failure by a debtor or counterparty to perform in compliance with the agreement relating to credit provision, investment and incurrence of commitments (including export credit and investment insurance). It is aimed to ensure that the quality of the Bank's credit and export credit and investment insurance is in line with that required by the EXIM Thailand Act and its missions, key financial laws, risk management best practice and sustainable banking principles. A particular emphasis is put on credit lending in accordance with the government policy, including public service account (PSA), and promotion of international trade to enhance competitiveness of Thai exporters and importers, Thai investment overseas, and domestic investment toward national development in line with the relevant domestic business support framework.

The Bank has a clear framework of its credit process based on the principle of three lines of defence. The main functional duties and responsibilities are assigned to (1) perform credit transactions; (2) manage risks associated with credit transactions and (3) examine credit transactions. The persons in charge and the delegation of duties in relation to the credit process are as follows:

(1) Perform credit transactions (First Line of Defence) comprising:

- Credit analysis : the person in charge analyses credit lines, financial data and other necessary information, in order to assess the borrower's status and repayment ability, and screens and concludes risk issues before submission to the approval authority.
- Approval of credit transactions also including debt restructuring : the Board of Directors considers and approves the structure, composition and authority in credit underwriting and approval as well as debt correction of each committee. The persons with approval authority shall have appropriate qualifications i.e. relevant expertise and experience and capability to make good and reasonable judgment among other skills.
- Post-approval process and verification of post-approval proceeding: the person in charge reviews the post-approval operation, e.g. legal documentation, collateral registration to ensure compliance with credit approval conditions and payment or incurrence of commitments to ensure correctness and completeness.

(2) Manage risks associated with credit transactions (Second Line of Defence) the person in charge follows up and reports on the risks associated with the credit transaction such as credit transaction information, quality of credit and insurance portfolio, and operational performance as well as other financial data to support the Bank's administration and credit risk management. Also monitoring the bank's operation to ensure compliance with the relevant laws, rules and regulation.

(3) Examine credit transactions (Third Line of Defence) the person in charge examines and reviews the overall performance of operational systems and the performance of the persons in charge in the first and second lines of defence, monitors the operational performance according to the action plans or projects, and reports the results of the examination directly to the Audit Committee.

Moreover, the Bank calculated the provisions for expected credit loss (ECL) according to the TFRS 9 and conduct of reasonableness test of the calculation model on a regular basis.

In 2023, the Bank conducted the Supervisory Stress Test to assess the potential impact on the credit portfolio quality and adequacy of reserve funds. The aim was to align the credit portfolio management appropriately and consistently with the risk level. This includes reviewing credit risk management policies and criteria to tighten and enhance effectiveness in correspondence with sustainability risk. The initiatives included preparing the ESG Due diligence, fostering risk culture to raise awareness in preventing non-performing loans (NPLs), improving the SME Academy curriculum focusing on SMEs customer analysis, improving the credit process from onboarding, credit analysis and approval process, loan disbursement, debtor risk monitoring processes, etc.

4.1.2 Market Risk

The Bank has put in place a market risk management policy, which is reviewed annually, for use as its guidelines to ensure sound market risk management.

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

(1) Interest Rate Risk

It refers to the risk of an 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 items that could affect the Bank's net interest income (NII), market value of trading account items, and other income and expense items associated with interest rates;

(2) Foreign Exchange Rate Risk

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

(3) Equity Price Risk

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

In this regard, the Bank focuses on implementing the strategy of managing market risk with appropriate cost and returns taken into account. There is clear segregation of authority and delegation of authority among business units relating to market risk management. The Bank has defined and delegated approval authority together with relevant criteria in writing, as well as designated the use of market risk

assessment, monitoring and management approaches that cover both banking book and trading book positions in alignment with the complexity of the respective transactions so as to ensure that the Bank's market risk is contained within the acceptable level in line with, and in response to, the public-sector equity holder and the Bank's vision and mission.

In 2023, the Bank conducted the Supervisory Stress Test and closely monitored market risks, particularly exchange rate risks. Related processes were improved to mitigate the possible negative impacts of exchange rate fluctuations on the Bank's portfolio.

Moreover, the Bank recorded risk hedging transactions and conducted hedge effectiveness test on a regular basis in accordance with the Thai Financial Reporting Standard No. 9 (TFRS 9).

4.1.3 Liquidity Risk

The Bank has established a liquidity risk management policy, which is reviewed on a yearly basis, for use as guidelines in preventing risks 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 obtaining adequate funds but at exorbitant costs, which could affect the Bank's earnings and capital funds both at present and in the future. It also aims to prevent liquidity risk from the Bank's inability to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at prices lower than the acquisition costs due to low liquidity of the assets or market liquidity shortage.

The Bank has managed liquidity with proper acquisition and distribution of short, medium and long-term borrowings that match its respective asset structure. Major applications of funds are credit provisions to debtors and investments in liquid assets, while sources of funds are mainly from fund raisings or issuances of financial instruments both onshore and offshore such as issuance of debt securities to the government entities and public sector, US dollar bond issues under the EURO Medium Term Note (EMTN), as well as business partners, that are its funding sources on a regular and consistent basis as part of its liquidity management.

In 2023, the Bank maintained its liquidity position to serve its net funds requirement at the level higher than its internal criteria and average liquid assets higher than that specified by the Bank of Thailand. The main liquid assets held by the Bank included government bonds, Bank of Thailand bonds, and treasury bills. Holdings of liquid assets have been reviewed as appropriate to sufficiently accommodate settlements of debts and obligations, and ensure smooth operation under both normal and crisis situations. Moreover, reports on liquidity position and operational results are made on a regular basis.

The Bank conducted the stress test on liquidity regularly every quarter. The test is divided into 3 scenarios; 1. Liquidity crisis affecting the bank only, 2. System-wide liquidity crisis, and 3. Mixed crisis affecting both the bank and the system entirely. In 2023, the Bank conducted the Supervisory Stress Test. Additionally,

the Bank has developed liquidity contingency plans to address potential liquidity crises. These plans outline the roles, responsibilities, and accountability of the management and relevant departments, as well as early warning signs of liquidity crises and the necessary steps taken to manage such situations promptly.

As at December 31, 2023 and 2022, the Bank had significant asset and liability items classified by maturity as follows:

Unit: Million Baht						
December 31, 2023						
	<u>At Call</u>	<u>Up to</u>	<u>1 – 5 Year</u>	<u>Over</u>	<u>No</u>	<u>Total</u>
		<u>1 Year</u>		<u>5 Year</u>	<u>Maturity</u>	
Assets						
Interbank and money market						
items, net	2,315.62	6,751.54	-	-	-	9,067.16
Investments, net	-	4,545.66	-	-	2.61	4,548.27
Loans to customers	-	65,314.15	69,951.91	35,033.91	-	170,299.97
Loans to customers from						
public service account	<u>-</u>	<u>1,491.18</u>	<u>3,558.52</u>	<u>254.15</u>	<u>-</u>	<u>5,303.85</u>
Total	<u>2,315.62</u>	<u>78,102.53</u>	<u>73,510.43</u>	<u>35,288.06</u>	<u>2.61</u>	<u>189,219.25</u>
Liabilities						
Deposits	6,353.85	37,841.79	17,418.79	-	-	61,614.43
Interbank and money market						
items	15.51	3,283.29	17,259.95	-	-	20,558.75
Liabilities payable on demand	347.36	-	-	-	-	347.36
Debt issued and borrowings	<u>-</u>	<u>15,400.65</u>	<u>40,196.92</u>	<u>9,055.10</u>	<u>-</u>	<u>64,652.67</u>
Total	<u>6,716.72</u>	<u>56,525.73</u>	<u>74,875.66</u>	<u>9,055.10</u>	<u>-</u>	<u>147,173.21</u>

Unit: Million Baht

	<u>December 31, 2022</u>					
	<u>At Call</u>	<u>Up to</u>	<u>1 – 5 Year</u>	<u>Over</u>	<u>No</u>	<u>Total</u>
		<u>1 Year</u>		<u>5 Year</u>	<u>Maturity</u>	
Assets						
Interbank and money market						
items, net	1,762.38	3,724.61	-	-	-	5,486.99
Investments, net	-	3,985.91	-	-	6.34	3,992.25
Loans to customers	-	60,583.61	65,623.02	37,636.56	-	163,843.19
Loans to customers from						
public service account	<u>-</u>	<u>1,192.19</u>	<u>3,119.57</u>	<u>175.88</u>	<u>-</u>	<u>4,487.64</u>
Total	<u>1,762.38</u>	<u>69,486.32</u>	<u>68,742.59</u>	<u>37,812.44</u>	<u>6.34</u>	<u>177,810.07</u>
Liabilities						
Deposits	4,033.30	34,267.28	11,921.95	-	-	50,222.53
Interbank and money market						
items	95.07	10,606.83	10,112.92	1,000.00	-	21,814.82
Liabilities payable on demand	383.62	-	-	-	-	383.62
Debt issued and borrowings	<u>-</u>	<u>10,372.98</u>	<u>48,555.30</u>	<u>8,916.17</u>	<u>-</u>	<u>67,844.45</u>
Total	<u>4,511.99</u>	<u>55,247.09</u>	<u>70,590.17</u>	<u>9,916.17</u>	<u>-</u>	<u>140,265.42</u>

4.2. CAPITAL ADEQUACY UNDER BASEL II STANDARD

As at December 31, 2023 and 2022, the Bank's capital adequacy ratio under Basel II standard were as follows:

Capital Structure Based on Basel II Standard		
	Unit: Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Tier 1 Capital		
Paid-up capital	16,998.00	14,998.00
Legal reserve	9,639.00	8,886.00
Net loss after appropriation	<u>(755.32)</u>	<u>(855.58)</u>
Total Tier 1 Capital	25,881.68	23,028.42
Tier 2 Capital		
Provision for asset classification as normal	2,666.14	1,648.79
Revaluation surplus on investments in equity securities designated at fair value through other comprehensive income, net	<u>-</u>	<u>1.80</u>
Total Tier 2 Capital	<u>2,666.14</u>	<u>1,650.59</u>
Total capital under Basel II standard	<u>28,547.82</u>	<u>24,679.01</u>

Capital Adequacy Ratio

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Tier 1 capital adequacy ratio	12.13%	11.25%
Total capital adequacy ratio	13.38%	12.05%

	Unit: Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total capital after deducting capital add-on arising from single lending limit	28,532.94	24,190.72
Total capital adequacy ratio after deducting capital add-on arising from single lending limit	13.38%	11.81%

5. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards and the Bank of Thailand's regulations, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. However, the actual results may differ from the estimates.

The Bank reviews the estimates and assumptions on a regular basis. Changes in accounting estimates are recognized in the period in which estimates are revised if the changes in accounting estimates affects only that period, and recognized both in the period in which such estimates are reviewed and future periods if the change in accounting estimate has an effect on both the current and future periods.

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Increase (Decrease) in revaluation surplus on investments in equity	0.23	(1.10)
Increase in properties for sale from loan payment	315.69	95.91

6.2 Classification of Financial Assets and Liabilities

Unit : Million Baht

December 31, 2023

	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	0.15	0.15
Interbank and money market items, net	-	-	9,067.16	9,067.16
Financial assets measured at fair value				
through profit or loss	1.27	-	-	1.27
Derivatives assets	466.43	-	-	466.43
Investments, net	-	2.61	4,545.66	4,548.27
Loans to customers and accrued interest				
receivables, net	-	-	155,447.37	155,447.37
Loans to customers from public service account				
and accrued interest receivables, net	-	-	5,218.71	5,218.71
Receivable eligible for government reimbursement	-	-	181.27	181.27
Total	<u>467.70</u>	<u>2.61</u>	<u>174,460.32</u>	<u>174,930.63</u>
Financial liabilities				
Deposits	-	-	61,614.43	61,614.43
Interbank and money market items	-	-	20,558.75	20,558.75
Liabilities payable on demand	-	-	347.36	347.36
Derivatives liabilities	2,071.63	-	-	2,071.63
Debt issued and borrowings	-	-	64,652.67	64,652.67
Allowance for expected credit losses on loan				
commitments and financial guarantee contracts	-	-	141.21	141.21
Accrued interest payable	-	-	814.69	814.69
Total	<u>2,071.63</u>	<u>-</u>	<u>148,129.11</u>	<u>150,200.74</u>

Unit : Million Baht

	<u>December 31, 2022</u>			
	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	0.19	0.19
Interbank and money market items, net	-	-	5,486.99	5,486.99
Financial assets measured at fair value				
through profit or loss	1.21	-	-	1.21
Derivatives assets	360.66	-	-	360.66
Investments, net	-	6.34	3,985.91	3,992.25
Loans to customers and accrued interest				
receivables, net	-	-	151,739.41	151,739.41
Loans to customers from public service account				
and accrued interest receivables, net	-	-	4,442.89	4,442.89
Other assets, net	-	-	41.96	41.96
Total	<u>361.87</u>	<u>6.34</u>	<u>165,697.35</u>	<u>166,065.56</u>
Financial liabilities				
Deposits	-	-	50,222.53	50,222.53
Interbank and money market items	-	-	21,814.82	21,814.82
Liabilities payable on demand	-	-	383.62	383.62
Derivatives liabilities	2,765.77	-	-	2,765.77
Debt issued and borrowings	-	-	67,844.45	67,844.45
Allowance for expected credit losses on loan				
commitments and financial guarantee contracts	-	-	220.41	220.41
Accrued interest payable	-	-	557.08	557.08
Total	<u>2,765.77</u>	<u>-</u>	<u>141,042.91</u>	<u>143,808.68</u>

6.3 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>At Call</u>	<u>Time</u>	<u>Total</u>	<u>At Call</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Bank of Thailand	37.21	250.00	287.21	16.46	200.00	216.46
Commercial banks	993.83	950.00	1,943.83	728.91	990.00	1,718.91
Specialized financial institutions	<u>0.01</u>	<u>2,100.00</u>	<u>2,100.01</u>	<u>0.01</u>	<u>1,100.00</u>	<u>1,100.01</u>
Total	1,031.05	3,300.00	4,331.05	745.38	2,290.00	3,035.38
<u>Add</u> Accrued interest receivables	-	0.05	0.05	-	0.03	0.03
<u>Less</u> Allowance for expected credit losses	<u>(0.65)</u>	<u>(2.42)</u>	<u>(3.07)</u>	<u>(0.50)</u>	<u>(1.99)</u>	<u>(2.49)</u>
Total domestic items	<u>1,030.40</u>	<u>3,297.63</u>	<u>4,328.03</u>	<u>744.88</u>	<u>2,288.04</u>	<u>3,032.92</u>
Foreign items						
US Dollars	1,111.82	3,457.74	4,569.56	824.98	1,436.70	2,261.68
Yen	40.94	-	40.94	40.39	-	40.39
Euro	74.18	-	74.18	100.07	-	100.07
Other currencies	<u>58.61</u>	<u>-</u>	<u>58.61</u>	<u>52.38</u>	<u>-</u>	<u>52.38</u>
Total	1,285.55	3,457.74	4,743.29	1,017.82	1,436.70	2,454.52
<u>Add</u> Accrued interest receivables	-	2.78	2.78	-	0.37	0.37
<u>Less</u> Allowance for expected credit losses	<u>(0.33)</u>	<u>(6.61)</u>	<u>(6.94)</u>	<u>(0.32)</u>	<u>(0.50)</u>	<u>(0.82)</u>
Total foreign items	<u>1,285.22</u>	<u>3,453.91</u>	<u>4,739.13</u>	<u>1,017.50</u>	<u>1,436.57</u>	<u>2,454.07</u>
Total domestic and foreign items	<u>2,315.62</u>	<u>6,751.54</u>	<u>9,067.16</u>	<u>1,762.38</u>	<u>3,724.61</u>	<u>5,486.99</u>

6.4 Derivatives

6.4.1 Derivatives Held for Trading

As at December 31, 2023 and 2022, the fair value and notional amount classified by type of risk were as follows:

Unit : Million Baht			
<u>Type of Risk</u>	<u>December 31, 2023</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Amount</u>
Exchange rate	429.81	294.90	31,180.85

Unit : Million Baht			
<u>Type of Risk</u>	<u>December 31, 2022</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Amount</u>
Exchange rate	360.66	292.67	18,398.50

6.4.2 Derivatives for Hedging

As at December 31, 2023 and 2022, hedging instrument classified by type of hedge accounting and risk were as follows:

Fair value hedge

The amounts relating to items designated as hedging instruments and hedge effectiveness were as follows:

Unit : Million Baht

<u>December 31, 2023</u>							
Type of risk	Notional amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Hedge Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
		Assets	Liabilities				
Interest rate risk							
Interest rate swap							
- hedge of USD fixed – rate							Gain on financial instruments measured at fair value through profit or loss
debt securities	27,378.64	-	1,776.73	Derivative liabilities	(1,776.73)	-	
Interest rate swap							
- hedge of THB fixed – rate							Gain on financial instruments measured at fair value through profit or loss
debt securities	<u>6,000.00</u>	<u>36.62</u>	<u>-</u>	Derivative assets	<u>36.62</u>	<u>-</u>	
Total	<u>33,378.64</u>	<u>36.62</u>	<u>1,776.73</u>		<u>(1,740.11)</u>	<u>-</u>	

Unit : Million Baht

December 31, 2022

Type of risk	Notional amount	<u>Carrying amount</u>		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Hedge Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
		Assets	Liabilities				
Interest rate risk							
Interest rate swap							Gain on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	27,649.92	-	2,473.10	Derivative liabilities	(2,473.10)	-	

The amounts relating to items designated as hedged items were as follows:

Unit : Million Baht

December 31, 2023

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
- USD fixed-rate debt securities	-	25,601.91	1,776.73	-	Debt issued and borrowings	1,776.73	-
- THB fixed-rate debt securities	-	1,003.27	-	(3.27)	Debt issued and borrowings	(3.27)	-
- THB fixed-rate debt securities	-	5,033.35	-	(33.35)	Interbank and money market	(33.35)	-
Total	-	31,638.53	1,776.73	(36.62)		1,740.11	-

Unit : Million Baht

December 31, 2022

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses	
	Assets	Liabilities	Assets	Liabilities				
Interest rate risk								
- USD fixed-rate					Debt issued and			
debt securities	-	(25,176.82)	2,473.10	-	borrowings	2,473.10	-	

6.5 Investments, Net

As at December 31, 2023 and, 2022, the Bank had Investments as follows:

Unit : Million Baht

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investments in debt securities measured at amortized cost	4,545.66	3,985.91
Investments in equity securities designated at fair value		
through other comprehensive income	<u>2.61</u>	<u>6.34</u>
Total	<u>4,548.27</u>	<u>3,992.25</u>

6.5.1 Investments in Debt Securities Measured at Amortized Cost

Unit : Million Baht

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Government and state enterprises securities	4,549.21	3,986.47
<u>Less</u> Allowance for expected credit losses	<u>(3.55)</u>	<u>(0.56)</u>
Total	<u>4,545.66</u>	<u>3,985.91</u>

6.5.2 Investments in Equity Securities Designated at Fair Value Through Other Comprehensive Income

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Domestic marketable equity securities	-	4.01
Domestic non-marketable equity securities	0.84	0.72
Foreign non-marketable equity securities	<u>1.77</u>	<u>1.61</u>
Total	<u>2.61</u>	<u>6.34</u>

6.6 Loans to Customers and Accrued Interest Receivables, Net

6.6.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdrafts	200.02	145.53
Loans	169,907.51	163,525.02
Others	<u>116.18</u>	<u>115.86</u>
Total loans to customers	170,223.71	163,786.41
<u>Less</u> Deferred revenue	<u>(254.45)</u>	<u>(188.76)</u>
Total loans to customers, net of deferred revenue	169,969.26	163,597.65
<u>Add</u> Accrued interest receivables	<u>962.53</u>	<u>914.96</u>
Total loans to customers, net of deferred revenue, plus accrued interest receivables	170,931.79	164,512.61
<u>Less</u> Allowance for expected credit losses	<u>(15,484.42)</u>	<u>(12,773.20)</u>
Total loans to customers and accrued interest receivables, net	<u>155,447.37</u>	<u>151,739.41</u>

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

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Loan for National Road No.67 Construction Project		
(Anlong Veng – Siem Reap) The Kingdom of Cambodia	776.34	840.34

6.6.2 Classified by Residence of Customers

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Domestic	133,264.46	111,917.84
Foreign	<u>36,959.25</u>	<u>51,868.57</u>
Total	<u>170,223.71</u>	<u>163,786.41</u>

6.6.3 Classified by Loan Classification

	Unit : Million Baht			
	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Loans to</u>	<u>Allowance for</u>	<u>Loans to</u>	<u>Allowance for</u>
	<u>customers</u>	<u>expected credit</u>	<u>customers</u>	<u>expected credit</u>
	<u>and accrued</u>	<u>losses</u>	<u>and accrued</u>	<u>losses</u>
	<u>interest</u>		<u>interest</u>	
	<u>receivables</u>		<u>receivables</u>	
Financial assets where there has not been				
a significant increase in credit risk	157,176.94	4,507.53	153,004.98	4,501.43
Financial assets where there has been				
a significant increase in credit risk	5,605.29	3,875.76	6,635.45	4,152.50
Financial assets that are credit-impaired	<u>8,149.56</u>	<u>7,101.13</u>	<u>4,872.18</u>	<u>4,119.27</u>
Total	<u>170,931.79</u>	<u>15,484.42</u>	<u>164,512.61</u>	<u>12,773.20</u>

6.6.4 Troubled Debt Restructuring

The Bank restructured debts during the year 2023 and 2022 as follows:

		Unit : Million Baht	
		<u>2023</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	13	573.21	573.21
		Unit : Million Baht	
		<u>2022</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	13	67.37	67.37

Debt restructuring during the year 2023 and 2022, compared to outstanding loans and accrued interest receivables, net of deferred revenue were as follows:

	Unit : Million Baht			
	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	13	573.21	13	67.37
Loans to customers, net of deferred revenue, plus				
accrued interest receivables	3,839	170,931.79	3,861	164,512.61

As at December 31, 2023 and 2022, the Bank had outstanding restructured loans for 46 cases amounting to 1,254.49 million baht and for 26 cases amounting to 803.15 million baht, respectively.

For the years ended December 31, 2023 and 2022, the Bank recognized interest income from debt restructuring in the amount of 198.02 million baht and 124.74 million baht, respectively.

6.7 Allowance for Expected Credit Losses

As at December 31, 2023 and 2022, the Bank had allowance for expected credit losses as follows:

Unit : Million Baht

	<u>December 31, 2023</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	1.84	1.47	-	3.31
Changes due to remeasurement of allowance for expected credit losses	0.47	(0.02)	-	0.45
New financial assets purchased or acquired	2.23	5.99	-	8.22
Derecognition of financial assets	<u>(0.54)</u>	<u>(1.43)</u>	<u>-</u>	<u>(1.97)</u>
Ending balance	<u>4.00</u>	<u>6.01</u>	<u>-</u>	<u>10.01</u>
Investments in debt securities measured at amortized cost				
Beginning balance	0.56	-	-	0.56
New financial assets purchased or acquired	3.55	-	-	3.55
Derecognition of financial assets	<u>(0.56)</u>	<u>-</u>	<u>-</u>	<u>(0.56)</u>
Ending balance	<u>3.55</u>	<u>-</u>	<u>-</u>	<u>3.55</u>

Unit : Million Baht

December 31, 2023

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loans to customers and accrued interest receivables				
Beginning balance	4,501.43	4,152.50	4,119.27	12,773.20
Changes due to staging of financial assets	(255.57)	(843.83)	1,099.40	-
Changes due to remeasurement of allowance for expected credit losses	177.60	597.64	1,864.15	2,639.39
New financial assets purchased or acquired	290.98	32.12	148.89	471.99
Derecognition of financial assets	<u>(206.92)</u>	<u>(62.67)</u>	<u>(130.57)</u>	<u>(400.16)</u>
Ending balance	<u>4,507.52</u>	<u>3,875.76</u>	<u>7,101.14</u>	<u>15,484.42</u>
Loans to customers from public service account and accrued interest receivables				
Beginning balance	48.05	-	-	48.05
Changes due to staging of financial assets	(0.70)	0.70	-	-
Changes due to remeasurement of allowance for expected credit losses	(18.15)	33.93	-	15.78
New financial assets purchased or acquired	8.63	-	-	8.63
Derecognition of financial assets	<u>(1.24)</u>	<u>-</u>	<u>-</u>	<u>(1.24)</u>
Ending balance	<u>36.59</u>	<u>34.63</u>	<u>-</u>	<u>71.22</u>

Unit : Million Baht

December 31, 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2.88	0.03	-	2.91
Changes due to remeasurement of allowance for expected credit losses	(0.05)	0.01	-	(0.04)
New financial assets purchased or acquired	0.47	1.43	-	1.90
Derecognition of financial assets	<u>(1.46)</u>	<u>-</u>	<u>-</u>	<u>(1.46)</u>
Ending balance	<u>1.84</u>	<u>1.47</u>	<u>-</u>	<u>3.31</u>
Investments in debt securities measured at amortized cost				
Beginning balance	0.56	-	-	0.56
New financial assets purchased or acquired	0.56	-	-	0.56
Derecognition of financial assets	<u>(0.56)</u>	<u>-</u>	<u>-</u>	<u>(0.56)</u>
Ending balance	<u>0.56</u>	<u>-</u>	<u>-</u>	<u>0.56</u>

Unit : Million Baht

December 31, 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loans to customers and accrued interest receivables				
Beginning balance	4,044.43	3,990.89	3,605.89	11,641.21
Changes due to staging of financial assets	5.59	(256.28)	250.69	-
Changes due to remeasurement of allowance for expected credit losses	234.87	350.75	246.13	831.75
New financial assets purchased or acquired	280.39	71.09	89.92	441.40
Derecognition of financial assets	<u>(63.85)</u>	<u>(3.95)</u>	<u>(73.36)</u>	<u>(141.16)</u>
Ending balance	<u>4,501.43</u>	<u>4,152.50</u>	<u>4,119.27</u>	<u>12,773.20</u>
Loans to customers from public service account and accrued interest				
Beginning balance	29.20	-	-	29.20
Changes due to remeasurement of allowance for expected credit losses	9.29	-	-	9.29
New financial assets purchased or acquired	11.10	-	-	11.10
Derecognition of financial assets	<u>(1.54)</u>	<u>-</u>	<u>-</u>	<u>(1.54)</u>
Ending balance	<u>48.05</u>	<u>-</u>	<u>-</u>	<u>48.05</u>

6.8 Properties for Sale, Net

As at December 31, 2023 and 2022, the Bank had properties for sale, net as follows:

Unit : Million Baht				
<u>December 31, 2023</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets acquired from debt repayment				
- Immovable properties	492.24	315.75	15.34	792.65
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	515.68	315.75	15.34	816.09
<u>Less Accumulated impairment loss</u>	<u>(175.45)</u>	<u>(0.15)</u>	<u>-</u>	<u>(175.60)</u>
Total properties for sale, net	<u>340.23</u>	<u>315.60</u>	<u>15.34</u>	<u>640.49</u>

Unit : Million Baht				
<u>December 31, 2022</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets acquired from debt repayment				
- Immovable properties	440.12	95.91	43.79	492.24
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	463.56	95.91	43.79	515.68
<u>Less Accumulated impairment loss</u>	<u>(176.58)</u>	<u>(4.44)</u>	<u>(5.57)</u>	<u>(175.45)</u>
Total properties for sale, net	<u>286.98</u>	<u>91.47</u>	<u>38.22</u>	<u>340.23</u>

As at December 31, 2023 and 2022, the Bank had immovable properties from debt repayment in the amount 792.65 million baht and 492.24 million baht, respectively, which were appraised by external appraisers.

For the years ended December 31, 2023 and 2022, the Bank generated gain on sale of properties for sale in the amount of 6.39 million baht and 21.95 million baht, respectively.

6.9 Premises and Equipment, Net

As at December 31, 2023 and 2022, the Bank had premises and equipment, net as follows:

Unit : Million Baht

December 31, 2023									
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	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	436.73	10.67	-	447.40	235.85
- Building improvement	143.28	-	-	143.28	127.85	2.58	-	130.43	12.85
Equipment									
- Office equipment and fixtures	365.18	37.49	10.41	392.26	309.70	31.99	10.35	331.34	60.92
- Vehicles	29.34	-	8.38	20.96	16.46	2.07	6.07	12.46	8.50
Assets under construction	-	1.37	-	1.37	-	-	-	-	1.37
Total	<u>1,612.31</u>	<u>38.86</u>	<u>18.79</u>	<u>1,632.38</u>	<u>890.74</u>	<u>47.31</u>	<u>16.42</u>	<u>921.63</u>	<u>710.75</u>

Unit : Million Baht

December 31, 2022									
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	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	426.07	10.66	-	436.73	246.52
- Building improvement	144.12	1.39	2.23	143.28	127.07	3.00	2.22	127.85	15.43
Equipment									
- Office equipment and fixtures	354.34	21.05	10.21	365.18	290.48	29.38	10.16	309.70	55.48
- Vehicles	110.88	-	81.54	29.34	64.02	1.32	48.88	16.46	12.88
Assets under construction	-	0.10	0.10	-	-	-	-	-	-
Total	<u>1,683.85</u>	<u>22.54</u>	<u>94.08</u>	<u>1,612.31</u>	<u>907.64</u>	<u>44.36</u>	<u>61.26</u>	<u>890.74</u>	<u>721.57</u>

6.10 Intangible Assets, Net

As at December 31, 2023 and 2022, the Bank had intangible assets as follows:

Unit : Million Baht

December 31, 2023									
	Cost				Accumulated Depreciation				Intangible
	Beginning	Additions/	Disposals/	Ending	Beginning	Depreciation	Disposals/	Ending	Assets,
	Balance	Transfer in	Transfer out	Balance	Balance		Transfer out	Balance	Net
Computer software	453.41	14.32	-	467.73	286.38	67.88	-	354.26	113.47
Software under installation	<u>0.97</u>	<u>72.79</u>	<u>11.31</u>	<u>62.45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62.45</u>
Total	<u>454.38</u>	<u>87.11</u>	<u>11.31</u>	<u>530.18</u>	<u>286.38</u>	<u>67.88</u>	<u>-</u>	<u>354.26</u>	<u>175.92</u>

Unit : Million Baht

December 31, 2022									
	Cost				Accumulated Depreciation				Intangible
	Beginning	Additions/	Disposals/	Ending	Beginning	Depreciation	Disposals/	Ending	Assets,
	Balance	Transfer in	Transfer out	Balance	Balance		Transfer out	Balance	Net
Computer software	416.14	37.27	-	453.41	225.54	60.84	-	286.38	167.03
Software under installation	<u>51.73</u>	<u>11.67</u>	<u>62.43*</u>	<u>0.97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.97</u>
Total	<u>467.87</u>	<u>48.94</u>	<u>62.43</u>	<u>454.38</u>	<u>225.54</u>	<u>60.84</u>	<u>-</u>	<u>286.38</u>	<u>168.00</u>

* On August 29, 2022, the Supreme Court rendered a judgment according to the compromise agreement between the Bank and the computer software provider. The Bank already received full payment of principal and interest according to the judgment on October 12, 2022, and the software under installation was written off in the amount of 47.08 million baht.

6.11 Reinsurance Assets

As at December 31, 2023 and 2022, the Bank had reinsurance assets in the amount of 401.22 million baht and 390.96 million baht, respectively, which were insurance reserves from reinsurance.

6.12 Other Assets, Net

Unit : Million Baht

	December 31, 2023	December 31, 2022
Revenue receivables, net	12.15	6.01
Insurance claim receivables, net of reinsurance	477.69	472.32
Allowance for insurance claim receivables	(477.69)	(472.32)
Right-of use assets, net	87.66	100.57
Advance deposits	2.65	2.90
Others	<u>10.94</u>	<u>2.82</u>
Total	<u>113.40</u>	<u>112.30</u>

6.13 Deposits

6.13.1 Classified by Type of Deposits

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
At Call	5,858.93	3,937.41
Savings	494.92	95.89
Time	5,644.08	7,124.75
Certificates of deposit	<u>49,616.50</u>	<u>39,064.48</u>
Total	<u>61,614.43</u>	<u>50,222.53</u>

6.13.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	57,838.73	104.58	57,943.31	47,741.41	577.55	48,318.96
US Dollar	3,049.41	532.00	3,581.41	1,413.23	391.20	1,804.43
Other currencies	<u>69.09</u>	<u>20.62</u>	<u>89.71</u>	<u>84.83</u>	<u>14.31</u>	<u>99.14</u>
Total	<u>60,957.23</u>	<u>657.20</u>	<u>61,614.43</u>	<u>49,239.47</u>	<u>983.06</u>	<u>50,222.53</u>

6.14 Interbank and Money Market Items (Liabilities)

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Domestic items		
Bank of Thailand	5,934.92	5,870.09
Commercial banks	10,776.20	10,540.54
Specialized financial institutions	445.75	3,476.07
Other financial institutions	<u>1,000.00</u>	<u>1,000.00</u>
Total domestic items	<u>18,156.87</u>	<u>20,886.70</u>
Foreign items		
US Dollar	2,401.88	79.62
Euro	-	11.55
Other currencies	<u>-</u>	<u>836.95</u>
Total foreign items	<u>2,401.88</u>	<u>928.12</u>
Total domestic and foreign items	<u>20,558.75</u>	<u>21,814.82</u>

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

December 31, 2023

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	18,503.27	46,135.89	64,639.16
Others	<u>13.51</u>	<u>-</u>	<u>13.51</u>
Total debt issued and borrowings	<u>18,516.78</u>	<u>46,135.89</u>	<u>64,652.67</u>

Unit : Million Baht

December 31, 2022

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	15,000.00	52,826.74	67,826.74
Others	<u>17.71</u>	<u>-</u>	<u>17.71</u>
Total debt issued and borrowings	<u>15,017.71</u>	<u>52,826.74</u>	<u>67,844.45</u>

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>Amount</u>	
			<u>Interest Rate Index</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bonds	USD	2023-2026	LIBOR / SOFR \pm MARGIN	18,822.82	25,921.80
Bonds	USD	2025-2031	1.457% - 3.902%	27,313.07	26,904.94
Bonds	THB	2026	THOR \pm MARGIN	2,000.00	2,000.00
Bonds	THB	2025-2031	1.99% - 2.84%	16,503.27	13,000.00
Others	THB	2024-2027	0%	<u>13.51</u>	<u>17.71</u>
Total debt issued and borrowings				<u>64,652.67</u>	<u>67,844.45</u>

6.16 Provisions

As at December 31, 2023 and 2022, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Allowance for expected credit losses on loan commitments and financial guarantee contracts	141.21	220.41
Provision for short-term employee benefits	32.77	30.63
Provisions for employee benefits – post employment	353.38	328.20
Provisions for contingent liabilities	<u>37.23</u>	<u>57.90</u>
Total provisions	<u>564.59</u>	<u>637.14</u>

6.16.1 Allowance for Expected Credit Losses on Loan Commitments and Financial Guarantee Contracts

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	110.53	164.93
Financial assets where there has been a significant increase in credit risk (Under-Performing)	28.18	53.91
Financial assets that are credit-impaired (Non-Performing)	<u>2.50</u>	<u>1.57</u>
Total	<u>141.21</u>	<u>220.41</u>

The changes in the allowance for expected credit losses on loan commitments and financial guarantee contracts were as follows:

	Unit : Million Baht			
	<u>December 31, 2023</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	164.93	53.91	1.57	220.41
Allowance for expected credit losses during period	<u>(54.40)</u>	<u>(25.73)</u>	<u>0.93</u>	<u>(79.20)</u>
Ending balance	<u>110.53</u>	<u>28.18</u>	<u>2.50</u>	<u>141.21</u>

Unit : Million Baht

	<u>December 31, 2022</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	156.04	49.57	-	205.61
Allowance for expected credit losses during period	<u>8.89</u>	<u>4.34</u>	<u>1.57</u>	<u>14.80</u>
Ending balance	<u>164.93</u>	<u>53.91</u>	<u>1.57</u>	<u>220.41</u>

6.16.2 Provisions for Employee Benefits

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

	<u>December 31, 2023</u> <u>December 31, 2022</u>	
Beginning balance	328.20	338.52
Recognized in profit or loss		
- Current service cost	30.27	18.25
- Interest cost	10.20	10.27
Recognized in other comprehensive income		
- Actuarial gain on defined benefit plans	(5.06)	(25.99)
Employee benefits paid during the year	<u>(10.23)</u>	<u>(12.85)</u>
Ending Balance	<u>353.38</u>	<u>328.20</u>

Principal actuarial assumptions for the Bank's post-employment benefits were as follows:

	<u>2023</u>	<u>2022</u>
Average salary increase rate	0% - 15.00%	0% - 14.50%
Average staff turnover rate	0% - 15.72%	0% - 19.23%
Discount rate	2.37% - 3.69%	1.37% - 4.04%
Mortality rate	TMO17	TMO17

The Bank's defined benefit plans were sensitive to changes in each significant actuarial assumptions as follows:

Unit : Million Baht		
<u>Increase (Decrease) in Defined Benefit Plan</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate		
- Increase of 1%	(34.26)	(33.11)
- Decrease of 1%	39.83	38.59
Average salary increase rate		
- Increase of 1%	1.19	0.59
- Decrease of 1%	(1.58)	(0.73)
Average staff turnover rate		
- Increase of 1%	(3.73)	(3.41)
- Decrease of 1%	2.97	2.77

6.17 Reserves for Insurance Service

Unit : Million Baht		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Reserves for export credit insurance	419.07	416.43
Reserves for investment insurance	210.55	187.72
Reserves for stand-by claims purchase agreement	<u>184.87</u>	<u>180.62</u>
Total	<u>814.49</u>	<u>784.77</u>

6.18 Other Liabilities

Unit : Million Baht		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other payable per Credit Support Annex	81.11	29.38
Advance deposits	23.14	28.58
Accrued expenses	73.81	91.93
Account payables	92.40	29.27
Reinsurance payables	28.18	32.68
Lease liabilities	87.45	99.42
Deferred revenue	47.33	52.87
Withholding tax payable	18.03	17.36
Suspense liabilities	653.62	354.54
Others	<u>0.14</u>	<u>1.20</u>
Total	<u>1,105.21</u>	<u>737.23</u>

6.19 Fair Value of Assets and Liabilities

As at December 31, 2023 and 2022, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

Unit : Million Baht			
<u>December 31, 2023</u>			
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Financial assets measured at fair value through profit or loss	1.27	-	1.27
Derivative assets	-	466.43	466.43
Investment in equity securities designated at fair value through other comprehensive income	<u>-</u>	<u>2.61</u>	<u>2.61</u>
Total financial assets	<u>1.27</u>	<u>469.04</u>	<u>470.31</u>
Financial Liabilities			
Derivative liabilities	<u>-</u>	<u>2,071.63</u>	<u>2,071.63</u>
Total financial liabilities	<u>-</u>	<u>2,071.63</u>	<u>2,071.63</u>

Unit : Million Baht

	December 31, 2022		
	Fair Value		
	Level 1	Level 2	Total
Financial Assets			
Financial assets measured at fair value through profit or loss	1.21	-	1.21
Derivative assets	-	360.66	360.66
Investment in equity securities designated at fair value through other comprehensive income	4.01	2.33	6.34
Total financial assets	5.22	362.99	368.21
Financial Liabilities			
Derivative liabilities	-	2,765.77	2,765.77
Total financial liabilities	-	2,765.77	2,765.77

Fair values were determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities.
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

The fair values of derivatives level 2 are the prices based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived from a valuation technique using observable market data.

The fair value of investments in equity securities designated at fair value through other comprehensive income, which classified as level 2 are non-marketable equity securities, determined by comparing their share price with their book value.

6.20 Capital

The Bank had an initial capital of 2,500 million baht and received additional capital from the Ministry of Finance in the amount of 4,000 million baht on July 31, 1998, 1,300 million baht on December 30, 2008 and 5,000 million baht on September 21, 2009. On August 24, 2021, the Cabinet meeting passed a resolution approving the capital increase amounting to 4,198 million baht. The Bank received the first capital increase in the amount of 2,198 million baht on November 17, 2021 and the remaining amount 2,000 million baht on March 13, 2023. The Bank has total capital amounting to 16,998 million baht.

6.21 Remittance as the Public Revenue

The Ministry of Finance by the State Enterprise Policy Office approved the appropriation of net income for the year 2022 as the public revenue amounting to Baht 651.00 million baht. The Bank remitted the interim public revenue amounting to 266.52 million baht on October 28, 2022, and the remaining amount 384.48 million baht was remitted on July 25, 2023.

On October 27, 2023, the Bank remitted the interim public revenue of the year 2023 amounting to 30.50 million baht. Thereby, the total remittance in 2023 was 414.98 million baht.

6.22 Contingent Liabilities

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantees of loans	190.06	542.88
Liabilities under immature import bills	390.35	1,377.87
Letters of credit	691.13	1,363.41
Export bills insured	34,308.21	35,625.64
Other contingencies		
Unused overdraft credit lines	520.43	587.44
Other guarantees	6,463.75	6,819.04
Investment insurance	3,058.54	3,088.84
Stand-by claims purchase agreement	<u>17,076.21</u>	<u>16,988.08</u>
Total other contingencies	<u>27,118.93</u>	<u>27,483.40</u>
Total	<u>62,698.68</u>	<u>66,393.20</u>

As at December 31, 2023, the Bank has five cases of legitimate claims, which are on trial in the court proceedings, classified into three cases with total claims amounting to 23.81 million baht were dismissed or judged that the Bank was not liable to make payment to the plaintiff by the Court of First Instance or the Appeal Court, and two cases with total claims amounting to 11.36 million baht in which the Court of First Instance ordered the bank to partially pay the money as the plaintiff sued. However, the Bank considers that there will be no material impact to the Bank's financial position or operating results upon the case finalization.

6.23 Other Benefits to Directors and Executives

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

6.24 Leases

6.24.1 Long-Term Leases

The Bank has entered into the lease agreements of the Bank's branch offices and equipment as follows:

		Unit : Million Baht			
	<u>Maturity</u>	<u>Carrying Amount</u>		<u>Depreciation</u>	
		<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>For the Years ended</u>	
				<u>December 31, 2023</u>	<u>December 31, 2022</u>
Right-of-use land and building	2024 - 2029	33.36	33.32	7.35	7.93
Right-of-use equipment	2022	-	-	-	0.66
Right-of-use vehicle	2025 - 2028	<u>54.30</u>	<u>67.25</u>	<u>16.51</u>	<u>9.67</u>
Total		<u>87.66</u>	<u>100.57</u>	<u>23.86</u>	<u>18.26</u>

For the years ended December 31, 2023 and 2022, the Bank paid the rental of the above contract in the amount of 24.09 million baht and 19.44 million baht, respectively and recognized interest expenses from lease liabilities in the amount of 2.31 million baht and 1.48 million baht, respectively.

The Bank entered into a sublease agreement for part of the branch office. For the years ended December 31, 2023 and 2022, the Bank recognized sublease revenue in the amount of 0.33 million baht and 0.32 million baht, respectively.

6.24.2 Leases of Low-Value Assets

The Bank has entered into the lease agreements of office equipment. The Bank recognized the rental as expenses on a straight-line basis over the lease term. For the years ended December 31, 2023 and 2022, the Bank recognized the rental of office equipment of 4.96 million baht and 10.84 million baht, respectively.

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

The Bank established representative office in foreign countries to promote and support international trade and investments. The Bank currently has four representative offices including, representative office in Yangon, the Republic of the Union of Myanmar, representative office in Vientiane, Laos People's Democratic Republic, representative office in Phnom Penh, Kingdom of Cambodia and representative office in Ho Chi Minh City, Socialist Republic of Vietnam.

6.25.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>December 31, 2023</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	178,893.35	7.97	178,901.32
Interbank and money market items, net (assets)	9,065.98	1.18	9,067.16
Financial assets measured at fair value through			
profit or loss	1.27	-	1.27
Investments, net	4,548.27	-	4,548.27
Loans to customers and accrued interest receivables, net	155,447.37	-	155,447.37
Deposits	61,614.43	-	61,614.43
Interbank and money market items (liabilities)	20,558.75	-	20,558.75
Debt issued and borrowings	64,652.67	-	64,652.67

	Unit : Million Baht		
	<u>December 31, 2022</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	170,282.45	11.95	170,294.40
Interbank and money market items, net (assets)	5,485.14	1.85	5,486.99
Financial assets measured at fair value through			
profit or loss	1.21	-	1.21
Investments, net	3,992.25	-	3,992.25
Loans to customers and accrued interest receivables, net	151,739.41	-	151,739.41
Deposits	50,222.53	-	50,222.53
Interbank and money market items (liabilities)	21,814.82	-	21,814.82
Debt issued and borrowings	67,844.45	-	67,844.45

6.25.2 Operations Classified by Business

Unit : Million Baht

. For the Years Ended December 31, 2023

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	9,085.81	-	9,085.81
Interest expenses	<u>(4,775.54)</u>	<u>(0.17)</u>	<u>(4,775.71)</u>
Interest income, net	4,310.27	(0.17)	4,310.10
Fees and service income, net	374.16	-	374.16
Other operating income	373.78	-	373.78
Other operating expenses	<u>(1,812.87)</u>	<u>(12.89)</u>	<u>(1,825.76)</u>
Operating profit (loss) before expected credit losses	3,245.34	(13.06)	3,232.28
Expected credit losses	<u>(2,776.05)</u>	<u>-</u>	<u>(2,776.05)</u>
Net profit (loss)	<u>469.29</u>	<u>(13.06)</u>	<u>456.23</u>

Unit : Million Baht

. For the Years Ended December 31, 2022

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	6,182.51	-	6,182.51
Interest expenses	<u>(2,361.49)</u>	<u>(0.12)</u>	<u>(2,361.61)</u>
Interest income, net	3,821.02	(0.12)	3,820.90
Fees and service income, net	366.60	-	366.60
Other operating income	278.96	-	278.96
Other operating expenses	<u>(1,807.68)</u>	<u>(22.23)</u>	<u>(1,829.91)</u>
Operating profit (loss) before expected credit losses	2,658.90	(22.35)	2,636.55
Expected credit losses	<u>(1,132.29)</u>	<u>-</u>	<u>(1,132.29)</u>
Net profit (loss)	<u>1,526.61</u>	<u>(22.35)</u>	<u>1,504.26</u>

6.26 Interest Income

Interest income for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Interbank and money market items	465.28	160.32
Investment in debt securities	68.44	26.10
Loans	<u>8,552.09</u>	<u>5,996.09</u>
Total interest income	<u>9,085.81</u>	<u>6,182.51</u>

6.27 Interest Expenses

Interest expenses for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Deposits	673.87	399.32
Interbank and money market items	465.89	246.51
Lease liabilities	2.31	1.48
Debt issued		
- Bonds	3,604.47	1,692.39
- Borrowings fee	<u>29.17</u>	<u>21.91</u>
Total interest expenses	<u>4,775.71</u>	<u>2,361.61</u>

6.28 Fees and Service Income, Net

Net fees and service income for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Fees and service income		
- Acceptance aval and guarantee	64.50	75.08
- Income from insurance	293.58	363.11
- Others	<u>190.50</u>	<u>154.73</u>
Total fees and service income	<u>548.58</u>	<u>592.92</u>
Fees and service expenses		
- Expense on insurance	163.29	199.15
- Others	<u>11.13</u>	<u>27.17</u>
Total fees and service expenses	<u>174.42</u>	<u>226.32</u>
Total fees and service income, net	<u>374.16</u>	<u>366.60</u>

6.29 Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net

Gains on financial instruments measured at fair value through profit or loss, net for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies, debt securities and foreign exchange derivatives	62.83	34.39
- Equity securities	<u>0.06</u>	<u>(0.05)</u>
Total gains on financial instruments measured at fair value through profit or loss, net	<u>62.89</u>	<u>34.34</u>

6.30 Bad debts on claims and Reserves for Insurance Services

Bad debts on claims and reserves for insurance services for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Bad debts and reserves for export credit insurance	3.03	10.28
Bad debts and reserves for investment insurance	12.95	14.75
Bad debts and reserves for stand-by claims purchase agreement	<u>9.43</u>	<u>54.47</u>
Total	<u>25.41</u>	<u>79.50</u>

6.31 Expected Credit Losses

Expected credit losses for the years ended December 31, 2023 and 2022 were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Interbank and money market items	6.71	0.40
Investment in debt securities measured at amortized cost	2.99	-
Loans to customers and accrued interest receivables*	2,808.17	1,094.81
Loans to customers and accrued interest receivables from public service account	23.17	18.84
Other receivables	<u>14.21</u>	<u>3.44</u>
Total	2,855.25	1,117.49
Loan commitments and financial guarantee contracts	<u>(79.20)</u>	<u>14.80</u>
Total expected credit losses	<u>2,776.05</u>	<u>1,132.29</u>

* Net of written-down debt recovery and bad debt recovery.

6.32 Public Service Account

6.32.1 Summary of Public Service Account

As at December 31, 2023 and 2022, the assets from public service account were as follows:

	Unit : Million Baht	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Loans to customers from public service account and accrued interest receivables, net	5,218.71	4,442.89
Receivable eligible for government reimbursement	<u>181.27</u>	<u>41.96</u>
Total assets	<u>5,399.98</u>	<u>4,484.85</u>

For the years ended December 31, 2023 and 2022, the Bank recognized income and expenses from public service account as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Income from public service account	298.48	156.64
<u>Less</u> Expenses from public service account	(247.58)	(156.15)
<u>Less</u> Expected credit losses from public service account	<u>(23.17)</u>	<u>(18.85)</u>
Net profit (loss)	<u>27.73</u>	<u>(18.36)</u>

6.32.2 Loans to Customers from Public Service Account and Accrued Interest Receivables, Net

		Unit : Million Baht		
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
1. Investment and Production Efficiency Enhancement Credit Scheme	To support entrepreneurs in accessing funding to purchase and improve their machinery and equipment or factories in order to uplift production efficiency and cost reduction	2020 - 2028	1,781.89	2,655.61
2. EXIM Biz Transformation Loan	To support entrepreneurs affected by COVID-19 that wish to improve or make new investment in machinery and equipment and enhance the efficiency, as well as the entrepreneurs who gradually recover to continue their business, with the competitive	2021 – 2030	<u>3,436.82</u>	<u>1,787.28</u>
Total			<u>5,218.71</u>	<u>4,442.89</u>

6.32.3 Loan Classification and Provision for Public Service Account

As at December 31, 2023 and 2022, loan classification and provision for public service account were as follows:

Unit : Million Baht			
<u>December 31, 2023</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	241	5,204.30	36.59
Financial assets where there has been a significant increase in credit risk (Under-Performing)	2	85.63	34.63

Unit : Million Baht			
<u>December 31, 2022</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	235	4,490.94	48.05

6.32.4 Receivable Eligible for Government Reimbursement

As at December 31, 2023 and 2022, the Bank is eligible for government reimbursement for the interest spread for the public service account were as follows:

Unit : Million Baht		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investment and Production Efficiency Enhancement Credit Scheme	31.99	20.62
EXIM Biz Transformation Loan	149.28	21.34
Total	<u>181.27</u>	<u>41.96</u>

6.32.5 Income from Public Service Account

Income from public service account for the years ended December 31, 2023 and 2022, were as follows:

Unit : Million Baht		
	<u>2023</u>	<u>2022</u>
Interest income from public service account	139.17	76.82
Compensation for public service account	159.31	79.82
Total income from public service account	<u>298.48</u>	<u>156.64</u>

6.32.6 Expenses from Public Service Account

Expenses from public service account for the years ended December 31, 2023 and 2022, were as follows:

	Unit : Million Baht	
	<u>2023</u>	<u>2022</u>
Interest expenses	128.98	50.98
Fees and service expenses	0.83	1.74
Operating expenses	<u>117.77</u>	<u>103.43</u>
Total expenses from public service account	<u>247.58</u>	<u>156.15</u>

6.33 Approval of the Financial Statements

These financial statements have been authorized to issue by President and Senior Executive Vice President on March 28, 2024.

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2022
(TRANSLATION)



(TRANSLATION)

AUDITOR'S REPORT

TO : MINISTER OF FINANCE

Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Export-Import Bank of Thailand (the Bank), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing. The State Audit Office of the Kingdom of Thailand's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. The State Audit Office of the Kingdom of Thailand is independent of the Bank in accordance with the State Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to the State Audit Office of the Kingdom of Thailand's audit of the financial statements, and the State Audit Office of the Kingdom of Thailand has fulfilled other ethical responsibilities in accordance with these standards and requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion

State Audit Office of the Kingdom of Thailand



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report, after the date of this auditor's report.

The State Audit Office of the Kingdom of Thailand's opinion on the financial statements does not cover the other information and the State Audit Office of the Kingdom of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, the State Audit Office of the Kingdom of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations, 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.



Auditor's Responsibilities for the Audit of the Financial Statements

The State Audit Office of the Kingdom of Thailand's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the State Audit Standards and Thai Standards on Auditing, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The State Audit Office of the Kingdom of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 controls.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to



the date of the auditor's report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The State Audit Office of the Kingdom of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the State Audit Office of the Kingdom of Thailand identifies during the audit.

(Signed) *Ladawan Chotimanont*

(Mrs. Ladawan Chotimanont)

Director of Financial and

Procurement Audit Office No.3

(Signed) *Jitprapat Tantiyawarong*

(Ms. Jitprapat Tantiyawarong)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		Unit : Thousand Baht	
	Notes	December 31, 2022	December 31, 2021
<u>Assets</u>			
Cash		193	715
Interbank and money market items, net	6.3	5,486,992	8,604,628
Financial assets measured at fair value through profit or loss		1,210	1,261
Derivatives assets	6.4	360,664	286,409
Investments, net	6.5	3,992,251	4,002,715
Loans to customers and accrued interest receivables, net	6.6	151,739,405	138,486,026
Loans to customers from public service account and accrued interest receivables, net	6.32.2	4,442,887	3,127,908
Receivable eligible for government reimbursement	6.32.4	41,957	52,459
Properties for sale, net	6.8	340,227	286,984
Premises and equipment, net	6.9	721,566	776,209
Intangible assets, net	6.10	168,001	242,327
Reinsurance assets	6.11	390,956	312,355
Prepaid public revenue		266,520	308,830
Prepaid expenses		71,789	57,543
Collateral under credit support annex contract		2,157,483	174,118
Other assets, net	6.12	112,296	83,802
Total assets		<u>170,294,397</u>	<u>156,804,289</u>

The accompanying notes are an integral part of the financial statements.

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		Unit : Thousand Baht	
	Notes	December 31, 2022	December 31, 2021
<u>Liabilities and Equity</u>			
Deposits	6.13	50,222,530	48,150,034
Interbank and money market items	6.14	21,814,817	21,087,766
Liabilities payable on demand		383,619	233,027
Derivatives liabilities	6.4	2,765,767	748,135
Debt issued and borrowings	6.15	67,844,450	60,639,636
Provisions	6.16	637,139	619,021
Accrued interest payables		557,079	216,776
Reserves for insurance service	6.17	784,774	651,033
Other liabilities	6.18	737,234	779,024
Total liabilities		<u>145,747,409</u>	<u>133,124,452</u>
<u>Equity</u>			
Capital	6.20	14,998,000	14,998,000
Paid-up capital		<u>14,998,000</u>	<u>14,998,000</u>
Other components of equity		(656)	442
Retained earnings			
Appropriated			
Legal reserve		8,886,000	8,120,000
Unappropriated		663,644	561,395
Total equity		<u>24,546,988</u>	<u>23,679,837</u>
Total liabilities and equity		<u><u>170,294,397</u></u>	<u><u>156,804,289</u></u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

		Unit : Thousand Baht	
	Notes	2022	2021
Interest income	6.26	6,182,514	4,658,813
Interest expenses	6.27	2,361,611	1,205,817
Interest income, net		3,820,903	3,452,996
Fees and service income		592,920	538,517
Fees and service expenses		226,322	180,003
Fees and service income, net	6.28	366,598	358,514
Gains on financial instruments measured at fair value through profit or loss, net	6.29	34,340	5,818
Other operating income		87,980	10,642
Income from public service account	6.32.5	156,641	90,248
Total operating income		4,466,462	3,918,218
Other operating expenses			
Employee's expenses		1,057,495	1,067,695
Directors' remuneration		9,534	6,991
Premises and equipment expenses		120,735	138,199
Bad debts on claims and reserves for insurance services	6.30	79,499	10,165
Loss on impairment of properties for sale		4,443	2,861
Doubtful account for contingent liabilities and other reserve		12,709	(80,519)
Others		389,352	277,882
Total other operating expenses		1,673,767	1,423,274
Expenses from public service account	6.32.6	156,145	113,106
Expected credit losses	6.31	1,132,295	850,364
Net profit		1,504,255	1,531,474
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Gains (Loss) on investments in equity instruments designated to be measured at fair value through other comprehensive income		(1,098)	2,004
Actuarial gains on defined benefit plans		25,994	35,523
Total net other comprehensive income		24,896	37,527
Total comprehensive income		1,529,151	1,569,001

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Thousand Baht					
<u>Notes</u>	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings (Deficits)	Total
		Revaluation Surplus (Deficit) on Investments			
Balance as at January 1, 2021	12,800,000	(1,562)	8,120,000	(1,005,602)	19,912,836
Capital increase from the Ministry of Finance	2,198,000	-	-	-	2,198,000
Total comprehensive income	-	2,004	-	1,566,997	1,569,001
Balance as at December 31, 2021	<u>14,998,000</u>	<u>442</u>	<u>8,120,000</u>	<u>561,395</u>	<u>23,679,837</u>
Balance as at January 1, 2022	14,998,000	442	8,120,000	561,395	23,679,837
Legal reserve	-	-	766,000	(766,000)	-
Remittance as the public revenue	6.21	-	-	(662,000)	(662,000)
Total comprehensive income	-	(1,098)	-	1,530,249	1,529,151
Balance as at December 31, 2022	<u>14,998,000</u>	<u>(656)</u>	<u>8,886,000</u>	<u>663,644</u>	<u>24,546,988</u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit : Thousand Baht	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net profit	1,504,255	1,531,474
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	118,181	110,399
Expected credit losses	1,169,735	913,595
Loss (Gain) on disposal of assets	6,606	(118)
(Gain) loss from write-off of intangible assets	(42,667)	30,288
Gain on financial instruments measured at fair value through profit or loss	(2,265,587)	(353,544)
Loss on impairment of properties for sale	4,443	2,861
Loss on foreign currency translation	1,341,871	842,411
Derivative revaluation	2,671,264	612,777
Amortization of premium (discount) on debt securities	8,853	(631)
Increase (decrease) in provisions	29,315	(41,991)
Bad debts on claims and reserves for insurance service	79,499	10,165
Decrease in advance for other expenses	27	7
Decrease (Increase) in accrued income	(3,804)	1,344
(Increase) decrease in other prepaid expenses	(14,704)	6,510
Decrease in other accrued expenses	17,853	19,596
	<hr/> 4,625,140	<hr/> 3,685,143
Interest income, net	(3,926,566)	(3,511,472)
Dividend income	(8)	(57)
Proceeds from interest income	6,124,189	4,670,964
Interest paid	(2,060,727)	(1,341,028)
Proceeds from dividend income	8	57
	<hr/> 4,762,036	<hr/> 3,503,607
Income from operations before changes in operating assets and liabilities		
(Increase) decrease in operating assets		
Interbank and money market items	3,122,946	(345,972)
Loans to customers	(16,261,769)	(14,641,387)
Properties for sale	33,081	1,806
Collateral under credit support annex contract	(2,032,268)	(51,794)
Other assets	(15,541)	(7,955)

The accompanying notes are an integral part of the financial statements.

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit : Thousand Baht	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	2,150,400	3,729,399
Interbank and money market items	676,756	969,386
Liabilities payable on demand	150,898	(189,046)
Short-term debt issued and borrowings	-	(6,500,000)
Other liabilities	(82,841)	91,511
Net cash from operating activities	<u>(7,496,302)</u>	<u>(13,440,445)</u>
Cash flows from investing activities		
Purchases of equity securities measured at fair value		
through other comprehensive income	-	(1,149)
Proceeds from disposal of equity securities measured at fair value		
through other comprehensive income	484	-
Purchases of debt securities measured at amortized cost	(8,960,000)	(6,100,000)
Proceeds from redemption of debt securities measured at amortised cost	8,960,000	7,200,000
Purchases of premises and equipment	(21,906)	(10,090)
Proceeds from disposal of premises and equipment	26,113	127
Purchases of intangible assets	(35,275)	(85,750)
Proceeds from write-off of intangible assets	89,747	-
Net cash from investing activities	<u>59,163</u>	<u>1,003,138</u>
Cash flows from financing activities		
Proceeds from long-term debt issued and borrowings	17,029,211	10,594,388
Repayments of long-term debt issued and borrowings	(8,956,361)	(39,353)
Proceeds from capital increase	-	2,198,000
Repayments of lease liabilities	(16,543)	(9,975)
Remittance as the public revenue	(619,690)	(308,830)
Net cash from financing activities	<u>7,436,617</u>	<u>12,434,230</u>
Net decrease in cash and cash equivalents	<u>(522)</u>	<u>(3,077)</u>
Cash and cash equivalents at the beginning of the period	<u>715</u>	<u>3,792</u>
Cash and cash equivalents at the end of the period	<u><u>193</u></u>	<u><u>715</u></u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Notes	Contents	Page
1	General Information	13
2	Basis of Preparation of the Financial Statements	13
3	Summary of Significant Accounting Policies	17
4	Risk Management	29
5	Estimates and Assumptions	35
6	Additional Information	
6.1	Supplementary Information of Cash Flows	35
6.2	Classification of Financial Assets and Liabilities	36
6.3	Interbank and Money Market Items, Net (Assets)	38
6.4	Derivatives	39
6.5	Investments, Net	43
6.6	Loans to Customers and Accrued Interest Receivables, Net	44
6.7	Allowance for Expected Credit Losses	47
6.8	Properties for Sale, Net	51
6.9	Premises and Equipment, Net	52
6.10	Intangible Assets, Net	53
6.11	Reinsurance Assets	53
6.12	Other Assets, Net	53
6.13	Deposits	54
6.14	Interbank and Money Market Items (Liabilities)	54
6.15	Debt Issued and Borrowings	55
6.16	Provisions	56
6.17	Reserves for Insurance Service	58

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Notes	Contents	Page
6.18	Other Liabilities	58
6.19	Fair value of Assets and Liabilities	59
6.20	Capital	60
6.21	Remittance as the Public Revenue	60
6.22	Contingent Liabilities	61
6.23	Other Benefits to Directors and Executives	61
6.24	Leases	62
6.25	Financial Position and Operational Performance Classified by Domestic and Foreign Operations	62
6.26	Interest Income	65
6.27	Interest Expenses	65
6.28	Fees and Service Income, Net	65
6.29	Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net	66
6.30	Bad debts on claims and Reserves for Insurance Services	66
6.31	Expected Credit Losses	66
6.32	Public Service Account	67
6.33	Events after the Reporting Period	69
6.34	Approval of the Financial Statements	69

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

Export-Import Bank of Thailand (the Bank) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended (Act), with the objective to promote and support export, imports, and investment, both domestic and overseas, for the purpose of national development by providing credit facilities, guarantee, risk insurance or other necessary services under the provisions of this Act. The Bank's head office is located at 1193 Phaholyothin Road, Phayathai, Phayathai, Bangkok, with five branch offices in Bangkok and its vicinity, four branch offices in upcountry, and four representative offices in the CLMV (CLMV) countries.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The financial statements are prepared in accordance with generally accepted accounting standards by adopting Thai Financial Reporting Standards (TFRSs), which assigned by the Federation of Accounting Professions, presented and disclosed in accordance with the Notification of the Bank of Thailand, No. SorNorSor. 21/2561 dated October 31, 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups. Staging for impairment and allowance for expected credit losses are considered in accordance with the Bank of Thailand's circular No. TorPorTor.ForNorSor2.Wor. 802/2564 dated September 3, 2021, regarding Guidelines regarding the Provision of Financial Assistance to the Debtors Affected by the Coronavirus Disease 2019 (COVID-19) (Sustainable Debt Resolution). The debt restructuring is considered in accordance with the Bank of Thailand's Notification No. SorKorSor2.14/2564 dated December 16, 2021, regarding Guidance on Sustainable Debt Restructuring for the Specialized Financial Institutions' Debtors and the Bank of Thailand's circular No. TorPorTor.ForKorChor.(07) Wor. 1156/2564 dated December 16, 2021, regarding Guidance on Financial Assistance to the Debtors Affected by Situations that Affect the Thai Economy (Sustainable Debt Restructuring). The Federation of Accounting Professions under the Royal Patronage of His Majesty the King has also issued an announcement regarding accounting guidance in relation to Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic, which have been announced in the Royal Gazette on December 22, 2021. Its objectives are to provide temporary relief measures for entities providing assistance to debtors affected by COVID-19 Pandemic, in accordance with the assistance measures of government and the Bank of Thailand. The Bank has complied with all the temporary relief measures specified in this guidance.

2.2 New or Revised Thai Financial Reporting Standards (TFRSs)

Revised Thai Financial Reporting Standards (TFRSs), effective for the financial statements beginning on or after January 1, 2022, and has impact on the Bank's financial statements are as follows:

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 4	Insurance Contracts
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases

The adoption of TFRSs mentioned above has no material impact on the Bank's financial statements.

2.3 Thai Financial Reporting Standards (TFRSs) announced in the Royal Gazette but not yet Effective

2.3.1 The Federation of Accounting Professions has issued TFRSs, which are effective for the financial statements beginning on or after January 1, 2023 as follow :

TAS 16	Property, Plant and Equipment
TAS 32	Financial Instruments: Presentation
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 41	Agriculture
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 3	Business Combinations
TFRS 4	Insurance Contracts
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

The Bank has considered the impact of TFRSs mentioned above and determined that they will have no material impact on the Bank's financial statements. However, the Bank has not early adopted these TFRSs before the effective date.

2.3.2 The Federation of Accounting Professions has issued TFRS 17 Insurance, which have been announced in the Royal Gazette on August 19, 2022, but is effective for the financial statements beginning on or after January 1, 2025. However, The Bank is presently considering the potential impact of the above TFRSs. The Bank has not early adopted these TFRSs before the effective date.

2.4 The Bank of Thailand's Regulations and Accounting Guidance, issued by the Federation of Accounting Professions, regarding Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic

The Bank of Thailand announced circular No. TorPorTor.ForNorSor2. Wor. 802/2564 dated September 3, 2021, regarding Guidelines regarding the Provision of Financial Assistance to the Debtors Affected by the Coronavirus Disease 2019 (COVID-19) (Sustainable Debt Resolution) to promote financial institutions in providing the affected debtors with the sustainable long-term debt restructuring during January 1, 2022 to December 31, 2023. The Federation of Accounting Professions has also issued an announcement regarding accounting guidance in relation to Guidelines for Relief Measures for Debtors Affected by Coronavirus Disease 2019 (COVID-19) Pandemic. Its objectives are to provide temporary relief in determining the classification and provisioning for the debt restructuring program for financial institutions that assist affected debtors as follow:

1) The debt restructuring with the purpose of reducing the debt burden of debtors more than just extending the payment timeline, for example, the debt restructuring involving a reduction of accrual interest, a reduction of the contractual interest rate which leads to a decrease in the effective interest rate (EIR) or a decrease in the average of interest rate throughout the contract, or other less stringent payment conditions (including modifying conditions that will benefit the debtors such as directing the payment towards reducing the principal before interest payment), asset foreclosure, receipt of debtors' equity arising from debt to equity conversion, short-term debt to long-term debt transformation employed with other types of debt restructuring measures that reduces the debtors' debt burden as well as the restructuring package offered with an additional credit line to the debtors, is allowed as follow:

Asset classification

- The debt restructuring for non-NPL debtors: Financial institutions are then able to classify such debtors that do not have a significant increase in credit risk in performing stage or stage 1 immediately without having to wait for the outcome whether or not the debtors honor the conditions under the debt restructuring program if the terms and conditions regarding the payment are clearly stated in the agreement or the new contract and, under the financial institutions' judgment that the debtors are able to honor the stated conditions.

- The debt restructuring for NPL debtors: Financial institutions are then able to classify such debtors in performing stage or stage 1 if the debtors are able to honor the payment conditions stated in the new debt restructuring contracts for 3 months or 3 payment due dates consecutively whichever is of longer time period.

- Extending new credit to be used as additional capital or liquidity for continuing the debtors' business operation during the debt restructuring period: financial institutions are able to classify this new

credit in performing stage or stage 1 immediately if, under a careful consideration, the financial institutions view that the debtors are able to honor the stated conditions.

- With regards to the re-classification from performing stage (stage 1) to under-performing stage (stage 2), financial institutions shall consider re-classifying the debtors based on the number of days overdue for principal or interest payments of more than 30 days or 1 month from the due date set forth on the contract or the agreement.

Provisioning

- In case the debt restructuring results in the original effective interest rate (EIR) being inconsistent with the projected cash flow on the loans, financial institutions can employ the new EIR rate to calculate the present value of their restructured loans.

2) The debt restructuring involving just the payment timeline extension such as the extension of the payment due date, issuing the grace period on the principle and/or interest payments, and short-term debt to long term debt transformation, is allowed as follow:

- the financial institutions shall adhere to Bank of Thailand's regulations and the relevant financial reporting standards for the asset classification and provisioning.

- financial institutions shall use the guidelines for considering a significant increase in credit risk (SICR) in accordance with the Bank of Thailand's circular regarding Guidelines for sustainable debt resolution in considering changing the classification of the debtors to under-performing stage (stage 2).

3) If financial institutions employ measures to provide assistance to debtors affected by the COVID-19 in accordance with the Bank of Thailand's circular regarding Guidelines for sustainable debt resolution, financial institutions can calculate the expected credit loss based on the current credit outstanding (the used credit line) without having to calculate the expected credit loss for the unused credit line.

4) For retail and SME debtors who are classified by using the current debt classification developed by the individual financial institution and are in the process of the debt restructuring that cannot be completed by December 31, 2021, financial institutions are able to apply the current classification to those debtors up until March 31, 2022.

5) If financial institutions apply the temporary relief measures according to the accounting guidance, financial institutions must disclose information about the adoption of such alternatives, facts and situations that financial institutions applied in accordance with the related Bank of Thailand's circulars, in the notes to the financial statements, including the disclosures required by related Thai Financial Reporting Standards, credit risk management, and the impact on expected credit loss. In addition, financial institutions must still comply with all financial reporting standards that are effective and related in preparing the financial statements in each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income Recognition

Interest income is recognized using the effective interest method, which is used in calculating amortized cost based on the effective interest rate of a financial assets or financial liabilities. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial assets or financial liabilities.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of that financial assets. If the financial assets are no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount.

Government and government agency grant related to compensation for interest or operating expense is recognized as revenue from public service account on an accrual basis.

Income from export credit insurance, investment insurance and stand-by claims purchase agreement are recognized as fee and service income upon the services performed.

3.2 Expenses Recognition

Interest expenses are recognized using the effective interest method. Any fees that are not an integral part of the effective interest rate 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 and Hedge Accounting

Derivatives are initially recorded at fair value in the statement of financial position and are classified as trading, except for derivatives designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value throughout the life of the contracts and presented as assets when fair values are positive and as liabilities when fair values are negative.

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in qualifying hedging relationships, which can be applied hedge accounting.

At the inception of the hedging relationship, the Bank prepares a formal document indicating the relationship between the hedging instruments and hedged items, the risk management objectives, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of hedging

relationship. The Bank makes an assessment of the effectiveness, both at the inception of the hedge relationship and on an ongoing basis whether the hedging instruments remain effective in offsetting the change in fair value or cash flows of the hedged item.

1) Fair Value Hedge

When a derivative is designated as the hedging instruments of the change in fair value of a recognized asset or liability that could affect profit or loss, the changes in the fair value of the hedging instruments are recognized immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risks is recognized in profit or loss. If the hedged item would otherwise be measured at cost or amortized cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, fair value of hedged items will be new carrying amount for which the effective interest method is used to amortized to profit or loss (if hedged items are measured through other comprehensive income, then is used to amortized to retained earnings) over its remaining life.

2) Cash Flow Hedge

When a derivative is designated as the hedging instruments in the hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve within shareholders' equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately gain (loss) on financial instruments measured at fair value through profit or loss. The amount recognized in the hedging reserve is classified from other comprehensive income to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively. If the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows occur. If the hedged cash flows are no longer expected to occur, then the Bank will reclassify the amount in the hedging reserve from other comprehensive income to profit or loss.

3.5 Net Gains (Losses) from Financial Instruments Measured at Fair Value through Profit or Loss

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading financial assets and trading financial liabilities as well as non-trading financial instruments that are assigned to measure at fair value through profit or loss, and net profit (loss) from hedge

accounting which is changes in the fair value of the hedged instruments and fair value of hedged items, changes in the fair value of the ineffective portion of the cash flow hedge, net profit (loss) on the hedged instruments and the hedged item when the cash flow hedge is terminated. This includes gain (loss) from foreign exchange trading and translation of foreign currency assets and liabilities into Thai baht.

3.6 Financial Instruments

Classification of Financial Instruments

1) Financial Assets

The Bank classifies the financial assets, within the scope of TFRS 9, in accordance with the Bank's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

1.1) Financial Assets Measured at Amortized Cost

Financial assets are classified as measured at amortized cost only if it meets both of the following conditions:

- The Bank holds the financial assets within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above financial assets are initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at amortized cost using the effective interest method.

Financial assets measured at amortized cost are presented at the amount of net of allowance for expected credit losses (if any) in the statement of financial position.

Gain or loss on disposal of those financial assets is recognized in profit or loss.

1.2) Investment Measured at Fair Value through Other Comprehensive Income

Investment in Debt Instruments

Investment in debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions:

- The Bank holds the investment in debt instruments within a business model whose objective is achieved by both collecting contractual cash flows and selling investment in debt instrument; and
- The contractual terms of the investment in debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above investment in debt instruments is initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at fair value. Gain or loss from changes in fair value is reported through other comprehensive income (loss), after which gain or loss on disposal of the instruments will be recognized in profit or loss upon disposal. The Bank recognizes impairment loss, interest income, and gain or loss on exchange in profit or loss.

Investment in debt instruments measured at fair value through other comprehensive income is presented at the amount of net of allowance for expected credit losses (if any), in the statement of financial position.

Investment in Equity Securities

Investment in equity securities that is not held for trading is designated as measured at fair value through other comprehensive income on initial recognition, where an irrevocable election has been made by the management.

Gain or loss from change in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal. Dividend on this investment is recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

1.3) Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss consists of

- Financial assets held for trading
- Financial assets designated as measured at fair value through profit or loss on initial recognition; and
- Debt instruments that the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding

The above financial assets are initially recognized at fair value, which transaction costs directly attributable to its acquisition is recognized in statement of profit or loss, and subsequently measured at fair value in statement of profit or loss.

When a financial assets are measured at fair value, the change in credit risk, including the credit rating of counterparties, is considered in the fair value measurement of such financial assets. Therefore, the change in fair value includes the change in credit risk as well.

Financial Assets Held for Trading

The Bank classifies financial assets as held for trading when the business model is to sell or buyback in a near future, or are initially designated as part of a portfolio of financial instruments that are

managed together, for which there is an evidence of short-term profit making, or are derivatives (except where they are designated as part of an effective hedge relationship).

2) Financial Liabilities

The Bank classifies financial liabilities as measured at amortized cost or fair value through profit or loss in the case of derivatives.

Recognition and Derecognition of Financial Instruments

The Bank initially recognizes investments, loans, and debts issued and borrowings on settlement date, and other financial instruments (under regular way purchases or sale of financial assets) on trade date, which is the date on which the Bank become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities those are measured at fair value through profit or loss are initially recognized at fair value. Other financial assets are recognized at fair value plus transaction costs directly attributable to its acquisition or issuance.

When the transaction price differs from the fair values of the similar financial instruments in active market or the fair value measured using a valuation technique that uses observable inputs, the Bank recognizes such difference (at inception) in the statement of profit or loss. If the fair values are measured using unobservable market data, the difference between transaction price and fair value measured using a valuation technique is recognized in the statement of profit or loss when data used in valuation become observable or the Bank derecognizes such financial instruments.

The Bank derecognizes financial assets when the contractual cash flows from the asset expire or the Bank transfers its rights to receive contractual cash flows on the financial assets in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, are recognized separately as asset or liability.

Moreover, the Bank derecognizes loan to customers when the contractual terms of a loan are substantially modified and such loan is recognized as a new loan, then the difference is recognized as gain or loss from derecognition financial instruments measured at amortized cost in profit or loss.

Financial liabilities are derecognized from the statement of financial position when the Bank has discharged its obligation, or the contract is cancelled or expired.

Modification of Financial Instruments

1) Financial Assets

If the terms of financial assets are modified, then the Bank evaluates whether the cash flows of the modified assets are substantially different from the original financial assets. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial assets are deemed to have

expired. Therefore, the Bank will derecognize the original financial assets and recognize a new financial assets at fair value.

If the modification of financial assets measured at amortized cost is not substantially different, which does not result in derecognition of the financial assets, then the Bank recalculates the gross carrying amount of the financial assets and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with expected credit losses. In other cases, it is presented as interest income.

2) Financial Liabilities

The Bank derecognizes the financial liabilities when the original financial liabilities are replaced with a new substantially modified financial liabilities or its terms are modified and the cash flows of the modified financial liabilities are substantially different. A new financial liabilities based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liabilities extinguished and the new financial liabilities is recognized in the statement of profit or loss.

Write-down

The Bank writes down the financial assets either partially or in full when there is no reliable evidence that the Bank will collect cash flows from such financial assets. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off are still subjected to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.7 Allowance for Expected Credit Losses

As of the reporting date, the Bank assesses whether financial assets measured at amortized cost and investment in debt instruments measured at fair value through other comprehensive income are credit-impaired. Financial assets are assessed as credit impaired when one or more events those have a detrimental impact on the estimated future cash flows of those assets have occurred. Evidence that financial assets are credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower
- Breach of contract such as default or a past due event
- The consent to debt restructuring to the borrower who is in financial difficulties from the economics, which in other case the Bank does not consider the relaxation
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for the applicable financial assets due to financial difficulties of the borrower

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan with over 90 days past due is considered to be credit-impaired.

In order to assess whether the government bond investment is credit-paired or not, the Bank considers the following factors:

- Credit rating evaluated by the market, reflecting in the bonds' returns
- Credit rating evaluated by external credit rating agencies
- Ability to access the capital market of the issuing country, in case of new bond issuances
- Probability of the bond's restructuring, making the bondholders intentionally or forcibly forgo the debt
- Existing international measures to support the country issuing the bonds, the clear intention of the government to use such measures, as well as through evaluation on the effectiveness of such measures to mitigate the bond issuers' credit risk

3.8 Troubled Debt Restructuring

When the original contractual terms of a financial asset have been modified or an original financial assets are replaced with a new financial assets because of financial difficulties of the borrower, the Bank will consider whether the financial assets are derecognized, and measure the expected credit loss as follow:

- If the modification does not result in derecognition of the financial assets, then the Bank estimates cash flows from the modified financial assets to calculate loss from the original financial assets.
- If the modification results in derecognition of the financial assets, at the date of derecognition fair value of a new financial assets are considered as the final cash flows of original financial assets, which will be input in calculating loss from the original financial assets. Fair value of a new financial assets are discounted from the expected derecognition date till the reporting date using the loan's original effective interest rate.

The Bank's policy in monitoring the modified loans ensured that debtors regularly repay debt in the future, the Bank expects no loss on modification when the future cash flows are discounted by the loan's original effective interest rate . If there is loss on modification, such loan is recognized as troubled debt restructuring unless the Bank receives debt repayment or derecognizes the loan.

A loan determined as troubled debt restructuring will be classified as troubled debt restructuring for at least 12 months. When debtor repays loan with the new contractual terms for at least 12 months from the date of restructuring, such loan is moved from Stage 2 financial assets where there have been a significant increase in credit risk.

3.9 Properties for Sale

Properties for sale consist of movable and immovable properties, acquired as debt settlement and from purchase at a court-ordered auction sale, which are stated at the lower of cost or fair value less accumulated impairment loss. Loss on impairment or reversal of loss on impairment is recognized as other operating expenses or income in profit or loss.

Gain or loss on disposal of properties for sale is recognized as other operating income or expenses in profit or loss upon disposal.

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

3.10 Premises, Equipment and Depreciations

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment loss (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

Gain or loss on disposal of premises and equipment is recognized as other operating income or expenses in profit or loss 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 accumulated impairment loss (if any). Amortization is calculated by the straight-line method, based on the estimated useful life of the assets, which is between three to five years. The amortization is recognized as other operating expenses.

Gain or loss on disposal of intangible assets is recognized as other operating income or expenses in profit or loss upon disposal.

3.12 Right-of-use Assets and Lease Liabilities

The Bank recognizes lease agreements as right-of-use assets and lease liabilities in the statement of financial position, except for lease agreement with lease term less than 1 year and low-value lease agreement, which underlying assets are less than 500,000 baht.

Rental fee consists of interest expenses and payment of lease liabilities, which interest expenses are recognized as expenses in profit or loss.

Right-of-use is amortized over the straight-line method throughout the lease term and recognized as expenses in profit or loss.

3.13 Deposits, Liabilities Payable on Demand, Debt Issued and Borrowings

Deposits, liabilities payable on demand, debt issued and borrowings are initially recognized at fair value less transaction costs and are subsequently measured at amortized cost using effective interest method.

3.14 Assets and Liabilities in Foreign Currencies

3.14.1 Functional Currency and Presentation Currency

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

3.14.2 Translation of Foreign Currencies

The Bank translates items denominated in foreign currencies arising during the period into Thai Baht at the exchange rate prevailing at the transaction date and the foreign currency balances of monetary assets and liabilities at the reference exchange rate, which is the average rate between the average buying rate of money transfers and the average selling rate, announced by the Bank of Thailand as at the reporting date. Gain or loss on translation of foreign currencies is recognized and presented as gain (loss) on trading and foreign exchange transactions.

3.15 Export Credit Insurance Services and Reserves

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

Reserves for export credit insurance are as follows:

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

The Bank provides reserves for future claims against the export credit insurance policies at the rate of 1% of the amount of export bills insured outstanding not yet claimed.

2) Reserves for the pending insurance claims payable

The Bank provides make reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.16 Investment Insurance Services and Reserves

Investment insurance services are recorded as the contingent liabilities from investment insurance, which are off-the statement 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.

Reserves for investment insurance are as follows:

1) Reserves for future claims against the investment insurance policies

The Bank provides reserves 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) Reserves for the pending insurances claims payable

The Bank provides reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.17 Stand-by Claims Purchase Agreement Services and Reserves

Stand-by claims purchase agreement services are recorded as the contingent liabilities from stand-by claims purchase agreement, which are off-the statement 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.

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

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

The Bank provides reserves for future service claims against the stand-by claims purchase agreement policies at the rate of 1% of the amount of stand-by claims purchase agreement outstanding not yet claimed.

2) Reserves for the pending claims payable

The Bank provides reserves for the pending claims of such stand-by claims purchase agreement service at the rate of 50% of the exposures.

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

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

3.18 Provisions

The Bank recognizes provisions in the statement of financial position, when the Bank has a legal or constructive obligation as a result of a past events whereby it is probable that an outflow of economic benefits resource will be required to settle the obligation, and where a reliable estimate of the amount of the obligation can be determined. The provisions recognized in the statement of financial position are the provision for the employee benefits and other provisions.

3.19 Post-Employment Benefits

3.19.1 Defined Contribution Plans

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

Contributions to the employee provident fund are made under the rule of "The Registered Provident Fund of Export-Import Bank of Thailand's Employee". Employees contribute to the provident fund at 3-15% of salary and the Bank's supplemental contribution is at 5.5%-10% of employee's salary according to the years of employment. Upon termination of employment, employees are entitled to receive this benefit.

3.19.2 Defined Benefit Plans

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

The provision for the employee benefits is determined by calculating present value of the cash flows of employee benefits to be paid in the future. The calculation is based on the Projected Unit Credit Method (an actuarial technique). The 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 Thai Bond Market Association. The employee benefits are presented as part of provisions in the statement of financial position.

The actuarial gain or loss on defined benefit plans is recognized in other comprehensive income and recorded directly to the retained earnings in the period in which they arise.

3.20 Appropriation of Annual Net Profit

Section 27 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended, 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 as the public revenue.

3.21 Loan Commitments and Financial Guarantee Contracts

Loan commitments are the undrawn amount on the loan commitments.

The Bank issues guarantee contracts to customers for operating business. Financial guarantee contracts are initially recognized at fair value, which is the fee received unless there is other evidences. The Bank measures the value of financial guarantee contracts at the higher amount between the expected payment to reimburse the holder for a loss incurred and the initial amount less the accumulated income recognized in profit or loss.

The Bank recognizes expected credit loss for loan commitments and financial guarantee contracts as liabilities in the statement of financial position.

4. RISK MANAGEMENT

4.1 Risk Profile

4.1.1 Credit Risk

The Bank has managed credit risk arising from failure by a debtor or counterparty to perform in compliance with the agreement relating to credit provision, investment and incurrence of commitments (including export credit and investment insurance). It is aimed to ensure that the quality of the Bank's credit and export credit and investment insurance is in line with that required by the EXIM Thailand Act and its missions, key financial laws, risk management best practice and sustainable banking principles. A particular emphasis is put on credit lending in accordance with the government policy, including public service account (PSA), and promotion of international trade to enhance competitiveness of Thai exporters and importers, Thai investment overseas, and domestic investment toward national development in line with the relevant domestic business support framework.

The Bank has a clear framework of its credit process based on the principle of three lines of defence. The main functional duties and responsibilities are assigned to (1) perform credit transactions; (2) manage risks associated with credit transactions and (3) examine credit transactions. The persons in charge and the delegation of duties in relation to the credit process are as follows:

(1) Perform credit transactions (First Line of Defence) comprising:

- Credit analysis : the person in charge analyses credit lines, financial data and other necessary information, in order to assess the borrower's status and repayment ability, and screens and concludes risk issues before submission to the approval authority.
- Approval of credit transactions also including debt restructuring : the Board of Directors considers and approves the structure, composition and authority in credit underwriting and approval as well as debt correction of each committee. The persons with approval authority shall have appropriate qualifications i.e. relevant expertise and experience and capability to make good and reasonable judgment among other skills.
- Post-approval process and verification of post-approval proceeding: the person in charge reviews the post-approval operation, e.g. legal documentation, collateral registration to ensure compliance with credit approval conditions and payment or incurrence of commitments to ensure correctness and completeness.

(2) Manage risks associated with credit transactions (Second Line of Defence) the person in charge follows up and reports on the risks associated with the credit transaction such as credit transaction information, quality of credit and insurance portfolio, and operational performance as well as other financial data to support the Bank's administration and credit risk management. Also monitoring the bank operation to ensure compliance with the relevant laws, rules and regulation.

(3) **Examine credit transactions (Third Line of Defence)** the person in charge examines and reviews the overall performance of operational systems and the performance of the persons in charge in the first and second lines of defence, monitors the operational performance according to the action plans or projects, and reports the results of the examination directly to the Audit Committee.

Moreover, the Bank calculated the provisions for expected credit loss (ECL) according to the TFRS 9 and conduct of reasonableness test of the calculation model on a regular basis.

In 2022, the Bank conducted the Supervisory Stress Test to assess the potential impact on the credit portfolio quality and adequacy of reserve funds. The aim was to align the credit portfolio management appropriately and consistently with the risk level and to improve the risk monitoring process for country/industry with significant credit risk, to efficiently monitor and manage risk in correspondence with global economy volatility.

4.1.2 Market Risk

The Bank has put in place a market risk management policy, which is reviewed annually, for use as its guidelines to ensure sound market risk management.

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

1. Interest Rate Risk

It refers to the risk of an 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 items that could affect the Bank's net interest income (NII), market value of trading account items, and other income and expense items associated with interest rates;

2. Foreign Exchange Rate Risk

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

3. Equity Price Risk

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

In this regard, the Bank focuses on implementing the strategy of managing market risk with appropriate cost and returns taken into account. There is clear segregation of authority and delegation of authority among business units relating to market risk management. The Bank has defined and delegated approval authority together with relevant criteria in writing, as well as designated the use of market risk assessment, monitoring and management approaches that cover both banking book and trading book positions in alignment with the complexity of the respective transactions so as to ensure that the Bank's market

risk is contained within the acceptable level in line with, and in response to, the public-sector equity holder and the Bank's vision and mission.

In 2022, the Bank conducted the Supervisory Stress Test and closely monitored market risks, particularly exchange rate risks. Related processes were improved to mitigate the possible negative impacts of exchange rate fluctuations on the Bank's portfolio.

Moreover, the Bank recorded risk hedging transactions and conducted hedge effectiveness test on a regular basis in accordance with the Thai Financial Reporting Standard No. 9 (TFRS 9).

4.1.3 Liquidity Risk

The Bank has established a liquidity risk management policy, which is reviewed on a yearly basis, for use as guidelines in preventing risks 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 obtaining adequate funds but at exorbitant costs, which could affect the Bank's earnings and capital funds both at present and in the future. It also aims to prevent liquidity risk from the Bank's inability to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at prices lower than the acquisition costs due to low liquidity of the assets or market liquidity shortage.

The Bank has managed liquidity with proper acquisition and distribution of short, medium and long-term borrowings that match its respective asset structure. Major applications of funds are credit provisions to debtors and investments in liquid assets, while sources of funds are mainly from fund raisings or issuances of financial instruments both onshore and offshore such as issuance of debt securities to the government entities and public sector, US dollar bond issues under the EURO Medium Term Note (EMTN), as well as business partners, that are its funding sources on a regular and consistent basis as part of its liquidity management.

In 2022, the Bank maintained its liquidity position to serve its net funds requirement at the level higher than its internal criteria and average liquid assets higher than that specified by the Bank of Thailand. The main liquid assets held by the Bank included government bonds, Bank of Thailand bonds, and treasury bills. Holdings of liquid assets have been reviewed as appropriate to sufficiently accommodate settlements of debts and obligations, and ensure smooth operation under both normal and crisis situations. Moreover, reports on liquidity position and operational results are made on a regular basis.

The Bank has conducted liquidity stress testing on a quarterly basis in three scenarios comprising : 1.institution-specific crisis 2 .market-wide crisis and 3 .a combination of institution-specific and market-wide crises. It has also identified specific risk factors, both internally and externally, that may affect its liquidity according to the Bank of Thailand's guidelines. In 2022, the Bank conducted stress testing which additionally covered the principal and interest debt suspension measure for customers affected by the COVID-19,

both directly and indirectly. In addition, a liquidity contingency plan has been developed to safeguard the Bank against any liquidity crisis. The plan outlines the roles, duties and responsibilities of the management and business units concerned, early warning signals, and the execution process to timely cope with stress conditions.

As at December 31, 2022 and 2021, the Bank had significant asset and liability items classified by maturity as follows:

						Unit: Million Baht
						December 31, 2022
	At Call	Up to 1 Year	1 – 5 Year	Over 5 Year	No Maturity	Total
Assets						
Interbank and money market						
items, net	1,762.38	3,724.61	-	-	-	5,486.99
Investments, net	-	3,985.91	-	-	6.34	3,992.25
Loans to customers	-	60,583.61	65,623.02	37,636.56	-	163,843.19
Loans to customers from						
public service account	<u>-</u>	<u>1,192.19</u>	<u>3,119.57</u>	<u>175.88</u>	<u>-</u>	<u>4,487.64</u>
Total	<u>1,762.38</u>	<u>69,486.32</u>	<u>68,742.59</u>	<u>37,812.44</u>	<u>6.34</u>	<u>177,810.07</u>
Liabilities						
Deposits	4,033.30	34,267.28	11,921.95	-	-	50,222.53
Interbank and money market						
items, net	95.07	10,606.83	10,112.92	1,000.00	-	21,814.82
Liabilities payable on demand	383.62	-	-	-	-	383.62
Debt issued and borrowings	<u>-</u>	<u>10,372.98</u>	<u>48,555.30</u>	<u>8,916.17</u>	<u>-</u>	<u>67,844.45</u>
Total	<u>4,511.99</u>	<u>55,247.09</u>	<u>70,590.17</u>	<u>9,916.17</u>	<u>-</u>	<u>140,265.42</u>

Unit: Million Baht

	December 31, 2021					
	At Call	Up to	1 – 5 Year	Over	No	Total
		1 Year		5 Year	Maturity	
Assets						
Interbank and money market						
items, net	1,182.01	7,422.62	-	-	-	8,604.63
Investments, net	-	3,994.77	-	-	7.95	4,002.72
Loans to customers	-	53,461.06	57,771.26	38,385.86	-	149,618.18
Loans to customers from						
public service account	<u>-</u>	<u>739.62</u>	<u>2,243.75</u>	<u>171.76</u>	<u>-</u>	<u>3,155.13</u>
Total	<u>1,182.01</u>	<u>65,618.07</u>	<u>60,015.01</u>	<u>38,557.62</u>	<u>7.95</u>	<u>165,380.66</u>
Liabilities						
Deposits	2,687.53	29,377.50	16,085.00	-	-	48,150.03
Interbank and money market						
items, net	53.78	8,657.35	11,376.64	1,000.00	-	21,087.77
Liabilities payable on demand	233.03	-	-	-	-	233.03
Debt issued and borrowings	<u>-</u>	<u>9,186.94</u>	<u>41,914.50</u>	<u>9,538.20</u>	<u>-</u>	<u>60,639.64</u>
Total	<u>2,974.34</u>	<u>47,221.79</u>	<u>69,376.14</u>	<u>10,538.20</u>	<u>-</u>	<u>130,110.47</u>

4.2. CAPITAL ADEQUACY UNDER BASEL II STANDARD

As at December 31, 2022 and 2021, the Bank's capital adequacy ratio under Basel II standard were as follows:

Capital Structure Based on Basel II Standard		
	Unit: Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tier 1 Capital		
Paid-up capital	14,998.00	14,998.00
Legal reserve	8,886.00	8,120.00
Net loss after appropriation	<u>(855.58)</u>	<u>(959.05)</u>
Total Tier 1 Capital	23,028.42	22,158.95
Tier 2 Capital		
Provision for asset classification as normal	1,648.79	2,193.63
Revaluation surplus on investments in equity securities designated at fair value through other comprehensive income, net	<u>1.80</u>	<u>2.59</u>
Total Tier 2 Capital	<u>1,650.59</u>	<u>2,196.22</u>
Total capital under Basel II standard	<u>24,679.01</u>	<u>24,355.17</u>

Capital Adequacy Ratio

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tier 1 capital adequacy ratio	11.25%	12.19%
Total capital adequacy ratio	12.05%	13.40%

	Unit: Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total capital after deducting capital add-on arising from single lending limit	24,190.72	23,840.38
Total capital adequacy ratio after deducting capital add-on arising from single lending limit	11.81%	13.12%

5. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards and the Bank of Thailand's regulations, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. However, the actual results may differ from the estimates.

The Bank reviews the estimates and assumptions on a regular basis. Changes in accounting estimates are recognized in the period in which estimates are revised if the changes in accounting estimates affects only that period, and recognized both in the period in which such estimates are reviewed and future periods if the change in accounting estimate has an effect on both the current and future periods.

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Increase (Decrease) in revaluation surplus on investments in equity	(1.10)	2.00
Increase in properties for sale from loan payment	95.91	18.79

6.2 Classification of Financial Assets and Liabilities

Unit : Million Baht

	<u>December 31, 2022</u>			
	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	0.19	0.19
Interbank and money market items, net	-	-	5,486.99	5,486.99
Financial assets measured at fair value				
through profit or loss	1.21	-	-	1.21
Derivatives assets	360.66	-	-	360.66
Investments, net	-	6.34	3,985.91	3,992.25
Loans to customers and accrued interest				
receivables, net	-	-	151,739.41	151,739.41
Loans to customers from public service account				
and accrued interest receivables, net	-	-	4,442.89	4,442.89
Receivable eligible for government reimbursement	-	-	41.96	41.96
Financial liabilities				
Deposits	-	-	50,222.53	50,222.53
Interbank and money market items	-	-	21,814.82	21,814.82
Liabilities payable on demand	-	-	383.62	383.62
Derivatives liabilities	2,765.77	-	-	2,765.77
Debt issued and borrowings	-	-	67,844.45	67,844.45
Allowance for expected credit losses on loan				
commitments and financial guarantee contracts	-	-	220.41	220.41
Accrued interest payable	-	-	557.08	557.08

Unit : Million Baht

	<u>December 31, 2021</u>			
	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	0.71	0.71
Interbank and money market items, net	-	-	8,604.63	8,604.63
Financial assets measured at fair value				
through profit or loss	1.26	-	-	1.26
Derivatives assets	286.41	-	-	286.41
Investments, net	-	7.95	3,994.77	4,002.72
Loans to customers and accrued interest				
receivables, net	-	-	138,486.03	138,486.03
Loans to customers from public service account				
and accrued interest receivables, net	-	-	3,127.91	3,127.91
Other assets, net	-	-	52.46	52.46
Financial liabilities				
Deposits	-	-	48,150.03	48,150.03
Interbank and money market items	-	-	21,087.77	21,087.77
Liabilities payable on demand	-	-	233.03	233.03
Derivatives liabilities	748.13	-	-	748.13
Debt issued and borrowings	-	-	60,639.64	60,639.64
Allowance for expected credit losses on loan				
commitments and financial guarantee contracts	-	-	205.61	205.61
Accrued interest payable	-	-	216.78	216.78

6.3 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	<u>December 31, 2022</u>			<u>December 31, 2021</u>		
	<u>At Call</u>	<u>Time</u>	<u>Total</u>	<u>At Call</u>	<u>Time</u>	<u>Total</u>
Domestic items						
Bank of Thailand	16.46	200.00	216.46	21.62	-	21.62
Commercial banks	728.91	990.00	1,718.91	616.20	3,570.00	4,186.20
Specialized financial institutions	<u>0.01</u>	<u>1,100.00</u>	<u>1,100.01</u>	<u>0.01</u>	<u>900.00</u>	<u>900.01</u>
Total	745.38	2,290.00	3,035.38	637.83	4,470.00	5,107.83
<u>Add</u> Accrued interest receivables	-	0.03	0.03	-	-	-
<u>Less</u> Allowance for expected credit losses	<u>(0.50)</u>	<u>(1.99)</u>	<u>(2.49)</u>	<u>(0.46)</u>	<u>(1.16)</u>	<u>(1.62)</u>
Total domestic items	<u>744.88</u>	<u>2,288.04</u>	<u>3,032.92</u>	<u>637.37</u>	<u>4,468.84</u>	<u>5,106.21</u>
Foreign items						
US Dollars	824.98	1,436.70	2,261.68	353.24	2,954.82	3,308.06
Yen	40.39	-	40.39	46.01	-	46.01
Euro	100.07	-	100.07	80.83	-	80.83
Other currencies	<u>52.38</u>	<u>-</u>	<u>52.38</u>	<u>64.80</u>	<u>-</u>	<u>64.80</u>
Total	1,017.82	1,436.70	2,454.52	544.88	2,954.82	3,499.70
<u>Add</u> Accrued interest receivables	-	0.37	0.37	-	0.01	0.01
<u>Less</u> Allowance for expected credit losses	<u>(0.32)</u>	<u>(0.50)</u>	<u>(0.82)</u>	<u>(0.24)</u>	<u>(1.05)</u>	<u>(1.29)</u>
Total foreign items	<u>1,017.50</u>	<u>1,436.57</u>	<u>2,454.07</u>	<u>544.64</u>	<u>2,953.78</u>	<u>3,498.42</u>
Total domestic and foreign items	<u>1,762.38</u>	<u>3,724.61</u>	<u>5,486.99</u>	<u>1,182.01</u>	<u>7,422.62</u>	<u>8,604.63</u>

6.4 Derivatives

6.4.1 Derivatives Held for Trading

As at December 31, 2022 and 2021, the fair value and notional amount classified by type of risk were as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2022</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Amount</u>
Exchange rate	360.66	292.67	18,398.50

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2021</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Amount</u>
Exchange rate	263.56	385.45	34,420.42

6.4.2 Derivatives for Hedging

As at December 31, 2022 and 2021, hedging instrument classified by type of hedge accounting and risk were as follows:

Fair value hedge

The amounts relating to items designated as hedging instruments and hedge effectiveness were as follows:

Unit : Million Baht

<u>December 31, 2022</u>						
Type of risk	Notional amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Line item in profit or loss that includes hedge ineffectiveness
		Assets	Liabilities			
Interest rate risk						
Interest rate swap						Gain on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	<u>27,649.92</u>	<u>-</u>	<u>2,473.10</u>	Derivative Liabilities	<u>(2,473.10)</u>	
Total	<u>27,649.92</u>	<u>-</u>	<u>2,473.10</u>		<u>(2,473.10)</u>	

Unit : Million Baht

December 31, 2021							
Type of risk	Notional amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Hedge Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
		Assets	Liabilities				
Interest rate risk							
Interest rate swap							Gain (loss) on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	5,012.99	22.85	-	Derivative assets	22.85	-	
Interest rate swap							Gain (loss) on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	10,025.97	-	362.68	Derivative Liabilities	(362.68)	-	
Total	15,038.96	22.85	362.68		(339.83)	-	

The amounts relating to items designated as hedged items were as follows:

Unit : Million Baht

December 31, 2022

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging	
	Assets	Liabilities	Assets	Liabilities			gains and losses	
Interest rate risk								
- USD fixed-rate					Debt issued and			
debt securities	-	(25,176.82)	2,473.10	-	borrowings	2,473.10	-	
Total	-	(25,176.82)	2,473.10	-		2,473.10	-	

Unit : Million Baht

December 31, 2021

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging	
	Assets	Liabilities	Assets	Liabilities			gains and losses	
Interest rate risk								
- USD fixed-rate					Debt issued and			
debt securities	-	(5,035.83)	-	(22.85)	borrowings	(22.85)	-	
- USD fixed-rate					Debt issued and			
debt securities	-	(9,663.29)	362.68	-	borrowings	362.68	-	
Total	-	(14,699.12)	362.68	(22.85)		339.83	-	

6.5 Investments, Net

As at December 31, 2022 and, 2021, the Bank had Investments as follows:

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investments in debt securities measured at amortized cost	3,985.91	3,994.77
Investments in equity securities designated at fair value		
through other comprehensive income	<u>6.34</u>	<u>7.95</u>
Total	<u>3,992.25</u>	<u>4,002.72</u>

6.5.1 Investments in Debt Securities Measured at Amortized Cost

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Government and state enterprises securities	3,986.47	3,995.33
<u>Less</u> Allowance for expected credit losses	<u>(0.56)</u>	<u>(0.56)</u>
Total	<u>3,985.91</u>	<u>3,994.77</u>

6.5.2 Investments in Equity Securities Designated at Fair Value Through Other Comprehensive Income

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic marketable equity securities	4.01	5.77
Domestic non-marketable equity securities	0.72	0.80
Foreign non-marketable equity securities	<u>1.61</u>	<u>1.38</u>
Total	<u>6.34</u>	<u>7.95</u>

6.6 Loans to Customers and Accrued Interest Receivables, Net

6.6.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Overdrafts	145.53	155.41
Loans	163,525.02	149,272.69
Others	<u>115.86</u>	<u>118.69</u>
Total loans to customers	163,786.41	149,546.79
<u>Less</u> Deferred revenue	<u>(188.76)</u>	<u>(119.08)</u>
Total loans to customers, net of deferred revenue	163,597.65	149,427.71
<u>Add</u> Accrued interest receivables	<u>914.96</u>	<u>699.53</u>
Total loans to customers, net of deferred revenue, plus accrued interest receivables	164,512.61	150,127.24
<u>Less</u> Allowance for expected credit losses	<u>(12,773.20)</u>	<u>(11,641.21)</u>
Total loans to customers and accrued interest receivables, net	<u>151,739.41</u>	<u>138,486.03</u>

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

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loan for National Road No.67 Construction Project (Anlong Veng – Siem Reap) The Kingdom of Cambodia	840.34	904.34

6.6.2 Classified by Residence of Customers

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic	111,917.84	98,009.14
Foreign	<u>51,868.57</u>	<u>51,537.65</u>
Total	<u>163,786.41</u>	<u>149,546.79</u>

6.6.3 Classified by Loan Classification

	December 31, 2022		December 31, 2021	
	<u>Loans to</u> <u>customers</u> <u>and accrued</u> <u>interest</u> <u>receivables</u>	<u>Allowance for</u> <u>expected credit</u> <u>losses</u>	<u>Loans to</u> <u>customers</u> <u>and accrued</u> <u>interest</u> <u>receivables</u>	<u>Allowance for</u> <u>expected credit</u> <u>losses</u>
Financial assets where there has not been a significant increase in credit risk	153,004.98	4,501.43	139,203.86	4,044.43
Financial assets where there has been a significant increase in credit risk	6,635.45	4,152.50	6,760.19	3,990.89
Financial assets that are credit-impaired	<u>4,872.18</u>	<u>4,119.27</u>	<u>4,163.19</u>	<u>3,605.89</u>
Total	<u>164,512.61</u>	<u>12,773.20</u>	<u>150,127.24</u>	<u>11,641.21</u>

6.6.4 Troubled Debt Restructuring

The Bank restructured debts during the year 2022 and 2021 as follows:

		Unit : Million Baht	
		2022	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	13	67.37	67.37
		Unit : Million Baht	
		2021	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Asset transfer	1	14.04	14.04
Change of repayment conditions	8	347.38	362.57

Debt restructuring during the year 2022 and 2021, compared to outstanding loans and accrued interest receivables, net of deferred revenue were as follows:

	Unit : Million Baht			
	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	13	67.37	9	361.42
Loans to customers, net of deferred revenue, plus				
accrued interest receivables	3,861	164,512.61	3,036	150,127.24

As at December 31, 2022 and 2021, the Bank had outstanding restructured loans for 26 cases amounting to 803.15 million baht and for 37 cases amounting to 1,237.48 million baht, respectively.

For the years ended December 31, 2022 and 2021, the Bank recognized interest income from debt restructuring in the amount of 124.74 million baht and 111.92 million baht, respectively.

6.7 Allowance for Expected Credit Losses

As at December 31, 2022 and 2021, the Bank had allowance for expected credit losses and allowance for doubtful accounts as follows:

Unit : Million Baht

	<u>December 31, 2022</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2.88	0.03	-	2.91
Changes due to remeasurement of allowance for expected credit losses	(0.05)	0.01	-	(0.04)
New financial assets purchased or acquired	0.47	1.43	-	1.90
Derecognition of financial assets	<u>(1.46)</u>	<u>-</u>	<u>-</u>	<u>(1.46)</u>
Ending balance	<u>1.84</u>	<u>1.47</u>	<u>-</u>	<u>3.31</u>
Investments in debt securities measured at amortized cost				
Beginning balance	0.56	-	-	0.56
New financial assets purchased or acquired	0.56	-	-	0.56
Derecognition of financial assets	<u>(0.56)</u>	<u>-</u>	<u>-</u>	<u>(0.56)</u>
Ending balance	<u>0.56</u>	<u>-</u>	<u>-</u>	<u>0.56</u>

Unit : Million Baht

December 31, 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loans to customers and accrued interest receivables				
Beginning balance	4,044.43	3,990.89	3,605.89	11,641.21
Changes due to staging of financial assets	5.59	(256.28)	250.69	-
Changes due to remeasurement of allowance for expected credit losses	234.87	350.75	246.13	831.75
New financial assets purchased or acquired	280.39	71.09	89.92	441.40
Derecognition of financial assets	<u>(63.85)</u>	<u>(3.95)</u>	<u>(73.36)</u>	<u>(141.16)</u>
Ending balance	<u>4,501.43</u>	<u>4,152.50</u>	<u>4,119.27</u>	<u>12,773.20</u>
Loans to customers from public service account and accrued interest receivables				
Beginning balance	29.20	-	-	29.20
Changes due to remeasurement of allowance for expected credit losses	9.29	-	-	9.29
New financial assets purchased or acquired	11.10	-	-	11.10
Derecognition of financial assets	<u>(1.54)</u>	<u>-</u>	<u>-</u>	<u>(1.54)</u>
Ending balance	<u>48.05</u>	<u>-</u>	<u>-</u>	<u>48.05</u>

Unit : Million Baht

December 31, 2021

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2.88	4.18	-	7.06
Changes due to remeasurement of allowance for expected credit losses	(0.64)	(0.32)	-	(0.96)
New financial assets purchased or acquired	0.64	-	-	0.64
Derecognition of financial assets	-	(3.83)	-	(3.83)
Ending balance	<u>2.88</u>	<u>0.03</u>	<u>-</u>	<u>2.91</u>
Investments in debt securities measured at amortized cost				
Beginning balance	0.73	-	-	0.73
New financial assets purchased or acquired	0.56	-	-	0.56
Derecognition of financial assets	(0.73)	-	-	(0.73)
Ending balance	<u>0.56</u>	<u>-</u>	<u>-</u>	<u>0.56</u>

Unit : Million Baht

December 31, 2021

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loans to customers and accrued interest receivables				
Beginning balance	1,221.21	6,591.86	4,152.44	11,965.51
Changes due to staging of financial assets	2,824.94	(2,917.72)	92.78	-
Changes due to remeasurement of allowance for expected credit losses	(73.00)	519.84	416.59	863.43
New financial assets purchased or acquired	124.41	4.12	6.99	135.52
Derecognition of financial assets	<u>(53.13)</u>	<u>(207.21)</u>	<u>(1,062.91)</u>	<u>(1,323.25)</u>
Ending balance	<u>4,044.43</u>	<u>3,990.89</u>	<u>3,605.89</u>	<u>11,641.21</u>
Loans to customers from public service account and accrued interest				
Beginning balance	11.19	-	-	11.19
Changes due to remeasurement of allowance for expected credit losses	6.27	-	-	6.27
New financial assets purchased or acquired	12.01	-	-	12.01
Derecognition of financial assets	<u>(0.27)</u>	<u>-</u>	<u>-</u>	<u>(0.27)</u>
Ending balance	<u>29.20</u>	<u>-</u>	<u>-</u>	<u>29.20</u>

6.8 Properties for Sale, Net

As at December 31, 2022 and 2021, the Bank had properties for sale, net as follows:

Unit : Million Baht				
<u>December 31, 2022</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets acquired from debt repayment				
- Immovable properties	440.12	95.91	43.79	492.24
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	463.56	95.91	43.79	515.68
<u>Less</u> Accumulated impairment loss	<u>(176.58)</u>	<u>(4.44)</u>	<u>(5.57)</u>	<u>(175.45)</u>
Total properties for sale, net	<u>286.98</u>	<u>91.47</u>	<u>38.22</u>	<u>340.23</u>

Unit : Million Baht				
<u>December 31, 2021</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets acquired from debt repayment				
- Immovable properties	425.46	18.84	4.18	440.12
- Movable properties	<u>23.44</u>	<u>-</u>	<u>-</u>	<u>23.44</u>
Total properties for sale	448.90	18.84	4.18	463.56
<u>Less</u> Accumulated impairment loss	<u>(174.89)</u>	<u>(2.86)</u>	<u>(1.17)</u>	<u>(176.58)</u>
Total properties for sale, net	<u>274.01</u>	<u>15.98</u>	<u>3.01</u>	<u>286.98</u>

As at December 31, 2022 and 2021, the Bank had immovable properties from debt repayment in the amount 492.24 million baht and 440.12 million baht, respectively, which were appraised by external appraisers.

For the years ended December 31, 2022 and 2021, the Bank generated gain on sale of properties for sale in the amount of 21.95 million baht and 1.45 million baht, respectively.

6.9 Premises and Equipment, Net

As at December 31, 2022 and 2021, the Bank had premises and equipment, net as follows:

Unit : Million Baht

December 31, 2022									
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	Beginning	Additions/	Disposals/	Ending	Beginning	Depreciation	Disposals/	Ending	
	Balance	Transfer in	Transfer out	Balance	Balance		Transfer out	Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	426.07	10.66	-	436.73	246.52
- Building improvement	144.12	1.39	2.23	143.28	127.07	3.00	2.22	127.85	15.43
Equipment									
- Office equipment and fixtures	354.34	21.05	10.21	365.18	290.48	29.38	10.16	309.70	55.48
- Vehicles	110.88	-	81.54	29.34	64.02	1.32	48.88	16.46	12.88
Assets under construction	-	0.10	0.10	-	-	-	-	-	-
Total	<u>1,683.85</u>	<u>22.54</u>	<u>94.08</u>	<u>1,612.31</u>	<u>907.64</u>	<u>44.36</u>	<u>61.26</u>	<u>890.74</u>	<u>721.57</u>

Unit : Million Baht

December 31, 2021									
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	Beginning	Additions/	Disposals/	Ending	Beginning	Depreciation	Disposals/	Ending	
	Balance	Transfer in	Transfer out	Balance	Balance		Transfer out	Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	415.41	10.66	-	426.07	257.18
- Building improvement	144.01	0.11	-	144.12	124.05	3.02	-	127.07	17.05
Equipment									
- Office equipment and fixtures	344.90	9.83	0.39	354.34	263.95	26.92	0.39	290.48	63.86
- Vehicles	<u>110.88</u>	<u>-</u>	<u>-</u>	<u>110.88</u>	<u>58.86</u>	<u>5.16</u>	<u>-</u>	<u>64.02</u>	<u>46.86</u>
Total	<u>1,674.30</u>	<u>9.94</u>	<u>0.39</u>	<u>1,683.85</u>	<u>862.27</u>	<u>45.76</u>	<u>0.39</u>	<u>907.64</u>	<u>776.21</u>

6.10 Intangible Assets, Net

As at December 31, 2022 and 2021, the Bank had intangible assets as follows:

Unit : Million Baht

	<u>December 31, 2022</u>								
	Cost				Accumulated Depreciation				<u>Intangible</u>
	<u>Beginning</u>	<u>Additions/</u>	<u>Disposals/</u>	<u>Ending</u>	<u>Beginning</u>	<u>Depreciation</u>	<u>Disposals/</u>	<u>Ending</u>	<u>Assets.</u>
	<u>Balance</u>	<u>Transfer in</u>	<u>Transfer out</u>	<u>Balance</u>	<u>Balance</u>		<u>Transfer out</u>	<u>Balance</u>	<u>Net</u>
Computer software	416.14	37.27	-	453.41	225.54	60.84	-	286.38	167.03
Software under installation	<u>51.73</u>	<u>11.67</u>	<u>62.43*</u>	<u>0.97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.97</u>
Total	<u>467.87</u>	<u>48.94</u>	<u>62.43</u>	<u>454.38</u>	<u>225.54</u>	<u>60.84</u>	<u>-</u>	<u>286.38</u>	<u>168.00</u>

* On August 29, 2022, the Supreme Court rendered a judgment according to the compromise agreement between the Bank and the computer software provider. The Bank already received full payment of principal and interest according to the judgment on October 12, 2022, and the software under installation was written off in the amount of 47.08 million baht.

Unit : Million Baht

	<u>December 31, 2021</u>								
	<u>Cost</u>				<u>Accumulated Depreciation</u>				<u>Intangible</u>
	<u>Beginning</u>	<u>Additions/</u>	<u>Disposals/</u>	<u>Ending</u>	<u>Beginning</u>	<u>Depreciation</u>	<u>Disposals/</u>	<u>Ending</u>	<u>Assets,</u>
	<u>Balance</u>	<u>Transfer in</u>	<u>Transfer out</u>	<u>Balance</u>	<u>Balance</u>		<u>Transfer out</u>	<u>Balance</u>	<u>Net</u>
Computer software	355.60	60.54	-	416.14	174.05	51.49	-	225.54	190.60
Software under installation	<u>63.44</u>	<u>73.90</u>	<u>85.61</u>	<u>51.73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51.73</u>
Total	<u>419.04</u>	<u>134.44</u>	<u>85.61</u>	<u>467.87</u>	<u>174.05</u>	<u>51.49</u>	<u>-</u>	<u>225.54</u>	<u>242.33</u>

6.11 Reinsurance Assets

As at December 31, 2022 and 2021, the Bank had reinsurance assets in the amount of 390.96 million baht and 312.35 million baht, respectively, which were insurance reserves from reinsurance.

6.12 Other Assets, Net

Unit : Million Baht

	December 31, 2022	December 31, 2021
Revenue receivables, net	6.01	3.36
Insurance claim receivables, net of reinsurance	472.32	451.16
Allowance for insurance claim receivables	(472.32)	(451.16)
Right-of use assets, net	100.57	70.88
Advance deposits	2.90	3.08
Others	<u>2.82</u>	<u>6.48</u>
Total	<u>112.30</u>	<u>83.80</u>

6.13 Deposits

6.13.1 Classified by Type of Deposits

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
At Call	3,937.41	2,472.24
Savings	95.89	215.29
Time	7,124.75	6,763.36
Certificates of deposit	<u>39,064.48</u>	<u>38,699.14</u>
Total	<u>50,222.53</u>	<u>48,150.03</u>

6.13.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>December 31, 2022</u>			<u>December 31, 2021</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	47,741.41	577.55	48,318.96	46,503.07	581.03	47,084.10
US Dollar	1,413.23	391.20	1,804.43	785.30	230.10	1,015.40
Other currencies	<u>84.83</u>	<u>14.31</u>	<u>99.14</u>	<u>40.85</u>	<u>9.68</u>	<u>50.53</u>
Total	<u>49,239.47</u>	<u>983.06</u>	<u>50,222.53</u>	<u>47,329.22</u>	<u>820.81</u>	<u>48,150.03</u>

6.14 Interbank and Money Market Items (Liabilities)

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic items		
Bank of Thailand	5,870.09	6,165.54
Commercial banks	10,540.54	10,400.11
Specialized financial institutions	3,476.07	1,799.54
Other financial institutions	<u>1,000.00</u>	<u>1,000.00</u>
Total domestic items	<u>20,886.70</u>	<u>19,365.19</u>
Foreign items		
US Dollar	79.62	1,702.58
Euro	11.55	17.97
Other currencies	<u>836.95</u>	<u>2.03</u>
Total foreign items	<u>928.12</u>	<u>1,722.58</u>
Total domestic and foreign items	<u>21,814.82</u>	<u>21,087.77</u>

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht			
<u>December 31, 2022</u>			
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	15,000.00	55,299.84	70,299.84
Others	<u>17.71</u>	<u>-</u>	<u>17.71</u>
Total	15,017.71	55,299.84	70,317.55
<u>Less</u> Allowance for revaluation	<u>-</u>	<u>(2,473.10)</u>	<u>(2,473.10)</u>
Total debt issued and borrowings	<u>15,017.71</u>	<u>52,826.74</u>	<u>67,844.45</u>

Unit : Million Baht			
<u>December 31, 2021</u>			
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	13,000.00	47,957.56	60,957.56
Others	<u>21.91</u>	<u>-</u>	<u>21.91</u>
Total	13,021.91	47,957.56	60,979.47
<u>Less</u> Allowance for revaluation	<u>-</u>	<u>(339.83)</u>	<u>(339.83)</u>
Total debt issued and borrowings	<u>13,021.91</u>	<u>47,617.73</u>	<u>60,639.64</u>

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

Unit : Million Baht						
	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>Amount</u>		
			<u>Interest Rate Index</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Bonds	USD	2023-2024	LIBOR \pm MARGIN	25,921.80	31,247.61	
Bonds	USD	2025-2031	1.457% - 3.902%	26,904.94	16,370.12	
Bonds	THB	2026	THOR \pm MARGIN	2,000.00	-	
Bonds	THB	2025-2031	1.99% - 2.84%	13,000.00	13,000.00	
Others	THB	2024-2027	0%	<u>17.71</u>	<u>21.91</u>	
Total debt issued and borrowings				<u>67,844.45</u>	<u>60,639.64</u>	

6.16 Provisions

As at December 31, 2022 and 2021, the Bank had set up provisions as follows:

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Allowance for expected credit losses on loan commitments and financial guarantee contracts	220.41	205.61
Provision for short-term employee benefits	30.63	29.70
Provisions for employee benefits – post employment	328.20	338.52
Provisions for contingent liabilities	57.90	17.97
Other provisions	<u>-</u>	<u>27.22</u>
Total provisions	<u>637.14</u>	<u>619.02</u>

6.16.1 Allowance for Expected Credit Losses on Loan Commitments and Financial Guarantee Contracts

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	164.93	156.04
Financial assets where there has been a significant increase in credit risk (Under-Performing)	53.91	49.57
Financial assets that are credit-impaired (Non-Performing)	<u>1.57</u>	<u>-</u>
Total	<u>220.41</u>	<u>205.61</u>

The changes in the allowance for expected credit losses on loan commitments and financial guarantee contracts were as follows:

	Unit : Million Baht			
	<u>December 31, 2022</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	156.04	49.57	-	205.61
Allowance for expected credit losses during period	<u>8.89</u>	<u>4.34</u>	<u>1.57</u>	<u>14.80</u>
Ending balance	<u>164.93</u>	<u>53.91</u>	<u>1.57</u>	<u>220.41</u>

Unit : Million Baht

	<u>December 31, 2021</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	137.13	51.53	14.76	203.42
Allowance for expected credit losses during period	<u>18.91</u>	<u>(1.96)</u>	<u>(14.76)</u>	<u>2.19</u>
Ending balance	<u>156.04</u>	<u>49.57</u>	<u>-</u>	<u>205.61</u>

6.16.2 Provisions for Employee Benefits

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

	<u>December 31, 2022</u> <u>December 31, 2021</u>	
Beginning balance	338.52	365.21
Recognized in profit or loss		
- Current service cost	18.25	16.02
- Interest cost	10.27	9.68
Recognized in other comprehensive income		
- Actuarial gain on defined benefit plans	(25.99)	(35.52)
Employee benefits paid during the year	<u>(12.85)</u>	<u>(16.87)</u>
Ending Balance	<u>328.20</u>	<u>338.52</u>

Principal actuarial assumptions for the Bank's post-employment benefits were as follows:

	<u>2022</u>	<u>2021</u>
Average salary increase rate	0% - 14.50%	0.25% - 12.25%
Average staff turnover rate	0% - 19.23%	0% - 19.23%
Discount rate	1.37% - 4.04%	0.51% - 2.91%
Mortality rate	TMO17	TMO17

The Bank's defined benefit plans were sensitive to changes in each significant actuarial assumptions as follows:

Unit : Million Baht		
<u>Increase (Decrease) in Defined Benefit Plan</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Average discount rate		
- Increase of 1%	(33.11)	(36.15)
- Decrease of 1%	38.59	42.46
Average salary increase rate		
- Increase of 1%	0.59	0.54
- Decrease of 1%	(0.73)	(0.68)
Average staff turnover rate		
- Increase of 1%	(3.41)	(2.95)
- Decrease of 1%	2.77	2.95

6.17 Reserves for Insurance Service

Unit : Million Baht		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Reserves for export credit insurance	416.43	385.11
Reserves for investment insurance	187.72	163.13
Reserves for stand-by claims purchase agreement	<u>180.62</u>	<u>102.79</u>
Total	<u>784.77</u>	<u>651.03</u>

6.18 Other Liabilities

Unit : Million Baht		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payable per Credit Support Annex	29.38	16.04
Advance deposits	28.58	17.43
Accrued expenses	91.93	75.80
Account payables	29.27	29.43
Reinsurance payables	32.68	31.93
Lease liabilities	99.42	68.71
Deferred revenue	52.87	49.19
Withholding tax payable	17.36	15.93
Suspense liabilities	354.54	473.45
Others	<u>1.20</u>	<u>1.11</u>
Total	<u>737.23</u>	<u>779.02</u>

6.19 Fair Value of Assets and Liabilities

As at December 31, 2022 and 2021, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

Unit : Million Baht			
<u>December 31, 2022</u>			
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Financial assets measured at fair value through profit or loss	1.21	-	1.21
Derivative assets	-	360.66	360.66
Investment in equity securities designated at fair value through other comprehensive income	4.01	2.33	6.34
Total financial assets	<u>5.22</u>	<u>362.99</u>	<u>368.21</u>
Financial Liabilities			
Derivative liabilities	-	2,765.77	2,765.77
Total financial liabilities	<u>-</u>	<u>2,765.77</u>	<u>2,765.77</u>

Unit : Million Baht			
<u>December 31, 2021</u>			
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial Assets			
Financial assets measured at fair value through profit or loss	1.26	-	1.26
Derivative assets	-	286.41	286.41
Investment in equity securities designated at fair value through other comprehensive income	5.77	2.18	7.95
Total financial assets	<u>7.03</u>	<u>288.59</u>	<u>295.62</u>
Financial Liabilities			
Derivative liabilities	-	748.14	748.14
Total financial liabilities	<u>-</u>	<u>748.14</u>	<u>748.14</u>

Fair values were determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities.
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

The fair values of derivatives level 2 are the prices based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived from a valuation technique using observable market data.

The fair value of investments in equity securities designated at fair value through other comprehensive income, which classified as level 2 are non-marketable equity securities, determined by comparing their share price with their book value.

6.20 Capital

The Bank had an initial capital of 2,500 million baht and received additional capital from the Ministry of Finance in the amount of 4,000 million baht on July 31, 1998, 1,300 million baht on December 30, 2008 and 5,000 million baht on September 21, 2009. On November 17, 2021, the Bank received the first capital increase from the Ministry of Finance in the amount of 2,198 million baht from total capital increase of 4,198 million baht according to resolution of the Cabinet meeting on August 24, 2021. The Bank has total capital amounting to 14,998 million baht.

6.21 Remittance as the Public Revenue

The Ministry of Finance by the State Enterprise Policy Office approved the appropriation of net income for the year 2021 as the public revenue amounting to Baht 662.00 million baht. The Bank remitted the interim public revenue amounting to 308.83 million baht on October 29, 2021, and the remaining amount 353.17 million baht on June 28, 2022.

On October 28, 2022, the Bank remitted the interim public revenue of the year 2022 amounting to 266.52 million baht. Thereby, the total remittance in 2022 was 619.69 million baht.

6.22 Contingent Liabilities

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Guarantees of loans	542.88	2,093.70
Liabilities under immature import bills	1,377.87	1,056.90
Letters of credit	1,363.41	1,081.85
Export bills insured	35,625.64	31,286.38
Other contingencies		
Unused overdraft credit lines	587.44	681.08
Other guarantees	6,819.04	5,046.11
Investment insurance	3,088.84	2,986.74
Stand-by claims purchase agreement	<u>16,988.08</u>	<u>10,269.58</u>
Total other contingencies	<u>27,483.40</u>	<u>18,983.51</u>
Total	<u>66,393.20</u>	<u>54,502.34</u>

As at December 31, 2022, the Bank has five cases of legitimate claims, which are on trial in the court proceedings, classified into two cases with total claims amounting to 12.46 million baht were dismissed or judged that the Bank was not liable to make payment to the plaintiff by the Court of First Instance or the Appeal Court, and three cases with total claims amounting to 22.70 million baht are on trail of the Court of First Instance. However, the Bank considers that there will be no material impact to the Bank's financial position or operating results upon the case finalization.

6.23 Other Benefits to Directors and Executives

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

6.24 Leases

6.24.1 Long-Term Leases

The Bank has entered into the lease agreements of the Bank's branch offices and equipment as follows:

		Unit : Million Baht			
	<u>Maturity</u>	<u>Carrying Amount</u>		<u>Depreciation</u>	
		<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>For the Years ended</u>	
				<u>December 31, 2022</u>	<u>December 31, 2021</u>
Right-of-use land and building	2024 - 2029	33.32	39.00	7.93	7.94
Right-of-use equipment	2022	-	0.66	0.66	2.63
Right-of-use vehicle	2025 - 2027	<u>67.25</u>	<u>31.22</u>	<u>9.67</u>	<u>1.82</u>
Total		<u>100.57</u>	<u>70.88</u>	<u>18.26</u>	<u>12.39</u>

For the years ended December 31, 2022 and 2021, the Bank paid the rental of the above contract in the amount of 19.44 million baht and 12.61 million baht, respectively and recognized interest expenses from lease liabilities in the amount of 1.48 million baht and 0.96 million baht, respectively.

The Bank entered into a sublease agreement for part of the branch office. For the years ended December 31, 2022 and 2021, the Bank recognized sublease revenue in the amount of 0.32 million baht and 0.30 million baht, respectively.

6.24.2 Leases of Low-Value Assets

The Bank has entered into the lease agreements of office equipment. The Bank recognized the rental as expenses on a straight-line basis over the lease term. For the years ended December 31, 2022 and 2021, the Bank recognized the rental of office equipment of 10.84 million baht and 12.95 million baht, respectively.

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

The Bank established representative office in foreign countries to promote and support international trade and investments. The Bank currently has four representative offices including, representative office in Yangon, the Republic of the Union of Myanmar, representative office in Vientiane, Laos People's Democratic Republic, representative office in Phnom Penh, Kingdom of Cambodia and representative office in Ho Chi Minh City, Socialist Republic of Vietnam.

6.25.1 Financial Position Classified by Business

	Unit : Million Baht December 31, 2022		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	170,282.45	11.95	170,294.40
Interbank and money market items, net (assets)	5,485.14	1.85	5,486.99
Financial assets measured at fair value through			
profit or loss	1.21	-	1.21
Investments, net	3,992.25	-	3,992.25
Loans to customers and accrued interest receivables, net	151,739.41	-	151,739.41
Deposits	50,222.53	-	50,222.53
Interbank and money market items (liabilities)	21,814.82	-	21,814.82
Debt issued and borrowings	67,844.45	-	67,844.45

	Unit : Million Baht December 31, 2021		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	156,790.87	13.42	156,804.29
Interbank and money market items, net (assets)	8,603.67	0.96	8,604.63
Financial assets measured at fair value through			
profit or loss	1.26	-	1.26
Investments, net	4,002.72	-	4,002.72
Loans to customers and accrued interest receivables, net	138,486.03	-	138,486.03
Deposits	48,150.03	-	48,150.03
Interbank and money market items (liabilities)	21,087.77	-	21,087.77
Debt issued and borrowings	60,639.64	-	60,639.64

6.25.2 Operations Classified by Business

Unit : Million Baht

. For the Years Ended December 31, 2022

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	6,182.51	-	6,182.51
Interest expenses	<u>(2,361.49)</u>	<u>(0.12)</u>	<u>(2,361.61)</u>
Interest income, net	3,821.02	(0.12)	3,820.90
Fees and service income, net	366.60	-	366.60
Other operating income	278.96	-	278.96
Other operating expenses	<u>(1,807.68)</u>	<u>(22.23)</u>	<u>(1,829.91)</u>
Operating profit (loss) before expected credit losses	2,658.90	(22.35)	2,636.55
Expected credit losses	<u>(1,132.29)</u>	<u>-</u>	<u>(1,132.29)</u>
Net profit (loss)	<u>1,526.61</u>	<u>(22.35)</u>	<u>1,504.26</u>

Unit : Million Baht

. For the Years Ended December 31, 2021

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Interest income	4,658.81	-	4,658.81
Interest expenses	<u>(1,205.65)</u>	<u>(0.17)</u>	<u>(1,205.82)</u>
Interest income, net	3,453.16	(0.17)	3,452.99
Fees and service income, net	358.51	-	358.51
Other operating income	106.71	-	106.71
Other operating expenses	<u>(1,520.76)</u>	<u>(15.62)</u>	<u>(1,536.38)</u>
Operating profit (loss) before expected credit losses	2,397.62	(15.79)	2,381.83
Expected credit losses	<u>(850.36)</u>	<u>-</u>	<u>(850.36)</u>
Net profit (loss)	<u>1,547.26</u>	<u>(15.79)</u>	<u>1,531.47</u>

6.26 Interest Income

Interest income for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Interbank and money market items	160.32	75.35
Investment in debt securities	26.10	17.83
Loans	<u>5,996.09</u>	<u>4,565.63</u>
Total interest income	<u>6,182.51</u>	<u>4,658.81</u>

6.27 Interest Expenses

Interest expenses for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Deposits	399.32	426.62
Interbank and money market items	246.51	173.61
Lease liabilities	1.48	0.96
Debt issued		
- Bonds	1,692.39	554.94
- Promissory note	-	30.00
- Borrowings fee	<u>21.91</u>	<u>19.69</u>
Total interest expenses	<u>2,361.61</u>	<u>1,205.82</u>

6.28 Fees and Service Income, Net

Net fees and service income for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Fees and service income		
- Acceptance aval and guarantee	75.08	72.82
- Income from insurance	363.11	300.63
- Others	<u>154.73</u>	<u>165.06</u>
Total fees and service income	<u>592.92</u>	<u>538.51</u>
Fees and service expenses		
- Expense on insurance	199.15	158.93
- Others	<u>27.17</u>	<u>21.07</u>
Total fees and service expenses	<u>226.32</u>	<u>180.00</u>
Total fees and service income, net	<u>366.60</u>	<u>358.51</u>

6.29 Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net

Gains on financial instruments measured at fair value through profit or loss, net for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies, debt securities and foreign exchange derivatives	34.39	6.12
- Interest rate derivative	-	(0.40)
- Equity securities	(0.05)	0.10
Total gains on financial instruments measured at fair value through profit or loss, net	<u>34.34</u>	<u>5.82</u>

6.30 Bad debts on claims and Reserves for Insurance Services

Bad debts on claims and reserves for insurance services for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Bad debts and reserves for export credit insurance	10.28	0.22
Bad debts and reserves for investment insurance	14.75	20.44
Bad debts and reserves for stand-by claims purchase agreement	<u>54.47</u>	<u>(10.50)</u>
Total	<u>79.50</u>	<u>10.16</u>

6.31 Expected Credit Losses

Expected credit losses for the years ended December 31, 2022 and 2021 were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Interbank and money market items	0.40	(4.15)
Investment in debt securities measured at amortized cost	-	(0.17)
Loans to customers and accrued interest receivables*	1,094.81	827.70
Loans to customers and accrued interest receivables from public service account	18.84	18.02
Other receivables	<u>3.44</u>	<u>6.77</u>
Total	1,117.49	848.17
Loan commitments and financial guarantee contracts	<u>14.80</u>	<u>2.19</u>
Total expected credit losses	<u>1,132.29</u>	<u>850.36</u>

* Net of written-down debt recovery and bad debt recovery.

6.32 Public Service Account

6.32.1 Summary of Public Service Account

As at December 31, 2022 and 2021, the assets from public service account were as follows:

	Unit : Million Baht	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans to customers from public service account and accrued interest receivables, net	4,442.89	3,127.91
Receivable eligible for government reimbursement	<u>41.96</u>	<u>52.46</u>
Total assets	<u>4,484.85</u>	<u>3,180.37</u>

For the years ended December 31, 2022 and 2021, the Bank recognized income and expenses from public service account as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Income from public service account	156.64	90.25
<u>Less</u> Expenses from public service account	(156.15)	(113.11)
<u>Less</u> Expected credit losses from public service account	<u>(18.85)</u>	<u>(18.02)</u>
Net Loss	<u>(18.36)</u>	<u>(40.88)</u>

6.32.2 Loans to Customers from Public Service Account and Accrued Interest Receivables, Net

		Unit : Million Baht		
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
1. Investment and Production Efficiency Enhancement Credit Scheme	To support entrepreneurs in accessing funding to purchase and improve their machinery and equipment or factories in order to uplift production efficiency and cost reduction	2020 - 2028	2,655.61	3,078.31
2. EXIM Biz Transformation Loan	To support entrepreneurs affected by COVID-19 that wish to improve or make new investment in machinery and equipment and enhance the efficiency, as well as the entrepreneurs who gradually recover to continue their business, with the competitive	2021 – 2030	<u>1,787.28</u>	<u>49.60</u>
Total			<u>4,442.89</u>	<u>3,127.91</u>

6.32.3 Loan Classification and Provision for Public Service Account

As at December 31, 2022 and 2021, loan classification and provision for public service account were as follows:

Unit : Million Baht			
<u>December 31, 2022</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	235	4,490.94	48.05

Unit : Million Baht			
<u>December 31, 2021</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>
Financial assets where there has not been a significant increase in credit risk (Performing)	167	3,157.11	29.20

6.32.4 Receivable Eligible for Government Reimbursement

As at December 31, 2022 and 2021, the Bank is eligible for government reimbursement for the interest spread for the public service account were as follows:

Unit : Million Baht		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment and Production Efficiency Enhancement Credit Scheme	20.62	52.44
EXIM Biz Transformation Loan	21.34	0.02
Total	<u>41.96</u>	<u>52.46</u>

6.32.5 Income from Public Service Account

Income from public service account for the years ended December 31, 2022 and 2021, were as follows:

Unit : Million Baht		
	<u>2022</u>	<u>2021</u>
Interest income from public service account	76.82	45.23
Compensation for public service account	<u>79.82</u>	<u>45.02</u>
Total income from public service account	<u>156.64</u>	<u>90.25</u>

6.32.6 Expenses from Public Service Account

Expenses from public service account for the years ended December 31, 2022 and 2021, were as follows:

	Unit : Million Baht	
	<u>2022</u>	<u>2021</u>
Interest expenses	50.98	31.77
Fees and service expenses	1.74	1.11
Operating expenses	<u>103.43</u>	<u>80.23</u>
Total expenses from public service account	<u>156.15</u>	<u>113.11</u>

6.33 Events after the Reporting Period

The Cabinet meeting on August 24, 2021 passed a resolution approving the Specialized Financial Institution Development Fund to inject capital by 4,198 million baht to the Bank for business expansion in three market segments, 1) Domestic markets, 2) CLMV markets (Kingdom of Cambodia, Lao People's Democratic Republic, Republic of the Union of Myanmar, Socialist Republic of Vietnam), and 3) New frontiers markets, mainly aimed at supporting Small and Medium Enterprise (SMEs) entrepreneurs. The Bank received the first capital increase from the Ministry of Finance in the amount of 2,198 million baht on November 17, 2021 and the remaining amount 2,000 million baht on March 13, 2023.

6.34 Approval of the Financial Statements

These financial statements have been authorized to issue by President and Executive Vice President on April 26, 2023.

REPORT OF THE AUDITOR AND FINANCIAL STATEMENTS
EXPORT – IMPORT BANK OF THAILAND
FOR THE YEAR ENDED DECEMBER 31, 2021
(TRANSLATION)



(TRANSLATION)

AUDITOR'S REPORT

TO : MINISTER OF FINANCE

Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Export-Import Bank of Thailand (the Bank), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing. The State Audit Office of the Kingdom of Thailand's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. The State Audit Office of the Kingdom of Thailand is independent of the Bank in accordance with the State Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants determined by the Federation of Accounting Professions that are relevant to the State Audit Office of the Kingdom of Thailand's audit of the financial statements, and the State Audit Office of the Kingdom of Thailand has fulfilled other ethical responsibilities in accordance with these standards and requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion

State Audit Office of the Kingdom of Thailand



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to the State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The State Audit Office of the Kingdom of Thailand's opinion on the financial statements does not cover the other information and the State Audit Office of the Kingdom of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, the State Audit Office of the Kingdom of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations, 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.



Auditor's Responsibilities for the Audit of the Financial Statements

The State Audit Office of the Kingdom of Thailand's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the State Audit Standards and Thai Standards on Auditing, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The State Audit Office of the Kingdom of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 controls.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to



the date of the auditor's report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The State Audit Office of the Kingdom of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the State Audit Office of the Kingdom of Thailand identifies during the audit.

(Signed) *Ladawan Chotimanont*

(Mrs. Ladawan Chotimanont)

Director of Financial and

Procurement Audit Office No.3

(Signed) *Jitprapat Tantiyawarong*

(Ms. Jitprapat Tantiyawarong)

Auditor, Senior Professional Level

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		Unit : Thousand Baht	
	Notes	December 31, 2021	December 31, 2020
<u>Assets</u>			
Cash		715	3,792
Interbank and money market items, net	6.3	8,604,628	8,247,794
Financial assets measured at fair value through profit or loss		1,261	1,161
Derivatives assets	6.4	286,409	835,103
Investments, net	6.5	4,002,715	5,098,751
Loans to customers and accrued interest receivables, net	6.6	138,486,026	122,300,653
Loans to customers from public service account and accrued interest receivables, net	6.30.2	3,127,908	1,427,859
Receivable eligible for government reimbursement	6.30.4	52,459	7,441
Properties for sale, net	6.8	286,984	274,008
Premises and equipment, net	6.9	776,209	812,029
Intangible assets, net	6.10	242,327	244,995
Reinsurance assets	6.11	312,355	309,658
Prepaid public revenue		308,830	-
Prepaid expenses		57,543	60,555
Other assets, net	6.12	257,920	165,127
Total assets		156,804,289	139,788,926

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		Unit : Thousand Baht	
	Notes	December 31, 2021	December 31, 2020
<u>Liabilities and Equity</u>			
Deposits	6.13	48,150,034	44,391,403
Interbank and money market items, net	6.14	21,087,766	20,042,875
Liabilities payable on demand		233,027	421,878
Derivatives liabilities	6.4	748,135	577,812
Debt issued and borrowings	6.15	60,639,636	52,158,940
Provisions	6.16	619,021	694,340
Accrued interest payables		216,776	318,397
Reserves for insurance service	6.17	651,033	634,723
Other liabilities	6.18	779,024	635,722
Total liabilities		133,124,452	119,876,090
Equity			
Capital	6.19	14,998,000	12,800,000
Paid-up capital		14,998,000	12,800,000
Other components of equity		442	(1,562)
Retained earnings			
Appropriated			
Legal reserve		8,120,000	8,120,000
Unappropriated		561,395	(1,005,602)
Total equity		23,679,837	19,912,836
Total liabilities and equity		156,804,289	139,788,926

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

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Interest income	6.24	4,658,813	4,928,977
Interest expenses	6.25	1,205,817	1,644,182
Interest income, net		3,452,996	3,284,795
Fees and service income		538,517	483,251
Fees and service expenses		180,003	151,315
Fees and service income, net	6.26	358,514	331,936
Gains on financial instruments measured at fair value through profit or loss, net	6.27	5,818	81,202
Other operating income		10,642	36,350
Income from public service account	6.30.5	90,248	14,919
Total operating income		3,918,218	3,749,202
Other operating expenses			
Employee's expenses		1,067,695	1,097,911
Directors' remuneration		6,991	8,679
Premises and equipment expenses		138,199	134,904
Losses on claims and reserves for insurance services	6.28	10,165	207,984
Losses on impairment of properties for sale		2,861	3,749
Doubtful account for contingent liabilities and other reserve		(80,519)	81,352
Others		277,882	293,445
Total other operating expenses		1,423,274	1,828,024
Expenses from public service account	6.30.6	113,106	24,989
Expected credit losses	6.29	850,364	3,235,926
Net profit (loss)		1,531,474	(1,339,737)
Other comprehensive income (loss)			
Item that will not be reclassified subsequently to profit or loss			
Gains (Losses) on investments in equity instruments designated to be measured at fair value through other comprehensive income		2,004	(4,942)
Actuarial gains (losses) on defined benefit plans		35,523	(6,468)
Total net other comprehensive income (loss)		37,527	(11,410)
Total comprehensive income (loss)		1,569,001	(1,351,147)

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

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Notes	Unit : Thousand Baht				
	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings (Deficits)	Total
		Revaluation Surplus (Deficit) on Investments			
Balance as at January 1, 2020	12,800,000	(886)	7,866,000	759,621	21,424,735
Cumulative effects of changes in accounting policies	-	4,266	-	87,775	92,041
Balance as at January 1, 2020 - as restated	12,800,000	3,380	7,866,000	847,396	21,516,776
Legal reserve	-	-	254,000	(254,000)	-
Remittance as the public revenue	-	-	-	(252,793)	(252,793)
Total comprehensive loss	-	(4,942)	-	(1,346,205)	(1,351,147)
Balance as at December 31, 2020	12,800,000	(1,562)	8,120,000	(1,005,602)	19,912,836
Balance as at January 1, 2021	12,800,000	(1,562)	8,120,000	(1,005,602)	19,912,836
Capital increase from the Ministry of Finance	6.19 2,198,000	-	-	-	2,198,000
Total comprehensive income	-	2,004	-	1,566,997	1,569,001
Balance as at December 31, 2021	14,998,000	442	8,120,000	561,395	23,679,837

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

(Mr. Rak Vorrakitpokatorn)
President

(Mrs. Wanpen Unchundacha)
Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit : Thousand Baht	
	2021	2020
Cash flows from operating activities		
Net profit (loss)	1,531,474	(1,339,737)
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	110,399	85,660
Expected credit losses	913,595	3,281,479
Gains on disposal of premises and equipment	(118)	(985)
Losses on write off of premises and equipment	30,288	-
Gains on financial instruments measured at fair value through profit or loss	(353,544)	(38,078)
Losses on impairment of properties for sale	2,861	3,749
Losses on foreign currency translation	842,411	151,545
Derivative revaluation	612,777	(259,060)
Amortization of discount on debt securities	(631)	(7,971)
Increase (Decrease) in provisions	(41,991)	109,133
Losses on claims and reserves for insurance service	10,165	207,984
Decrease in advance for other expenses	7	-
Decrease (Increase) in accrued income	1,344	(1,536)
Decrease (Increase) in other prepaid expenses	6,510	(1,413)
Increase (Decrease) in other accrued expenses	19,596	(1,519)
	3,685,143	2,189,251
Interest income, net	(3,511,472)	(3,294,460)
Dividend income	(57)	(10)
Proceeds from interest income	4,670,964	4,684,383
Interest paid	(1,341,028)	(1,695,102)
Proceeds from dividend income	57	10
Income from operations before changes in operating assets and liabilities	3,503,607	1,884,072
(Increase) Decrease in operating assets		
Interbank and money market items	(345,972)	(5,272,129)
Loans to customers	(14,641,387)	(14,998,301)
Properties for sale	1,806	56,920
Other assets	(59,749)	(284,779)

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

EXPORT-IMPORT BANK OF THAILAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Increase (Decrease) in operating liabilities		
Deposits	3,729,399	11,589,782
Interbank and money market items	969,386	420,972
Liabilities payable on demand	(189,046)	(39,747)
Short-term debt issued and borrowings	(6,500,000)	6,500,000
Other liabilities	91,511	(105,589)
Net cash from operating activities	<u>(13,440,445)</u>	<u>(248,799)</u>
Cash flows from investing activities		
Purchases of equity securities measured at fair value		
through other comprehensive income	(1,149)	-
Purchases of debt securities measured at amortized cost	(6,100,000)	(9,524,000)
Proceeds from redemption of debt securities measured at amortised cost	7,200,000	6,924,000
Purchases of premises and equipment	(10,090)	(61,676)
Proceeds from disposal of premises and equipment	127	1,076
Purchases of intangible assets	(85,750)	(130,547)
Net cash from investing activities	<u>1,003,138</u>	<u>(2,791,147)</u>
Cash flows from financing activities		
Proceeds from debt issued and long-term borrowings	10,594,388	12,924,241
Repayments of debt issued and long-term borrowings	(39,353)	(9,823,974)
Proceeds from capital increase	2,198,000	-
Repayments of lease liabilities	(9,975)	(7,104)
Remittance as the public revenue	(308,830)	(49,593)
Net cash from financing activities	<u>12,434,230</u>	<u>3,043,570</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,077)</u>	<u>3,624</u>
Cash and cash equivalents at the beginning of the year	<u>3,792</u>	<u>168</u>
Cash and cash equivalents at the end of the year	<u><u>715</u></u>	<u><u>3,792</u></u>

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

(Mr. Rak Vorrakitpokatorn)

President

(Mrs. Wanpen Unchundacha)

Executive Vice President

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Notes	Contents	Page
1	General Information	13
2	Basis of Preparation of the Financial Statements	13
3	Summary of Significant Accounting Policies	17
4	Risk Management	29
5	Estimates and Assumptions	34
6	Additional Information	
6.1	Supplementary Information of Cash Flows	34
6.2	Classification of Financial Assets and Liabilities	35
6.3	Interbank and Money Market Items, Net (Assets)	37
6.4	Derivatives	38
6.5	Investments, Net	41
6.6	Loans to Customers and Accrued Interest Receivables, Net	42
6.7	Allowance for Expected Credit Losses	45
6.8	Properties for Sale, Net	49
6.9	Premises and Equipment, Net	50
6.10	Intangible Assets, Net	51
6.11	Reinsurance Assets	51
6.12	Other Assets, Net	51
6.13	Deposits	52
6.14	Interbank and Money Market Items, Net (Liabilities)	52
6.15	Debt Issued and Borrowings	53
6.16	Provisions	54
6.17	Reserves for Insurance Service	56

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Notes	Contents	Page
6.18	Other Liabilities	57
6.19	Capital	57
6.20	Contingent Liabilities	58
6.21	Other Benefits to Directors and Executives	58
6.22	Leases	59
6.23	Financial Position and Operational Performance Classified by Domestic and Foreign Operations	59
6.24	Interest Income	62
6.25	Interest Expenses	62
6.26	Fees and Service Income, Net	62
6.27	Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net	63
6.28	Losses on Claims and Reserves for Insurance Services	63
6.29	Expected Credit Losses	63
6.30	Public Service Account	64
6.31	Fair Value of Assets and Liabilities	66
6.32	Approval of the Financial Statements	67

EXPORT-IMPORT BANK OF THAILAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

Export-Import Bank of Thailand (the Bank) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended (Act), with the objective to promote and support export, import, and investment, both domestic and overseas, for the purpose of national development by providing credit facilities, guarantee, risk insurance or other necessary services under the provisions of this Act. The Bank's head office is located at 1193 Phaholyothin Road, Phayathai, Phayathai, Bangkok.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Financial Statements

The financial statements are prepared in accordance with generally accepted accounting standards by adopting Thai Financial Reporting Standards (TFRSs), which assigned by the Federation of Accounting Professions, presented and disclosed in accordance with the Notification of the Bank of Thailand, No. SorNorSor. 21/2561 dated October 31, 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups. Staging for impairment and allowance for expected credit losses are considered in accordance with the Bank of Thailand's circular No. TorPorTor.ForKorChor.(72) Wor.277/2563 dated February 28, 2020, regarding Guidelines on Providing Assistance to debtors impacted by situations that affect the Thai economy and the Bank of Thailand's circular No.TorPorTor.KorPorNor.Wor.480/2564 dated May 14, 2021, regarding Phase 3 of Relief Measures for Retail Borrowers during the Coronavirus Disease 2019 (COVID-19) Pandemic. The Federation of Accounting Professions under the Royal Patronage of His Majesty the King has announced an Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Affected by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures for entities providing assistance to debtors affected by the situation that affect the Thai economy in accordance with the assistance measures of government and the Bank of Thailand, which the Bank has complied with all the temporary relief measures specified in this guidance. Moreover, the debt restructuring is considered in accordance with the Bank of Thailand's circular No. TorPorTor.ForNorSor. (23) Wor. 1135/2563 dated October 16, 2020, regarding Operational Guidelines Related to Debt Restructuring to Assist Business Customers after the End of Loan Payment Holiday Program under the Emergency Decree.

2.2 New or Revised Thai Financial Reporting Standards (TFRSs)

2.2.1 Revised Thai Financial Reporting Standards (TFRSs), effective for the financial statements beginning on or after January 1, 2021, which were revised about the conceptual framework for financial reporting, definition of a business, definition of material, and interest rate benchmark reform, are as follows:

Conceptual Framework for Financial Reporting

TAS 1	Presentation of Financial Statements
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 34	Interim Financial Reporting
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TSIC 32	Intangible Assets-Web Site Costs
TFRIC 12	Service Concession Arrangements
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of TFRSs mentioned above has no material impact on the Bank's financial statements.

2.2.2 The Federation of Accounting Professions has issued TFRS 16 Leases, which have been announced in the Royal Gazette on May 13, 2021. This TFRS, which is effective for the financial statements beginning on or after April 1, 2021, was revised about the Covid-19 related rent concessions after June 30, 2021. The early adoption has allowed, including for the financial statements have not yet been authorized for issue as at March 31, 2021. However, there is no impact on the Bank's financial statements.

2.3 The Bank of Thailand's Regulations and Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Affected by Situations that Affect the Thai Economy announced by the Federation of Accounting Professions

2.3.1 The Bank of Thailand announced circular No. TorPorTor.ForKorChor.(72) Wor.277/2563 dated February 28, 2020, regarding Guidelines on Providing Assistance to debtors impacted by situations that affect the Thai economy and circular No.TorPorTor.ForNorSor.(01) Wor.380/2563 dated March 26, 2020 regarding Additional

Relief Measures to provide additional assistance to debtors during the COVID-19. These circulars provide temporary relief measures for Specialized Financial Institutions providing assistance to affected debtors in accordance with the Bank of Thailand guideline during the period from January 1, 2020 to December 31, 2021. In addition, the Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Affected by Situations that Affect the Thai Economy to provide temporary relief measures for entities providing assistance to debtors in accordance with measures or guidelines for assisting the debtors of the Bank of Thailand in considering expected credit losses. The practice are as follows:

Loan Staging

1) Loans that are not yet non-performing (Non-NPL) are classified as performing loans immediately provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring. Such debt restructuring is considered a pre-emptive debt restructuring, rather than a troubled debt restructuring (TDR).

With the measure to assist the debtors in accordance with the Bank of Thailand's circular No.TorPorTor.ForNorSor.(01) Wor.380/2563 dated March 26, 2020, regarding Additional Relief Measures to provide additional assistance to debtors during the COVID-19, the debtor remains at the stage as before.

2) Non-performing loans (NPL) are classified as performing loans if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.

3) Additional working capital loans provided to a debtor in order to support liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support its repayment or if, considering other factors, the debtor has ability to repay its debts.

Provisioning

If the debtor has an unused credit line, the expected credit losses are able to be considered on the outstanding balance of the drawn down portion only.

For measurement of expected credit losses, weight of forward - looking information arising from temporary crisis is taken into consideration, which the Bank gives less weight to forward - looking information than historical information reflected the debtor's repayment ability.

2.3.2 The Bank of Thailand announced circular No.TorPorTor.ForNorSor.(23) Wor.1135/2563 dated October 16, 2020, regarding Operational Guidelines Related to Debt Restructuring to Assist Business Customers after the End of Loan Payment Holiday Program under the Emergency Decree. This circular provided regulations and operational guidelines for debt restructuring of customers under the loan payment

holiday program, according to the Bank of Thailand's Notification regarding the Loan Payment Holiday Program Offered to Small and Medium-sized Enterprises Affected by COVID-19 Pandemic. Major points can be summarized as follows:

1) Financial institutions shall consider debt restructuring with all the above debtors who cannot return to service their debt per the existing loan contract. While the debt restructuring is in the process, financial institutions can maintain the debtor's loan classification as before until December 31, 2020.

2) If the debtor's cash flow assessment cannot be undertaken, which prevents completion of the debt restructuring process by December 31, 2020, financial institutions may provide assistance to the debtor by deferment of principal and/or interest payment for a period appropriate for their debt servicing ability, which should not be more than six months from the end of 2020, while their loan classification can remain at the stage as before. In this regard, financial institutions action must be taken to find ways to restructure their debt without further delay.

However, during the debt restructuring process under 1) and loan payment holiday under 2), the financial institutions cannot charge interest at the default rate or service fees, penalties, or any other additional expenses from the debtor. For the collection of principal and interest calculated during the debt restructuring or loan payment holiday, financial institutions shall find ways that will not cause excessive burden on the debtor and not allow lump sum collection at the end of the payment holiday period.

2.4 Revised Thai Financial Reporting Standards (TFRSs) but not yet Effective

The Federation of Accounting Professions has issued the TFRSs, which revised from the 2020 version and have been announced in the Royal Gazette but are effective for the financial statements beginning on or after January 1, 2022. These TFRSs were revised about interest rate benchmark reform – phase 2 and extension of the temporary exemption from applying TFRS 9 Financial Instruments in TFRS 4 Insurance Contracts, consisting of 5 TFRSs as follows:

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 4	Insurance Contracts
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

The adoption of TFRSs mentioned above has no material impact on the Bank's financial statements. However, the Bank has not early adopted these TFRSs before the effective date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income Recognition

Interest income is recognized by using the effective interest method, which is used in calculating amortized cost based on the effective interest rate of a financial assets or financial liabilities. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial assets or financial liabilities.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of that financial assets. If the financial assets are no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount.

Government and government agency grant related to compensation for interest or operating expense is recognized as revenue from public service account on an accrual basis.

Income from export credit insurance, investment insurance and stand-by claims purchase agreement are recognized as fee and service income upon the services performed.

3.2 Expenses Recognition

Interest expenses are recognized by using the effective interest method. Any fees that are not an integral part of the effective interest rate 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 and Hedge Accounting

Derivatives are initially recorded at fair value in the statement of financial position and are classified as trading, except for derivatives designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value throughout the life of the contracts and presented as assets when fair values are positive and as liabilities when fair values are negative.

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in qualifying hedging relationships, which can be applied hedge accounting.

At the inception of the hedging relationship, the Bank prepares a formal document indicating the relationship between the hedging instruments and hedged items, the risk management objectives, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of hedging relationship. The Bank makes an assessment of the effectiveness, both at the inception of the hedge relationship and on an ongoing basis whether the hedging instruments remain effective in offsetting the change in fair value or cash flows of the hedged item.

1) Fair Value Hedge

When a derivative is designated as the hedging instruments of the change in fair value of a recognized asset or liability that could affect profit or loss, the changes in the fair value of the hedging instruments are recognized immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risks is recognized in profit or loss. If the hedged item would otherwise be measured at cost or amortized cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, fair value of hedged items will be new carrying amount for which the effective interest method is used to amortized to profit or loss (if hedged items are measured through other comprehensive income, then is used to amortized to retained earnings) over its remaining life.

2) Cash Flow Hedge

When a derivative is designated as the hedging instruments in the hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve within shareholders' equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. The amount recognized in the hedging reserve is classified from other comprehensive income to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively. If the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows occur. If the hedged cash flows are no longer expected to occur, then the Bank will reclassify the amount in the hedging reserve from other comprehensive income to profit or loss.

3.5 Net Gains (Losses) from Financial Instruments Measured at Fair Value through Profit or Loss

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading financial assets and trading financial liabilities as well as non-trading financial instruments that are assigned to measure at fair value through profit or loss. Profit or loss and net profit (loss) from hedge accounting which is changes in the fair value of the hedged instruments and fair value of hedged items, changes in the fair value of the ineffective portion of the cash flow hedge, net profit (loss) on the hedged instruments and the hedged item when the cash flow hedge is terminated. This includes gains (losses) from foreign exchange trading and translation of foreign currency assets and liabilities into Thai baht.

3.6 Financial Instruments

Classification of Financial Instruments

1) Financial Assets

The Bank classifies the financial assets, within the scope of TFRS 9 , in accordance with the Bank's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

1.1) Financial Assets Measured at Amortized Cost

Financial assets are classified as measured at amortized cost only if it meets both of the following conditions:

- The Bank holds the financial assets within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above financial assets are initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at amortized cost using the effective interest method.

Financial assets measured at amortized cost are presented at the amount of net of allowance for expected credit losses (if any), which is based on its stage for impairment, in the statement of financial position. Gains or losses on disposal of those financial assets are recognized in profit or loss.

1.2) Financial Assets Measured at Fair Value through Other Comprehensive Income

Investment in Debt Instruments

Investment in debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions:

- The Bank holds the financial assets within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The above investment in debt instruments is initially recognized at fair value plus transaction costs directly attributable to its acquisition and subsequently measured at fair value. Gains or losses from changes in fair value are reported through other comprehensive income (loss), after which gains or losses on disposal of the instruments will be recognized in the statement of profit or loss upon disposal. The Bank recognizes impairment losses, interest income, and gains or losses on exchange in the statement of profit or loss.

Investment in debt instruments measured at fair value through other comprehensive income is presented at the amount of net of allowance for expected credit losses (if any), which is based on its stage for impairment, in the statement of financial position.

Investment in Equity Securities

Investment in equity securities that is not held for trading is designated as measured at fair value through other comprehensive income on initial recognition, where an irrevocable election has been made by the management.

Gains or losses from change in fair value are recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal. Dividend on this investment is recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

1.3) Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss consists of

- Financial assets held for trading
- Financial assets designated as measured at fair value through profit or loss on initial recognition; and

- Debt instruments that the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding

The above financial assets are initially recognized at fair value, which transaction costs directly attributable to its acquisition is recognized in statement of profit or loss, and subsequently measured at fair value in the statement of profit or loss.

When a financial assets are measured at fair value, the change in credit risk, including the credit rating of counterparties, is considered in the fair value measurement of such financial assets. Therefore, the change in fair value includes the change in credit risk as well.

Financial Assets Held for Trading

The Bank classifies financial assets as held for trading when the business model is to sell or buyback in a near future, or are initially designated as part of a portfolio of financial instruments that are managed together, for which there is an evidence of short-term profit making, or are derivatives (except where they are designated as part of an effective hedge relationship).

2) Financial Liabilities

The Bank classifies financial liabilities as measured at amortized cost or fair value through profit or loss in the case of derivatives.

Recognition and Derecognition of Financial Instruments

The Bank initially recognizes investments, loans, and debts issued and borrowings on settlement date, and other financial instruments (under regular way purchases or sale of financial assets) on trade date, which is the date on which the Bank become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities those are measured at fair value through profit or loss are initially recognized at fair value. Other financial assets are recognized at fair value plus transaction costs directly attributable to its acquisition or issuance.

When the transaction price differs from the fair values of the similar financial instruments in active market or the fair value measured using a valuation technique that uses observable inputs, the Bank recognizes such difference (at inception) in the statement of profit or loss. If the fair values are measured using unobservable market data, the difference between transaction price and fair value measured using a valuation technique is recognized in the statement of profit or loss when data used in valuation become observable or the Bank derecognizes such financial instruments.

The Bank derecognizes financial assets when the contractual cash flows from the asset expire or the Bank transfers its rights to receive contractual cash flows on the financial assets in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, are recognized separately as asset or liability.

Moreover, the Bank derecognizes loan to customers when the contractual terms of a loan are substantially modified and such loan is recognized as a new loan, then the difference is recognized as gains or losses from derecognition financial instruments measured at amortized cost in the statement of profit or loss.

Financial liabilities are derecognized from the statement of financial position when the Bank has discharged its obligation, or the contract is cancelled or expired.

Modification of Financial Instruments

1) Financial Assets

If the terms of financial assets are modified, then the Bank evaluates whether the cash flows of the modified assets are substantially different from the original financial assets. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial assets are deemed to have expired. Therefore, the Bank will derecognize the original financial assets and recognize a new financial assets at fair value.

If the modification of financial assets measured at amortized cost is not substantially different, which does not result in derecognition of the financial assets, then the Bank recalculates the gross carrying amount of the financial assets and recognizes the amount arising from adjusting the gross carrying amount as a modification gains or losses in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gains or losses is presented together with expected credit losses. In other cases, it is presented as interest income.

2) Financial Liabilities

The Bank derecognizes the financial liabilities when the original financial liabilities are replaced with a new substantially modified financial liabilities or its terms are modified and the cash flows of the modified financial liabilities are substantially different. A new financial liabilities based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liabilities extinguished and the new financial liabilities is recognized in the statement of profit or loss.

Write-Off

The Bank writes off the financial assets either partially or in full when there is no reliable evidence that the Bank will collect cash flows from such financial assets. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off are still subjected to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.7 Allowance for Expected Credit Losses

As of the reporting date, the Bank assesses whether financial assets measured at amortized cost and investment in debt instruments measured at fair value through other comprehensive income are credit-impaired. Financial assets are assessed as credit impaired when one or more events those have a detrimental impact on the estimated future cash flows of those assets have occurred. Evidence that financial assets are credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower
- Breach of contract such as default or a past due event

- The consent to debt restructuring to the borrower who is in financial difficulties from the economics, which in other case the Bank does not consider the relaxation
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for the applicable financial assets due to financial difficulties of the borrower

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan with over 90 days past due is considered to be credit-impaired.

In order to assess whether the government bond investment is credit-paired or not, the Bank considers the following factors:

- Credit rating evaluated by the market, reflecting in the bonds' returns
- Credit rating evaluated by external credit rating agencies
- Ability to access the capital market of the issuing country, in case of new bond issuances
- Probability of the bond's restructuring, making the bondholders intentionally or forcibly forgo the debt
- Existing international measures to support the country issuing the bonds, the clear intention of the government to use such measures, as well as through evaluation on the effectiveness of such measures to mitigate the bond issuers' credit risk

3.8 Troubled Debt Restructuring

When the original contractual terms of a financial asset have been modified or an original financial assets are replaced with a new financial assets because of financial difficulties of the borrower, the Bank will consider whether the financial assets are derecognized, and measure the expected credit loss as follow:

- If the modification does not result in derecognition of the financial assets, then the Bank estimates cash flows from the modified financial assets to calculate loss from the original financial assets.
- If the modification results in derecognition of the financial assets, at the date of derecognition fair value of a new financial assets are considered as the final cash flows of original financial assets, which will be input in calculating loss from the original financial assets. Fair value of a new financial assets are discounted from the expected derecognition date till the reporting date using the loan's original effective interest rate.

The Bank's policy in monitoring the modified loans ensured that debtors regularly repay debt in the future, the Bank expects no loss on modification when the future cash flows are discounted by the loan's original effective interest rate . If there is loss on modification, such loan is recognized as troubled debt restructuring unless the Bank receives debt repayment or derecognizes the loan.

A loan determined as troubled debt restructuring will be classified as troubled debt restructuring for at least 12 months. When debtor repays loan with the new contractual terms for at least 12 months from the date of restructuring, such loan is moved from Stage 2 financial assets where there have been a significant increase in credit risk.

3.9 Properties for Sale

Properties for sale consist of movable and immovable properties, acquired as debt settlement and from purchase at a court-ordered auction sale, which are stated at the lower of cost or fair value less accumulated impairment losses. Losses on impairment or reversal of losses on impairment is recognized as other operating expenses or income in profit or loss.

Gains or losses on disposal of properties for sale are recognized as other operating income or expenses in profit or loss upon disposal.

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

3.10 Premises, Equipment and Depreciations

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (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 profit or loss 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 accumulated impairment losses (if any). Amortization is calculated by the straight-line method, based on the estimated useful life of the assets, which is between three to five years. The amortization is recognized as other operating expenses.

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

3.12 Right-of-use Assets and Lease Liabilities

The Bank recognizes lease agreements as right-of-use assets and lease liabilities in the statement of financial position, except for lease agreement with lease term less than 1 year and low-value lease agreement, which underlying assets are less than 500,000 baht.

Rental fee consists of interest expenses and payment of lease liabilities, which interest expenses are recognized as expenses in profit or loss.

Right-of-use is amortized over the straight-line method throughout the lease term and recognized as expenses in profit or loss.

3.13 Deposits, Liabilities Payable on Demand, Debt Issued and Borrowings

Deposits, liabilities payable on demand, debt issued and borrowings are initially recognized at fair value less transaction costs and are subsequently measured at amortized cost using effective interest method.

3.14 Assets and Liabilities in Foreign Currencies

3.14.1 Functional Currency and Presentation Currency

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

3.14.2 Translation of Foreign Currencies

The Bank translates items denominated in foreign currencies arising during the period into Thai Baht at the exchange rate prevailing at the transaction date and the foreign currency balances of monetary assets and liabilities at the reference exchange rate, which is the average rate between the average buying rate of money transfers and the average selling rate, announced by the Bank of Thailand as at the reporting date. Gains or losses on translation of foreign currencies are recognized and presented as gains (losses) on trading and foreign exchange transactions, net.

3.15 Export Credit Insurance Services and Reserves

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

Reserves for export credit insurance are as follows:

- 1) Reserves for future claims against the export credit insurance policies

The Bank provides reserves for future claims against the export credit insurance policies at the rate of 1% of the amount of export bills insured outstanding not yet claimed.

2) Reserves for the pending insurance claims payable

The Bank provides make reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.16 Investment Insurance Services and Reserves

Investment insurance services are recorded as the contingent liabilities from investment insurance, which are off-the statement 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.

Reserves for investment insurance are as follows:

1) Reserves for future claims against the investment insurance policies

The Bank provides reserves 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) Reserves for the pending insurances claims payable

The Bank provides reserves for the pending insurance claims payable at the rate of 50% of the exposures.

3) Allowance for doubtful accounts on the compensated claims

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

In case of any loss 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), as amended.

3.17 Stand-by Claims Purchase Agreement Services and Reserves

Stand-by claims purchase agreement services are recorded as the contingent liabilities from stand-by claims purchase agreement, which are off-the statement 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.

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

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

The Bank provides reserves for future service claims against the stand-by claims purchase agreement policies at the rate of 1% of the amount of stand-by claims purchase agreement outstanding not yet claimed.

- 2) Reserves for the pending claims payable

The Bank provides reserves for the pending claims of such stand-by claims purchase agreement service at the rate of 50% of the exposures.

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

The Bank provides allowance for doubtful accounts on 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 flows from the debtors after deduction of cash flow payable to reinsurer.

3.18 Provisions

The Bank recognizes provisions in the statement of financial position, when the Bank has a legal or constructive obligation as a result of a past events whereby it is probable that an outflow of economic benefits resource will be required to settle the obligation, and where a reliable estimate of the amount of the obligation can be determined. The provisions recognized in the statement of financial position are the provision for the employee benefits and other provisions.

3.19 Post-Employment Benefits

3.19.1 Defined Contribution Plans

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

Contributions to the employee provident fund are made under the rule of "The Registered Provident Fund of Export-Import Bank of Thailand's Employee". Employees contribute to the provident fund at 3-15% of salary and the Bank's supplemental contribution is at 5.5%-10% of employee's salary according to the years of employment. Upon termination of employment, employees are entitled to receive this benefit.

3.19.2 Defined Benefit Plans

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

The provision for the employee benefits is determined by calculating present value of the cash flows of employee benefits to be paid in the future. The calculation is based on the Projected Unit Credit Method (an actuarial technique). The 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 Thai Bond Market Association. The employee benefits are presented as part of provisions in the statement of financial position.

The actuarial gains or losses on defined benefit plans are recognized in other comprehensive income and recorded directly to the retained earnings in the period in which they arise.

3.20 Appropriation of Annual Net Profit

Section 27 of the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), as amended, 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 as the public revenue.

3.21 Loan Commitments and Financial Guarantee Contracts

Loan commitments are the undrawn amount on the loan commitments.

The Bank issues guarantee contracts to customers for operating business. Financial guarantee contracts are initially recognized at fair value, which is the fee received unless there is other evidences. The Bank measures the value of financial guarantee contracts at the higher amount between the expected payment to reimburse the holder for a loss incurred and the initial amount less the accumulated income recognized in profit or loss.

The Bank recognizes expected credit losses for loan commitments and financial guarantee contracts as liabilities in the statement of financial position.

4. RISK MANAGEMENT

4.1 Risk Profile

4.1.1 Credit Risk

The Bank has managed credit risk arising from failure by a debtor or counterparty to perform in compliance with the agreement relating to credit provision, investment and incurrence of commitments (including export credit and investment insurance). It is aimed to ensure that the quality of the Bank's credit and export credit and investment insurance is in line with that required by the EXIM Thailand Act and its missions, key financial laws, risk management best practice and sustainable banking principles. A particular emphasis is put on credit lending in accordance with the government policy, including public service account (PSA), and promotion of international trade to enhance competitiveness of Thai exporters and importers, Thai investment overseas, and domestic investment toward national development in line with the relevant domestic business support framework.

The Bank has a clear framework of its credit process based on the principle of three lines of defence. The main functional duties and responsibilities are assigned to (1) perform credit transactions; (2) manage risks associated with credit transactions and (3) examine credit transactions. The persons in charge and the delegation of duties in relation to the credit process are as follows:

(1) Perform credit transactions (First Line of Defence) comprising:

- Credit analysis : the person in charge analyses credit lines, financial data and other necessary information, in order to assess the borrower's status and repayment ability, and screens and concludes risk issues before submission to the approval authority.
- Approval of credit transactions also including debt restructuring : the Board of Directors considers and approves the structure, composition and authority in credit underwriting and approval as well as debt correction of each committee. The persons with approval authority shall have appropriate qualifications i.e. relevant expertise and experience and capability to make good and reasonable judgment among other skills.
- Post-approval process and verification of post-approval proceeding : the person in charge reviews the post-approval operation e.g. legal documentation, collateral registration to ensure compliance with credit approval conditions and payment or incurrence of commitments to ensure correctness and completeness.

(2) Manage risks associated with credit transactions (Second Line of Defence) the person in charge follows up and reports on the risks associated with the credit transaction such as credit transaction information, quality of credit and insurance portfolio, and operational performance as well as other financial data to support the Bank's administration and credit risk management. Also monitoring the bank operation to ensure compliance with the relevant laws, rules and regulation.

(3) **Examine credit transactions (Third Line of Defence)** the person in charge examines and reviews the overall performance of operational systems and the performance of the persons in charge in the first and second lines of defence, monitors the operational performance according to the action plans or projects, and reports the results of the examination directly to the Audit Committee.

In 2020, the Bank started calculation of provisions for expected credit losses (ECL) according to the TFRS 9 and conduct of reasonableness test of the calculation model on a regular basis.

4.1.2 Market Risk

The Bank has put in place a market risk management policy, which is reviewed annually, for use as its guidelines to ensure sound market risk management.

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

1. Interest Rate Risk

It refers to the risk of an 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 items that could affect the Bank's net interest income (NII), market value of trading account items, and other income and expense items associated with interest rates;

2. Foreign Exchange Rate Risk

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

3. Equity Price Risk

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

In this regard, the Bank focuses on implementing the strategy of managing market risk with appropriate cost and returns taken into account. There is clear segregation of authority and delegation of authority among business units relating to market risk management. The Bank has defined and delegated approval authority together with relevant criteria in writing, as well as designated the use of market risk assessment, monitoring and management approaches that cover both banking book and trading book positions in alignment with the complexity of the respective transactions so as to ensure that the Bank's market risk is contained within the acceptable level in line with, and in response to, the public-sector equity holder and the Bank's vision and mission.

Moreover, in 2020, the Bank recorded risk hedging transactions and conducted hedge effectiveness test on a regular basis in accordance with the Thai Financial Reporting Standard No. 9 (TFRS 9).

4.1.3 Liquidity Risk

The Bank has established a liquidity risk management policy, which is reviewed on a yearly basis, for use as guidelines in preventing risks 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 obtaining adequate funds but at exorbitant costs, which could affect the Bank's earnings and capital funds both at present and in the future. It also aims to prevent liquidity risk from the Bank's inability to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at prices lower than the acquisition costs due to low liquidity of the assets or market liquidity shortage.

The Bank has managed liquidity with proper acquisition and distribution of short, medium and long-term borrowings that match its respective asset structure. Major applications of funds are credit provisions to debtors and investments in liquid assets, while sources of funds are mainly from fund raisings or issuances of financial instruments both onshore and offshore such as issuance of debt securities to the government entities and public sector, US dollar bond issues under the EURO Medium Term Note (EMTN), as well as business partners, that are its funding sources on a regular and consistent basis as part of its liquidity management.

In 2021, the Bank maintained its liquidity position to serve its net funds requirement at the level higher than its internal criteria and average liquid assets higher than that specified by the Bank of Thailand. The main liquid assets held by the Bank included government bonds, Bank of Thailand bonds, and treasury bills. Holdings of liquid assets have been reviewed as appropriate to sufficiently accommodate settlements of debts and obligations, and ensure smooth operation under both normal and crisis situations. Moreover, reports on liquidity position and operational results are made on a regular basis.

The Bank has conducted liquidity stress testing on a quarterly basis in three scenarios comprising : 1.institution-specific crisis 2 .market-wide crisis and 3 .a combination of institution-specific and market-wide crises. It has also identified specific risk factors, both internally and externally, that may affect its liquidity according to the Bank of Thailand's guidelines. In 2021, the Bank conducted stress testing which additionally covered the principal and interest debt suspension measure for customers affected by the COVID-19, both directly and indirectly. In addition, a liquidity contingency plan has been developed to safeguard the Bank against any liquidity crisis. The plan outlines the roles, duties and responsibilities of the management and business units concerned, early warning signals, and the execution process to timely cope with stress conditions.

As at December 31, 2021 and 2020, the Bank had significant asset and liability items classified by maturity as follows:

		Unit: Million Baht					
		<u>December 31, 2021</u>			<u>December 31, 2020</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							
items, net		8,604.63	-	8,604.63	8,247.79	-	8,247.79
Investments, net		3,994.77	7.95	4,002.72	5,093.96	4.79	5,098.75
Loans to customers		53,461.06	96,157.12	149,618.18	52,580.33	81,209.90	133,790.23
Loans to customers from							
public service account		<u>739.63</u>	<u>2,415.50</u>	<u>3,155.13</u>	<u>300.37</u>	<u>1,137.69</u>	<u>1,438.06</u>
Total		<u>66,800.09</u>	<u>98,580.57</u>	<u>165,380.66</u>	<u>66,222.45</u>	<u>82,352.38</u>	<u>148,574.83</u>
Liabilities							
Deposits		32,065.03	16,085.00	48,150.03	29,673.40	14,718.00	44,391.40
Interbank and money							
Items, net		8,711.13	12,376.64	21,087.77	11,684.92	8,357.96	20,042.88
Debt issued and borrowings		<u>9,186.94</u>	<u>51,452.70</u>	<u>60,639.64</u>	<u>6,540.27</u>	<u>45,618.67</u>	<u>52,158.94</u>
Total		<u>49,963.10</u>	<u>79,914.34</u>	<u>129,877.44</u>	<u>47,898.59</u>	<u>68,694.63</u>	<u>116,593.22</u>

4.2. CAPITAL ADEQUACY UNDER BASEL II STANDARD

As at December 31, 2021 and 2020 the Bank's capital adequacy ratio under Basel II standard were as follows:

Capital Structure Based on Basel II Standard

Unit: Million Baht

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Tier 1 Capital		
Paid-up capital	14,998.00	12,800.00
Legal reserve	8,120.00	8,120.00
Net loss after appropriation	<u>(959.05)</u>	<u>(959.05)</u>
Total Tier 1 Capital	22,158.95	19,960.95
Tier 2 Capital		
Provision for asset classification as normal	2,193.63	2,037.35
Revaluation surplus on investments in equity securities designated at fair value through other comprehensive income, net	<u>2.59</u>	<u>1.55</u>
Total Tier 2 Capital	2,196.22	2,038.90
<u>Less</u> Revaluation deficit on investments in equity securities designated at fair value through other comprehensive income, net	<u>-</u>	<u>(0.99)</u>
Total capital under Basel II standard	<u>24,355.17</u>	<u>21,998.86</u>

Capital Adequacy Ratio

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Tier 1 capital adequacy ratio	12.19%	12.25%
Total capital adequacy ratio	13.40%	13.50%

Unit: Million Baht

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total capital after deducting capital add-on arising from single lending limit	23,840.38	21,398.02
Total capital adequacy ratio after deducting capital add-on arising from single lending limit	13.12%	13.13%

5. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. However, the actual results may differ from the estimates.

The Bank reviews the estimates and assumptions on a regular basis. Changes in accounting estimates are recognized in the period in which estimates are revised. If the Changes in accounting estimates affects only that period, and recognized both in the period in which such estimates are reviewed and future periods. If the change in accounting estimate has an effect on both the current and future periods.

6. ADDITIONAL INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Increase (Decrease) in revaluation surplus on investments in equity	2.00	(4.94)
Increase in properties for sale from loan payment	18.79	23.80

6.2 Classification of Financial Assets and Liabilities

Unit : Million Baht

December 31, 2021

	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	0.71	0.71
Interbank and money market items, net	-	-	8,604.63	8,604.63
Financial assets measured at fair value through profit or loss	1.26	-	-	1.26
Derivatives assets	286.41	-	-	286.41
Investments, net	-	7.95	3,994.77	4,002.72
Loans to customers and accrued interest receivables, net	-	-	138,486.03	138,486.03
Loans to customers from public service account and accrued interest receivables, net	-	-	3,127.91	3,127.91
Receivable eligible for government reimbursement	-	-	52.46	52.46
Financial liabilities				
Deposits	-	-	48,150.03	48,150.03
Interbank and money market items, net	-	-	21,087.77	21,087.77
Liabilities payable on demand	-	-	233.03	233.03
Derivatives liabilities	748.13	-	-	748.13
Debt issued and borrowings	-	-	60,639.64	60,639.64
Allowance for expected credit losses on loan commitments and financial guarantee contracts	-	-	205.61	205.61
Accrued interest payable	-	-	216.78	216.78

Unit : Million Baht

December 31, 2020

	Financial instruments measured at fair value through profit or loss	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Total
Financial assets				
Cash	-	-	3.79	3.79
Interbank and money market items, net	-	-	8,247.79	8,247.79
Financial assets measured at fair value				
through profit or loss	1.16	-	-	1.16
Derivatives assets	835.10	-	-	835.10
Investments, net	-	4.79	5,093.96	5,098.75
Loans to customers and accrued interest				
receivables, net	-	-	122,300.65	122,300.65
Loans to customers from public service account				
and accrued interest receivables, net	-	-	1,427.86	1,427.86
Other assets, net	-	-	7.44	7.44
Financial liabilities				
Deposits	-	-	44,391.40	44,391.40
Interbank and money market items, net	-	-	20,042.88	20,042.88
Liabilities payable on demand	-	-	421.88	421.88
Derivatives liabilities	577.81	-	-	577.81
Debt issued and borrowings	-	-	52,158.94	52,158.94
Allowance for expected credit losses on loan				
commitments and financial guarantee contracts	-	-	203.42	203.42
Accrued interest payable	-	-	318.40	318.40

6.3 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	December 31, 2021			December 31, 2020		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand	21.62	-	21.62	19.92	-	19.92
Commercial banks	616.20	3,570.00	4,186.20	412.82	4,680.70	5,093.52
Specialized financial institutions	0.01	900.00	900.01	0.01	1,650.00	1,650.01
Total	637.83	4,470.00	5,107.83	432.75	6,330.70	6,763.45
Add Accrued interest receivables	-	-	-	-	0.03	0.03
Less Allowance for expected credit losses	(0.46)	(1.16)	(1.62)	(0.36)	(5.96)	(6.32)
Total domestic items	637.37	4,468.84	5,106.21	432.39	6,324.77	6,757.16
Foreign items						
US Dollars	353.24	2,954.82	3,308.06	657.50	675.95	1,333.45
Yen	46.01	-	46.01	25.25	-	25.25
Euro	80.83	-	80.83	74.99	-	74.99
Other currencies	64.80	-	64.80	57.64	-	57.64
Total	544.88	2,954.82	3,499.70	815.38	675.95	1,491.33
Add Accrued interest receivables	-	0.01	0.01	-	0.04	0.04
Less Allowance for expected credit losses	(0.24)	(1.05)	(1.29)	(0.29)	(0.45)	(0.74)
Total foreign items	544.64	2,953.78	3,498.42	815.09	675.54	1,490.63
Total domestic and foreign items	1,182.01	7,422.62	8,604.63	1,247.48	7,000.31	8,247.79

6.4 Derivatives

6.4.1 Derivatives Held for Trading

As at December 31, 2021 and 2020, the fair value and notional amount classified by type of risk were as follows:

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2021</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Amount</u>
Exchange rate	263.56	385.45	34,420.42

Unit : Million Baht

<u>Type of Risk</u>	<u>December 31, 2020</u>		
	<u>Fair Value</u>		<u>Notional</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>
Exchange rate	811.55	569.11	29,409.72
Interest rate	<u>9.10</u>	<u>8.70</u>	<u>1,600.00</u>
Total	<u>820.65</u>	<u>577.81</u>	<u>31,009.72</u>

6.4.2 Derivatives for Hedging

As at December 31, 2021 and 2020, hedging instrument classified by type of hedge accounting and risk were as follows:

Fair value hedge

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

Unit : Million Baht

<u>December 31, 2021</u>							
Type of risk	Notional amount	<u>Carrying amount</u>		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
		Assets	Liabilities				
Interest rate risk							
Interest rate swap							Gains (losses) on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	5,012.99	22.85	-	Derivative assets	22.85	-	
Interest rate swap							Gains (losses) on financial instruments measured at fair value through profit or loss
- hedge of USD fixed – rate debt securities	<u>10,025.97</u>	-	<u>362.68</u>	Derivative Liabilities	<u>(362.68)</u>	-	
Total	<u>15,038.96</u>	<u>22.85</u>	<u>362.68</u>		<u>(339.83)</u>	-	

Unit : Million Baht

December 31, 2020

Type of risk	Notional amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for measuring hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
	amount	Assets	Liabilities	included	ineffectiveness	profit or loss	ineffectiveness
Interest rate risk							
Interest rate swap - hedge							Gains on financial instruments measured at fair value through profit or loss
of THB fixed - rate borrowings	1,500.00	14.45	-	Derivative assets	14.45	-	or loss

The amounts relating to items designated as hedged items were as follows:

Unit : Million Baht

December 31, 2021

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
Interest rate risk							
- USD fixed-rate debt securities	-	(5,035.83)	-	(22.85)	Debt issued and borrowings	(22.85)	-
- USD fixed-rate debt securities	-	(9,663.29)	362.68	-	Debt issued and borrowings	362.68	-
Total	-	(14,699.12)	362.68	(22.85)		339.83	-

Unit : Million Baht

December 31, 2020

Type of risk	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Change in fair value used for measuring hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses	
	Assets	Liabilities	Assets	Liabilities				
Interest rate risk								
THB fixed-rate borrowings	-	(1,514.45)	-	(14.45)	Interbank and money market items	(14.45)	-	

6.5 Investments, Net

As at December 31, 2021 and, 2020, the Bank had Investments as follows:

Unit : Million Baht

December 31, 2021 December 31, 2020

Investments in debt securities measured at amortized cost	3,994.77	5,093.96
Investments in equity securities designated at fair value through other comprehensive income	7.95	4.79
Total	<u>4,002.72</u>	<u>5,098.75</u>

6.5.1 Investments in Debt Securities Measured at Amortized Cost

Unit : Million Baht

December 31, 2021 December 31, 2020

Government and state enterprises securities	3,995.33	5,094.69
<u>Less</u> Allowance for expected credit losses	<u>(0.56)</u>	<u>(0.73)</u>
Total	<u>3,994.77</u>	<u>5,093.96</u>

6.5.2 Investments in Equity Securities Designated at Fair Value Through Other Comprehensive Income

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic marketable equity securities	5.77	3.53
Domestic non-marketable equity securities	0.80	-
Foreign non-marketable equity securities	<u>1.38</u>	<u>1.26</u>
Total	<u>7.95</u>	<u>4.79</u>

6.6 Loans to Customers and Accrued Interest Receivables, Net

6.6.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Overdrafts	155.41	180.81
Loans	149,272.69	133,502.77
Others	<u>118.69</u>	<u>16.95</u>
Total loans to customers	149,546.79	133,700.53
<u>Less</u> Deferred revenue	<u>(119.08)</u>	<u>(73.99)</u>
Total loans to customers net of deferred revenue	149,427.71	133,626.54
<u>Add</u> Accrued interest receivables	<u>699.53</u>	<u>639.62</u>
Total loans to customers net of deferred revenue, plus accrued interest receivables	150,127.24	134,266.16
<u>Less</u> Allowance for expected credit losses	<u>(11,641.21)</u>	<u>(11,965.51)</u>
Total loans to customers and accrued interest receivables, net	<u>138,486.03</u>	<u>122,300.65</u>

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

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loan for National Road No.67 Construction Project		
(Anlong Veng – Siem Reap) The Kingdom of Cambodia	904.34	968.34

The Bank signed an agreement to sell non-performing loans with Sukhumvit Asset Management Company Limited (SAM) on November 30, 2021, Choyo JV Asset Management Company Limited and THAI (A) Asset Management Company Limited on December 1, 2021, which as at September 30, 2021, the outstanding of such loans was 1,573.23 million baht. The Bank has transferred any claims and benefits including the relevant

documents to those three companies on December 29, 2021. The selling price in excess of the carrying value of those non-performing loans, is presented as a deduction from the expected credit losses in profit or loss.

6.6.2 Classified by Residency

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic	98,009.14	90,721.40
Foreign	<u>51,537.65</u>	<u>42,979.13</u>
Total	<u>149,546.79</u>	<u>133,700.53</u>

6.6.3 Classified by Loan Classification

	Unit : Million Baht			
	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Loans to customers and accrued interest receivables</u>	<u>Allowance for expected credit losses</u>	<u>Loans to customers and accrued interest receivables</u>	<u>Allowance for expected credit losses</u>
Financial assets where there has not been a significant increase in credit risk	139,203.86	4,044.43	116,776.38	1,221.21
Financial assets where there has been a significant increase in credit risk	6,760.19	<u>3,990.89</u>	12,338.82	<u>6,591.86</u>
Financial assets that are credit-impaired	<u>4,163.19</u>	<u>3,605.89</u>	<u>5,150.96</u>	<u>4,152.44</u>
Total	<u>150,127.24</u>	<u>11,641.21</u>	<u>134,266.16</u>	<u>11,965.51</u>

6.6.4 Troubled Debt Restructuring

The Bank restructured debts during the year 2021 and 2020 were as follows:

		Unit : Million Baht	
		<u>2021</u>	
<u>Type of Restructuring</u>	<u>Cases</u>	<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Asset transfer	1	14.04	14.04
Change of repayment conditions	8	347.38	362.57

The average tenure of the above-mentioned debt restructuring was 9.92 years. As at December 31, 2021, the outstanding of such restructured loans was 328.39 million baht.

Unit : Million Baht

<u>Type of Restructuring</u>	<u>Cases</u>	<u>2020</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	2	10.02	10.02

The average tenure of the above-mentioned debt restructuring was 4.50 years. As at December 31, 2020, the outstanding of such restructured loans was 9.50 million baht.

Debt restructuring during the year 2021 and 2020, compared to outstanding loans and accrued interest receivables net of deferred revenue were as follows:

Unit : Million Baht

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	9	361.42	2	10.02
Loans to customers net of deferred revenue, plus				
accrued interest receivables	3,036	150,127.24	2,541	134,266.16

As at December 31, 2021 and 2020, the Bank had outstanding restructured loans for 37 cases amounting to 1,237.48 million baht and for 50 cases amounting to 1,151.80 million baht, respectively.

For the years ended December 31, 2021 and 2020, the Bank recognized interest income from debt restructuring in the amount of 111.92 million baht and 136.86 million baht, respectively.

As at December 31, 2021 and 2020, the Bank had commitments to extend additional loans to customers who had been restructured for the amount of 0.08 million baht and 16.48 million baht, respectively.

6.7 Allowance for Expected Credit Losses

As at December 31, 2021 and 2020, the Bank had allowance for expected credit losses and allowance for doubtful accounts as follows:

Unit : Million Baht

	<u>December 31, 2021</u>			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2.88	4.18	-	7.06
Changes due to remeasurement of allowance for expected credit losses	(0.64)	(0.32)	-	(0.96)
New financial assets purchased or acquired	0.64	-	-	0.64
Derecognition of financial assets	-	(3.83)	-	(3.83)
Ending balance	<u>2.88</u>	<u>0.03</u>	<u>-</u>	<u>2.91</u>
Investments in debt securities measured at amortized cost				
Beginning balance	0.73	-	-	0.73
New financial assets purchased or acquired	0.56	-	-	0.56
Derecognition of financial assets	(0.73)	-	-	(0.73)
Ending balance	<u>0.56</u>	<u>-</u>	<u>-</u>	<u>0.56</u>

Unit : Million Baht

December 31, 2021

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loans to customers and accrued interest receivables				
Beginning balance	1,221.21	6,591.86	4,152.44	11,965.51
Changes due to staging of financial assets	2,824.94	(2,917.72)	92.78	-
Changes due to remeasurement of allowance for expected credit losses	(73.00)	519.84	416.59	863.43
New financial assets purchased or acquired	124.41	4.12	6.99	135.52
Derecognition of financial assets	(53.13)	(207.21)	(1,062.91)	(1,323.25)
Ending balance	<u>4,044.43</u>	<u>3,990.89</u>	<u>3,605.89</u>	<u>11,641.21</u>
Loans to customers from public service account and accrued interest receivables				
Beginning balance	11.19	-	-	11.19
Changes due to remeasurement of allowance for expected credit losses	6.27	-	-	6.27
New financial assets purchased or acquired	12.01	-	-	12.01
Derecognition of financial assets	(0.27)	-	-	(0.27)
Ending balance	<u>29.20</u>	<u>-</u>	<u>-</u>	<u>29.20</u>

Unit : Million Baht

December 31, 2020

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
Interbank and money market items (assets)					
Beginning balance				15.77	15.77
Changes due to the adoption of new accounting standards *	<u>1.23</u>	<u>14.03</u>	<u>-</u>	<u>(15.77)</u>	<u>(0.51)</u>
Total	1.23	14.03	-	-	15.26
Changes due to staging of financial assets	0.01	(0.01)	-	-	-
Changes due to remeasurement of allowance for expected credit losses	0.30	(3.81)	-	-	(3.51)
New financial assets purchased or acquired	2.15	0.31	-	-	2.46
Derecognition of financial assets	<u>(0.81)</u>	<u>(6.34)</u>	<u>-</u>	<u>-</u>	<u>(7.15)</u>
Ending balance	<u>2.88</u>	<u>4.18</u>	<u>-</u>	<u>-</u>	<u>7.06</u>
Investments in debt securities measured at amortized cost					
Beginning balance	-	-	-	-	-
Changes due to the adoption of new accounting standards *	<u>0.34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.34</u>
Total	0.34	-	-	-	0.34
New financial assets purchased or acquired	0.73	-	-	-	0.73
Derecognition of financial assets	<u>(0.34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.34)</u>
Ending balance	<u>0.73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.73</u>

* Allowance for doubtful accounts at the beginning of the period is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.

Unit : Million Baht

December 31, 2020

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
Loans to customers and accrued interest receivables					
Beginning balance	-	-	-	11,044.97	11,044.97
Changes due to the adoption of new accounting standards *	<u>1,565.72</u>	<u>5,106.17</u>	<u>4,151.15</u>	<u>(11,044.97)</u>	<u>(221.93)</u>
Total	1,565.72	5,106.17	4,151.15	-	10,823.04
Changes due to staging of financial assets	840.57	(937.69)	97.12	-	-
Changes due to remeasurement of allowance for expected credit losses	(1,185.20)	2,363.46	1,806.31	-	2,984.57
New financial assets purchased or acquired	110.73	144.14	1.30	-	256.17
Derecognition of financial assets	<u>(110.61)</u>	<u>(84.22)</u>	<u>(1,903.44)</u>	<u>-</u>	<u>(2,098.27)</u>
Ending balance	<u>1,221.21</u>	<u>6,591.86</u>	<u>4,152.44</u>	<u>-</u>	<u>11,965.51</u>
Loans to customers from public service account and accrued interest receivables					
Beginning balance	-	-	-	-	-
New financial assets purchased or acquired	<u>11.19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11.19</u>
Ending balance	<u>11.19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11.19</u>

* Allowance for doubtful accounts at the beginning of the period is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.

6.8 Properties for Sale, Net

As at December 31, 2021 and 2020, the Bank had properties for sale, net as follows:

Unit : Million Baht				
December 31, 2021				
	Beginning Balance	Additions	Disposals	Ending Balance
Assets acquired from debt repayment				
- Immovable properties	425.46	18.84	4.18	440.12
- Movable properties	23.44	-	-	23.44
Total properties for sale	448.90	18.84	4.18	463.56
Less accumulated impairment losses	(174.89)	(2.86)	(1.17)	(176.58)
Total properties for sale, net	274.01	15.98	3.01	286.98

Unit : Million Baht				
December 31, 2020				
	Beginning Balance	Additions	Disposals	Ending Balance
Assets acquired from debt repayment				
- Immovable properties	459.25	23.80	57.59	425.46
- Movable properties	23.44	-	-	23.44
Total properties for sale	482.69	23.80	57.59	448.90
Less accumulated impairment losses	(171.81)	(3.75)	(0.67)	(174.89)
Total properties for sale, net	310.88	20.05	56.92	274.01

As at December 31, 2021 and 2020, the Bank had immovable properties from debt repayment in the amount 440.12 million baht and 425.46 million baht, respectively, which were appraised by external appraisers.

For the years ended December 31, 2021 and 2020, the Bank generated gains on sale of properties for sale in the amount of 1.45 million baht and 25.23 million baht, respectively.

6.9 Premises and Equipment, Net

As at December 31, 2021 and 2020, the Bank had premises and equipment, net as follows:

Unit : Million Baht

December 31, 2021

	Cost				Accumulated Depreciation				Premises and Equipment, Net
	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	415.41	10.66	-	426.07	257.18
- Building improvement	144.01	0.11	-	144.12	124.05	3.02	-	127.07	17.05
Equipment									
- Office equipment and fixtures	344.90	9.83	0.39	354.34	263.95	26.92	0.39	290.48	63.86
- Vehicles	110.88	-	-	110.88	58.86	5.16	-	64.02	46.86
Assets under construction*	-	-	-	-	-	-	-	-	-
Total	<u>1,674.30</u>	<u>9.94</u>	<u>0.39</u>	<u>1,683.85</u>	<u>862.27</u>	<u>45.76</u>	<u>0.39</u>	<u>907.64</u>	<u>776.21</u>

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

Unit : Million Baht

December 31, 2020

	Cost				Accumulated Depreciation				Premises and Equipment, Net
	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	404.71	10.70	-	415.41	267.84
- Building improvement	142.01	6.84	4.84	144.01	126.00	2.89	4.84	124.05	19.96
Equipment									
- Office equipment and fixtures	305.35	51.66	12.11	344.90	251.17	24.88	12.10	263.95	80.95
- Vehicles	110.88	-	-	110.88	51.80	7.06	-	58.86	52.02
Assets under construction*	-	14.41	14.41	-	-	-	-	-	-
Total	<u>1,632.75</u>	<u>72.91</u>	<u>31.36</u>	<u>1,674.30</u>	<u>833.68</u>	<u>45.53</u>	<u>16.94</u>	<u>862.27</u>	<u>812.03</u>

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

6.10 Intangible Assets, Net

As at December 31, 2021 and 2020, the Bank had intangible assets as follows:

Unit : Million Baht

	<u>December 31, 2021</u>								
	Cost				Accumulated Depreciation				<u>Premises</u>
	<u>Beginning</u>	<u>Additions/</u>	<u>Disposals/</u>	<u>Ending</u>	<u>Beginning</u>	<u>Depreciation</u>	<u>Disposals/</u>	<u>Ending</u>	<u>and</u>
	<u>Balance</u>	<u>Transfer in</u>	<u>Transfer out</u>	<u>Balance</u>	<u>Balance</u>		<u>Transfer out</u>	<u>Balance</u>	<u>Equipment,</u>
									<u>Net</u>
Computer software	355.60	60.54	-	416.14	174.05	51.49	-	225.54	190.60
Software under installation*	63.44	73.90	85.61	51.73	-	-	-	-	51.73
Total	419.04	134.44	85.61	467.87	174.05	51.49	-	225.54	242.33

Unit : Million Baht

	<u>December 31, 2020</u>								
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transfer out	Ending Balance	
Computer software	223.17	132.97	0.54	355.60	143.18	31.40	0.53	174.05	181.55
Software under installation*	<u>72.83</u>	<u>96.99</u>	<u>106.38</u>	<u>63.44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63.44</u>
Total	296.00	229.96	106.92	419.04	143.18	31.40	0.53	174.05	244.99

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

6.11 Reinsurance Assets

As at December 31, 2021 and 2020, the Bank had intangible assets as follows:

Unit : Million Baht

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Insurance reserves from reinsurance	312.35	309.66

6.12 Other Assets, Net

Unit : Million Baht

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Collateral under Credit Support Annex contract	174.12	119.25
Revenue receivables, net	3.36	2.98
Insurance claim receivables, net of reinsurance	451.16	455.20
Allowance for insurance claim receivables	(451.16)	(455.20)
Right-of use assets, net	70.88	37.83
Advance deposits	3.08	3.03
Others	6.48	2.04
Total	257.92	165.13

6.13 Deposits

6.13.1 Classified by Type of Deposits

	Unit : Million Baht	
	December 31, 2021	December 31, 2020
Demand	2,472.24	2,918.12
Savings	215.29	144.91
Time	6,763.36	6,532.21
Certificates of deposit	38,699.14	34,796.16
Total	48,150.03	44,391.40

6.13.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht		
	December 31, 2021		
	Domestic	Foreign	Total
Baht	46,503.07	581.03	47,084.10
US Dollar	785.30	230.10	1,015.40
Other currencies	40.85	9.68	50.53
Total	47,329.22	820.81	48,150.03

	December 31, 2020		
	Domestic	Foreign	Total
Baht	42,446.94	567.34	43,014.28
US Dollar	1,034.02	269.78	1,303.80
Other currencies	64.20	9.12	73.32
Total	43,545.16	846.24	44,391.40

6.14 Interbank and Money Market Items, Net (Liabilities)

	Unit : Million Baht	
	December 31, 2021	December 31, 2020
Domestic items		
Bank of Thailand	6,165.54	1,893.21
Commercial banks	10,400.11	7,161.38
Specialized financial institutions	1,799.54	1,616.42
Other financial institutions	1,000.00	6,150.00
Total domestic items	19,365.19	16,821.01
Foreign items		
US Dollar	1,702.58	3,187.88
Euro	17.97	17.51
Other currencies	2.03	2.03
Total foreign items	1,722.58	3,207.42
Add Allowance for revaluation	-	14.45
Total domestic and foreign items	21,087.77	20,042.88

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

<u>December 31, 2021</u>			
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	13,000.00	47,957.56	60,957.56
Others	<u>21.91</u>	<u>-</u>	<u>21.91</u>
Total	13,021.91	47,957.56	60,979.47
<u>Less</u> Allowance for revaluation	<u>-</u>	<u>(339.83)</u>	<u>(339.83)</u>
Total debt issued and borrowings	<u>13,021.91</u>	<u>47,617.73</u>	<u>60,639.64</u>

Unit : Million Baht

<u>December 31, 2020</u>			
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	7,000.00	38,597.67	45,597.67
Promissory notes	6,500.00	-	6,500.00
Others	<u>61.27</u>	<u>-</u>	<u>61.27</u>
Total debt issued and borrowings	<u>13,561.27</u>	<u>38,597.67</u>	<u>52,158.94</u>

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

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u>	<u>Interest Rate /</u>	<u>Amount</u>	
				<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds	USD	2022-2024	LIBOR + MARGIN	31,247.61	28,084.69
Bonds	USD	2025-2031	1.457% - 2.607%	16,370.12	10,512.98
Bonds	THB	2022-2031	1.30% - 2.84%	13,000.00	7,000.00
Promissory notes	THB	2021	1.17%	-	6,500.00
Others	THB	2024-2027	0%	<u>21.91</u>	<u>61.27</u>
Total debt issued and borrowings				<u>60,639.64</u>	<u>52,158.94</u>

6.16 Provisions

As at December 31, 2021 and 2020, the Bank had set up provisions as follows:

	Unit : Million Baht	
	December 31, 2021	December 31, 2020
Allowance for expected credit losses on loan commitments and financial guarantee contracts	205.61	203.42
Provision for short-term employee benefits	29.70	-
Provisions for employee benefits – post employment	338.52	365.21
Provisions for contingent liabilities	17.97	99.99
Other provisions	<u>27.22</u>	<u>25.72</u>
Total provisions	<u>619.02</u>	<u>694.34</u>

6.16.1 Allowance for Expected Credit Losses on Loan Commitments and Financial Guarantee Contracts

	Unit : Million Baht	
	December 31, 2021	December 31, 2020
Financial assets where there has not been a significant increase in credit risk (Performing)	156.04	137.13
Financial assets where there has been a significant increase in credit risk (Under-Performing)	49.57	51.53
Financial assets that are credit-impaired (Non-Performing)	-	14.76
Total	<u>205.61</u>	<u>203.42</u>

The changes in the allowance for expected credit losses on loan commitments and financial guarantee contracts were as follows:

	Unit : Million Baht			
	December 31, 2021			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	137.13	51.53	14.76	203.42
Allowance for expected credit losses during period	<u>18.91</u>	<u>(1.96)</u>	<u>(14.76)</u>	<u>2.19</u>
Ending balance	<u>156.04</u>	<u>49.57</u>	<u>-</u>	<u>205.61</u>

Unit : Million Baht

December 31, 2020

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
Beginning balance	-	-	-	19.78	19.78
Changes due to the adoption of new accounting standards *	192.02	41.27	8.59	(19.78)	222.10
Total	192.02	41.27	8.59	-	241.88
Allowance for expected credit losses during period	(54.89)	10.26	6.17	-	(38.46)
Ending balance	137.13	51.53	14.76	-	203.42

* Allowance for doubtful accounts at the beginning of the period is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.

6.16.2 Provisions for Employee Benefits

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

Unit : Million Baht

	December 31, 2021	December 31, 2020
Beginning balance	365.21	330.96
Current service cost*	16.02	27.97
Interest cost*	9.68	5.86
Employee benefits paid during the year	(16.87)	(6.05)
Actuarial (gain) loss on defined benefit plans	(35.52)	6.47
Ending Balance	338.52	365.21

* These items are presented as employee's expenses in profit or loss.

Principal actuarial assumptions for the Bank's post-employment benefits were as follows:

	<u>2021</u>	<u>2020</u>
Average salary increase rate	0.25% - 12.25%	4% - 12.75%
Average staff turnover rate	0% - 19.23%	0% - 22.50%
Discount rate	0.51% - 2.91%	0.36% - 2.06%
Mortality rate	TMO17	TMO17

The Bank's defined benefit plans were sensitive to changes in each significant actuarial assumptions as follows:

Unit : Million Baht

	<u>Increase (Decrease) in Defined Benefit Plan</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Average discount rate		
- Increase of 1%	(36.15)	(41.27)
- Decrease of 1%	42.46	47.60
Average future salary increase rate		
- Increase of 1%	0.54	0.67
- Decrease of 1%	(0.68)	(1.15)
Average staff turnover rate		
- Increase of 1%	(2.95)	(4.33)
- Decrease of 1%	2.95	2.03

6.17 Reserves for Insurance Service

Unit : Million Baht

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Reserves for export credit insurance	385.11	371.44
Reserves for investment insurance	163.13	133.47
Reserves for stand-by claims purchase agreement	<u>102.79</u>	<u>129.81</u>
Total	<u>651.03</u>	<u>634.72</u>

6.18 Other Liabilities

	Unit : Million Baht	
	December 31, 2021	December 31, 2020
Other payable per Credit Support Annex	16.04	-
Advance deposits	17.43	26.67
Accrued expenses	75.80	73.08
Account payables	29.43	21.54
Reinsurance payables	31.93	26.43
Lease liabilities	68.71	34.31
Deferred revenue	49.19	35.39
Withholding tax payable	15.93	11.58
Suspense liabilities	473.45	404.32
Others	1.11	2.40
Total	<u>779.02</u>	<u>635.72</u>

6.19 Capital

The Bank had an initial capital of 2,500 million baht and received additional capital from the Ministry of Finance in the amount of 4,000 million baht on July 31, 1998, 1,300 million baht on December 30, 2008 and 5,000 million baht on September 21, 2009. On November 17, 2021, the Bank received the first capital increase from the Ministry of Finance in the amount of 2,198 million baht from total capital increase of 4,198 million baht according to resolution of the Cabinet meeting on August 24, 2021. The Bank has total capital amounting to 14,998 million baht.

6.20 Contingent Liabilities

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantees of loans	2,093.70	1,119.33
Liabilities under immature import bills	1,056.90	198.66
Letters of credit	1,081.85	686.84
Export bills insured	31,286.38	28,596.65
Other contingencies		
Unused overdraft credit lines	681.08	682.79
Other guarantees	5,046.11	5,127.27
Investment Insurance	2,986.74	1,531.89
Stand-by claims purchase agreement	<u>10,269.58</u>	<u>12,966.03</u>
Total other contingencies	<u>18,983.51</u>	<u>20,307.98</u>
Total	<u>54,502.34</u>	<u>50,909.46</u>

As at December 31, 2021 the Bank has six cases of legitimate claims, which are on trial in the court proceedings, classified into one case has already been recognized as a provision, one cases with total claims amounting to 0.80 million baht were dismissed or judged that the Bank was not liable to make payment to the plaintiff by the Court of First Instance or the Appeal Court, and four cases with total claims amounting to 45.30 million baht are on trail of the Court of First Instance. However, the Bank considers that there will be no material impact to the Bank's financial position or operating results upon the case finalization.

6.21 Other Benefits to Directors and Executives

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

6.22 Leases

6.22.1 Long-Term Leases

The Bank has entered into the lease agreements of the Bank's branch offices and equipment as follows:

		Unit : Million Baht			
	<u>Maturity</u>	<u>Carrying Amount</u>		<u>Depreciation</u>	
		<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>For the Years ended</u>	
				<u>December 31, 2021</u>	<u>December 31, 2020</u>
Right-of-use land and building	2024 - 2029	39.00	34.53	7.94	5.42
Right-of-use equipment	2022	0.66	3.29	2.63	2.63
Right-of-use vehicle	2025 - 2026	31.22	-	1.82	-
Total		<u>70.88</u>	<u>37.82</u>	<u>12.39</u>	<u>8.05</u>

For the years ended December 31, 2021 and 2020, the Bank paid the rental of the above contract in the amount of 12.61 million baht and 7.77 million baht, respectively and recognized interest expenses from lease liabilities in the amount of 0.96 million baht and 0.65 million baht, respectively.

The Bank entered into a sublease agreement for part of the branch office. For the years ended December 31, 2021 and 2020, the Bank recognized sublease revenue in the amount of 0.30 million baht and 0.29 million baht, respectively.

6.22.2 Leases of Low-Value Assets

The Bank has entered into the lease agreements of office equipment. The Bank recognized the rental as expenses on a straight-line basis over the lease term. For the years ended December 31, 2021 and 2020, the Bank recognized the rental of office equipment of 12.95 million baht and 12.39 million baht, respectively.

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

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

6.23.1 Financial Position Classified by Business

	Unit : Million Baht		
	<u>December 31, 2021</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	156,790.87	13.42	156,804.29
Interbank and money market items, net (assets)	8,603.67	0.96	8,604.63
Financial assets measured at fair value through			
profit or loss	1.26	-	1.26
Investments, net	4,002.72	-	4,002.72
Loans to customers and accrued interest receivables, net	138,486.03	-	138,486.03
Deposits	48,150.03	-	48,150.03
Interbank and money market items, net (liabilities)	21,087.77	-	21,087.77
Debt issued and borrowings	60,639.64	-	60,639.64

	Unit : Million Baht		
	<u>December 31, 2020</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Total assets	139,786.61	2.32	139,788.93
Interbank and money market items, net (assets)	8,246.84	0.95	8,247.79
Financial assets measured at fair value through			
profit or loss	1.16	-	1.16
Investments, net	5,098.75	-	5,098.75
Loans to customers and accrued interest receivables, net	122,300.65	-	122,300.65
Deposits	44,391.40	-	44,391.40
Interbank and money market items, net (liabilities)	20,042.88	-	20,042.88
Debt issued and borrowings	52,158.94	-	52,158.94

6.23.2 Operations Classified by Business

Unit : Million Baht

For the Years Ended December 31, 2021

	Domestic	Foreign	Total
Interest income	4,658.81	-	4,658.81
Interest expenses	(1,205.65)	(0.17)	(1,205.82)
Interest income, net	3,453.16	(0.17)	3,452.99
Fees and service income, net	358.51	-	358.51
Other operating income	106.71	-	106.71
Other operating expenses	(1,520.76)	(15.62)	(1,536.38)
Operating profit before expected credit losses	2,397.62	(15.79)	2,381.83
Expected credit losses	(850.36)	-	(850.36)
Net (loss) profit	<u>1,547.26</u>	<u>(15.79)</u>	<u>1,531.47</u>

Unit : Million Baht

For the Years Ended December 31, 2020

	Domestic	Foreign	Total
Interest income	4,928.98	-	4,928.98
Interest expenses	(1,644.18)	-	(1,644.18)
Interest income, net	3,284.80	-	3,284.80
Fees and service income, net	331.94	-	331.94
Other operating income	132.47	-	132.47
Other operating expenses	(1,839.08)	(13.94)	(1,853.02)
Operating profit before expected credit losses	1,910.13	(13.94)	1,896.19
Expected credit losses	(3,235.93)	-	(3,235.93)
Net loss	<u>(1,325.80)</u>	<u>(13.94)</u>	<u>(1,339.74)</u>

6.24 Interest Income

Interest income for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	2021	2020
Interbank and money market items	75.35	144.83
Investment in debt securities	17.83	28.69
Loans	<u>4,565.63</u>	<u>4,755.46</u>
Total interest income	<u>4,658.81</u>	<u>4,928.98</u>

6.25 Interest Expenses

Interest expenses for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	2021	2020
Deposits	426.62	467.41
Interbank and money market items	173.61	357.35
Lease liabilities	0.96	0.65
Debt issued		
- Bonds	554.94	756.59
- Promissory note	30.00	45.84
- Borrowings fee	<u>19.69</u>	<u>16.34</u>
Total interest expenses	<u>1,205.82</u>	<u>1,644.18</u>

6.26 Fees and Service Income, Net

Net fees and service income for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	2021	2020
Fees and service income		
- Acceptance aval and guarantee	72.82	56.75
- Income from insurance	300.63	252.02
- Others	<u>165.06</u>	<u>174.48</u>
Total fees and service income	<u>538.51</u>	<u>483.25</u>
Fees and service expenses		
- Expense on insurance	158.93	137.73
- Others	<u>21.07</u>	<u>13.58</u>
Total fees and service expenses	<u>180.00</u>	<u>151.31</u>
Total fees and service income, net	<u>358.51</u>	<u>331.94</u>

6.27 Gains on Financial Instruments Measured at Fair Value Through Profit or Loss, Net

Gains on financial instruments measured at fair value through profit or loss, net for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies, debt securities and foreign exchange derivatives	6.12	82.66
- Interest rate derivative	(0.40)	(1.30)
- Equity securities	<u>0.10</u>	<u>(0.16)</u>
Total gains on financial instruments measured at fair value through profit or loss, net	<u>5.82</u>	<u>81.20</u>

6.28 Losses on Claims and Reserves for Insurance Services

Losses on claims and reserves for insurance services for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Doubtful account for export credit insurance	0.22	188.37
Doubtful account for investment insurance	20.44	6.61
Doubtful account for stand-by claims purchase agreement	<u>(10.50)</u>	<u>13.00</u>
Total	<u>10.16</u>	<u>207.98</u>

6.29 Expected Credit Losses

Expected credit losses for financial assets for the years ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Interbank and money market items	(4.15)	(8.19)
Investment in debt securities measured at amortized cost	(0.17)	0.40
Loans to customers and accrued interest receivables*	827.70	3,262.72
Loans to customers and accrued interest receivables from public service account	18.02	11.19
Other receivables	<u>6.77</u>	<u>8.27</u>
Total	848.17	3,274.39
Loan commitments and financial guarantee contracts	<u>2.19</u>	<u>(38.46)</u>
Total expected credit losses	<u>850.36</u>	<u>3,235.93</u>

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

6.30 Public Service Account

6.30.1 Summary of Public Service Account

As at December 31, 2021 and 2020, the assets from public service account were as follows:

	Unit : Million Baht	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loans to customers from public service account and accrued interest receivables, net	3,127.91	1,427.86
Receivable eligible for government reimbursement	<u>52.46</u>	<u>7.44</u>
Total assets	<u>3,180.37</u>	<u>1,435.30</u>

For the year ended December 31, 2021 and 2020, the Bank recognized income and expenses from public service account were as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Income from public service account	90.25	14.92
<u>Less</u> Expenses from public service account	(113.11)	(24.99)
<u>Less</u> Expected credit losses from public service account	<u>(18.02)</u>	<u>(11.19)</u>
Net loss	<u>(40.88)</u>	<u>(21.26)</u>

6.30.2 Loans to Customers from Public Service Account and Accrued Interest Receivables, Net

		Unit : Million Baht		
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
1. Investment and Production Efficiency Enhancement Credit Scheme	To encourage entrepreneurs to purchase and improve their machinery and equipment or factories in order to uplift production efficiency and cost reduction	2020 - 2028	3,078.31	1,427.86
2. EXIM Biz Transformation Loan	To support entrepreneurs affected by COVID-19 that wish to acquire or improve machinery and equipment or make new investment for efficiency enhancement, as well as the entrepreneurs who gradually recover to continue their business, with the competitive interest rate	2021 - 2029	49.60	-

6.30.3 Loan Classification and Provision for Public Service Account

As at December 31, 2021 and 2020, loan classification and provision for the investment and production efficiency enhancement credit scheme were as follows:

Unit : Million Baht

<u>December 31, 2021</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>

Financial assets where there has not been a significant increase in credit risk (Performing)	167	3,157.11	29.20
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Unit : Million Baht

<u>December 31, 2020</u>			
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Allowance for expected credit losses</u>

Financial assets where there has not been a significant increase in credit risk (Performing)	82	1,439.05	11.19
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6.30.4 Receivable Eligible for Government Reimbursement

As at December 31, 2021 and 2020, the Bank is eligible for government reimbursement for the interest spread for the investment and production efficiency enhancement credit scheme amounting to 52.46 million baht and 7.44 million baht, respectively.

6.30.5 Income from Public Service Account

Income from public service account for the years ended December 31, 2021 and 2020, were as follows:

Unit : Million Baht

	<u>2021</u>	<u>2020</u>
Interest income from public service account	45.23	7.48
Compensation for public service account	45.02	7.44
Total income from public service account	90.25	14.92

6.30.6 Expenses from Public Service Account

Expenses from public service account for the years ended December 31, 2021 and 2020, were as follows:

	Unit : Million Baht	
	2021	2020
Interest expenses	31.77	5.25
Fees and service expenses	1.11	0.11
Operating expenses	<u>80.23</u>	<u>19.63</u>
Total expenses from public service account	<u>113.11</u>	<u>24.99</u>

6.31 Fair Value of Assets and Liabilities

As at December 31, 2021 and 2020, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	December 31, 2021		
	Fair Value		
	Level 1	Level 2	Total
Financial Assets			
Financial assets measured at fair value through profit or loss	1.26	-	1.26
Derivative assets	-	286.41	286.41
Investment in equity securities designated at fair value through other comprehensive income	<u>5.77</u>	<u>2.18</u>	<u>7.95</u>
Total financial assets	<u>7.03</u>	<u>288.59</u>	<u>295.62</u>
Financial Liabilities			
Derivative liabilities	-	748.14	748.14
Total financial liabilities	-	<u>748.14</u>	<u>748.14</u>

Unit : Million Baht

December 31, 2020			
	Fair Value		
	Level 1	Level 2	Total
Financial Assets			
Financial assets measured at fair value through profit or loss	1.16	-	1.16
Derivative assets	-	835.10	835.10
Investment in equity securities designated at fair value through other comprehensive income	<u>3.53</u>	<u>1.26</u>	<u>4.79</u>
Total financial assets	<u>4.69</u>	<u>836.36</u>	<u>841.05</u>
Financial Liabilities			
Derivative liabilities	<u>-</u>	<u>577.81</u>	<u>577.81</u>
Total financial liabilities	<u>-</u>	<u>577.81</u>	<u>577.81</u>

Fair values were determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities.
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

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

Level 2 fair value of investments in equity securities designated at fair value through other comprehensive income, which are non-marketable equity securities, is determined by comparing their share price with their book value.

6.32 Approval of the Financial Statements

These financial statements have been authorized to issue by President and Executive Vice President on April 18, 2022.

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