



รายงานประจำปี 2559  
**ANNUAL REPORT**  
**2016**



บริษัทเงินทุน กรุงเทพธนการ จำกัด (มหาชน)  
Bangkok First Investment & Trust Public Company Limited





ปวงข้าพระพุทธเจ้า ขอน้อมเกล้าขอน้อมกระหม่อมรำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้  
ด้วยเกล้าด้วยกระหม่อมขอเดชะ  
ข้าพระพุทธเจ้า คณะกรรมการ ผู้บริหารและพนักงาน บริษัทเงินทุน กรุงเทพมหานคร จำกัด (มหาชน)



## Contents

Financial Information	1
Message from Chairman of the Board of Directors	2
Board of Directors	3
Report of the Audit Committee	4
Policy and Overall Business Operations	7
Nature of Business	9
Risk Factors	15
General Information	23
Securities and Shareholders Information	24
Dividend Payment Policy	25
Management	26
Corporate Governance Policy	45
Corporate Social Responsibilities	63
Internal Control and Risk Management	72
Related Party Transactions	73
Management Discussion and Analysis	79
Report of the Board of Directors' Responsibilities for Financial Statements	92
Auditor's Report and Financial Statements	93

Remark: Investors can study further information from the Company's 56-1 Form which appear on [www.sec.or.th](http://www.sec.or.th) or the Company website ([www.bfit.co.th](http://www.bfit.co.th)).



## Financial Information

Unit : Thousand Baht	2016	2015	2014
<b>Financial status</b>			
Investments – net	2,435,476	2,540,663	2,699,493
Net loans to customer and accrued interest receivables	1,401,001	1,385,109	1,496,397
Deposits and borrowings	3,387,358	3,184,330	2,552,633
Total assets	5,594,532	5,315,580	4,622,689
Total liabilities	3,514,820	3,327,412	2,681,970
Owners' equity	2,079,712	1,988,168	1,940,719
Paid-up capital	1,000,000	1,000,000	1,000,000
Number of shares (Thousand shares)	200,000	200,000	200,000
<b>Performance</b>			
Interest income	243,838	261,157	301,098
Dividend income	38,344	34,590	29,271
Fees and services income	7,474	6,991	6,808
Net gain on investments	(2,730)	17,441	17,595
Other income	20,655	971	1,128
Total income	307,581	321,150	355,900
Net income	238,773	217,368	250,344
Net profit	129,816	98,455	96,165
<b>Financial ratio</b>			
Net profit margin (%)	42.21	30.66	27.02
Return on equity (%)	6.38	5.01	5.01
Return on total assets (%)	2.38	1.98	1.89
Par value (Baht per share)	5.00	5.00	5.00
Earnings (Baht per share)	0.65	0.49	0.48
Dividend (Baht per share)	0.28	0.35	0.35
Book value (Baht per share)	10.40	9.94	9.70
BIS ratio (%)	46.41	44.93	48.21

## Message from Chairman of the Board of Directors



### THAILAND ECONOMIC OVERVIEW IN 2016

The Thai economy in 2016 expanded by 3.2 %, recovered at a stronger pace from previous year which was growing at 2.8%. This was supported by a substantial volume of public consumption, an expansion of exporting and servicing. Enabling to compensate the low expansion of the government sector investment and the shrinkage in private investment. Headline inflation had increased continuously since the beginning of the year from -0.85% in December 2015 to 1.13% in December 2016, due mainly to the sharp increase in energy price. The Policy Interest Rate was maintained by the Monetary Policy Committee (MPC) of the Bank of Thailand at 1.50% throughout the year which consider to be the relaxed level of interest rate and contributed to the recovery of the economic.

### SUMMARY OF FINANCIAL STATUS AND PERFORMANCE

As at 31 December 2016, the Company had total asset of Baht 5,594.53 million, increased by 5.25% from previous year, represented by an increase of interbank and money market items and lending while the investments decreased. At the same time Deposits increased by 6.40% from previous year. However, the Company's performance in 2016 showed a net interest income of Baht 175.03 million, increased by 11.22% from previous year, in which interest income decreased by 6.63% from previous year while the cost of deposits decreased by 33.70% according to the low market rate throughout the year. After taking into consideration of dividends received throughout the year 2016, the company made a net profit of Baht 129.82 million which increased by 31.85% from 2015.

### BUSINESS OUTLOOK IN 2017

Thailand's economic outlook in 2017 is likely to steadily grow as a result of the positive factors such as the government investment policy, the private consumption and the recovery of tourism. However, the private sector investment is still in low level together with Global economies slowdown, thus Thai export value is grow slightly from previous year. The company access the risk on doubtful account of the company will be very low and continues its policy to focus on asset quality which provided proper return under appropriate risk level as well as to maintain the liquidity level. The company is confident that the operation results in 2017 will be successful with a strong financial status.

On behalf of the Board of Directors, on this occasion, we would like to express gratitude towards the shareholders, clients and the relevant persons for the continuous supports and trusts granted to the company.

A handwritten signature in black ink, appearing to read 'K B O', followed by a period.

Mrs. Kingthien Bang-Or  
Representative of the Board of Directors

## Board of Directors



**Mr. Thira Wipuchanin**

Chairman of the  
Audit Committee



**Mrs. Kingthien Bang-Or**

Director and  
Acting Managing Director



**Associate Prof.  
Dr. Siriwut Buranapin**

Member of the  
Audit Committee



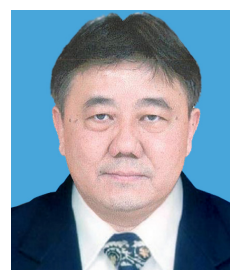
**Mrs. Thanyathorn Chonlavorn**

Director



**Mr. Vorakit Srangsrirong**

Director



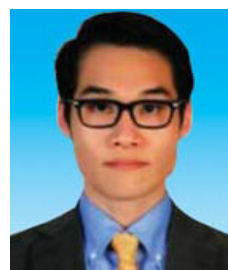
**Mr. Auychai Somklin**

Director and  
Deputy Managing Director



**Mr. Amorn Jetchamnongnuch**

Director



**Mr. Thititham Rojanapruk**

Director and  
Deputy Managing Director

## Report of the Audit Committee

The Audit Committee of Bangkok First Investment & Trust Public Company Limited consists of 2 independent directors:

Mr. Thira Wipuchanin	Chairman of the Audit Committee
Assoc. Prof. Dr. Siriwut Buranapin	Member of Audit Committee

Notation Mr. Thanapol Sirithanachai Resigned on December 13, 2016.  
Mr. Kudun Sukhumananda Appointed on February 27, 2017.

The Audit Committee performed its duties and responsibilities, as assigned by the Board of Directors, supervising and overseeing the Company's state of affairs, to ensure that the collective body of Management and Executive Directors acted with accountability towards shareholders and executed their duties with honesty, responsibility, and in accordance with Company's policies. The Committee held a total of 6 meetings in the fiscal year 2016, all of which were convened with full attendance. At those meetings, the Committee discussed and shared opinions with senior management, internal auditors and the external auditors on matters related to the Company's business, which can be summarized as follows:

1. Reviewed quarterly and annual financial statements of the Company for 2016, which had already been reviewed and audited by the external auditor, before submitting them to the Board of Directors for approval. The Audit Committee inquired into the accuracy and completeness of financial statements of the external auditor and Management, and the adequacy of financial disclosure. In addition, the Audit Committee considered and acknowledged the management letter and audit approach for the external auditor's 2017 financial statements. The Audit Committee came to the conclusion that internal control of the financial reporting process was adequate to ensure that such financial statements represented the Company's financial status and operating results accurately, that they were in accordance with legally defined accounting principles, and that they were adequately and promptly disclosed for the benefit of investors and users of such statements when making investment decisions.

BFIT has found a fraudulent case involving by an employee of BFIT amounting to approximately Baht 34 million. The employee had signed a letter of confession and indebtedness acceptance and paid to BFIT a part of the deceived amount for Baht 1.6 million. BFIT has already lodged a complaint with police for their further investigation on April 5, 2016. The employee presented a number of land title deed with appraisal value of Baht 38.78 million to pledge as collateral and recorded in the daily memorandum of police as an evidence. However BFIT has modified and implemented the working processes to prevent the recurring of similar fraudulent. Besides, BFIT has provided an existing general reserves which can absorb the damages from this case without any impacts on the normal operation result of BFIT.



## Report of the Audit Committee

2. Reviewed the Internal Control System in its evaluation of the sufficiency and effectiveness of the Company in accomplishing its goals. The Audit Committee considered the Internal Audit Report for 2016, according to the approved Internal Audit Action Plan, of essential business procedures. There were no significant errors in internal control. In addition, the Audit Committee evaluated the Company's Internal Control System, which consisted of management control, financial control, and compliance control adhered to code of conduct of the Securities and Exchange Commission and Bank of Thailand. The Audit Committee made a resume that the Internal Control System was adequate and implementing effectively with regards to the internal environment, risk assessment, control activities, good information and communication systems, and precisely monitoring system.
3. Reviewed the company's compliance practices to ensure that the company strictly complied with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and other relevant regulatory and legal requirements i.e. Securities and Exchange acts, regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, Bank of Thailand, Anti-Money Laundering Office and Deposit Protection Agency, including others related regulatory and legal requirements. The Audit Committee insisted that the Company had complied with all applicable regulatory requirements.
4. Considered the nomination and appointment of the external auditor and the annual audit fee for 2016 to seek approval from the Company's Board of Directors for the 2017 General Shareholders' Meeting. The Audit Committee reviewed the independence, performance, and services of the external auditor including the audit fees, and judged that the external auditor gave useful opinions and recommendations regarding financial reporting and internal control. Therefore, the Audit Committee proposed that an external auditor from PricewaterhouseCoopers (PwC) be appointed the Certified Public Accountant of the Company for 2017. This recommendation was made to the Board of Directors prior to being presented at the General Shareholders' Meeting.
5. Reviewed connected transactions executed by the Company with related parties who were regarded as having a conflict of interest, and reviewed the sufficiency of the disclosure of these transactions in accordance with the requirements of the Stock Exchange of Thailand. The Audit Committee reached the conclusion that the previously mentioned transactions were conducted by Management fairly and priced with a view to giving the utmost benefit to the Company at an arm's length basis, and that they were accurately and adequately disclosed.

## Report of the Audit Committee

6. Executed internal audit, The Audit Committee reviewed the mission, scope of work, accountability and responsibility, independence, and authority of internal audit activities including the organization of and manpower within the Internal Audit Department. In addition, the Audit Committee reviewed internal audit reports every quarter and reviewed the results of internal audit performance. The Audit Committee approved the Internal Audit Action Plan for 2017 came to the conclusion that the Internal Auditing System was performed independently, adequately, and effectively, and incorporated continuous improvement of internal audit processes and human resources to follow international standards.

In 2016, the Audit Committee had one meeting with the External Auditor without the management attending. The Audit Committee exercised its judgment and independently fulfilled its duties and responsibilities with sufficient competency, with circumspectness, and with full access to information from Management, employees, and relevant persons. The Audit Committee also gave comments and recommendations on the equitable treatment of stakeholders.

In summary, the Audit Committee is of the opinion that the Board of Directors, Management, and executive directors have operated with ethical mind and have the intention of performing duties professionally to achieve the Company's goals. Furthermore, the Company has committed itself to importance of business principle under an effective Internal Control System. In addition, the Company has established a concise and appropriate Risk Management System and has effective corporate governance.



(Mr. Thira Wipuchanin)  
Chairman of the Audit Committee

## Policy and Overall Business Operations

Bangkok First Investment & Trust Public company Limited which was founded in 1972 as a finance company listed on the Stock Exchange of Thailand services financial under the scope to be permitted by the Bank of Thailand, Ministry of Finance and other relevant government agencies. The past of business operation based on carefulness in the business, making a profit from continue operations so the company doesn't have damage of a significant asset, including as a solid capital position.

### Business

BFIT holds four finance licenses as follows:

1. Business of finance for commerce
2. Business of finance for development
3. Business of finance for disposition and consumption
4. Business of finance for housing

Moreover, BFIT is approved to act as debenture holder representative and/or trustee.

### Business Goals

The company still aims to continue to conduct business as financial institution, finance company listed on the Stock Exchange of Thailand. The company stills conservative principle which is main of the company to adhere to be major in business continuously. The company focuses on asset quality and liquidity of the assets rather than the expansion of assets, aim to offer a service that can meet their to need as a finance company fully for base of primary customers who have long-standing relationships and be ready to offer myself as an option to new customers still feel in touch and do business with finance company than general banks.

Credit focuses on potential customers that have good financial, potential and guarantee. In addition, the company plans to expand the retail loan personal who are members of the fund companies which have financial position, good performance or reputation so that the company will have a revenue base increases, solid operating, stable, reasonable yield rate and benefits for shareholders in the long term.

### Changes and major developments during the past 3 years

#### In 2014

- Dr.Wissanu Krea-Ngam, Chairman of the Board of Directors, resigned from his directorship.

#### In 2015

- The Board of Directors appointed Professor Sakorn Suksriwong, DBA, Deputy Chairman and Chief Executive Officer, as Chairman of the Board of Directors.

## Policy and overall business operations

### In 2016

- Professor Sakorn Suksriwong, DBA, has resigned from the Chairman, Director and Chief Executive Officer of the Company.
- The Board of Directors appointed Mr.Auychai Somklin as Authorized Director.
- The Board of Directors appointed Mr.Thititham Rojanapruk, Director as Authorized Director.
- The Board of Directors appointed Mr.Auychai Somklin and Mr.Thititham Rojanapruk as Deputy Managing Director.
- Mr.Thanapol Sirithanachai has resigned from the Director, Independent Director and Member of the Audit Committee of the Company.
- The Company has been informed the Voluntary Tender Offer from Srisawad Power 1979 Public Company Limited (SAWAD), major shareholder of the Company of 19,680,000 shares or 9.84% of the total paid-up shares of the company, by acquiring from the Company's shareholders in the amount of 53,011,000 shares or 26.51% of the total paid-up shares of the company will be tendered at the price of not exceeding Baht 10.50 per share. The rest amounted 127,309,000 shares or 63.65% of the total paid-up shares of the company will be tendered at the price of not exceeding Baht 11.42 per share. This Voluntary Tender Offer is subject to SAWAD shareholders' meeting approve the acquisition and tender offer the Company's shares.

### In 2017

- The Board of Directors appointed Mr.Kudun Sukhumananda as Director, Independent Director and Member of the Audit Committee of the Company.



## Nature of Business

### Income Structure

Income Structure	2016		2015		2014	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
<b>Interest income</b>						
Interbank and money market items	19.09	6.21	23.13	7.20	13.46	3.78
Investments in debt securities	93.38	30.36	97.56	30.38	112.62	31.64
Loans	131.37	42.71	140.47	43.75	175.02	49.18
<b>Total interest income (1)</b>	<b>243.84</b>	<b>79.28</b>	<b>261.16</b>	<b>81.33</b>	<b>301.10</b>	<b>84.60</b>
<b>Interest expense</b>						
Deposits	53.66	17.44	86.96	27.07	89.72	25.21
Interbank and money market items	-	-	0.01	0.01		
Contribution fee to FIDF and the Deposit Protection Agency	15.03	4.88	16.66	5.19	15.52	4.36
Debt securities issued and borrowings	0.11	0.04	0.14	0.04	0.31	0.08
Borrowings fees	0.01	0.01	0.01	0.01	0.01	0.01
<b>Total interest expenses</b>	<b>68.81</b>	<b>22.37</b>	<b>103.78</b>	<b>32.32</b>	<b>105.56</b>	<b>29.66</b>
<b>Net interest income</b>	<b>175.03</b>	<b>56.91</b>	<b>157.38</b>	<b>49.00</b>	<b>195.54</b>	<b>54.94</b>
<b>Fees and services income</b>						
Acceptances, aval and guarantees	0.56	0.18	0.56	0.17	0.57	0.16
Other	6.91	2.25	6.43	2.00	6.24	1.75
<b>Total fees and services income (2)</b>	<b>7.47</b>	<b>2.43</b>	<b>6.99</b>	<b>2.17</b>	<b>6.81</b>	<b>1.91</b>
<b>Net gain (loss) on investments</b>						
Gain from disposal of investments	1.37	0.44	19.32	6.02	19.18	5.39
Loss on impairment of investments	(4.10)	(1.33)	(1.88)	(0.59)	(1.59)	(0.44)
<b>Net gain (loss) on investments (3)</b>	<b>(2.73)</b>	<b>(0.89)</b>	<b>17.44</b>	<b>5.43</b>	<b>17.59</b>	<b>4.95</b>
<b>Other operating incomes</b>						
Dividend income	38.34	12.46	34.59	10.77	29.27	8.22
Other income	20.66	6.72	0.97	0.30	1.13	0.32
<b>Total other operating incomes (4)</b>	<b>59.00</b>	<b>19.18</b>	<b>35.56</b>	<b>11.07</b>	<b>30.40</b>	<b>8.54</b>
<b>Total income (1) + (2) + (3) + (4)</b>	<b>307.58</b>	<b>100.00</b>	<b>321.15</b>	<b>100.00</b>	<b>355.90</b>	<b>100.00</b>

## Nature of Business

### Products and Services

The nature of the company's services by permission can be divided by type of business are as follows.

- Finance
- Other financial services that company are permitted.

### Business Operation

The businesses of BFIT are separated pursuant to licenses as follows:

- Public Borrowing
- Lending
- Debenture Holder Representative
- Treasury and Investment in Securities

### Public Borrowing

BFIT provides several types of deposit services consisted of deposit receipts and promissory for general public, corporate entities, foundations and associations. As to the term of deposits are made available for client's need, may be at call or time deposits ranging from 1 month, 3 months, 5 months, 6 months, 9 months, 12 months, 18 months, 24 months , 36 months etc. With appropriate interest rate according to the existing economies situation, the company's liquidity and the interest rate and yield of return in the money market as a whole.

Source of funding at the end of the year is classified by the remaining period of the certificate of deposit and promissory note within 3 years of financial statements of the company are as follows.

Repayment Period	At 31 December 2016		At 31 December 2015		At 31 December 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
At call	74.34	2.20	161.22	5.06	109.08	4.27
Less than 1 year	3,301.48	97.46	3,019.19	94.82	2,370.27	92.86
More than 1 year	11.54	0.34	3.92	0.12	73.29	2.87
Total	3,387.36	100.00	3,184.33	100.00	2,552.63	100.00

### Lending

#### Commercial Lending

BFIT provides a wide range of commercial loan facilities to its clients, such as loans for working capital with various short-term maturities and/or loans to finance inventory or receivables.

## Nature of Business

Medium and long term loan facilities are also available to finance expansion or capital expenditures, both through direct lending or loan syndication. Interest rates on all facilities can be established at fixed rate, floating rate or the combination of fixed and floating rate throughout the life time of the facilities. In addition, BFIT also provides aval and guarantee facilities to its clients.

### Project Finance

BFIT also provides credit facilities for newly established entities as well as expansion projects of existing establishments that will be beneficial to the economic of the country. Short term, medium term and long term loan facilities are available to match with the necessity and suitability of each type of business. Credit facilities may provide directly by BFIT or through loan syndication. To support and to be in line with the government's policy, project finance for SME business is also included in this category.

### Personal Loans for individuals

BFIT provides personal loans for purpose of personal consumption which is similar to staff loans that employers provide for their employees. This loan facility is available to all levels of employees who have been worked or employed for a certain length of time with companies that have provident fund management. For those employers who are looking for a very special low interest rate to accommodate staff welfare, this personal loan facility is an excellent choice to serve employees' needs. We offer tenors of repayment from short term, medium term or long term depending on the borrowers' needs and their ability to repay the debts.

### Debenture Holder Representative

As a debenture holder representative, BFIT offers service on behalf of debenture holders to monitor the issuer's compliance with the terms and conditions of the debentures for the benefits of debenture holders.

### Treasury and Investment in Securities

BFIT invests under proprietary accounts in a wide range of securities classes. BFIT focuses mainly in marketable securities such as government and state-owned enterprise bonds, corporate bonds and bill of exchange, listed common shares and listed property funds and also holds investments in non-listed common shares. BFIT as an investor also participates collateralized repurchase transactions with the Bank of Thailand and commercial banks.

### Market and Competition Condition

#### Finance Business Condition in 2016

As of 31 December 2016, there are 2 finance companies, Bangkok First Investment & Trust PCL and Advance Finance PCL, having total asset of 14,989 million Baht or average 7,495 million Baht per company. The combined net loan was 8,040 million Baht or 4,020 million Baht per Company while the combined net investment was 4,069 million Baht or 2,035 million Baht per company

## Nature of Business

### Finance Business Outlook in 2016

During this decade, the finance companies have merged and upgraded to be full-scale commercial banks and retail banks. As a result, the number of finance companies in 2016 remained 2 players. Major business of finance companies, according to their financial statements, focused on investment in securities. In regard to business loans, the financial companies still focus on retail and SMEs clients. Funding of finance companies will compete with asset management companies that can offer tax advantage to the investors who invest in money market fund including compete with medium banks.

### Interest Rate Condition in 2016

In 2016, The Bank of Thailand (“BOT”) maintained the policy rate at 1.50%. The last time policy rate change is 29 April 2015 which decreased from 1.75% to 1.50% and have maintained until this moment (February 2017). The yield of government bond securities, which is used as a base yield of corporate debt securities. In 2016, the yield of government bond securities have volatility throughout the year. 2-Year government bond yield decreased to the lowest level of the year at 1.36% p.a. in April 2016 then increased to 1.75% p.a. in December 2016. 10-Year government bond yield are same volatility, which decreased to the lowest level of the year at 1.54% p.a. in April 2016 then increased to 2.90% p.a. in December 2016. The fluctuation of yield in 2016 caused from external factors, such as the affect from Federal Reserve forecasting to raise the federal funds rate.

### Interest Rate Outlook in 2017

Monetary Policy Committee of the Bank of Thailand estimated Thai economy in 2016 growth up by public spending, expansion in private consumption supported by improved farm income and recovery in merchandise exports that were offset exports of service slowdown and low private investment. However, the economy in 2017 is expected to further recover by public spending, private consumption steady growth from 2016, while merchandise exports has recover of trading partners’ economic. Interest rate trend remains low, which will support the economy recovery of Thailand.

The yield of short-term debt securities is likely to move in line of the policy interest rate while the yield of long-term debt securities may fluctuate in a wider band in case that international and domestic economic factors significantly change.

### Sources of Funds

The sources of funds of the company except capital fund, mostly in deposit mobilization by deposit receipt from the public, which at call deposit with no maturity and fixed-term deposit with maturity. The interest rate varies to the maturity of deposit receipt. (The company began to use deposit receipt to the general public in August, 2008)



## Nature of Business

Table source of funding

(Unit : Million Baht)

Source of funding	2014	2015	2016
Borrowings and Deposits			
From the public (individuals and entities).	2,552.58	3,184.27	3,387.30
From financial institutions	-0-	-0-	-0-
From foreign	0.06	0.06	0.06
Total borrowings and deposits	2,552.64	3,184.33	3,387.36
Other liabilities	129.33	143.08	127.46
Total debt to capital	2,681.97	3,327.41	3,514.82
Capital - Equity of shareholders.	1,940.72	1,988.17	2,079.71
Total sources of funds	4,622.69	5,315.58	5,594.53

As of December 31, 2016, the Company has sources of funds from the borrowings and deposit amounted to Baht 3,387.36 million as a proportion of the deposit receipt from both individuals and general public amounted to Baht 3,380.95 million or 99.81% and borrowings of promissory note amounted to Baht 6.41 million or 0.19% of total borrowings and deposits. Total borrowings and deposits are 60.55 % of the sources of funds of the company.

For policy of company about sources of funds in the future, the company has policy to raise funds according to purposes and necessities of the funds, having regard to appropriate level of capitals and net liquidity.

### Sources of funds or lending a person involve in the management or major shareholders

In 2016, the company provides sources of funds or lend a person who involve in the management or major shareholders according to the usual manner of businesses. Those list are subject to the terms of trade and criteria in the contract between the company and those individuals or entities. Those are a normal condition generally in the business of the company (Please see No.12 : Related Party Transactions in form 56-1 and the Notes to Financial Statements No.6).

At 31 December 2016, accruals are as totaled Baht 1,975.64 million of sources of funds or lending a person involve in the management or major shareholders.

## Nature of Business

### Ability to maintain capital funds

The Company will maintain capital ratio according to the Bank of Thailand of is not less than 8.0%. The Company business by careful, focus customer base that is good quality to reduce the risk from damage that may occur in the future to a minimal. The company has capital ratio is higher than the Bank of Thailand so much. As of 31 December 2016, the company has ratio per capital ratio of 46.41% which was much higher than the required ratio of the Bank of Thailand.

### Liquidity Management Policy

The company has reserved liquidity at proper level in order to lower liquidity risk. Most of liquidity has been in a form of fully-collateralized private repurchase transactions. As at 31 December 2016, the company maintained liquidity assets for 64.71% of borrowed funds from publics which was much higher than the required level.

Liquidity of the company is managed on daily basis through monitoring cash inflows and outflows and maintaining liquidity assets as guided by the company's liquidity management and risk management policies and as required by the Bank of Thailand. To explain, the company must maintain liquidity assets at least 6% of total public borrowings. Such liquidity assets consisted of current deposit at the Bank of Thailand for at least 0.5% and fixed deposit at the Bank of Thailand or securities allowed by the Bank of Thailand or deposit at Banks in Thailand for at least 1.0%

The company also issued Liquidity Contingency Plan and Guideline in order to tackle with liquidity crisis that may arise. Such plan will be reviewed on annual basis in order to ensure full practicability of the plan and true comprehension of related staffs during a crisis.

## Risk Factors

### 1. Strategic Risk

Strategic risk are risks incurred by inappropriate strategic planning and implementation or incongruent strategies with internal factors and external environment which adversely effected the company's income and capital fund.

The company has focused on the importance of risk management and implemented strategic risk management to reduce or control such risks to acceptable levels. The key points are summarized as follows:-

#### 1.1 Qualifications of the Board of Directors and Executives

The company's Board of Directors and executives with an understanding of economic overview and competitive conditions has assigned business goal and direction, including strategic planning and corporate management. The Board of Directors and Executives can be considered as a qualified professional with knowledge and experience in various areas. The company established various subcommittees for well-managed the businesses efficiently and good corporate governance.

#### 1.2 Strategic planning and Implementation

Executives and head of each department has a clear direction in strategic planning and implementation. Internal and external risks have been identified and potential consequences assessed. The company has provided 3-Years strategic and business plan and annually reviewed such plan to consistent with the changes in economic conditions and other external factors. In addition, the company has prepared contingency plans for various crisis to make sure that business is going concern and cope with crisis very well such as Business Continuity Plan, IT Contingency Plan, and Liquidity Contingency Plan.

#### 1.3 Capital Adequacy Risk

The company's capital fund is utilized in loans and investment through the most proper and effective allocation of funds to make sure that risks are managed at a low level. The company has a policy to maintain a capital-to-risk assets ratio higher than that required by the Bank of Thailand. At the end of 2016, Capital fund of the company is 1,715.60 million baht or 46.41 percent of risk weighted assets of 3,696.89 million baht, in comparison with the Bank of Thailand' requirement of 8.0 percent. Therefore, it is assured that the company has an adequate capital for new loans and further investments.

#### 1.4 Regulation risk

The principal activity of the company is the finance business. It operated under the supervision of the Bank of Thailand. Meanwhile, the company is listed on the Stock Exchange of Thailand and has an obligation to practice in accordance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. Therefore, changes in the regulations and guidelines on various regulatory agencies may affect the company's target, capability and competitiveness.

## Risk Factors

### 1.5 Risk of competition

In 2017, the large commercial banks are aiming to small and medium enterprises (SME) and public who are also the company's target groups. The large commercial banks have more advantages than the company in many areas such as size of assets, covered service channels, and various products and services. In addition, such banks use media and financial technology to reach their clients. Moreover, the competition of deposit raising is also tough as there are many competitors i.e., commercial banks, government banks and mutual fund companies etc., who can offer a wide range of funding products.

However, The company also can compete and meet successful in personal loan which is provided to employees of companies that have provident fund management with long experience in this business. BFIT has also good relationship with our customers and business partners.

Note: On 28 December 2016, the company has been informed the Voluntary Tender Offer from Srisawad Power 1979 Public Company Limited (SAWAD), a major shareholder of the company of 39,300,000 shares or 19.65% of the total paid-up shares of the company. This Voluntary Tender Offer is subject to SAWAD shareholders' meeting approve the acquisition and tender offer the company's shares.

In case SAWAD has received the approval from the shareholders meeting for such Tender Offer and enabled to acquire more than 50 per cent of BFIT's shares after the completion of Tender Offer, business strategies and operations of the company may be changed.

### 2. Credit risks

Credit risk means the possibility that a counterparty is unable to comply with its obligation to the company, which could impact negatively on income or capital fund. In managing credit risk, the company has carefully determined business policy by giving special attention to the quality of loans rather than credit growth, including the spreading of commercial loans to various industrial sectors. The company has evaluated and analyzed each customer carefully and thoroughly. Moreover, risk assessment is appraised from various information such as objective of loan, type of business, industry condition, strength/weakness points of customer, operating performance, stability of financial position, quality of assets, operating of cash flow and type of collateral as well as the value. Each commercial loan shall be evaluated regularly.



## Risk Factors

### 2.1 Concentration of Loan Risk

The company has provided commercial loans to variety of business sectors to avoid risk of losses in any particular type of business. At yearend 2016, the company's lending portfolio is diversified as follows:

Loan classification by type of business	Million Baht	Proportion (%)
• Manufacturing and commerce	109.27	5.74
• Real estate and construction	40.29	2.12
• Public utilities and services	135.53	7.12
• Personal loan	1,501.94	78.92
• Others	116.07	6.10
<b>Total</b>	<b>1,903.10*</b>	<b>100.00</b>

\* Excluding financial institution loans and accrued interest

Besides, the amount of corporate loan to a single client is not high. The company's top 10 borrower of corporate loans sum at 357.32 million baht, representing 18.78% of total credit portfolio amount of 1,903.10 million baht and there is only one borrower with exposure exceeding 5% of the total credit outstanding (5.28%). In the meantime, Personal loans that are provided to employees of companies or factories that have established provident fund schemes cover a large numbers of employers. Normally, this credit type has low amount of loan per contract but there are a massive numbers of borrowers whose employers are in a wide range of industries thus can be regarded as a good risk diversification.

### 2.2 Lending risk and Non-performing loan (NPL)

Non-performing loans can be classified as sub-standard, doubtful and doubtful loss. The increase of the non-performing loan will affect earnings and capital fund of the company.

The company focuses carefully on quality control of credit rather than quantity of credit. The company normally requests collateral from borrowers as security against loan in order to minimize any possible losses that may occur in the future.

Although the company has always been cautiously aware in lending but there is still some credit risk. Being affected by external factors, some debtors cannot pay on time. However, the company has tried to solve the problem with its clients by debt restructuring so as to minimize any losses while customers are still able to operate their businesses. As of December 31, 2016, the amount of company's NPL was at 338.77 million baht, representing 9.81% of total loans and receivables and loans to financial institutions 3,453.10 million baht (Comparing with 2015's NPL of 337.38 million baht, representing 10.91%).

## Risk Factors

The company's loan classification as at the end of 2016 is shown as follows:

Loan classification	Million Baht
• Normal	1,531.44
• Special mention	32.89
• Sub-standard	28.35
• Doubtful	15.80
• Doubtful loss	294.62
<b>Total</b>	<b>1,903.10*</b>

\* Excluding financial institution loans and accrued interest

At the end of 2016, the company has total provision of non-performing loan of 501.09 million baht which was 204.12 million baht higher than the BOT's minimum requirement of 296.97 million baht or having provision of 1.69 times of BOT's minimum requirement. Therefore, it is expected that the company would have sufficient provision to absorb for any losses that might occur in the future.

### 2.3 The risk of impairment of collateral

Currently, the company has collateral both in the forms of movable and immovable assets of which collateral values may change depending on the economic situations. If the economy is in recession or depression, the value of the collateral may decrease. Consequently, the company has to increase the amount of provision for non-performing loans. In addition, the amount of money received from selling of non-performing assets may reduce. Such factors can affect the company's operations and capital fund. However, the company has regularly appraised the value of collateral in order to determine the real value so appropriate tactics and strategic plan can be taken in line with changes in credit risk.

### 2.4 Credit risk of investment

The company had total investments in debt securities of 1,898.44 million baht, a decrease of 137.96 million baht from last year. The investments composed of government bond 407.67 million baht and corporate bonds 1,490.77 million baht. All company's investments in debt securities were available for sale securities that had the average credit ratings at "A" level, which is higher than the minimum investment grade (BBB-), and having the liquidity in trading. In addition, the investment port is diversified both in terms of business sectors as well as due dates. The company had full provision for an impaired debenture. Presently, the company's investment portfolio is unlikely to become non-performing assets in the near future.

Investment's framework is based on the company's approved authority and the Bank of Thailand's regulations. The company invests only in approved securities in accordance with the level of risk. In case of additional investments in debt securities that have already been approved, the financial position and credit rating of issuance will be reviewed again although the credit line is still available. Moreover, there will be annual review of all credit line for investment in debt securities.

## Risk Factors

### 3. Market risk

Market risk refers to risk arisen from movements of interest rate, prices of debt and equity instruments, and exchange rate which negatively affect income and capital fund of the company.

#### 3.1 Interest rate risk

Changes in market interest rate may directly affect income and capital fund of the company because most of assets and liabilities of the company are rate-sensitive items. The company has closely monitored and assessed the trend, movement, and the impact of sensitivity and volatility of interest rate in order to effectively set both the lending and deposit rates and maintain an appropriate structure of assets and liabilities at that time. However, the company has mitigated the risk of changes in interest rate by fixing a floating rate to loans to customers.

#### 3.2 Price risk

Price risk is a risk from changes in bond price and stock price which affects financial performance and capital fund of the company. The company has carefully evaluated and diversified its investments in various types and sound fundamentals of securities.

The company uses duration control to achieve a suitable strategy between yield and price risk in debt securities that enable to comply with the market rate. The company has still committed to invest carefully by investing in the property funds, which have paid quarterly dividends and low market volatility. The company has also paid attention to prices and fundamentals of each investment.

The company has developed market risk measurement tools based on Value-at-Risk model to estimate the maximum loss at a 99% confidence level over one-day period. Back Testing has been prudently performed to validate internal Value-at-Risk model. Moreover, the company has conducted stress testing by formulating stress scenarios according to Bank of Thailand's guideline and presented to Monthly Risk Management Committee Meeting.

Although the company has policy to change the structure of assets and liabilities significantly, and still run its business carefully, which does not compete in interest rates. But the unexpected external factors such as uncertainty in domestic and world economic situations, and volatility on financial market, may increase the market risk of the company.

### 4. Liquidity risk

Liquidity risk is the risk resulting from the company's failure to pay its debts and obligations when due because of the inability to convert assets into cash or to mobilize adequate funds by schedule or at acceptable costs which could cause damage to the company.

## Risk Factors

The company has closely monitored, reviewed and evaluated liquidity status by using risk control system and daily financial status report and presented them to the Managing Director every day. The Asset and Liability Management Committee will have a monthly meeting to consider the liquidity status. In case of an emergency situation, the company will be able to handle such situation because the company has also prepared the Liquidity Contingency Plan and Guideline including the scenario study in case of bank run situation.

From the balance sheet, as December 31, 2016 the company's financial assets and financial liabilities classified by maturity as follows:

(Unit: Million Baht)	Not more than 1 year	Over 1 year
<b>Financial assets</b>		
• Net Interbank and money market item	1,720.6	-
• Net investments	854.8	1,580.7
• Loans to customers*	152.8	1,462.3
<b>Total Financial assets</b>	<b>2,728.2</b>	<b>3,043.0</b>
<b>Financial liabilities</b>		
• Deposits	3,369.4	11.5
• Debt securities issued and borrowings	6.4	-
<b>Total Financial liabilities</b>	<b>3,375.8</b>	<b>11.5</b>

\* Excluded Non-performing loans

From the above table, the company had risk from maturity mismatch between source of funds and utilization of funds. Mainly source of funds are borrowing and deposits with a duration of less than one year which is a common structure of deposits. However, a majority of them are rolled over automatically upon maturity which maintained liquidity risk at a manageable level. Notwithstanding, the majority of investments are trading in secondary market and the company was able to utilize credit line from other financial institutions in an emergency case.

During 2016, the company continued to maintain a high level of liquid assets according to the company's policy which focused on quality and liquidity of the assets rather than expansion of the assets. The liquidity coverage ratio of the Company were between 48.92 and 64.07 per cent and average liquidity ratio was at 55.34 per cent which was higher than 6 per cent of total deposits and borrowings required by the Bank of Thailand.

The company has a liquidity policy to maintain a high level of liquid assets as possible. The excessive liquidity has been invested in quality investments which are trading in secondary market. They can be converted into cash immediately. In addition, there are credit lines from other financial institutions as a source of additional funds to support the possible liquidity problem in case of reducing in the amount of the Coverage of insured deposit.

## Risk Factors

For the past 4-5 years, the company has concentrated on the issue of validity Deposit Protection Agency in reducing the amount. Therefore, the company has prepared a DPA Stress Test model to assess the impact of deposit protection amount. The result of DPA Stress Test was satisfactory. The company has sufficient liquidity to support the impact of the deposit withdrawal of more than 15 million baht and 1 million baht for each depositor. It means the company has the ability to carry out sufficient liquidity to support deposit withdrawals on almost every case.

### 5. Operation risk

Operational risk is the possibility of damage due to the inefficiency of the internal processes, personnel, business procedures, external factors and legal risks which may affect income and capital fund of the company.

The company focuses on operational risk management very seriously and conducts its businesses carefully. Business transactions are not complicated. There are the separation of duties and authorities and a clear line of command. Moreover, the company has strong internal control system, the separation in functional operation, and information system and report which are accurate and reliable. The company pays attention to the effective operation to alleviate losses in order to improve business procedures. The company has also updated operation manual of various departments to comply with the changes in the regulations and potential errors. Moreover, the company organized the monthly filing for Loss Data and Near-misses Data by each department. The company has formulated the Business Continuity Plan in order to prevent disruption in business operation.

In 2016, the company has found a fraudulent case involving by an employee of the company amounting to approximately Baht 34.0 million. The employee had signed a letter of confession and indebtedness acceptance and paid to the company a part of the deceived amount for Baht 1.6 million. The company has already lodged a complaint with police for their further investigation. The employee presented a number of land title deed with appraisal value of Baht 30.8 million to pledge as collateral and recorded in the daily memorandum of police as an evidence. However the company has modified and implemented the working processes to prevent the recurring of similar fraudulent. Besides, the company has provided an existing general reserves which can absorb the damages from this case without any impacts on the normal operation result of the company.

### Management

The executives possess high experience and knowledge about the operation and the nature of business. The majority of staff have been employed with the company for a long time and have accumulated extensive professional experience. In accordance with the company policy of decentralization the management has continued to provide and transfer knowledge and experience to the mid-level management officers in attempting to reduce management continuity risk. The company clearly prescribes the separation of duties and authorities and good internal control system. Moreover, the internal auditor must be given independently under the Audit Committee, which are independent directors with well-experienced in internal control and

## Risk Factors

financial report. This is to ensure that the management of the company is independent and transparent on code of conduct and good corporate governance.

### The personnel

The company is a small financial institution so personnel management is not complicated. There are clear rules and procedures manual. The training of staff is important to enhance the staff's efficiency to cope with the changes of business environment. In addition, the succession plan or recruitment plan would be prepared to ensure business continuity operation.

### Information technology

Information Technology is critical to business operation and is a key factor to support for efficiency performance of all needs of end-users. The company has acknowledged possible damages that may occur and affect the business operation directly. Therefore, the company has set up the contingency plan and backup plan for all computer hardware and company's database. The company's IT system also has been continuously maintained and developed. In emergency situations, the company can set up computer backup system to operate continually at the backup site.

### 6. Shareholders and Investor risk

From the latest shareholders register book closing date on 30 January 2017, the top shareholder of company is SAWAD Group which hold 39.30 million shares or 19.65% of paid-up shares.

In case SAWAD has received the approval from the SAWAD's shareholders meeting for Tender Offer of all shares of BFIT and enabled to acquire more than 50 per cent of BFIT's shares after the completion of Tender Offer, the SAWAD Group will be able to appoint the majority of the directors and remain influential to the management and administration of the company, including consideration of or support for matters that require approval from the company's shareholders.



## General Information

### Name and address of the Company

#### Bangkok First Investment & Trust Public Company Limited (BFIT)

Registration No. : 0107536000722  
 Type of Business : Finance Business  
 Head Office : 23rd Floor, Bangkok Insurance Building,  
 25 Sathon Tai Road, Thung Mahamek, Sathon, Bangkok 10120  
 Tel : 0-2677-4300  
 Fax : 0-2677-4301  
 Website : www.bfit.co.th

### Other References

#### Share Registrar

Thailand Securities Depository Company Limited  
 The Stock Exchange of Thailand Building  
 93 Ratchadaphisek Road  
 Dindaeng Sub district, Dindaeng District, Bangkok 10400  
 Tel. 0-2009-9000

### Auditors

Auditors for the year 2016 :

Mrs.Vilairat Rojnuckarin , Certified Public	Accountant (Thailand) No. 3104	and/or
Miss Somjintana Pholhirunrat, Certified Public	Accountant (Thailand) No. 5599	and/or
Miss Suphaphorn Mangjit, Certified Public	Accountant (Thailand) No. 8125	

D I A International Audit Co., Ltd.  
 316/32 Sukhumvit Soi 22, Sukhumvit Road,  
 Klongtoey, Bangkok 10110  
 Tel. 0-2259-5300

#### Audit Fee

For Examination of the financial statements of the Company for the year 2016	Baht	1,560,000
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#### Non-Audit Fee

- None -

### Legal advisor

- None -

## Securities and Shareholders Information

### Authorised and paid-up capital

**Authorised capital** Baht 1,500 million,  
divided into 300 million shares of Baht 5 each

**Issued and paid-up capital** Baht 1,000 million,  
divided into 200 million shares of Baht 5 each

### Major Shareholders

Top ten major shareholders as of 31 January 2017 (Last closing date) are as follows:

	Name	Number of shares	% of Holding
1.	• SRISAWAD POWER 1979 PUBLIC COMPANY LIMITED	19,680,000	9.84
	• Miss Narisara Kitpipith	<u>19,680,000</u>	<u>9.81</u>
	SRISAWAD POWER 1979 PUBLIC COMPANY LIMITED	39,300,000	19.65
2.	Mr.Siritaj Rojanapruk	19,915,500	9.96
3.	Ms.Kanoknuj Cholwanit	9,970,000	4.99
4.	Mr.Somyos Vinitchaikul	9,901,000	4.95
5.	Mr.Luchi Phukhuan-Anadha	9,820,000	4.91
6.	Mrs.Phirada Indamra	9,734,000	4.87
7.	Mr. Prachaya Sermasukkulchai	9,040,000	4.52
8.	Miss Supaporn Ahunai	7,000,000	3.50
9.	MISSMEI LEE	4,250,000	2.13
10.	Mr.Vachira Tayanarapond	4,000,000	2.00

Source : Thailand Securities Depository Co.,Ltd.

## Dividend Payment Policy

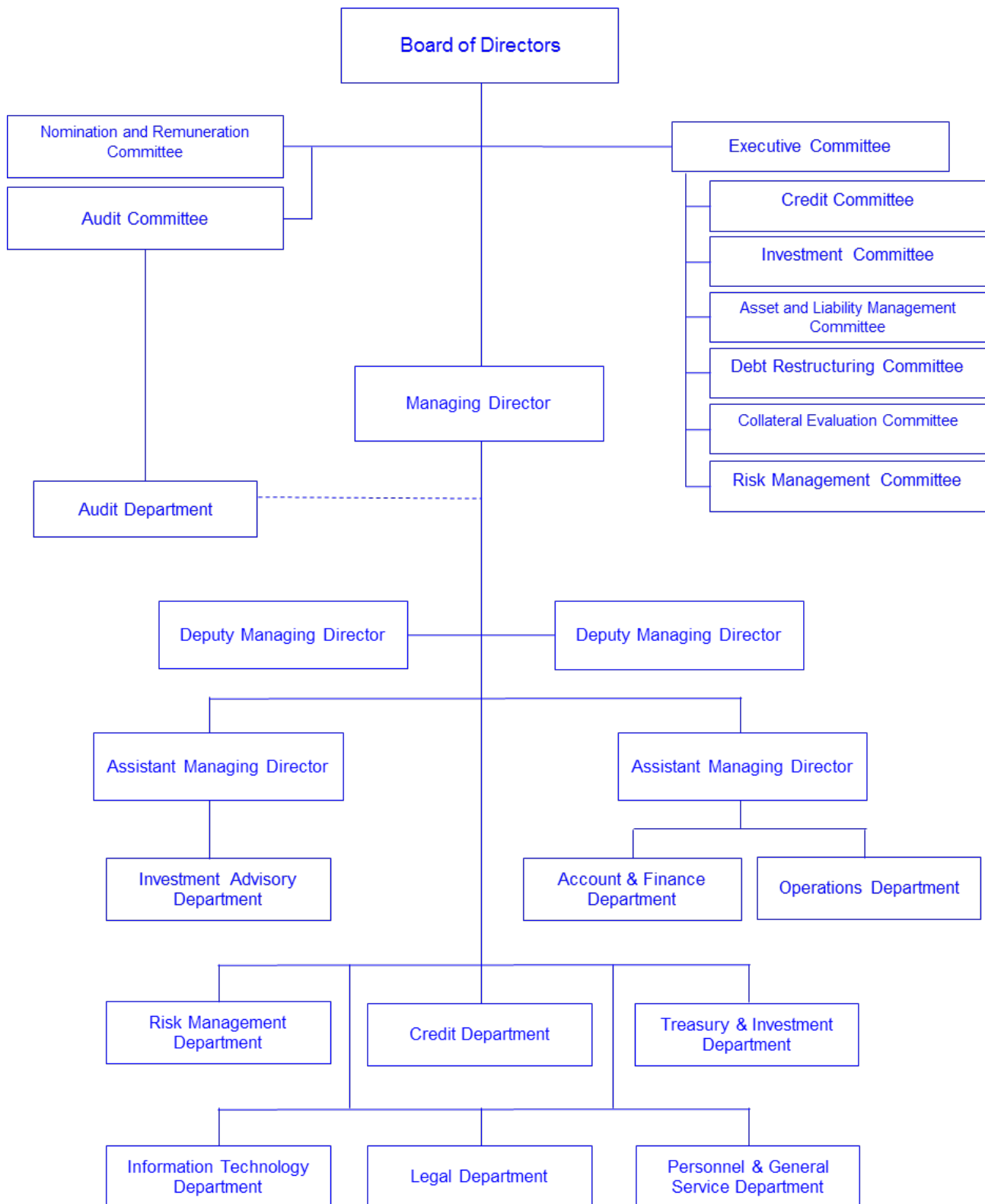
The Company has the policy of paying dividend not lower than 40 percent of the company's net profit by taking into consideration the adequacy of capital funds for the company's business operations, including economic necessity and the Company's financial position.

### Dividend payment History

Year	2016	2015	2014
Earnings per share	0.65	0.49	0.48
Dividend paid per share	0.28	0.35	0.35
Dividend Payout Ratio (%)	43.14%	71.10%	72.79%

## Management

Organization Chart



## Management

### 1. Board of Directors

As of December 31, 2016, the Company's Board of Directors consisted of 8 directors as listed below:-

1. Mrs.Kingthien Bang-Or	Director
2. Mrs.Thanyathorn Chonlavorn	Director
3. Mr.Vorakit Srangsrivong	Director and Member of the Nomination and Remuneration Committee
4. Mr.Thititham Rojanapruk	Director
5. Mr.Amorn Jetchamnongnuch	Director
6. Mr.Auychai Somklin <sup>1</sup>	Director
7. Mr.Thira Wipuchanin	Independent Director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee
8. Assoc.Prof.Dr.Siriwut Buranapin	Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee

Note: <sup>1</sup> was appointed as director by the Company's Board of Directors Meeting No.4/2016, held on August 24, 2016. And substitution of Prof. Sakorn Suksriwong,DBA (resigned on July 8, 2016)

• Mr.Kudun Sukhumanada was appointed as Independent Director and Member of the Audit Committee by the Company's Board of Directors Meeting No.1/2017, held on February 27, 2017 and substitution of Mr.Thanapol Sirithanachai (resigned on December 13, 2016)

(Attachment Details of the Board of Directors)

### The meeting attendance of the members of board of directors / committees

In 2016, 5 meetings of the Board of Director, 6 meetings of the Audit Committee, 4 meetings of the Nomination and Remuneration Committee and 6 meetings of the Executive Committee were held. The meeting attendance records of the members of the board of directors / committees in those meeting are as follows:

Name of Directors	Attendance / Number of eligible meeting (times)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Prof. Sakorn Suksriwong,DBA	3 / 5	-	-	3 / 6
2. Mrs.Kingthien Bang-Or	5 / 5	-	-	6 / 6
3. Mrs.Thanyathorn Chonlavorn	5 / 5	-	-	-
4. Mr.Thititham Rojanapruk	5 / 5	-	-	2 / 6
5. Mr.Auychai Somklin	1 / 5	-	-	-
6. Mr.Amorn Jetchamnongnuch	5 / 5	-	-	-
7. Mr.Vorakit Srangsrivong	5 / 5	-	4 / 4	-
8. Mr.Thira Wipuchanin	5 / 5	6 / 6	4 / 4	-

## Management

Name of Directors	Attendance / Number of eligible meeting (times)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
9. Assoc.Prof.Dr.Siriwut Buranapin	5 / 5	6 / 6	4 / 4	-
10. Mr.Thanapol Sirithanachai	5 / 5	6 / 6	-	-
11. Mr.Manop Himakorn	-	-	-	6 / 6

Note: No.1, resigned as of Chairman and Chief Executive Officer from July 8, 2016.  
 No.4, was appointed as member of executive committee on November 8, 2016.  
 No.5, was appointed as director effective from September 23, 2016. And member of executive committee on November 8, 2016.  
 No.10, resigned as of Independent Director and member of the Audit Committee from December 13, 2016.  
 No.11, is Assistant Managing Director without holding director position and resigned on January 1, 2017.

### 2. Executives

As of December 31, 2016, the Company's executives consisted of executive directors and executive officers as follows:-

1. Mrs.Kingthien Bang-Or	Director and Acting Managing Director
2. Mr.Thititham Rojanapruk <sup>1</sup>	Director and Deputy Managing Director
3. Mr.Auychai Somklin <sup>2</sup>	Director and Deputy Managing Director
4. Mr.Manop Himakorn <sup>3</sup>	Assistant Managing Director
5. Mrs.Choochit Teyateeti <sup>4</sup>	Vice President Head of Credit Dept.
6. Mr.Wichain Proongpanish	Vice President Head of Risk Management Dept.
7. Miss Wimon Chiramongkolgarn	Vice President Head of Information Technology Dept.
8. Miss Kanoknui Cholvanit <sup>1</sup>	Vice President Head of Investment Advisory Dept.
9. Mr.Kanokporn Liwsuwan <sup>5</sup>	Assistant Vice PresidentHead of Legal Dept.
10. Mr.Sornpol Buppanimit	Assistant Vice PresidentHead of Audit Dept.
11. Mrs.Kanda Kovitayamongkol	Assistant Vice PresidentHead of Operations Dept.
12. Mrs.Chamaiporn Decharkom	Assistant Vice PresidentHead of Account & Finance Dept.
13. Mr.Adisorn Wichaidith	Assistant Vice PresidentHead of Personnel & General Service Dept.

Note: <sup>1,2</sup> was appointed as Deputy Managing Director by the Company's Board of Directors Meeting No.4/2016, held on August 24, 2016.

<sup>3,5</sup> resigned on January 1, 2017.

<sup>4</sup> resigned on March 1, 2017.

(Attachment Details of Executives)

### 3. Corporate Secretary

As of December 31, 2016, Corporate Secretary and Board of Directors Secretary is Mrs.Chamaiporn Decharkom.

(Attachment Details of Corporate Secretary)



## Management

### 4. Remuneration and Benefits for Directors and Executives

#### (1) Remuneration:

##### Remuneration for Directors

The director fees for the year 2016 approved by the shareholders meeting are as follows:

Board of Directors		
	Annual Fee (Baht)	Meeting Fee (Baht)
Chairman	1,440,000	50,000
Directors	280,000	25,000
Audit Committee		
	Annual Fee (Baht)	Meeting Fee (Baht)
Chairman	100,000	25,000
Members	50,000	25,000
Nomination and Remuneration Committee		
	Annual Fee (Baht)	Meeting Fee (Baht)
Chairman	50,000	No fee
Members	50,000	No fee

Remuneration paid to 10 directors amounted to Baht 5,062,918.00 in 2016, compared with Baht 5,004,999.00 paid in 2015 to 10 directors. Details are as follow:

Remuneration of the year 2016 (Baht)						
Name of Directors	Board of Directors		Audit Committee Remuneration Committee		Nomination and	Total
	Annual Fee	Meeting Fee	Annual Fee	Meeting Fee	Annual Fee	
1. Prof. Sakorn Suksriwong, DBA	780,000.00	150,000.00	-	-	-	930,000.00
2. Mrs.Kingthien Bang-Or	280,000.00	125,000.00	-	-	-	405,000.00
3. Mrs.Thanyathorn Chonlavorn	280,000.00	125,000.00	-	-	-	405,000.00
4. Mr.Vorakit Srangsiwong	280,000.00	125,000.00	-	-	50,000.00	455,000.00
5. Mr.Thititham Rojanapruk	280,000.00	125,000.00	-	-	-	405,000.00
6. Mr.Amorn Jetchamnongnuch	280,000.00	125,000.00	-	-	-	405,000.00
7. Mr.Auychai Somklin	81,667.00	25,000.00	-	-	-	106,667.00

## Management

Remuneration of the year 2016 (Baht)						
<u>Name of Directors</u>	<u>Board of Directors</u>		<u>Audit Committee Remuneration Committee</u>		<u>Nomination and</u>	<u>Total</u>
	<u>Annual Fee</u>	<u>Meeting Fee</u>	<u>Annual Fee</u>	<u>Meeting Fee</u>	<u>Annual Fee</u>	
8. Mr.Thira Wipuchanin	280,000.00	125,000.00	100,000.00	150,000.00	50,000.00	705,000.00
9. Assoc.Prof.Dr.Siriwut Buranapin	280,000.00	125,000.00	50,000.00	150,000.00	50,000.00	655,000.00
10.Mr.Thanapol Sirithanachai	268,334.00	125,000.00	47,917.00	150,000.00	-	591,251.00
Total	3,090,001.00	1,175,000.00	197,917.00	450,000.00	150,000.00	5,062,918.00

Note: No 1. resigned as of Chairman and Chief Executive Officer from July 8, 2016.

No 7. was appointed as director effective from September 23, 2016.

No.10, resigned as of Independent Director and member of the Audit Committee from December 13, 2016.

Remuneration of the year 2015 (Baht)						
<u>Name of Directors</u>	<u>Board of Directors</u>		<u>Audit Committee Remuneration Committee</u>		<u>Nomination and</u>	<u>Total</u>
	<u>Annual Fee</u>	<u>Meeting Fee</u>	<u>Annual Fee</u>	<u>Meeting Fee</u>	<u>Annual Fee</u>	
1. Prof. Sakorn Suksriwong, DBA	1,246,666.00	175,000.00	-	-	-	1,421,666.00
2. Mrs.Kingthien Bang-Or	280,000.00	100,000.00	-	-	-	380,000.00
3. Mrs.Thanyathorn Chonlavorn	280,000.00	100,000.00	-	-	-	380,000.00
4. Mr.Vorakit Srangsriwong	280,000.00	100,000.00	-	-	50,000.00	430,000.00
5. Mr.Thititham Rojanapruk	280,000.00	100,000.00	-	-	-	380,000.00
6. Mr.Amorn Jetchamnongnuch	198,333.00	75,000.00	-	-	-	273,333.00
7. Mr.Thira Wipuchanin	280,000.00	100,000.00	100,000.00	100,000.00	50,000.00	630,000.00
8. Assoc.Prof.Dr.Siriwut Buranapin	280,000.00	100,000.00	50,000.00	100,000.00	50,000.00	580,000.00
9. Mr.Thanapol Sirithanachai	280,000.00	100,000.00	50,000.00	100,000.00	-	530,000.00
Total	3,404,999.00	950,000.00	200,000.00	300,000.00	150,000.00	5,004,999.00

Note: No 1. was appointed as Chairman by the Company's Board of Directors Meeting No.1/2015, held on February 25, 2015.

No 6. was appointed as director effective from April 27, 2015.

## Management

### Remuneration for Executives

Remuneration consisting of salary, bonus, contribution to provident fund, group life insurance premium, medical treatment and others paid to 12 executives amounted to Baht 28,892,925.62 in 2016.

### Other Benefits:

- None -

## Management

### Detail of Board of Directors

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
1. Mrs.Kingthien Bang-Or Authorized Director, Acting Managing Director 11 years 7 months	72	<ul style="list-style-type: none"> <li>• Director Certification Program</li> <li>• Director Accreditation Program Thai Institute of Directors Association</li> <li>• M.B.A. (Business Administration) Thammasat University</li> <li>• B.B.A. (Accounting) Thammasat University</li> </ul>	No	No
2. Mrs.Thanyathorn Chonlavorn (Formerly name “Tida”) Authorized Director 10 years 2 months	68	<ul style="list-style-type: none"> <li>• Director Certification Program</li> <li>• Director Accreditation Program Thai Institute of Directors Association</li> <li>• B.B.A. Laws (2 nd. Class Hons.) Chulalongkorn University</li> <li>• M.B.A. (Business Administration) Roosevelt University, U.S.A.</li> <li>• B.B.A. (Economic) Thammasat University</li> </ul>	No	No

## Management

	Work Experience Period	Position	Company's Name / Business Type
	2007 - present	• Acting Managing Director	Bangkok First Investment & Trust Pcl.
	2005 - present	• Director*	Bangkok First Investment & Trust Pcl.
	2005 - present	• Senior Advisor	Com-Link Co.,Ltd.
	2004 - 2005	• Assistant Managing Director	Com-Link Co.,Ltd.
	2004 - present	• Member of the Audit Committee	Thai Wire Product Pcl.
	2004 - present	• Chairman of the Audit Committee	Thai Film Industries Pcl.
	2004 - present	• Director*	Hi-Tech Network Co.,Ltd.
	2004 - present	• Director*	Piyanee Co.,Ltd.
	2004 - present	• Director*	P.V. Hitech Co.,Ltd.
	2004 - present	• Director*	Biz and Fun Co., Ltd.
	2004 - present	• Director*	Rakthai Technology and Business Administration Co.,Ltd.
	2004 - present	• Director*	Tier I Network Co., Ltd.
	2004 - present	• Director*	Cellular Vision (Thailand) Pcl.
	2004 - present	• Director*	Jirola ( Thailand) Co., Ltd.
	2004 - present	• Director*	I-Tower Co., Ltd.
	2015 - present	• Independent Director	Anek Boon Co., Ltd.
	2004 - 2015	• Director*	Sahakol Equipment Co.,Ltd.
	2004 - Oct.2012	• Director*	Sahakol Equipment Co.,Ltd.
	2003 - Oct.2012	• Director*	Beijing Huamao Surapan Hotel
	2008 - Jul.2011	• Vice Chairman*	Development Co.,Ltd.
	2004 - 2007	• Chairman*	Surapanthavanij Co.,Ltd.
			BFIT Securities Pcl.
			BFIT Securities Pcl.
		*Authorized Director	
	2007 - present	• Director*	Bangkok First Investment & Trust Pcl.
	2007 - present	• Vice President of Human Resources	Eternal Energy Pcl.
		• Department and Corporate Secretary	
	2000 - 2011	• Associate Judge	Central Intellectual Property and International Trade Court
	2000 - 2006	• Human Resources Manager	Com-Link Co.,Ltd.
		*Authorized Director	

## Management

### Detail of Board of Directors

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	
3. Mr.Vorakit Srangsiwong Authorized Director, Member of the Nomination and Remuneration Committee 9 years 1 month	72	<ul style="list-style-type: none"> <li>• Director Accreditation Program</li> <li>• Audit Committee Program</li> <li>• Financial Statement for Director Thai Institute of Directors Association</li> <li>• M.A.(Instructional Media) California State University (Long Beach), U.S.A.</li> <li>• B.S. (Agriculture) Kasetsart University</li> </ul>	No	No	
4. Mr.Thititham Rojanapruk Authorized Director, Deputy Managing Director 5 years	34	<ul style="list-style-type: none"> <li>• Director Certification Program Thai Institute of Directors Association</li> <li>• TLCA Executive Development Program (EDP) Thai Listed Companies Association</li> <li>• Political Leadership in the New Era King Prajadhipok's Institute</li> <li>• Mini MBA (Faculty of Commerce and Accountancy) Thammasat University</li> <li>• Master of Business Administration Sasin Graduate Institute, Chulalongkorn University</li> <li>• Bachelor of Business Administration Holmes Institute, Melbourne, Australia</li> </ul>	0.19	No	



## Management

	Work Experience Period	Position	Company's Name / Business Type
	2012 - present	• Director*	Sahasamakkee Service Co., Ltd.
	2012 - present	• Director*	Pornpin Power Co., Ltd.
	2009 - present	• Director*	Eternal Energy Pcl.
	2009 - present	• Director*	Charoenporn Energy Co.,Ltd.
	2009 - present	• Director*	Boon Anek Co., Ltd.
	2009 - present	• Director*	Eternal Energy and Electricity Co.,Ltd.
	Jun.2009 - present	• Director*	Bangkok First Investment & Trust Pcl.
	Apr.2008 - present	• Member of the Nomination and Remuneration Committee	Bangkok First Investment & Trust Pcl.
	Mar.2008 - Jun.2009	• Member of the Audit Committee	Bangkok First Investment & Trust Pcl.
		*Authorized Director	
	Apr.2012 - present	• Director*	Bangkok First Investment & Trust Pcl.
	Oct.2016 - present	• Deputy Managing Director	Bangkok First Investment & Trust Pcl.
	2012 - present	• Director*	Palang Rungruang Co., Ltd.
	2006 - present	• Director*	Boon Anek Anan Co., Ltd.
	2011 - 2012	• Managing Director	Sahasamakkee Service Co., Ltd.
	2008 - 2016	• Vice President of Business Development	Hi-Tech Network Co., Ltd
		*Authorized Director	

## Management

### Detail of Board of Directors

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
5. Mr.Ayuchai Somklin Authorized Director, Deputy Managing Director 7 months	53	<ul style="list-style-type: none"> <li>• Director Accreditation Program Thai Institute of Directors Association</li> <li>• MBA. (Strategic Management) Thammasat University</li> <li>• BBA. (General Management) Valaya Alongkorn Rajabhat University</li> </ul>	No	No
6. Mr.Amorn Jetchamnongnuch Director 2 years	49	<ul style="list-style-type: none"> <li>• B.B.A.(Quantitative Analysis) Chulalongkorn University</li> </ul>	No	No
7. Mr.Thira Wipuchanin Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee 12 years 3 months	67	<ul style="list-style-type: none"> <li>• Director Certification Program</li> <li>• Audit Committee Program Thai Institute of Directors Association</li> <li>• B.Sc. In Economics and Business Administration University of Wisconsin - Steven Point, U.S.A.</li> </ul>	No	No

## Management

	Work Experience Period	Position	Company's Name / Business Type
	Sep.2016 - present	<ul style="list-style-type: none"> <li>• Director*</li> <li>• Deputy Managing Director</li> </ul>	Bangkok First Investment & Trust Pcl. Bangkok First Investment & Trust Pcl.
	2008 - Aug.2016	<ul style="list-style-type: none"> <li>• Director*</li> <li>• Assistant Managing Director</li> </ul>	Srisawad Power 1979 Pcl. Srisawad Power 1979 Pcl.
	2006 - 2007	<ul style="list-style-type: none"> <li>• Senior Marketing</li> </ul>	Asia Sermkij Leasing Plc.
*Authorized Director			
	Apr.2015 - present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Bangkok First Investment & Trust Pcl.
	2007 - present	<ul style="list-style-type: none"> <li>• Vice Chairman</li> </ul>	Thai-Chin Subpykit (Copper) Co., Ltd.
	2008 - present	<ul style="list-style-type: none"> <li>• Director*</li> </ul>	S.A.B.S. Holding Co.,Ltd.
	2003 - present	<ul style="list-style-type: none"> <li>• Director*</li> <li>• Advisor to Managing Director</li> </ul>	Assets and Land Co., Ltd. Assets and Land Co., Ltd.
*Authorized Director			
	2007 - present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	K.L. Cold Co.,Ltd.
	Jan.2005 - present	<ul style="list-style-type: none"> <li>• Independent Director and Chairman of the Audit Committee</li> </ul>	Bangkok First Investment & Trust Pcl.
	Feb.2006 - present	<ul style="list-style-type: none"> <li>• Member of the Nomination and Remuneration Committee</li> </ul>	Bangkok First Investment & Trust Pcl.
	2003 - present	<ul style="list-style-type: none"> <li>• Independent Director and Member of Audit Committee</li> </ul>	Siam Macro Pcl.
	2003 - present	<ul style="list-style-type: none"> <li>• Chairman and Independent Director</li> </ul>	Precious Shipping Pcl.
	1995 - present	<ul style="list-style-type: none"> <li>• Chairman and Independent Director</li> </ul>	Union Palm Oil Industry Pcl.

## Management

### Detail of Board of Directors

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
8. Assoc.Prof.Dr.Siriwut Buranapin Independent Director, Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, 7 years 7 months	49	<ul style="list-style-type: none"> <li>Chartered Director Class (CDC)</li> <li>Director Certification Program</li> <li>Audit Committee Program</li> <li>Monitoring the Internal Audit Function</li> <li>Monitoring the Quality of Financial Reporting</li> <li>Monitoring the System of Internal Control and Risk Management</li> <li>Monitoring Fraud Risk Management</li> <li>Financial Institutions Governance Program</li> <li>Role of the Nomination and Governance Committee</li> <li>Role of the Compensation Committee</li> <li>Thai Institute of Directors Association</li> <li>D.B.A. Boston University, U.S.A.</li> <li>MS. (Management) Massachusetts Institute of Technology, U.S.A.</li> <li>MIBA United States International University, U.S.A.</li> <li>Master of Art with Advanced Designation Certificate in International Trade University of California, Los Angeles, U.S.A.</li> <li>B.B.A.(Marketing, International Program, 1st Class Hons.) Bangkok University</li> </ul>	No	No

## Management

	Work Experience Period	Position	Company's Name / Business Type
	May 2012 - present	<ul style="list-style-type: none"> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	Bangkok First Investment & Trust Pcl.
	Aug. 2009 - present	<ul style="list-style-type: none"> <li>Member of the Audit Committee</li> </ul>	Bangkok First Investment & Trust Pcl.
	2012 - present	<ul style="list-style-type: none"> <li>Dean</li> </ul>	Faculty of Business Administration, Chiang Mai University
	2009 - 2012	<ul style="list-style-type: none"> <li>Head of Department-elected</li> </ul>	
	2007 - 2008	<ul style="list-style-type: none"> <li>Deputy Dean for Academic Affairs</li> </ul>	
	2005 - 2007	<ul style="list-style-type: none"> <li>Deputy Dean for Research and Foreign Affairs</li> </ul>	

## Management

### Detail of Executives

Name / Position	Age	Education	Shareholding	Family relationship with other director and member of management
1. Mr.Thititham Rojanapruk Authorized Director, Deputy Managing Director 5 years	34	<ul style="list-style-type: none"> <li>• Director Certification Program Thai Institute of Directors Association</li> <li>• TLCA Executive Development Program (EDP) Thai Listed Companies Association</li> <li>• Political Leadership in the New Era King Prajadhipok's Institute</li> <li>• Mini MBA (Faculty of Commerce and Accountancy) Thammasat University</li> <li>• Master of Business Administration Sasin Graduate Institute, Chulalongkorn University</li> <li>• Bachelor of Business Administration Holmes Institute, Melbourne, Australia</li> </ul>	0.19	No
2. Mr.Auychai Somklin Authorized Director, Deputy Managing Director 7 months	53	<ul style="list-style-type: none"> <li>• Director Accreditation Program Thai Institute of Directors Association</li> <li>• MBA. (Strategic Management) Thammasat University</li> <li>• BBA. (General Management) Valaya Alongkorn Rajabhat University</li> </ul>	No	No
3. Mr.Wichian Proongpanish Vice President / Head of Risk Management Department	50	<ul style="list-style-type: none"> <li>• M.B.A.</li> <li>• B.A. (Accounting) Thammasat University</li> </ul>	No	No

## Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	Apr.2012 - present	• Director*	Bangkok First Investment & Trust Pcl.
	Oct.2016 - present	• Deputy Managing Director	Bangkok First Investment & Trust Pcl.
	2012 - present	• Director*	Palang Rungruang Co., Ltd.
	2006 - present	• Director*	Boon Anek Anan Co., Ltd.
	2011 - 2012	• Managing Director	Sahasamakkee Service Co., Ltd.
	2008 - 2016	• Vice President of Business Development	Hi-Tech Network Co., ltd
	*Authorized Director		
	Sep.2016 - present	• Director*	Bangkok First Investment & Trust Pcl.
		• Deputy Managing Director	Bangkok First Investment & Trust Pcl.
	2008 - Aug.2016	• Director*	Srisawad Power 1979 Pcl.
		• Assistant Managing Director	Srisawad Power 1979 Pcl.
	2006 - 2007	• Senior Marketing	Asia Sermkij Leasing Plc.
	*Authorized Director		
	Feb.2011 - present	• Vice President / Head of Dept. Risk Management Department	Bangkok First Investment & Trust Pcl.
	2005 - Jan.2011	• Vice President / Head of Dept. Corporate Finance Department	Bangkok First Investment & Trust Pcl.
	2004 - 2005	• Vice President Business Development Department	Krungdheptanathorn asset Management Co., Ltd. (Finansa Asset Management Co.,Ltd.)
	2002 - 2004	• Vice President Corporate Finance Department	BFIT Securities Pcl.



## Management

### Detail of Executives

Name / Position	Age	Education	Shareholding	Family relationship with other director and member of management
4. Miss Wimon Chiramongkolgarn Vice President / Head of Information Technology Department	55	<ul style="list-style-type: none"> <li>• M.S. (CIS) Assumption University</li> <li>• B.S. (Statistics) Thammasat University</li> </ul>	No	No
5. Miss Kanoknui Cholvani Vice President/Head of Treasury & Investment Department	48	<ul style="list-style-type: none"> <li>• M.B.A. (Finance&amp;Banking and Marketing) Sripatum University</li> <li>• B.A. (Finance and Banking) Assumption University</li> </ul>	4.99	No
6. Mr. Sornpol Buppanimit Assistant Vice President/Head of Audit Department	54	<ul style="list-style-type: none"> <li>• M.B.A. (Business Administration)</li> <li>• B.A. (Political Science) Ramkhamhaeng University</li> <li>• Professional Internal Auditor of Thailand (CPIAT) The Institute of Internal Auditors of Thailand</li> </ul>	No	No
7. Mrs.Kanda Kovitayamongkol Assistant Vice President/Head of Operations Department	62	<ul style="list-style-type: none"> <li>• B.A. (Accounting)</li> <li>• B.A. (Laws) Ramkhamhaeng University</li> </ul>	0.00005	No
8. Mrs.Chamaiporn Decharkom Assistant Vice President/ Head of Account & Finance Department Corporate Secretary	45	<ul style="list-style-type: none"> <li>• Fundamental for Corporate Secretary Thai Listed Companies Association</li> <li>• B.A. (Accounting) Bangkok University</li> </ul>	No	No
9. Mr.Adisorn Wichaidith Assistant Vice President/ Head of Personnel & General Service Department	48	<ul style="list-style-type: none"> <li>• B.Ed. (Social Studies) Srinakharinwirot University</li> </ul>	No	No

## Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	1985 - present	<ul style="list-style-type: none"> <li>• Vice President / Head of Dept.</li> <li>• Assistant Vice President/Head of Dept.</li> <li>• Supervisor</li> <li>• Programmer</li> </ul> Information Technology Department	Bangkok First Investment & Trust Pcl.
	Aug.2015 - present	<ul style="list-style-type: none"> <li>• Vice President/Head of Dept.</li> </ul> Investment Advisory Department	Bangkok First Investment & Trust Pcl.
	Jan.2014 - Aug.2015	<ul style="list-style-type: none"> <li>• Assistant Vice President/Head of Dept.</li> </ul>	Bangkok First Investment & Trust Pcl.
	Oct.2006 - Dec.2013	<ul style="list-style-type: none"> <li>• Personnel &amp; General Service Dept.</li> <li>• Office Manager</li> </ul>	Eternal Energy Pcl.
	Sep.2008 - present	<ul style="list-style-type: none"> <li>• Assistant Vice President/Head of Dept.</li> </ul>	Bangkok First Investment & Trust Pcl.
	1983 - Aug.2008	<ul style="list-style-type: none"> <li>• Audit Department</li> <li>• Division Head</li> <li>• Assistant Division Head</li> <li>• Staff</li> </ul> Internal Audit Department	Kasikornbank Pcl.
	1979 - present	<ul style="list-style-type: none"> <li>• Assistant Vice President/Head of Dept.</li> <li>• Assistant Manager</li> <li>• Loan &amp; Placement Division Head</li> </ul> Operations Department	Bangkok First Investment & Trust Pcl.
	2005 - present	<ul style="list-style-type: none"> <li>• Assistant Vice President/Head of Dept.</li> </ul> Account & Finance Department <ul style="list-style-type: none"> <li>• Assistant Manager</li> <li>• Account &amp; Report Division Head</li> </ul> Operations Department	Bangkok First Investment & Trust Pcl.
	1998 - present	<ul style="list-style-type: none"> <li>• Assistant Vice President/Head of Dept.</li> <li>• Assistant Manager</li> <li>• General Service Division Head</li> </ul> Personnel & General Service Department	Bangkok First Investment & Trust Pcl.

## Management

### Shareholding in the Company of Board of Directors as of December 31, 2016.

Name	Number of share held	
	As of Dec. 31, 2016	Increase (Decrease) <u>During</u> <u>the year</u>
1. Mrs.Kingthien Bang-Or	-	-
2. Mrs.Thanyathorn Chonlavorn	-	-
3. Mr.Vorakit Srangsiwong	-	-
4. Mr.Thititham Rojanapruk	-	-
5. Mr.Amorn Jetchamnongnuch	-	-
6. Mr.Auychai Somklin	-	-
7. Mr.Thira Wipuchanin	-	-
8. Assoc.Prof.Dr.Siriwut Buranapin	-	-

No.4 Mr.Thititham Rojanapruk received a transfer of 380,000 shares, effective on February 27, 2017. And his wife had 381,700 shares before she married in February.

### Shareholding in the Company of Executives as of December 31, 2016.

Name	Number of share held	
	As of Dec. 31,2016	Increase (Decrease) <u>During the year</u>
1. Mr.Manop Himakorn	-	-
2. Mrs.Choochit Teyateeti	-	-
3. Mr.Wichian Proongpanish	-	-
4. Miss Wimon Chiramongkolgarn	2,000	-
5. Miss Kanoknui Cholvani	9,970,000	-
6. Mr.Kanokporn Liewsuwan	-	-
7. Mr.Sornpol Buppanimit	-	-
8. Mrs.Kanda Kovitayamongkol	100	-
9. Mrs.Chamaiporn Decharkom	-	-
10. Mr.Adisorn Wichaidith	-	-

No.1,6 resigned on January 1, 2017.

No.2 resigned on March 1, 2017.

No.4 Sold a total of 2,000 shares on February 24, 2017.

## Corporate Governance Policy

The Board of Directors realizes the importance of operating the business under good corporate governance to ensure the effectiveness and efficiency of the business processes which should be transparent and examined equitable to all related parties.

BFIT has set up the policy as a guideline for good corporate governance in writing which prescribed of risk management, the duty, composition and practice of The Board of Directors, relationship with related parties, and ethical business practices, in order to build confidence among shareholders, customers, investors, employees, stakeholders and all parties concerned that the Company's operations are managed and operated under transparency, fairness and accountability.

The principles are presented in 5 categories.

Section 1 Rights of shareholders

Section 2 Equitable Treatment of Shareholders

Section 3 Roles of Stakeholders

Section 4 Disclosure and Transparency

Section 5 Responsibilities of the Board

### Section 1 Rights of Shareholders

Shareholders have the right to the ownership of the company and control the Company by appointing the Board to act on behalf as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. In addition to enforcing their right in the shareholders' meeting, Shareholders are able to obtain the results of Company performance, management policies, all large material transactions and any related transaction through the Company's website [www.bfit.co.th](http://www.bfit.co.th) both in Thai and English or through the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th). The Company has appointed Thailand Securities Depository Co., Ltd. As a registrar of the Company.

Fundamental rights of the shareholders are :

- Buy/Sell or transfer of shares.
- Share in the profit of the Company.
- Obtain relevant timely, correct and adequate information of the Company
- Participate and vote in Shareholder meetings to :
  - elect or remove members of the Board.
  - appoint the External Auditor.
  - make decision on dividend payment.
  - make decision on amendments to the Company's articles of association or by laws.
  - make decision on capital increases/decreases.
  - approve extra ordinary transactions.
  - other subject that affect the Company conforming to laws.

## Corporate Governance Policy

### 1. Shareholder's meeting

1.1 The Annual General Meeting is set to be organized once a year within 4 months after the end of the fiscal year of the Company. The Company may call for extraordinary meeting if necessary in relevant to the Company's regulations.

1.2 The Company convene the Shareholders Meeting once a year on appropriate date, time and venue. Meeting invitation letter together with meeting handouts with sufficient and complete information explaining the details and comments of the Board of Directors in all agendas shall be sent to the Shareholders with the followings details.

- Regulations of the Company specifically related to the Annual General Meeting of Shareholders.
- Information of the person nominated to serve as Directors
- Documents and evidences that the shareholders must present prior to attending the meeting.
- Proxy Form B. Type (which specifies detailed, clear and fixed items for authorization). The Company has prepared the proxy following the notices of the Ministry of Commerce, namely, Type B which can be downloaded from the Company website.
- Map of the meeting venue.

1.3 The Company assigned Thailand Securities Depository Co., Ltd. as the registrar of the Company to deliver the meeting invitation letter to shareholders not less than 14 days prior to the meeting.

1.4 The company provided Invitation for the Annual General Meeting letter to be published in the newspaper for 3 consecutive days and for at least 3 days prior to the meeting date.

1.5 The Company has increased the channel in publishing the meeting invitation letter and meeting handouts through the Company's website [www.bfit.co.th](http://www.bfit.co.th) both in Thai and in English at least 30 days prior to the meeting so that shareholders can spend more time considering important agendas.

1.6 The Company encourages the shareholders to propose nominees for Directors, items for meeting agendas through the Company's website. Shareholders shall be informed completely of their rights through The Stock Exchange of Thailand system.

1.7 The Company has disclosed the list of top 10 shareholders of the Company as of the book closing date before the Annual General Meeting of Shareholders to shareholders through the website of the Company.

### 2. The meeting date

2.1 The Company designated the procedure in the Annual General Meeting of Shareholders in compliance with law emphasize on convenience, right and equity of shareholders. As for meeting registration, the Company provides sufficient and appropriate equipment technology and person to ensure the Shareholders convenience in checking the documents not less than 1 hour prior to the meeting.

2.2 Before the start of the Annual General Meeting of Shareholders, the Company Secretary shall introduce members of the Board of Directors, auditors and high ranking executives of the Company participating the meeting to the Shareholders and inform the Shareholders on how to cast a vote and the Shareholders' rights. The Chairman of the meeting shall be responsible for conducting the meeting according to the agenda stated in the meeting invitation letter, allocating time for each agenda appropriately and sufficiently without

## Corporate Governance Policy

adding any other agendas apart from those stated in the meeting invitation letter. Moreover, the Company shall prepare ballots for shareholders for voting of each agenda which made use of a bar code system. The votes of all agendas i.e. for, against and abstention shall be counted and disclosed transparently and fairly by Head of Legal Department as a head of vote count inspection.

2.3 During the meeting, The Board of Directors shall provide opportunities for shareholders to express their comments and inquires on various issues independently before voting.

2.4 The Company gives shareholders who attend the meeting after it has already been started the rights to cast a vote on the agenda being considered and not yet voted. Shareholders shall be counted as a quorum for the meeting starting from the agenda being considered when they enter the meeting.

2.5 In every Annual General Meeting of Shareholders, on the agenda to elect directors to replace directors who retire by rotation, the Company shall provide opportunities for shareholders to elect individual director with balloting. The Company has provided sufficient background information of each nominated director for the consideration of shareholders.

2.6 In every Annual General Meeting of Shareholders, the Company gives the Shareholders the right to consider and approve remuneration for Directors. The Company has provided sufficient details of the remuneration of Directors for the consideration of shareholders.

2.7 In every Annual General Meeting of Shareholders, there shall be an agenda on the appointment of Auditors and remuneration for Auditors which are to be proposed to the Shareholders for approval. The Company has provided the information about the nominated auditors as well as sufficient details of the remuneration for auditors for the consideration of the Shareholders.

2.8 In the case of there are various agendas, it should be voted for each agenda.

2.9 The Company requested all Directors and Executives to value the importance of the Annual General Meeting with perfect attendance to answer and inquiries and clarify relevant issues.

### 3. The preparation of the minutes and voting disclosure.

3.1 The Company shall produce a detailed, completed and factual meeting minutes after the meeting ended. The minutes shall be submitted to the Stock Exchange of Thailand, The Ministry of Commerce and The Securities and Exchange Commission Thailand within 14 days of the completion of the meeting and be posted throughout the Company website in both Thai and English.

3.2 To ensure that the Shareholders would receive the Company information, messages, operation performance and administration policies with accuracy and in timely manner, the Company shall disclose the significant information and messages through the Company's website in addition to the Stock Exchange of Thailand information system.

## Section 2 Equitable Treatment of Shareholders

All the Shareholders, either the Company executives or not, major or minor Shareholders, including foreign Shareholders shall be equally and fairly treated with their basic right protected. The Company shall communicate with the Shareholders and disclose information through various channels of the Stock Exchange

## Corporate Governance Policy

of Thailand, the Company website and other appropriate media to ensure that all the Shareholders shall equally and properly receive all the Company information and messages.

### 1. Release of information before the Shareholders meeting

1.1 The Company shall send out meeting invitation letter together with handout documents with complete and accurate details and comments of the Board of Directors on each agenda to shareholders. The Thailand Securities Depository Co., Ltd. which is the registrar of the Company shall be assigned to deliver the invitation at least 14 days prior to the meeting date in both Thai and English version. In addition, the Company announce the meeting invitation together with handout documents through the Company's website both in Thai and English at least 30 days prior to the meeting date for sufficient timing enable the Shareholders to consider significant agenda.

1.2 The Company shall conduct the Annual General Meeting of Shareholders according to the agenda stated in the meeting invitation and shall not add any agendas without informing the shareholders in advance especially the agenda that the shareholders may need timely consideration.

1.3 The shareholders that are unable to attend the meeting can exercise their right through appointed proxy or an independent director of the Company.

### 2. Protection of Minor Shareholders

2.1 The Company determined the voting right of shareholders to be according to the amount of shares held, with one share equal to one vote.

2.2 The Company allows minority shareholders to submit nominee for director to the Board for consideration following the Company's code of practice and the procedure defined via the Company website. The exercise of their rights shall be published through the system of The Stock Exchange of Thailand.

2.3 The Company allows minor shareholders to propose any agenda item. The proposed agenda must not fall into the following categories.

- Matters that beyond the authority of the company.
- Matters that against the laws, announcements, rules and regulations of governmental authority or regulating authority or not in accordance with the company's objectives or Articles of Association or the resolutions of the Shareholders' meetings.
- Matters that may cause significant problems to shareholders at large.
- Matter that the company has already proceeded.
- Matters that are for the benefit of an individual or a particular group of person.
- Matters about the normal business operation of the company and the shareholders who proposed the agenda are unable to show that the matters are abnormal.
- Matters that the Board of Directors considers that they are no need to be included in the agenda, and the Board must have valid reasons and are able to explain to the shareholders.

2.4 The Company determined that the Independent Directors must not less than one-third of the Board and not less than 3 directors to protect the rights of minority shareholders.

## Corporate Governance Policy

### 3. Prevention on the abuse of Inside Information

3.1 The Company prohibits all directors, executives and employees involved in the inside information from disclosing such information to outside person or to person not involved in the information. Moreover, the mentioned personnel are prohibited from buying or selling the Company's shares within 14 days prior to the official announcement of the financial reports.

3.2 All directors and executives of the company must submit report on the change of ownership of the company's shares to the Company Secretary for reporting to the Stock Exchange Commission as required by laws.

3.3 The Company shall record and disclose the change of Director and executive ownership of the Company's shares in the Annual report.

### 4. Conflict of Interest of Directors and management

4.1 The company requested stakeholders Directors and management to submit stakeholders report before each agenda which shall be reported in the Shareholders meeting report. In case there is any conflict of interest that may significantly obstruct the Director or management from indecently comment, the Company shall have that Director or management to refrain from participation of that certain agenda.

4.2 The Company assigned the Audit Committee to review the Connected Transactions, or the transactions that may lead to conflicts of interest including the stakeholding of the Director to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.

### Section 3 Role of Stakeholders

The Company concerns and protects the rights and mutual benefit of all stakeholder groups i.e. Shareholders, employees, customers, partners, creditors, competitors, independent auditor, as well as the community, environment and society at large, including human rights and anti-corruption, with the belief that appropriate and fairly protection of the rights and mutual benefit of the stakeholders shall lead to the steady and sustainable growth of the Company. The Company shall continuously and regularly consider and review to promote the cooperation between the Company and each group of stakeholders to generate wealth, financial stability and sustainability of the business. The policy on stakeholders in established for the Board, the executives and employee to withhold and practice with details as follow.

#### 1. Policy affecting stakeholders

The company has established Business Codes of Conduct which is the policy on treating stakeholders and published through the website [www.bfit.co.th](http://www.bfit.co.th) for the convenience of stakeholders and those interested.

#### 2. Disclosures of policies

2.1 The stakeholders and those interested can study the policies not only from the Company's Codes of Conduct but also able to read and study the policies disclosed in the Company's website or Annual report.



## Corporate Governance Policy

In case the stakeholders find any violation of laws, the incorrectness of the financial reports, the insufficiency of the internal control system or the violation of the codes of conduct, they can address their concerns on misconducts following the details were disclosed in “Anti-Corruption policy”.

2.2 The stakeholders are able to submit their comments or useful suggestions to the Company for improvement through the Company Secretary to collect and report to the Board of Director. The contacts are both indicated in the website and in the Annual report.

### 3. Other policies involving the stakeholders

#### 3.1 Policy on Disclosure of internal information.

The Company has set guideline for storage and to prevent the use of internal information by providing “Regulations on Work”. The Regulations on Work designate the supervisor of all piers to closely monitoring of the preliminary internal information usage. For the Information System, the Company has set a separate policies for “Regulations governing the use of computer networks”. Apart from the above, the Company has also defined in the “Company’s Codes of Conduct”, the extent of information disclosure for the Board and the executives and requests the Board and the executives to immediately submit Report of changes in securities holding to the Company Secretary to report to the Stock Exchange Commission within 3 days according to the regulation.

#### 3.2 Policy on Anti-Corruption

The company has set Anti-Corruption Policy by prohibiting the Board and Employees to seek benefits from any transactions of the Company. The Board and Employee are prohibited from soliciting or accepting any unsporting benefit from business partner, should refrain from offering or paying and unsporting advantage to business partner. The Company designate all transaction to be done strictly within the extent of law and not supporting any unlawful nominee business and not to offer or pay any illegal advantage. (Refer to “Anti-Corruption policy” in the title of “Corporate Social Responsibility”)

#### 3.3 Policy on Intellectual property.

The Company’s policy is to refrain from any violation of other’s intellectual property i.e.; copywriter, patent, trademark and also prohibit the employee to bring in or download illegal software which all employee has to sign their acceptance.

#### 3.4 Policy on Human Right.

The Company ensures that human rights are taken into consideration in the conduct of business with the belief that, human, though born different, are equal in human dignity. Therefore, each individual should be respected and treated politely regardless their races, religions, genders and ages.

## Section 4 Disclosure of Information and Transparency

### 1. Disclosure Policy and Practice

The company’s disclosure policy and procedures are incorporated within the Corporate Governance Policy, and Investor Relations has been assigned the role and responsibility to provide disclosure of the company’s information in accordance with following principles:

## Corporate Governance Policy

- 1) Information to be disclosed must be accurate, adequate and clear as well as disclosed on a timely basis;
- 2) Disclosure must comply with all applicable rules and regulations.
- 3) Stakeholders including customers, counterparties, creditors, shareholders, investors, analysts and interested persons must have equal right of access to the information disclosed by the company.
- 4) Information that could affect the price of the company's shares or influence investors' decisions or affect the rights of shareholders must be immediately disclosed, as appropriate, to the public through the Stock Exchange of Thailand.

The company has designated officers and Investor Relations to be responsible for disclosure as well as maintaining the operating results disclosure schedule as specified in its Corporate Governance Policy, Audited the six-month period and annual financial statements are released within 60 days from the end of period and the end of financial year. Reviewed quarterly financial statements are released within 45 days from the end of period. Quarterly financial statements are disclosed together with the Management Discussion and Analysis (MD&A) to help investors better understand the company operating results.

In addition, the company's Corporate Governance Policy requires directors and management to disclose their holdings of the company's shares. Changes in the holdings of the company's shares by directors and management in 2016 are shown number of shares at the beginning and ending of the year and increase/decrease during the year which shown in the "Report of Company Ordinary Shareholding by Directors and Management" of this Annual Report.

### 2. Investor Relations

Investor Relations is a functional unit of the company and is responsible for the accuracy, adequacy and clarity of disclosure of the company information to investors on a timely basis in accordance with the company disclosure principles and applicable requirements and regulations.

### 3. Auditors

The auditors' qualifications are scrutinized by the Audit Committee in terms of their independence, suitability, accountability, and absence of any conflict of interest with respect to the company, management, major shareholders or related parties thereof. The Audit Committee also reviews the annual audit fees in terms of the scope of audit and proposes the list of qualified auditors and the audit fees to the Board for further consideration and consideration by the AGM.

Details regarding the audit fees and other service fees paid by the company to the auditor as well as the auditor's report for 2016 are available in the sections titled "Audit Fees " and "Audit Report of Certified public Accountant" of this Annual Report.

## Corporate Governance Policy

### Section 5 Responsibilities of the Board of Directors

1. The Company's management structure consisted of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee.

#### A. Board of Directors

The Board of Directors, in conducting the business of the Company, shall comply with laws and conforming to rules and regulations of the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand, objectives of the Company, articles of association of the Company, code of ethics and resolutions of the shareholders' meetings, and summon general meetings of the shareholders of the Company, both ordinary and extraordinary. The Board of Directors shall perform its duties in good faith, with due diligence and care, for the best interest of the Company and all Shareholders.

The Company defined the Board of Directors to consist of individuals. They are required to be devoted to strengthen the Company with knowledge, capabilities and experience that beneficial to its business. The Board members shall have gone through the Director training course of the Thai Institute of Directors to understand the key role in directing and evaluating the operations of the Company.

According to the regulation, the Board of Directors consists of up to 9 directors. As of 31 December, 2016, the Company has 8 directors. The combination of directors must be complied with good corporate governance guideline by the Stock Exchange of Thailand and the regulations of the Bank of Thailand as follow:

- 1) 2 independent directors: Mr.Thira Wipuchanin and Assoc.Prof.Dr.Siriwut Buranapin
- 2) 3 executive directors: Mrs.Kingthien Bang-Or, Mr.Thititham Rojanapruk and Mr.Auychai Somklin
- 3) 3 non-executive directors: Mrs.Thanyathorn Chonlavorn, Mr.Vorakit Srangsriwong and Mr.Amorn Jetchamnongnuch

Notation: Mr.Kudun Sukhumanada was appointed as Independent Director and Member of the Audit Committee by the Company's Board of Directors Meeting No.1/2017, held on February 27, 2017 and substitution of Mr.Thanapol Sirithanachai (resigned on December 13, 2016)

The Board of Directors is well-balanced in the proportion because two of them were independent directors.

The Company defined the Board of Directors to consist of individuals. They are required to be devoted to strengthen the company with knowledge, capabilities, legal expertise and experience that beneficial to its business.

#### Structure of the Board.

- The Company Secretary is also the secretary of the Board of Directors and serve the Board of Directors in the areas of providing legal advice and other regulations that the Board of Directors must know.
- The vacating director may be eligible for re-election. There is no limit for number of terms of being the Company Director which is subject to the approval of Shareholders.
- The Directors must not be the Directors in more than 5 other Public companies. The holding of Directorship in other companies mentioned above must be informed to the Board of Directors and approved by the Board.

## Corporate Governance Policy

- No director is allowed to be the partner or director of other companies which have similar business and operate the business in competition with the company excepted that the matters were informed to the shareholders' meeting before the person was appointed to the company's director and approved by the Bank of Thailand.
- Every Director should understand comprehensively the duties and responsibilities of the Company's Director and the nature of business of the Company as well as shall express their opinions independently. They shall dedicate their time and effort in carrying out the duties to reinforce the strength of the Board.
- The Directors should have qualification and experience as requested by the Company and not prohibited by law or against the regulation of the Bank of Thailand, the S.E.C and the Stock Exchange of Thailand.

### B. Audit Committee

The Audit Committee appointed by BFIT's board of director for a three-year tenure has duties and responsibilities as follows:-

1. To review BFIT's financial reporting process to ensure that it is accurate and adequate.
2. To review BFIT's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review BFIT's compliance with the law on securities and exchange, the Stock Exchange's regulations, and/or the laws relating to BFIT's business.
4. To consider, select and nominate an independent person to be BFIT's auditor, and to propose such person's remuneration to the Board of Directors and submit to the General Meeting of Shareholders for approval, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in BFIT's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of BFIT's financial report,
  - (b) an opinion on the adequacy of BFIT's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Stock Exchange's regulations, and/or the laws relating to BFIT's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,

## Corporate Governance Policy

(g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.

(h) other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by BFIT's board of directors.

7. Clearly specify duties of the Audit Committee, change of the Committee's composition, and any changes which have material impact on the operations of the Audit Committee in writing, upon approval of the Board of Directors, and disclose in BFIT's Annual Report for shareholders' acknowledgement.

8. To report to the Board of Directors so that the board can rectify the issues within the timeline specified by audit committee on the following findings or suspected transactions or actions:

(a) Conflict of interest.

(b) Fraud, possible fraud, or significant deficiency of internal control;

(c) Breaching of the applicable laws and regulations. In case where the Board of Directors or Executive Management failed to rectify the issues within the specified timeline, audit committee shall report such deed to the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and disclose in BFIT's annual report.

9. To perform any other act as assigned by BFIT's board of directors, with the approval of the audit committee.

As of December 31, 2016, the Audit Committee comprising 2 members of independent directors as follows:

- |    |                                 |                                 |
|----|---------------------------------|---------------------------------|
| 1. | Mr.Thira Wipuchanin             | Chairman of the Audit Committee |
| 2. | Assoc.Prof.Dr.Siriwut Buranapin | Member of the Audit Committee   |

Notation : Mr. Thanapol Sirithanachai has resigned from the Member of the Audit Committee, the resignation is effective from December 13, 2016 onwards.

Mr.Thira Wipuchanin is a member of audit committee who having sufficient knowledge and experience to review the reliability of BFIT's financial statement.

### C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee appointed by the Company's board of director for a three-year tenure. The Nomination and Remuneration Committee shall have independent judgment. The Chairman of the committee must be an Independent Director. The Nomination and Remuneration Committee has duties and responsibilities as follows:-

1) Stipulate policy, guideline and procedure to nominate directors and high level management from the position of Assistant Managing Director or higher in order to present to the Company's board of directors to consider and approve.

2) Screen and submit the names of persons that are qualified for the following positions in order to nominate to the Board of Directors:-

(a) Directors

(b) Higher level management from Assistant Managing Director upwards.

3) Oversee that the size and structure of the Board of Directors are adapt to the organization and can be

## Corporate Governance Policy

adjusted to the changing environment by which the Board of Directors comprises of knowledgeable, capable and experienced persons in various fields.

4) Stipulate the policy of remuneration and other benefits including the amount of remuneration and other benefits providing to the directors and high level management from Assistant Managing Director upwards with clear and transparent criteria in order to propose to the Company's board of directors for consideration.

5) Oversee that the Company's directors and higher level management from Assistant Managing Director upwards receive the remuneration that match their duties and responsibilities to the Company and those that entrusted with higher responsibilities and duties receive an increase in remuneration in relevant to their extended burdens.

6) Lay down the direction for the appraisal of the directors and higher level management from Assistant Managing Director upwards to determine their annual remuneration by taking into considerations their responsibilities and relevant risks including the emphasizing of the added value to shareholders in the long run.

As of December 31, 2016, the Nomination and Remuneration Committee comprising 3 members of directors and 2 independent directors as follows:

- |                                    |   |
|------------------------------------|---|
| 1. Assoc.Prof.Dr.Siriwut Buranapin | Chairman of the Nomination and Remuneration Committee<br>(Independent Director) |
| 2. Mr.Thira Wipuchanin             | Member of the Nomination and Remuneration Committee<br>(Independent Director)   |
| 3. Mr.Vorakit Srangsiwong          | Member of the Nomination and Remuneration Committee<br>(Authorized Director)    |

### D. Executive Committee

The Executive Committee appointed by the Company's board of directors comprises of member of directors and senior management from Assistant Managing Director level upwards of which the Executive Committee may appoint additional members as it deems appropriate.

The Executive Committee has the authority to manage and operate the business within the scope that the Board of Directors had specified i.e.:-

1. The Executive Committee is authorized to manage business and oversee overall operation of the Company except some cases that the Company's Articles of Association had stipulated that they must be approved by the Company's board of directors or matters that the Board of Directors had already regulated specific authority such as the approval of credit line and investment.
2. To consider the alteration of the authorized persons and condition of the signing of the authorized persons.
3. To consider the appointment of the members of Assets and Liabilities Committee, Risk Management Committee, Investment Committee and Credit Committee in case the members' term expired and report to the Board of Directors for acknowledgement.
4. To stipulate and review the ratio of the holding of liquid assets of the Company.

## Corporate Governance Policy

5. To consider an approval of the extending the credit line of not more than Baht 150 million per case.
6. Authority to approve investments in debt securities that either have credit ratings below Investment Grade or do not have creating ratings up to 150 million baht per company. The aggregate investments in such debt securities will not exceed 10 percent of total debt securities portfolio value.
7. Authority to approve investments in equities, warrants, derivatives and unit trust, which are traded or expected to be traded in secondary markets, up to 150 million baht per company.
8. Authority to approve investments in equities, warrants, derivatives and unit trust, which are traded outside secondary markets or not expected to be traded in secondary markets, up to 100 million baht per company.

As of December 31, 2016, the Executive Committee comprising 4 members of directors and senior management as follows:

- |                            |  |
|----------------------------|--|
| 1. Mrs.Kingthien Bang-Or   | Member of the Executive Committee<br>(Director and Acting Managing Director) |
| 2. Mr.Thititham Rojanapruk | Member of the Executive Committee<br>(Director and Deputy Managing Director) |
| 3. Mr.Auychai Somklin      | Member of the Executive Committee<br>(Director and Deputy Managing Director) |
| 4. Mr.Montree Chansongnoen | Member of the Executive Committee  |

Notation: No.2,3 was appointed Member of the Executive Committee by the Company's Board of Directors Meeting No.4/2016, held on November 8, 2016.

No.4 was appointed Member of the Executive Committee by the Company's Board of Directors Meeting No.4/2016, held on November 8, 2016. And approved by the Bank of Thailand on December 24, 2016.

- Prof. Sakorn Suksriwong, DBA resigned as of Chief Executive Officer on July 8, 2016.
- Mr.Manop Himakorn resigned as of Member of the Executive Committee on January 1, 2017.

The Company also has a number of committees responsible for each business sectors or important functions i.e. the Credit Committee, the Investment Committee, the Assets and Liabilities Management Committee, the Debt Restructuring Committee, the Collateral Evaluation Committee, and the Risk Management Committee. These committees have the authorities stipulated by the Company's board of directors with management teams to oversee each business or each function in order to operate properly and in line with the rules, regulations, relevant laws as well as the plans and policies that approved by the Company's board of directors.

### 2. The Nomination of Directors and Executives

#### (1) Independent directors

##### Qualifications of independent directors

To ensure that the independent director of the Company has independence quality qualifications, the Company defines "Independent Director" means a director who has neither involvement in business executions nor related interests with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, that would bring about conflicts of interest which may affect



## Corporate Governance Policy

independent decisions. Qualifications of Independent Director of the Company, is more stringent than that under the criteria set by the Capital Market Supervisory Board, Re: Application for and Approval of Offering for Sale of Newly Issued Shares, detail of which are as follows.

- 1) Holding shares not more than 0.5% of the total shares with voting right of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person. Such shareholding shall include the shares held by related persons of such independent director.
- 2) Not being or having been an executive director, employee, staff, or advisor who receives regular salary; or a controlling person of the Company, its parent company, subsidiary, affiliated company, subsidiary of the same level, major shareholder or controlling person of the Company, unless the foregoing status has ended not less than 2 years before taking up the position. Nevertheless, such prohibited characteristics exclude the person who had been a government official or an advisor to any government organization that is the Company's major shareholder or controlling person.
- 3) Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the child – of the other directors, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiary.
- 4) Having no business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholders, or controlling person of the Company in the manner which may impede his/her independent discretion; and neither being a significant shareholder or a controlling person of those having business relation with the Company, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, unless the foregoing characteristic has ended for not less than 2 years before taking up the position.

Business relationships above shall include any normal commercial transaction in business undertaking; a rental or lease of immovable property; a transaction relating to assets or services; a grant or receipt of financial assistance via lending, borrowing or guarantee; an offer of assets as collateral as well as any similar action that results in the Company or its counter party being indebted to the other for the amount of 3% of net tangible asset or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning Criteria of Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.

- 5) Not being or having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before taking up the position.
- 6) Not being a professional advisor of any kind which includes legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, and not being a significant shareholder, controlling person, or partner of the professional advisor, unless the foregoing relationship has ended not less than 2 years before taking up the position.



## Corporate Governance Policy

- 7) Not being a director appointed as a representative of the Company's directors, its major shareholder, or shareholder related to major shareholders.
- 8) Not undertaking any business similar to or competing with that of the Company to a significant extent, or not being a partner holding shares in a partnership exceeding 10%, or an executive director, employee, staff, or advisor who receives regular salary from or has more than 1% shareholding in any other company that undertakes any business similar to and competing with that of the Company or of its subsidiary to a significant extent.
- 9) Not having any characteristics that make him/her incapable of expressing independent opinions with regard to the applicant's business affairs.

In case that an independent director is nominated as a member of the Audit Committee, There are additional qualifications as follow:

- 1) Must not be a director who is assigned by the Board of Directors to decide in operational businesses of the company, a parent company, subsidiary companies, associate companies, major shareholders or the company's controlling persons and
- 2) Must not be a director of a parent company and subsidiary companies in the same chain level which are listed companies.

All current independent directors and members of the audit committee hold all qualifications as defined by the Company's policy above.

### (2) The Nomination of Directors and Executives

#### 2.1 The nomination and appointment in the Directorate level

The Nomination and Remuneration Committee will scrutinize the selection and screening of individuals that will become the Company's directors and independent directors from a person who is qualified and not having prohibited characteristics as stated by the laws relating to the public limited company and other relevant laws, has capability, knowledge and experience in various fields by considering the size of the assembly that will fit with the organization, good corporate governance including the adjustment to conform with the changing environment. The selected candidates will be nominated to the Board of Directors for the appointment in case that the director positions become vacant apart from retirement by rotation or present to the shareholders meeting for appointment in case that the director positions are vacated due to the expiration of the terms or for the appointment of additional directors by which the Company's Articles of Association stipulates that the Company can have no more than 9 directors and not less than half of the directors must reside in Thailand. In every annual general meeting of shareholders, one-third or the number nearest to one-third of the directors shall retire from their office. A retiring director is eligible for election.

The resolution of the Board of Director for the appointment in case that the director position becomes vacant for any reason other than by rotation shall consist of not less than three-fourth of the votes of remaining directors. The director who fills the vacancy shall retain his office only for the remaining term of office of the director whom he replaces.

## Corporate Governance Policy

In case of the appointment of the directors that present to the shareholders meeting, the directors shall be elected at the general meeting of shareholders, provided that:

- 1) Each shareholder shall have a number of votes equal to a number share of held.
- 2) Each shareholder shall exercise all the votes to elect one or more persons as directors but he shall not split his votes in favor of any candidates.
- 3) The person receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time.
- 4) In the event that a number of persons received an equal number of votes for the last directorship exceeding the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.

The Company provides opportunity to all shareholders in order to nominate qualified candidates for annual general meeting of shareholders to appoint as the Company's directors.

Eligible candidates for the position of independent director must hold the qualifications of independence stipulated by the Company (The detail of the qualifications of independence states in the 2 (1))

### 2.2 The nomination and appointment of Assistant Managing Director or higher Level

The Nomination and Remuneration Committee will screen and nominate the name of persons that are qualified to the Board of Directors for the appointment.

### 3. Roles, Duties and Responsibilities of the Board.

The Board of Directors has duties to carry out the company's business in compliance with the laws and regulations of Stock Exchange Commission and the Stock Exchange of Thailand, the objectives and articles of association of the company as well as the resolutions of shareholders' meeting. The duties shall be performed with honesty and prudence and taken into account for the maximum benefit and fairness of the company and shareholders. The Roles, Duties and Responsibilities of the Board include the following.

- Consider and approve major matters relevant to the company's business, such as vision, mission statements, business plan, financial objectives, annual operating budget and risk management for example.
- Oversight and monitor to ensure that the executive has operated the business with efficiency and in accordance with the approved policy and business plan.
- Oversight and monitor the Company for sufficient and efficient internal control and risk management system. The Board of Directors shall assign the Audit Committee to oversee the systems, review them constantly and report in the Annual report.
- Oversight and monitor the Company for operation control system, financial report and compliance to rules, regulations and policies. The Board of Director shall assign the Audit Committee to closely oversee and these subjects with the Internal auditor and report in the Annual report.

## Corporate Governance Policy

- Carefully review the connected transactions, or transactions that may cause conflict of interest. The connected parties are not allowed in the decision making process and the transactions shall be disclosed properly, correctly and accurately.
- Establish and approve the Corporate Governance policy.
- Establish and approve the “Codes of Conduct” so that all directors, executives and employees can use them as guidelines in operating the business.
- Oversight and monitor the Company’s business continuity plan, to cover long-term continuity of management and employee development plans.
- The Board of Directors assign the Company Secretary to collect helpful comments or suggestions from the stakeholders and report to the Board of Directors for consideration. In case the Stakeholders see any illegal issue, inaccuracy of the financial report, internal control deficiency or unethical business, they can address their concerns on misconducts following the details were disclosed in “Anti-Corruption policy”.

### 4. The Board of Director’s meeting.

The Company shall facilitate the Board of Directors meeting to be held at minimum 4 times a year to consider and acknowledge the business performance including consider the business operation that has gone through consideration and screening from the Sub Committee. The Executive committee shall conduct a meeting at minimum 6 times a year to consider the Company performance. The Audit Committee shall conduct a meeting at minimum 4 times a year to consider the subjects defined in the Charter of the Audit Committee and the Nomination and Remuneration Committee shall conduct a meeting at minimum 2 times a year to consider the subjects defined in the Authority of the Nomination and Remuneration Committee. In case there is any urgent or necessary the committee and Sub Committee may call for additional meeting. The Company shall determine the agendas of the board meetings in advance throughout the year to provide the Committee for appropriate time allocation. In the Board of Director’s Meeting, the minimum committee number must have two-thirds of all directors. In every meeting the Company assigned for the followings actions.

- Written notice calling for meeting together with relevant documents must be sent to directors at least 7 days in advance so that the Directors would be able to check out the information beforehand.
- Every director must attend the meeting. If unable to attend, the director must inform the Company Secretary.
- Chairman of the Board shall provide adequate timing for the Board to consider each agenda independently and prudently.
- The director who is connected with the issue being considered must refrain from voting that agenda. In case the director significantly connected with the issue that lead to independently express the opinion, the director must leave the meeting during the consideration.

## Corporate Governance Policy

- Resolutions of the Board of Directors' meeting shall be made by majority votes. Each Director counted as 1 vote. In case there is any director disagrees with the resolutions, the disagreement must be recorded in writing in the minutes of meeting.
- The non-executive directors must hold a meeting among themselves at least once a year to discuss various issues regarding the management of interest without the Company's executives.
- The Committee may request additional data or information required to be included in the agenda by contacting the Company Secretary.
- The Committee may invite outside consultants or professionals to make comments for the consideration of the problems associated with the company.
- The Company Secretary shall be Secretary of The Board of Directors, and shall help The Board organizes the meeting agendas, prepare notice calling for the meeting, oversee the meeting, prepare minutes of the meeting, keep documents related with the meeting and provide counsel to The Board on legal matters and other related regulations.

### 5. The Board of Directors Self- Assessment

The Company believes that a good mechanism to evaluate the performance of the Board and the Sub Committee shall enable the Board and the Sub Committee to improve their operation and efficacy. Therefore, the company has designate the Board and the Sub Committee to conduct the Self- assessment with following detail.

- The Board of Director and the Sub Committee comprise of the Audit Committee and the Nomination and Remuneration Committee conduct the self-assessment at least once a year and disclose in the Annual report.
- The Nomination and Remuneration Committee shall regular prepare for and improve the self-assessment of the Board and the Sub Committee to comply with time and changing circumstances.
- The Company Secretary shall deliver the self-assessment form to each Director for their independently evaluation and submit the result in the Board meeting.

### 6. Remuneration of Directors and Executives

The Company shall appoint for the Directors Remuneration annually at the appropriate rate that according to the remuneration of other similar size listed companies that conduct the same character of business.

- The Board of Director shall consider the remuneration as recommended by The Nomination and Remuneration Committee, based on the performance of the Company according to the remuneration of other similar size listed companies that conduct the same character of business to submission to the General Meeting of Shareholders for approval.
- The Nomination and Remuneration Committee lay down the direction for the appraisal of the directors and higher level management from Assistant Managing Director upwards to determine their annual remuneration by taking into considerations their responsibilities and relevant risks including the emphasizing of the added value to shareholders in the long run.

## Corporate Governance Policy

### 7. Development of the Board of Director and Executives.

The Company has a policy to encourage Directors and Executive to continuously and consistently educate for benefit of the business with the strong and sustained growth amidst the dynamic change of social, economic and business competency.

- The Company shall encourage the Company's Directors to get the training course from the Thai Institute of Directors for their understanding regarding roles, duties and responsibilities of the Directors.
- The Company shall encourage the Company's Directors, the Company Secretary and Executive to regularly get or participate in the training course that shall benefit the Company's business.
- The new Director and Executive shall be advised for the Company's business characteristics and business practices provided with sufficient documents and information.
- The Company shall encourage the Executives to prepare for the Management Development plan and Succession plan to ensure of the business continuity and efficacy.

### 8. Appointment and Succession of Senior Executives.

The Company's method of selecting senior executives of various levels needs to be both reasonable and transparent. The selection process is to convince the public that the Company's executives are chosen for their professionalism and are free of the influence of major shareholders or other parties. Plans for implementing this process are considered and reviewed by the Board of Directors. To prepare for their upcoming promotion, the persons who succeed to such important positions receive individual development courses.

# Corporate Social Responsibility

## 1. Undertaking business in a just and equitable manner

To achieve just and equitable business operations. The Company has defined a core strategy of giving great importance to the rights of all Stakeholders, regardless of whether they are internal (ie : staff and members of management) or external (ie : customers, creditors or other involved organizations, including local communities, society as a whole, and the environment). This just and equitable way of conducting its businesses is not limited to what is required by law but also includes those actions that will not infringe upon or violate the basic rights of all these Stakeholder Groups; whereby the following standard “Code of Good Business Conduct and Ethics” have been defined as below.

- **Policies and responsibilities towards Shareholders**

1. Establishing a policy framework for good corporate governance principles and practices, in order to enhance full transparency towards as well as trust among Shareholders, investors, and all other Stakeholders, through having in place policies and directions relating to the Company’s business operations and activities as well as giving great importance on having in place specific internal controls and audit systems. This is to effectively monitor and ensure that the management group fully complies to agreed internal policies and strategies; whereby all such policies, procedures and activities are for the full benefit of the Shareholders.

2. Respecting the basic rights of all its Shareholders to receive, on a equal basis, all necessary and relevant information to facilitate an assessment of the Company operations; and making full disclosures regarding the Company’s performance results and financial status together with detailed supporting documents as required by the Bank of Thailand, the Stock Exchange of Thailand and the Securities and Exchange Commission.

3. Having in place effective systems and procedures, to ensure that every single Shareholder will receive the same and equal treatment during Shareholders Meetings.

- **Guidelines relating to “Conflict of Interests” situations**

1. In their dealing with customers or other outside parties, all employees are required to avoid any possible situations of possible ‘conflicts’ with regard to their own personal interests and those of the Company

2. All employees are required to be fully committed, in terms of their efforts and time, towards the activities of the Company. In the event that they wish or have to undertake on any additional work outside the normal working hours (in order to increase their personal income or for whatever reason), the following guidelines must be observed :

- It must not affect their assigned role or responsibilities within the Company.
- It must not be illegal or cause any conflict or unrest; and it must be within the normal culture and good behavior of a Thai citizen.
- It must not have any negative impact on the good name or reputation of the Company.
- It must not be in conflict with the business activities and benefits of the Company.
- It must not involve with the misuse use of any confidential information of the Company.

## Corporate Social Responsibility

### 2. Respect for Human Rights

The basic human rights entitled by everyone includes the right for dignity and happy as a human being and a part of society, together with the right to be treated with dignity and respect. The respect for these basic rights is the basis for a stable and peaceful society.

The Company gives great importance to the respect for these basic human rights and the great value of its human resources, as well as wishes to enable all its employees to feel proud of the Company. As such, all Staff members will be able to develop and be supported in improving their knowledge and abilities on an equal and continuous basis, within the following framework for the development of its human resources:

- **Equal treatment and opportunities for advancement**

1. Treating all employees alike and equally with respect for their dignity and value as a human being.

2. Recruiting and selecting capable people to operate our business, based on the required benefits and achievements of the Company in a just and equal manner; as well as based on the needs of the Company's operations. This will facilitate acquiring good and capable people. The required qualifications, education, experiences and other criteria for each position will be taken into consideration without imposing any restrictions with regard to gender, age, race, religious beliefs, or personal relationships.

3. Determine and implement employees' compensation plans as appropriate to the individual capabilities, together with a welfare and benefits package for the employees based on the current economic situation. Also determine annual increases for the overall compensation plans, based on the Company's overall performance results and the individual employee's efforts and contribution during the past year.

4. Encourage and promote continuous development of the employees' knowledge and capabilities, including their basic business skills, management skills, and ability to effectively carry out their assigned responsibilities; whereby support is given by the Company in terms of training budgets and time-off allowed to be able participate in such development programs on a continuing basis. This is so that all employees have the same opportunities for self-development and improvement of their skills and capabilities and to facilitate their career advancement, as well as to develop the Company's human resources to be good people with the right attitude and knowledgeable in their work. Employees receive 450 hours of external training per year.

5. Continuously promote and enhance good internal communications to facilitate good relations and effective cooperation among the employees in the work place.

6. Promote an open environment in which every employee has the opportunity to communicate freely and submit any suggestions concerning work as well as any complaints or issues regarding their working conditions and welfare via a Company Employee's Welfare Committee. All suggestions and complaints will then receive full and serious consideration and receive an appropriate response, in order to benefit all parties and enhance good internal cooperation and working relationships.

- **Human rights Violations**

1. All supervisors should show the proper respect towards their subordinates; and all subordinates should act in the same manner towards their supervisors.



## Corporate Social Responsibility

2. Every employee must not express anything or act in any way that will infringe or violate upon the basic individual rights of others in terms of race or religious beliefs, as well as any physical or mental disabilities.

### 3. Anti-Corruption

The Company has already signed to support intent by the Private Sector Collective Action Coalition Against Corruption (CAC) concerning anti-corruption, and established anti-corruption policy and guideline in 2015. As well as, the Company has self-assessment on the anti-corruption in 2016.

The Company has declared its intent against the corruption to the public by posting on Company's website, announcing at its office building and uploading to the Company's intranet in order to communicate with all stakeholders and staff about anti-corruption policy and guideline which were specified, based on size and characteristic of the Company, in the business ethics for Company's Board of Directors and ethics for the staff.

The anti-corruption policy specifies that Company's directors, executives and staff in all levels are prohibited to act or involve with any work operation with high risk in anti-corruption. Every staff must strictly adhere to such policy by operating their duties with integrity and corruption free. The policy shall covers but not limit to some cases or risk patterns as follows.

- Embezzle or misappropriate of the Company's properties to be his or his party possession.
- Bribery in any forms such as receiving or providing present or facilitation in forms of cash, stuff or benefit in other forms.
- Giving donation to charity or contribution must be made under the Company's name only. Amount of money given must be appropriate based on each case.
- Political contribution means providing financial contribution, property or contribution in other forms both directly or indirectly to support political activity in order to receive benefit improperly for Company's business operation. The Company has been adhering to political neutrality and supporting democracy, so it does not allow any person in the Company to use its resources to contribute or support politician or political party, or take action involving politics.
- The procurement which is one of transactions that may lead to corruption easily, so it is necessary to be operated with prudence, transparency, being verifiable and in line with Company's rule and regulation.
- Human resource management which includes recruitment, training, performance evaluation, remuneration, promotion or punishment, etc. shall be done with transparency, neutrality, inequality or prejudice toward specific persons. Such action shall not represent personal interest or party interest which is in line with the prevention and against corruption measure.
- Conflict of interest refers to an event where personal interest is in conflict with Company's interest impacting work operation and decision-making on various transactions. Such conflict may arise from inappropriate or confuse duty and responsibility, for example a staff who has duty in imposing discipline for one department, but at the same time, he also works in that department, or arise from disclosing confidential information to outsiders which such information is used to benefit oneself or his party, etc.



## Corporate Social Responsibility

Therefore, in order to handle the conflict of interest. The Company shall not just set clear and appropriate duty and responsibility, but if any transaction is found out that the staff has the conflict of interest, that staff shall avoid using authorization in making decision for such transaction. If there is inevitable, the operation should be conducted with prudence, neutrality and transparency. If any conflict of interest is found out, it shall be disclosed to the stakeholder or relevant persons for acknowledgement.

- The staff who deny actions involved corruption concerning Company's business operation will not be considered having guilty. The Company confirms that those staff will not receive any demotion or punishment, although they might lose business opportunities due to such refusal. Besides, they might be praised and protected as well as those who report suspicions of corruption or complaint.

The Company has determined a guideline in receiving suspicions of corruption or complaint where they must be the matters or actions involved or implied corruption that affect benefit or reputation of the Company directly or indirectly. Those matters or actions must contain fact causing corruption. They are not created by dishonest intention to frame or bully others. The appellants or persons who are likely to report suspicions of corruption or complaint is following :

- Every staff shall consider the suspicions of corruption or complaint report as an important matter for anti-corruption measure. Therefore, it is their duties to report to the Company or their supervisory persons without hesitation when find any action involved or implied corruption which will affect the Company without any negligence or overlooking.
- Outsiders (such as shareholders, customers, people in general, etc.) can report suspicions of corruption or complaint.

The Company provides channels for the stakeholders to communicate with the Company, Board of Directors and Management who act as a center in receiving and handling complaints from individual customers and business customers. Moreover, the Company provides channels for communication, suggestion and receiving useful information which is benefit Company's business operation. Such channels were designated to handle complaints, if find any wrong actions which will be connected directly to the Board of Directors in order to maintain transparency in work operation.

The Company had established the Whistle blowing or Complain Channels as follows :

- Inform or report by oneself or by letter to 23<sup>rd</sup> floor, Bangkok Insurance Building, no. 25, South Sathon Road, Tungmahamek Sub-district, Satorn District, Bangkok 10120
- Inform or report through Company's website: <http://www.bfit.co.th> (under "Complaint")
- Inform or report via Company's E-mail as follows.
  - The Chairman of Audit Committee through a secretary : [sornpol@bfit.co.th](mailto:sornpol@bfit.co.th)
  - The Managing Director : [kingthien@bfit.co.th](mailto:kingthien@bfit.co.th)
  - The Head of Audit Department : [sornpol@bfit.co.th](mailto:sornpol@bfit.co.th)

## Corporate Social Responsibility

- Inform or report through Company's telephone no. as follows.
  - The Chairman of Audit Committee through a secretary: 0-2677-4300 ext. 346
  - The Managing Director : 0-2677-4334
  - The Head of Audit Department : 0-2677-4300 ext. 346
- Inform or report through Company's fax no. : 0-2677-4301

To protect the rights of information providers, the Company has established a policy of information or complaint receiving (Whistle-blowing Policy), identifying the receiving channels, information or complaint management processes, measures to protect the rights of information providers, protection of confidential information only authorized persons can have access to such information, and only independent directors are assigned to give orders and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders to whom losses are incurred due to violation of their legal rights.

Measure for protecting the appellants: in order to protect persons who honestly report suspicion and complaint and provide information. The Company will keep their names, addresses or any information that can identify such person remained anonymous. All staff involved shall comply with:

- The staff who receive information from performing duties related to anti-corruption whistle blowing or complaint shall keep such information and evidences of the appellants and witnesses confidentially where they must not disclose such information to other irrelevant persons except the laws allows to disclose such information.
- Actions of the staff who report suspicion or complaint with honest intention are considered as performing duties lawfully and will receive appropriate protection from the Company. They will not receive demotion or unfair treatment.

### 4. Equitable Treatment for all Employees

The Company values and believes in the power or ability of its human resources, which are vitally important in effectively driving the organization towards the realization of its vision and achievement of its mission in accordance with the agreed business strategies. Thus, the Company strives to recruit and select new hires possessing the knowledge, capability, attitude and mindset, and full willingness to join and work for the Company. At the same time, the Company also strives to retain its existing employees through continuous development of their knowledge, skills and capabilities, so that they can achieve with good teamwork assist each other as needed. Additionally, the Company strives to build up mutually solid working relationships and bonds that will enable the Company to more effectively and efficiently achieve its business goals and objectives. Most important of all, the Company always strives to create a positive and happy working environment, with all employees liking each other and feeling proud to be a part of the organization.

## Corporate Social Responsibility

- **Management of compensation / remuneration schemes and employee welfare**

The Company believes in having an equitable compensation policy to facilitate a good and happy living standard that are appropriate to the current costs of living, as well as in providing financial assistance or support and various other employee welfare benefits such as providing provident fund, insurance benefits accident, healthcare, welfare loan, staff uniforms, annual health check-up, annual staff trips, fire drills and the installation of fire prevention system etc.). The Company also believes in encouraging all employees to be happy at work and have a good balance between their work life and personal life, based on the principles of economic self-sufficiency.

- **Individual rights and freedom of choice of employees**

The Company gives great importance to the protection and preservation of human self-dignity and of individual rights and freedom of choice, through addressing and incorporating measures to prevent any such potential infringements of individual rights as an integral part of the Company's core operating procedures, as well as ensuring equal treatment for all employees. All staff have the opportunity to submit any complaints or personnel management issues to their supervisors, with 'suggestion boxes' being available and located throughout the Company facilities for any employee to submit any such suggestions or observations and comments as well as any complaints and issues, or requests. The Company Welfare Committee will seriously consider such all inputs and make their recommendations to the Management as to the appropriate responses and feedback to be made and/or actions to be taken.

- **Development of staff potential**

The Company has established various procedures and systems relating to the continuous development of the potential of its employees at every level, including formal training programs, staff coaching, on the job training, and mentoring, so that every employee is able to become more effective in their work and be a positive part of the organization.

- **Active participation in creative activities to benefit society and local communities**

The Company encourages all employees to be actively involved in various CSR related programs and activities that will benefit society, the community and the environment.

### **5. Responsible towards Customers, Counterparties and Others**

Apart from complying with all legal requirements relating to the treatment of consumers. The Company has policies in place requiring all staff members to apply ethical business conducts in their actions towards both consumers and its business partners, as follows:

Customers: The Company aims to promote customer satisfaction in high quality financial products and services, in response to the needs of customers. The Company gives due attention to and holds itself accountable to customers, and gives high priority to the protection of their confidential information. Customers are provided with explanations of the risks related to the use of various financial services, and are given

## Corporate Social Responsibility

the opportunity to express opinions through responsible parties that the Company has assigned to handle customer complaints.

**Counterparties:** The Company respects compliance with contracted terms and conditions in trade, in fair and acceptable competition, and refrains from all fide practices. For supplier selection, the Company shall not enter into business matching with unlawful businesses, and suppliers should have the Corporate Social Responsibility policy and avoid causing any environmental pollution.

**Competitors:** The Company observes fairness in competition and does not practice any fide methods that are deleterious to competitors.

**Creditors:** The Company abides by lending terms and conditions and all legitimate duties to creditors, debenture holders and depositors.

The Company also specified other procedural guidelines, as follows:

**Fairness:** The Company demonstrates fairness to all parties having business relationships with the Company, and does its best to avoid any bias or events that would lean to conflicts of interest.

**Ethics:** The Company adheres to its Statement of Business Conduct and pursues every business endeavor with integrity.

**Professionalism:** The Company maintains professional standards, aiming high for superb quality integrated with modern and sophisticated technology.

**Responsiveness:** The Company has the readiness to respond to the needs of its customers and society, as well as changes in the economy and technology, both at present and in the future.

**Discipline and Compliance:** The Company is committed to discipline in the operation of our business and ensure that all business decisions and actions comply with all applicable laws and regulations and to observe good standards of behavior, such as protection of intellectual property right and copyright, A software compliance policy has been implemented to ensure that only copyrighted software is used in the Company's information systems. A prohibition against offering or receiving bribes for business benefits, etc. has been incorporated into the Code of Conduct. In addition, the Company supports and respects human rights protection by refraining from human rights violations and providing related understanding for employees to ensure their correct actions.

### 6. Development Local Communities and Society

The Company is committed to conducting business with social responsibility and careful consideration of any matter affecting the public sentiment (Public Interest). The Company is always aware and mindful of the great importance of operating its business based on the highest ethical and moral business standards as well as believes in looking after and helping to create a good Thai society in a positive manner and on a sustainable basis. The Company acts as a good citizen, is non-partisan and is not aligned with any political party. The Company bears in mind its role as part of the society at large and its responsibility to assist society and promote activities that benefit the community, society, and environment, in order to enhance the living standards of the people.

## Corporate Social Responsibility

### 7. Protecting and Managing the Environment

The Company realizes the great importance of efficient use of energy and energy conservation, together with associated protection of the environment; and thus promotes the use of energy-efficient electrical appliances, which is a one of the Company's CSR practices.

The Company encourages its employees to recycle and reuse used printing paper, as well separates out its garbage and reuses its packaging materials. Recycled or reused to make the most efficient removal and storage of garbage or waste material to be healthy, in order not to have any impact on the surrounding community and promote staff awareness and responsibility to care for and protect the environment. The Company organizes training courses and encourages employee involvement through the expression of opinions and participation in activities related to the development of communities and the environment.

In 2016 BFIT has a social responsibility policy to recognize the importance of the social environment, education and religion and loyalty to the monarchy as follow :

- Society and Education : BFIT contribute to support activities of Chiang Rai Rajabhat University and Chulalongkorn University Alumni Association and involved in the quality of life project of students in vulnerable school to enhancement of good nutrition, good health and raise education by developing the electronic programs for education. The Company provides in such aspect of good environment to the students in the school. The Company expects that the schools were developed in suitable infrastructure, students have a good life, public mind and also increasing the opportunity to access education about new technologies and participation to enhance to the good environment and environmentally friendly.
- Religion : BFIT Charity Fund Raising to Wat Waphukaw, Wat Prachanart.
- Honoring the Monarchy : BFIT join an activity of Bangkok Insurance Building for death of King Phumipol and present on BFIT's website.

### Disclosure and Transparency

Realizing the importance of transparent information disclosure, the Company has supervised and set up the Company Disclosure Policy. The objective of this policy is to ensure that disclosures of the Company's financial and non-financial information to shareholders, investors, analysts, regulatory agencies, and the general public are accurate, complete, timely, equal, transparent, consistent, and in accordance with all applicable laws, regulatory requirements, and criteria.

In 2016, the Company adequately disclosed important financial information in its financial statements. The disclosures were in line with regulations of the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and Financial Reporting Standards. Such information was also disseminated via the SET Community Portal and the Company's website. The financial statements were reviewed/audited by certified public accountants and were endorsed by the Audit Committee before disclosure to shareholders; the Board of Directors also disclosed its report of the responsibilities for financial reports in the annual report. Moreover, the Company has published unreviewed/unaudited quarterly financial statements, reviewed/audited financial statements as well as other non-

## Corporate Social Responsibility

financial information such as the Management Discussion and Analysis (MD&A), the resolutions of Board of Directors and/or the shareholders' meeting and information on the Company's corporate governance for the benefit of shareholders, investors and analysts. In addition, the Company has periodically evaluated the effectiveness of its disclosure procedures.

For disclosures of important information, the Company uses various communication channels, communicating regularly through public media channels so that the Company's shareholders and stakeholders have thorough access to information. Information outlets include:

1. The Stock Exchange of Thailand
  - 1) The Annual Report
  - 2) The Company's Financial Statements
  - 3) Notification of the Board of Directors' resolutions, the meeting of Shareholders' resolutions and Other Matters
2. The Securities and Exchange Commission
3. The Ministry of Commerce
4. Newspapers
5. The Company website ([www.bfit.co.th](http://www.bfit.co.th)) information available in two languages: Thai and English.

## Internal Control and Risk Management

Board of Directors and the management have placed particular emphasis on an efficient internal control system and promotion of an appropriate business culture recognizing the importance of risk management and the adequacy of the internal control system in every function. BFIT requires all business units to comply with the best practices for internal control as a guideline for the business unit operations and in employee's practices. The Audit Committee has the duty and responsibility to review the effectiveness and adequacy of all risk management processes and internal control systems by discussing and evaluating operational results with the Audit Department on a continuing basis. These discussions include consideration of the appropriateness of the scope of work, roles and responsibilities, audit plans. The results of the evaluation and quality of internal control will be reported to the Board of Directors in case that it had recommendations or found significant loophole for further improvement.

BFIT's focus on governance and the culture of control and preparation of policies and procedures specified in writing. It also provides guidelines of employ discipline, professional ethics and penalty in order to uphold efficiency, transparency and fairness to all stakeholders.

It also provides a review of the operations and internal controls by using the internet to enhance the performance of measures taken in the performance of BFIT's control activities as part of the process and control structure appropriate for all sectors. The job duties will be assigned to the worker, supervisors and evaluation of each to achieve a balance between appropriate and monitoring. For activities that may pose a conflict of interest, they will be identified and implemented according to the rules and regulations related to BFIT.

Provisioning and monitoring operations of BFIT is equipped with risk evaluation covering complying with laws and regulations governmental agencies, policies and ethical codes of BFIT, adequacy evaluation in internal control, and proper risk management. BFIT always aware that internal control is the essential process for business which enables effective operations, gains rational confidence in achieving goals, provides long-term return, brings about prudential financial report and protects BFIT from damages in assets and reputation. Mr.Sornpol Buppanimit Head of Audit Department to responsible for overseeing the operational audit and compliance. For the central to care of BFIT's business in accordance with the laws, rules, regulations, policies and requirements of relevant government agencies, including the Bank of Thailand. Prevention and suppression of money laundering. Protection Act SEC and SET. The Board of Directors has approved a policy compliance (Compliance Policy) designated by the Board of Directors. The Audit Committee Chief executive Departments or agencies and employees must follow correct legal. Including communications with employees even realize it. All employees have a duty and responsibility to study and understand the laws and regulations in the job. And practice, correctly Follow the rules strictly to consider and approve the appointment, transfer and dismissal of the incumbent head of internal audit of BFIT must be approved by the Audit Committee. Properties of the incumbent head of internal audit in the details of Executive No.6

## Related Party Transactions

In 2016, related party transactions between the Company and connected persons or related parties were conducted in the normal course of business operation. Such transactions have been concluded on the same commercial terms and conditions as applied to general customers of the company in the ordinary course of businesses, except loans granted to employees of the Company as a part of fringe benefits of the employees. (The details were disclosed in the Notes to Financial Statements No.6)

Below is a summary of significant business transactions with related parties in 2016.

Related Party	Relationship	Transaction	Million Baht	Pricing policy
1. Pridapramoth Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	3.18	Same rate as applied to ordinary customers
2. Boon Anek Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsriwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.10	Same rate as applied to ordinary customers
3. Eternal Energy Plc.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsriwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.35	Same rate as applied to ordinary customers
4. Anek Boon Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.13	Same rate as applied to ordinary customers
5. Tear One Network Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.15	Same rate as applied to ordinary customers
6. Jirola (Thailand) Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.07	Same rate as applied to ordinary customers
7. Biz & Fun Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.02	Same rate as applied to ordinary customers



## Related Party Transactions

Related Party	Relationship	Transaction	Million Baht	Pricing policy
8. Excel Link Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.15	Same rate as applied to ordinary customers
9. I Tower Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	2.81	Same rate as applied to ordinary customers
10. RakThai Technology and Business Administration Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	2.51	Same rate as applied to ordinary customers
11. Hi-Tech Network Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.70	Same rate as applied to ordinary customers
12. People's Garment Plc.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.41	Same rate as applied to ordinary customers
13. Eternal Energy & Electricity Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsiwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>- Interest paid on deposits</li> </ul>	0.07	Same rate as applied to ordinary customers
14. Power Agricultural Industry Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsiwong)</li> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.09	Same rate as applied to ordinary customers

## Related Party Transactions

Related Party	Relationship	Transaction	Million Baht	Pricing policy
15. L.M. Tech Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.01	Same rate as applied to ordinary customers
16. AAA Holding Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.02	Same rate as applied to ordinary customers
17. Rakvaree Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.31	Same rate as applied to ordinary customers
18. Charoenporn Energy Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsiwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.04	Same rate as applied to ordinary customers
19.Thatsiri Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.05	Same rate as applied to ordinary customers
20. DAS Service Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.11	Same rate as applied to ordinary customers
21. Active Communication Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.09	Same rate as applied to ordinary customers
22. Dharmavong Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.03	Same rate as applied to ordinary customers

## Related Party Transactions

Related Party	Relationship	Transaction	Million Baht	Pricing policy
23. Boon Anek Anan Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Thititham Rojanapruk)</li> <li>Director and a close relative of a director are a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.21	Same rate as applied to ordinary customers
24. Com -Link Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company ( Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	9.82	Same rate as applied to ordinary customers
25. Cassava Land Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Interest paid on deposits</li> </ul>	0.01	Same rate as applied to ordinary customers

The balances of the accounts between the Company and those related companies as of December 31, 2016 are as follows:-

Related Party	Relationship	Transaction	Million Baht
1. Pridapramoth Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	430.00
2. Boon Anek Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsiwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	4.20
3. Eternal Energy Plc.	<ul style="list-style-type: none"> <li>Common director (Mr.Vorakit Srangsiwong)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	11.00
4. Anek Boon Co.,Ltd	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	5.25
5. Tear One Network Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	5.75
6. Jirola (Thailand) Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	3.40
7. Biz & Fun Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	2.56
8. Excel Link Co.,Ltd.	<ul style="list-style-type: none"> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	14.02
9. I Tower Co.,Ltd.	<ul style="list-style-type: none"> <li>Common director (Mrs.Kingthien Bang-Or)</li> <li>A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	<ul style="list-style-type: none"> <li>Deposits</li> </ul>	204.21

## Related Party Transactions

Related Party	Relationship	Transaction	Million Baht
10. RakThai Technology and Business Administration Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mrs.Kingthien Bang-Or)</li> <li>• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	174.71
11. Hi-Tech Network Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mrs.Kingthien Bang-Or)</li> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	31.52
12. Eternal Energy & Electricity Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mr.Vorakit Srangsiwong)</li> <li>• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	4.35
13. Power Agricultural Industry Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mr.Vorakit Srangsiwong)</li> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	0.38
14. L.M. Tech Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	0.73
15. AAA Holding Co.,Ltd	<ul style="list-style-type: none"> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	2.87
16. Rakvaree Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	0.90
17. Charoenporn Energy Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mr.Vorakit Srangsiwong)</li> <li>• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	3.40
18.Thatsiri Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	6.21
19. DAS Service Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	5.79
20. Active Communication Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	7.55
21. Dharmavong Co.,Ltd.	<ul style="list-style-type: none"> <li>• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)</li> </ul>	• Deposits	1.74
22. Boon Anek Anan Co.,Ltd.	<ul style="list-style-type: none"> <li>• Common director (Mr.Thititham Rojanapruk)</li> <li>• - Director and a close relative of a director are a shareholder in this company (Mr. Thititham Rojanapruk)</li> </ul>	• Deposits	6.00

## Related Party Transactions

Related Party	Relationship	Transaction	Million Baht
23. Com-Link Co.,Ltd.	• A close relative of a director is a director in this company ( Mr.Thititham Rojanapruk)	• Deposits	1,041.76
24. S.A.V. (Thailand) Co.,Ltd.	• A close relative of a director is a director in this company ( Mr.Thititham Rojanapruk)	• Deposits	4.95
25. Cassava Land Co.,Ltd.	• A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits	1.24
26. Palang Rungrueng Co.,Ltd.	• Director and a close relative of a director are a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits	0.57
27. Prasert Dee Tae Co.,Ltd.	• A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits	0.57

### Policy on Related Party Transactions

The Company puts strong emphasis on effective management under good governance. The Company has issued an Operating Manual regarding Transactions with Connected Persons or Related Parties. The Company has a policy that the price or the conditions for related party transactions would be the same as for other normal business transactions except loans to employees of the Company as a part of the fringe benefits of the employees.

### Procedures and Approval of Related Party Transactions

All related party transactions shall be done on the same basis and conditions as applied to external parties. The procedures for approval of related party transactions are summarized as follows:-

1. The related party transactions are to be made under the same terms of price and conditions offered to general clients and must comply with the general rules regarding the approval in each type of transactions.

2. The related party transactions which are not included in item 1. must be carried out by presenting details of transactions, relationship, appropriateness and the opinions from an independent specialist such as auditor, property appraiser, independent engineer, or legal office (if available) to the Board of Directors for consideration and approval of the proposal to create such transactions under consent of Audit Committee, then submit to the shareholders' meeting for approval before actually making the transactions, except for any transaction exempted by laws.

3. The Articles of Association of the Company stated that the Company must proceed in accordance with the regulation or related laws for the related party transactions that required by the existing laws to have it approved by the Board of Directors and Shareholders.

The Company has summarized all related party transactions and disclosed in Notes to Financial Statements as required by Accounting Standard. The Company has carried out the related party transactions according to the laws, the notifications of the Office of Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand so as to comply with the Principles of Good Corporate Governance.

# Management Discussion and Analysis

## Summary of Operating Performance

(Unit: Thousand Baht)

	For the year		Change	
	2016	2015	Increase (Decrease)	%
Interest income	243,838	261,157	(17,319)	(6.63)
Interest expenses	68,808	(103,782)	(34,974)	(33.70)
Net interest income	175,030	157,375	17,655	11.22
Fees and service income	7,474	6,991	483	6.91
Net gain (loss) on investments	(2,730)	17,441	(20,171)	(115.65)
Other operating incomes	58,999	35,561	23,438	65.91
Other operating expenses	95,958	(97,382)	(1,424)	(1.46)
Profit from operating before income tax expense	142,815	119,986	22,829	19.03
Income tax expense	12,999	(21,531)	(8,532)	(39.62)
Net profit for the year	129,816	98,455	31,361	31.85

The operating results of the Company for accounting year ended December 31, 2016 showed a net profit of Baht 129.81 million, an increase of Baht 31.36 million or 31.85% as compared to net profit of Baht 98.45 million obtained in the year 2015. Details of the net profit are as follows:-

The Company posted a net profit of Baht 129.81 million, an increase of Baht 31.36 million, representing an increase of 31.85% as compared to net profit of Baht 98.45 million obtained in 2015. This was mainly due to the increment of net interest income by Baht 17.66 million, an increase in other operating incomes by Baht 23.44 million and a decrease in income tax by Baht 8.53 million. Besides, it also affected by a decrease in other operating expenses by Baht 1.42 million and an increase in fees and service income by Baht 0.48 million. At the same time, there were some items which causing the decrease of profit i.e. a decrease in net gain (loss) on investments by Baht 20.17 million as per the following details :-

- Net interest income increased by Baht 17.66 million or 11.22% from Baht 157.37 million in 2015 to Baht 175.03 million in 2016. Although, the decrease in interest incomes by Baht 17.32 million, mainly due to a decrease in interest income from loans by Baht 9.11 million, a decrease in interest income from investments in debt securities by Baht 4.18 million and a decrease in interest income from interbank and money market items by Baht 4.03 million while there were a decrement in interest expense by Baht 34.97 million which was mainly due to the decrease in interest expense on deposits and borrowings by Baht 33.33 million, as a result of a decrease in average deposits volume and lower interest rate throughout this year. At the same time, the decrease in contribution fees to FIDF and the Deposit Protection Agency by Baht 1.64 million as a consequence of lower deposits volume from public.

## Management Discussion and Analysis

- Fees and service income increased by Baht 0.48 million or 6.91% from Baht 6.99 million in 2015 to Baht 7.47 million in 2016 mainly due to the increase in fees on loans.
- Net gain (loss) on investments decreased by Baht 20.17 million or 115.65% from gain of Baht 17.44 million in 2015 to loss of Baht 2.73 million in 2016 due to a decrease in gains from disposal of investments of Baht 17.95 million while an increase in impairment loss on investments of Baht 2.22 million.
- Other operating income increased by Baht 23.44 million or 65.91%, , mainly due to an increase in gain from disposal of property foreclosed by Baht 15.78 million, an increase in loss recovered by Baht 4.98 million and an increase of dividend income by Baht 3.75 million.
- Other operating expenses decreased by Baht 1.42 million or 1.46% from Baht 97.38 million in 2015 to Baht 95.96 million in 2016 mainly due to the decrease in other expenses of Baht 0.67 million, personnel expenses decreased by Baht 0.58 million, taxes and duties decreased by Baht 0.26, while directors' remuneration increased by Baht 0.06 million and premises and equipment expenses increased by Baht 0.03 million.
- Income tax decreased by Baht 8.53 million or 39.62% from Baht 21.53 million in 2015 to Baht 13 million in 2016 which was mainly caused by a decrease in corporate income tax by Baht 21.82 million due to some items were exempted from income tax, the total amount of which was higher than the taxable income, therefore, the Company has no obligation to pay corporate income tax, while deferred tax expense increased by Baht 13.29 million.

### Total Income

(Units: Thousand Baht)				
	For the year		Change	
	2016	2015	Increase (Decrease)	%
Net interest income	175,030	157,375	17,655	11.22
Fees and service income	7,474	6,991	483	6.91
Net gain (loss) on investments	(2,730)	17,441	(20,171)	(115.65)
Other operating incomes	58,999	35,561	23,438	65.91
Total income	238,773	217,368	21,405	9.85

Major incomes of the Company comprised net interest income, fees and service income, net gain (loss) on investments and other operating incomes. In 2016, these four major incomes generated a total of Baht 238.77 million, increased by Baht 21.41 million or 9.85% as compared to 2015. The increase was contributed from the increment of net interest income by Baht 17.66 million or 11.22%, an increase in other operating incomes by Baht 23.44 million or 65.91% and fees and service income increased by Baht 0.48 million or 6.91%, while a decrease in net gain (loss) on investments by Baht 20.17 million or 115.65%. The details of the incomes were as follow:-

## Management Discussion and Analysis

### Net interest income

(Unit: Thousand Baht)

	For the year		Change	
	2016	2015	Increase (Decrease)	%
Interest income				
Interbank and money market items	19,094	23,128	(4,034)	(17.44)
Investment in debt securities	93,380	97,562	(4,182)	(4.29)
Loans	131,364	140,467	(9,103)	(6.48)
Total interest income	243,838	261,157	(17,319)	(6.63)
Interest expense				
Deposits	53,667	86,966	(33,299)	(38.29)
Interbank and money market items	-	3	(3)	(100.00)
Contribution fees to FIDF and the Deposit Protection Agency AAAAAgency	15,032	16,669	(1,637)	(9.82)
Debt securities issued and borrowings	108	141	(33)	(23.45)
Borrowings fees	1	3	(2)	(74.84)
Total interest expense	68,808	103,782	(34,974)	(33.70)
Net interest income	175,030	157,375	17,655	11.22

In 2016, net interest income was amounting to Baht 175.03 million, decreased by Baht 17.66 million or 11.22% comparing to Baht 157.37 million in 2015 caused by the decrease in interest income by Baht 17.31 million or 6.63%, as a result of the decrease in interest income from loans and a decrease in interest income from investment in debt securities. Interest expense decreased by Baht 34.97 million or 33.70%, mostly due to a decrease in average deposits volume and average interest rate lower than year 2015.

#### Interest income

Interest income from interbank and money market items decreased by Baht 4.03 million or 17.44% due to the lower volume of private repurchase agreement made this year.

Interest income from investments in debt securities decreased by Baht 4.18 million or 4.29% due to the redemption of matured debt securities and a decrease in the volume of investments.

Interest income from loans to customer decreased by Baht 9.10 million or 6.48% due to average interest rate lower than year 2015 and the decrease in lending.



## Management Discussion and Analysis

### Interest expense

Interest expense decreased by Baht 34.97 million or 33.70% due mainly to a decrease in interest expense from deposit of Baht 33.30 million or 38.29% due to the decrement of deposits volume and lower average interest rate as compared to last year. The average interest rate in 2016 equaled to 1.68% p.a., lower than that of the previous year at 2.52% p.a.

Contribution fees to FIDF and the Deposit Protection Agency decreased by Baht 1.64 million or 9.82% which varied according to the lower volume of deposit from the previous year.

Interest expense from debt securities issued and borrowings decreased by Baht 0.03 million or 23.45% due to lower volume of promissory note issued and the decrease of interest rate from the previous year.

### Non-interest income

(Unit: Thousand Baht)

	For the year		Change	
	2016	2015	Increase (Decrease)	%
Fees and service income				
Acceptances, aval and guarantees	568	566	(2)	0.27
Others	6,906	6,425	481	7.48
Total fees and service income	7,474	6,991	483	6.90
Net gain (loss) on investments				
Gain (loss) on disposal	1,370	19,321	(17,951)	(92.91)
Loss on impairment of investments	(4,100)	(1,880)	(2,220)	(118.09)
Net gain (loss) on investments	(2,730)	17,441	(20,171)	115.65
Other operating income				
Dividend income	38,344	34,590	3,754	10.85
Other income	20,655	971	19,684	2,027.19
Total other operating income	58,999	35,561	23,438	65.91
Total non-interest income	63,743	59,993	3,750	6.25

### Fees and service income

Fees and service income in 2016 amounted to Baht 7.47 million, an increase of Baht 0.48 million or 6.90% due to the increase in fees on loans.

## Management Discussion and Analysis

### Net gain (loss) on investments

In 2016, loss on investments was amounted to Baht 2.73 million, decreased by Baht 20.17 million or 115.65% mainly due to gains from disposal of investments decreased by Baht 17.95 million while the increase in impairment loss on investments of Baht 2.22 million.

### Other operating incomes

In 2016, other operating incomes was amounted to Baht 59 million, increased by Baht 23.44 million or 65.91% which was mainly caused by an increase in gain from disposal of property foreclosed by Baht 15.78 million, an increase in loss recovered by Baht 4.98 million and an increase of dividend income by Baht 3.75 million.

### Other Operating Expenses

	(Unit: Thousand Baht)			
	For the year		Change	
	2016	2015	Increase (Decrease)	%
Other operating expenses				
Personnel expenses	63,193	63,770	(577)	(0.90)
Directors' remuneration	5,063	5,005	58	1.16
Premises and equipment expenses	13,582	13,560	22	0.16
Taxes and duties	4,613	4,869	(256)	(5.27)
Other expenses	9,507	10,178	(671)	(6.59)
Total other operating expenses	95,958	97,382	(1,424)	(1.46)

Other operating expenses in the Company's financial statements for 2016 totaled to Baht 95.96 million, a decrease of Baht 1.42 million or 1.46% as compared to Baht 97.38 million in 2015 mainly due to the decrease in other expenses of Baht 0.67 million, personnel expenses decreased by Baht 0.58 million, taxes and duties decreased by Baht 0.26, while directors' remuneration increased by Baht 0.06 million and premises and equipment expenses increased by Baht 0.03 million.

### Financial Position

#### Assets

Total assets of the Company as of December 31, 2016 amounted to Baht 5,594.53 million, increased by Baht 278.95 million or 5.25% from Baht 5,315.58 million at year end 2015.

Major assets of the Company comprised net interbank and money market items, net investments, net loans to customer and accrued interest receivables and other assets. Details of the major assets were:

## Management Discussion and Analysis

(Unit: Million Baht)

	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Cash	0.02	0.01	0.02	0.01	-	-
Interbank and money market items - net	1,720.61	30.76	1,349.48	25.39	371.13	27.50
Investments - net	2,435.48	43.53	2,540.66	47.80	(105.18)	(4.14)
Net loans to customer and accrued interest receivables	1,401.00	25.04	1,385.11	26.06	15.89	1.15
Land, premises and equipment - net	10.86	0.19	12.80	0.24	(1.94)	(15.16)
Intangible assets - net	0.57	0.01	0.68	0.01	(0.11)	(16.18)
Deferred tax assets	1.73	0.03	1.43	0.03	0.30	20.98
Other assets	24.26	0.43	25.40	0.46	(1.14)	(4.48)
Total assets	5,594.53	100.00	5,315.58	100.00	278.95	5.25

At year end 2016, the Company had Private Repurchase Agreement of Baht 1,550 million or 27.71% of total assets. (Included in interbank and money market items)

### Net investments

The financial statements showed a net investments of Baht 2,435.48 million at year end 2016 decreased by Baht 105.18 million from year end 2015. The costs or fair value of the investments were as follows:-

(Unit: Million Baht)

	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Available-for-sale securities						
Government and state enterprise securities	407.67	16.74	404.78	15.93	2.89	0.71
Private sector debt securities	1,490.77	61.21	1,631.61	64.22	(140.84)	(8.63)
Domestic marketable equity securities and unit trusts	524.36	21.53	487.49	19.19	36.87	7.56
Less: Allowance for impairment loss of private sector debt securities	(4.10)	(0.17)	-	-	(4.10)	(100.00)
Total available-for-sale securities	2,418.70	99.31	2,523.88	99.34	(105.18)	(4.17)
Held-to-maturity debt securities						
Private sector debt securities	1.27	0.05	1.27	0.05	-	-
Less: Allowance for impairment loss	(1.27)	(0.05)	(1.27)	(0.05)	-	-
Total held-to-maturity securities	-	-	-	-	-	-

## Management Discussion and Analysis

	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Other investments						
Domestic non-marketable equity securities	70.53	2.90	70.53	2.78	-	-
Less: Allowance for impairment loss	(53.75)	(2.21)	(53.75)	(2.12)	-	-
Total other investments	16.78	0.69	16.78	0.66	-	-
Total net investment	2,435.48	100.00	2,540.66	100.00	(105.18)	(4.14)

### The movement of investments

	(Unit: Million Baht)	
	December 31, 2016	December 31, 2015
Balance-beginning of the year	2,540.66	2,699.49
Add : Purchase	248.81	1,083.92
Less : Disposal and redemption	(393.65)	(1,264.69)
Total	2,395.82	2,518.72
Add(Less) : Increase(Decrease) in changes in securities value	39.66	21.94
During the year		
Balance-end of the year	2,435.48	2,540.66

Total Investments of the Company was amounting to Baht 2,435.48 million decreased by 4.14% mainly due to the decline in yield on debt securities and the Company did not use the fund from the proceeds of expired debt securities to reinvest in the same. The changes of investments are as the followings:

- (1) Investments in Government and state enterprise securities was amounting to Baht 407.67 million or 16.74% of total investments, increased by Baht 2.89 million or 0.71% from the year 2015.
- (2) Private sector debt securities was Baht 1,490.77 million or 61.21% of total investments, decreased by Baht 140.84 million or 8.63% from the year 2015.
- (3) Domestic marketable equity securities and unit trusts was Baht 524.36 million or 21.53% of total investments, increased by Baht 36.87 million or 7.56% from the year 2015.
- (4) The changes in securities value from the previous year was totaled to Baht 39.66 million which was caused by the increase of the investment market value.

### Net loans to customer and accrued interest receivables

Net loans to customer and accrued interest receivables in the financial statements was amounted to Baht 1,401.00 million at the end of year 2016, an increase of Baht 15.89 million from Baht 1,385.11 million as at the end of year 2015 with the following details:-

## Management Discussion and Analysis

(Unit : Million Baht)

	December 31, 2016	December 31, 2015	Change	%
Loans to customer	1,903.10	1,941.51	(38.41)	(1.98)
Accrued interest receivables	1.19	6.42	(5.23)	(81.41)
Total loans to customer and accrued interest receivables	1,904.29	1,947.93	(43.64)	(2.24)
Less : allowance for doubtful accounts	(501.09)	(559.45)	(58.36)	(10.43)
Less : allowance for revaluation of debt restructuring	(2.20)	(3.37)	(1.17)	(34.72)
Net loans to customer and accrued interest receivables	1,401.00	1,385.11	15.89	1.15

The increment in net loans to customer and accrued interest receivables of Baht 15.89 million was mainly contributed from the decrease in allowance for doubtful accounts amounting to Baht 58.36 million from Baht 559.45 million at the end of year 2015 to Baht 501.09 million at the end of year 2016 due to bad debt written-off of some debtors. The decrement in allowance for revaluation of debt restructuring was Baht 1.17 million while a decrease in loans to customer by Baht 38.41 million from Baht 1,941.51 million at the end of year 2015 to Baht 1,903.10 million at the end of year 2016. This was due to the fact that the Company did not grant any new corporate loan in the year 2016 while some of the customers settled the whole amount of their loans and the repayment made by some installment loan customers as well. The total loan repayment amount from these two groups of customers was obviously lower than the total expansion of personal loan and accrued interest receivables decreased by Baht 5.23 million from Baht 6.42 million at the end of year 2015 to Baht 1.19 million at the end of year 2016 which was affected by a decrease of loans to customer volume.

### Liabilities

(Unit : Million Baht)

	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Deposits						
From public	3,380.89	96.19	3,177.47	95.50	203.42	6.40
From foreign countries	0.06	-	0.06	-	-	-
Total deposits	3,380.95	96.19	3,177.53	95.50	203.42	6.40
Debt securities issued and borrowings	6.41	0.18	6.80	0.20	(0.39)	(5.74)
Provisions	35.56	1.01	34.90	1.05	0.66	1.89
Deferred tax liabilities	61.92	1.76	40.69	1.22	21.23	52.16
Accrued interest payable	15.85	0.45	25.21	0.76	(9.36)	(37.13)

## Management Discussion and Analysis

	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Withholding tax payable	2.00	0.06	2.19	0.07	(0.19)	(8.64)
Corporate income tax	-	-	25.72	0.77	(25.72)	(100.00)
Other liabilities	12.13	0.35	14.37	0.43	(2.24)	(15.54)
Total liabilities	3,514.82	100.00	3,327.41	100.00	187.41	5.63

The financial statements showed that at the end of the year 2016, the Company's liabilities totaled to Baht 3,514.82 million comparing to Baht 3,327.41 million at the end of the year 2015, an increase of Baht 187.41 million or 5.63%. This was contributed from the increase in the total amount of deposits, deferred tax liabilities and provisions, while a decrement in corporate income tax payable, accrued interest payable, other liabilities, debt securities issued and borrowings and withholding tax payable. Significant changes were as follow :

- Deposits at the end of year 2016 totaled Baht 3,380.95 million, increased by Baht 203.42 million or 6.40% from the end of year 2015, mainly due to an increasing of deposits from corporate in the fourth quarter of year 2016 while average interest rate lower than year 2015.
- Deferred tax liabilities at the end of year 2016 was Baht 61.92 million, increasing by Baht 21.23 million or 52.16% from the end of year 2015, due to set up allowance for doubtful accounts of the received from each debtor in the future and an increase in gain on revaluation of available for sale investments.
- Corporate income tax payable decreased by Baht 25.72 million or 100.00% due to some items were exempted from income tax, the total amount of which was higher than the taxable income, therefore, the Company has no obligation to pay corporate income tax.
- Accrued interest payable at the end of year 2016 amounted to Baht 15.85 million, decreased by Baht 9.36 million or 37.13% from last year, as a result of the decrease in amount of deposit.
- An increase in provisions by Baht 0.66 million or 1.89%, a decrease in other liabilities of Baht 2.24 million or 15.54%, a decrease in withholding tax payable by Baht 0.19 million or 8.64%. Besides, a decrease in debt securities issued and borrowings amounted to Baht 0.39 million or 5.74% due to the decrease in promissory notes which were matured and no extension.

### Owners' Equity

The financial statements as of December 31, 2016 showed that owner's equity was at Baht 2,079.71 million, higher than December 31, 2015 by Baht 91.54 million. The change was a net result of net profit of Baht 129.82 million, which increased by Baht 31.36 million. However, there were dividend payment of Baht 70 million and other components of equity increased by Baht 31.72 million which was due to the increment in valuation of the available-for-sale investments and income tax relating to the components of other comprehensive income. Details in owners' equity account at year end 2016 comprised issued and paid up share capital of

## Management Discussion and Analysis

Baht 1,000.00 million, other component of equity of Baht 165.82 million, statutory reserve of Baht 123.00 million and unappropriated retained earnings of Baht 790.89 million. Unappropriated retained earnings of Baht 790.89 million at the year end 2016 representing net profit for the year of Baht 129.82 million and retained earnings at the end of 2015 of Baht 738.07 million, less statutory reserve of Baht 7 million, dividend payment of Baht 70 million. Other components of equity was Baht 165.82 million at the end of 2016, consisting of gains (losses) on revaluation available-for-sale investments by Baht 207.28 million (derived from the difference between available-for-sale securities' market price at the end of 2016 versus cost of securities), deduction of income tax relating to components of other comprehensive income of Baht 41.46 million with the following details:

### Other components of equity

(Unit : Million Baht)

	December 31, 2016
Surplus (deficit) from equity securities	150.83
Surplus (deficit) from debt securities	56.45
Total surplus (deficit) from change in valuation on investments	207.28
Less : income tax relating to components of other comprehensive income	(41.46)
Total other component of equity	165.82

### Assets Quality, Liquidity, Reserves, and Capital Fund Requirements

#### Loans

#### A. Component of loans as classified by type of business

(Unit : Million Baht)

Loans classified by type of business	December 31, 2016		December 31, 2015		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Manufacturing and Commerce	109.27	5.74	154.84	7.98	(45.57)	(29.43)
Real estate and construction	40.29	2.12	48.40	2.49	(8.11)	(16.76)
Public utilities and services	135.53	7.12	163.12	8.40	(27.59)	(16.91)
Others	1,618.01	85.02	1,575.15	81.13	42.86	2.72
Total loans net of deferred incomes	1,903.10	100.00	1,941.51	100.00	(38.41)	(1.98)

## Management Discussion and Analysis

The financial statements as of December 31, 2016 showed loans net of deferred incomes decreased by Baht 38.41 million from Baht 1,941.51 million at the end of 2015 to Baht 1,903.10 million at the end of 2016 due to the decrement of loans in manufacturing and commerce sector of Baht 45.57 million from Baht 154.84 million at the end of 2015 to Baht 109.27 million at the end of 2016, the real estate and construction sector loans decreased by Baht 8.11 million from Baht 48.40 million at the end of 2015 to Baht 40.29 million at the end of 2016, loans in public utilities and services decreased by Baht 27.59 million from Baht 163.12 million at the end of 2015 to Baht 135.53 million while loans in others increased by Baht 42.86 million from Baht 1,575.15 million at the end of 2015 to Baht 1,618.01 million at the end of 2016. For the concentration of loans by business categories, others held the major part at 85.02%, public utilities and services at 7.12%, manufacturing and commerce stood at 5.74% and real estate and construction at 2.12%.

### B. Classification of loans and allowance for doubtful accounts

In accordance with the Bank of Thailand's rules and regulations, finance business has to classified debtor accounts into 6 classes and set up the minimum provision according to the classification by which provision required by BOT was calculated from the debtor account after deducting collateral value. As at December 31, 2016, classification of loans and provision for doubtful accounts in financial statements of the Company were as follow:-

(Unit: Thousand Baht)

	2016			Allowance for doubtful accounts	
	Loans and accrued interest receivables	Net balance used in made allowance for doubtful accounts <sup>(1)</sup>	Percent used for calculating the allowance (Percent)	The minimum requirement of BOT	Amount already set up by the Company
Normal	1,532,533	1,531,444	1	15,314	33,606
Special mention	32,991	32,886	2	658	27,202
Sub-standard	28,352	28,352	100	28,352	28,352
Doubtful	15,800	15,800	100	15,800	15,800
Doubtful of loss	294,617	236,845	100	236,845	240,345
Provision exceeded uncollectibility receivables	-	-		-	155,787
Total <sup>(2)</sup>	1,904,293	1,845,327		296,969	501,092

(1) Net balance used in setting allowance for doubtful accounts for loans classified as normal and special mention is principal balance net of deferred incomes, excluding accrued interest receivables, and not deducting collateral values. For Substandard, doubtful and doubtful of loss, it is the principal balance net of deferred incomes plus accrued interest receivables, after deducting the present value of expected future cash flows from debt collection or from disposal of collaterals, as the case may be.

(2) Loans receivable balance net of deferred incomes plus accrued interest receivable.



## Management Discussion and Analysis

The outstanding balances of loans after deduction of collateral value used in a calculation of allowance for doubtful accounts are in accordance with those per the Company's asset classification report submitted to the Bank of Thailand. These balances include loans to employees but exclude accrued interest receivables for loan classified as normal.

### Non-Performing Loans (NPLs)

The financial statements showed that the outstanding balance of non-performing loans at the end of 2016 and 2015 were Baht 338.77 million and Baht 337.38 million respectively, representing an increase of Baht 1.39 million. Non-performing loans' proportion constituted 9.81% of total loans and receivables for the year end 2016 and 10.91% for the year end 2015.

### Quality of Investments in Securities

In 2016, the Company had income from investments totaling Baht 128.99 million comparing to Baht 149.59 million in 2015, decreased by 13.77%. Revenues for the year 2016 included interest income from investments in debt securities Baht 93.38 million, loss on investments Baht 2.73 million and dividend income Baht 38.34 million. The details were as follow:

1. Interest income from debt securities totaled Baht 93.38 million decreasing from Baht 97.56 million in 2015, a decrease of 4.29% due to the decrease in yield on investments.
2. Loss on investments totaled Baht 2.73 million, a decrease of 115.65% mainly due to set up allowance for impairment loss of private sector debt securities.
3. Dividend income totaled Baht 38.34 million increasing from Baht 34.59 million in 2015, an increase of 10.84%. As a result of equity securities held by the Company has paid dividends higher than last year.

All investment transactions were carefully considered in terms of issuers' financial status and credit ratings. Asset class allocations were well monitored to maintain proper risk-return level together with liquidity sufficiency. Therefore, there was no default event occurred in the whole year 2016. All domestic marketable equity securities and unit trusts were well considered in terms of issuers' financial status, yields, and liquidity sufficiency as well.

### Company's Liquidity

As at the end of year 2016, the Company had a total of Baht 2,128.00 million of liquid assets under the definition of BOT or 64.71% of total deposits and borrowings of Baht 3,288.67 million which was much higher than the 6.00% requirement stipulated by the BOT. The above-mentioned liquid assets consisted of cash deposits at the BOT in the amount of Baht 151.21 million, deposits at banks without obligations of Baht 19.12 million, debentures bonds or warrants of state enterprises that were founded as public companies without obligations and transferable of Baht 407.67 million and securities or warrants of Bank of Thailand without obligations of Baht 1,550.00 million. The above-mentioned liquid assets had included Private Repurchase Agreement of Baht 1,550.00 million.

## Management Discussion and Analysis

### Relationships between sources and uses of fund

The Company's sources of fund come from deposits and borrowings from general public and its own capital while its uses of fund are mostly in the investments in securities, and loans. As at the end of 2016, the above-mentioned sources and uses of fund could be divided according to the aging of deposits, debt instruments and loans in the financial statements as the followings:-

(Unit : Million Baht)						
Period	Deposits and Borrowings	%	Loans	Investment in <sup>(1)</sup> debt securities	Investments in <sup>(2)</sup> Private Repurchase Agreement	Gap.
Call	74.34	2.20	355.67	-	1,550.00	1,831.33
≤ 1 year	3,301.48	97.46	85.16	327.82	-	(2,888.50)
> 1 year	11.54	0.34	1,462.27	1,515.43	-	2,966.16
Total	3,387.36	100.00	1,903.10	1,843.25	1,550.00	1,908.99

Remarks 1) Only principal excluding allowance for revaluation of Baht 56.45 million.

2) Since Private Repurchase Agreement of Baht 1,550 million that the duration was not over due 14 days as of December 31, 2016, it was classified as at call.

Sources of fund in the forms of deposits and borrowings at the end of 2016 totaled to Baht 3,387.36 million of which Baht 74.34 million or 2.20% represented at call, Baht 3,301.48 million or 97.46% due not over 1 year and Baht 11.54 million or 0.34% due over 1 year. The ratio of deposits and borrowings based on the remaining period of contracts at the end of 2016 was call : not over 1 year : over 1 year at 2.20 : 97.46 : 0.34. It can be seen that the majority of sources of funds was short term deposit. Uses of fund in the forms of loans, investments in debt instruments and in Private Repurchase Agreement were still not match in maturity profile with the sources of fund as there were loans under call basis or short term investments not more than 1 year in the low ratio while those of more than 1 year were high as compared to maturity profile of sources of fund which was common nature for finance business. However, when considering the Company's liquidity position by the definition of BOT, at the end of 2016, the Company had total liquid assets of Baht 2,128.00 million or 64.71% of total deposits and borrowings and most of the Company's debts securities are trading in the secondary market. Therefore, the Company had no liquidity problem due to mismatch of sources and uses of fund since it maintained substantial liquid assets.

### Reserves and Capital Fund Requirements

#### Capital Adequacy Ratio

At year end 2016, the Company had capital-to-risk assets ratio of 46.41% which was much higher when comparing to the BOT's requirement of 8%.

## Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible as the directors of the listed company in the Stock Exchange of Thailand to oversee the financial statements for year 2016 be accurate and performed in compliance with generally accepted accounting standards.

The Board of Directors has appointed the Audit Committee which comprises of three independent directors whose experience and competence are qualified in accordance with the regulations of the Stock Exchange of Thailand, to review the accuracy of the Company's financial statements and disclosure of related parties' transactions. In addition, the Audit Committee oversees the adequacy and efficiency of internal control system and oversees the Company's operation to be conformable with laws and regulations of the Company's regulators.

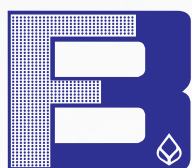
The Board of Directors comments that the consolidated financial statements of the Company for year 2016 ended on December 31, 2016 which were jointly reviewed by the Audit Committee, Management and independent auditor were accurately and adequately performed in compliance with generally accepted accounting standards and related laws and regulations.



(Mrs. Kingthien Bang-or)  
Acting Managing Director



(Mr. Thititham Rojanapruk)  
Deputy Managing Director



Bangkok First Investment & Trust Public Company Limited

## **Auditor's Report and Financial Statements**

For The Year Ended December 31, 2016



# Auditor's Report and Financial Statements

## INDEPENDENT AUDITOR'S REPORT

### To The Shareholders of

Bangkok First Investment & Trust Public Company Limited

### Opinion

I have audited the accompanying financial statements of Bangkok First Investment & Trust Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2016, and the statement of 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bangkok First Investment & Trust Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### The existing of minor personal loans

#### Risk

As stated in notes 3.7 and 9 to the financial statements, the Company has provided loans to receivables total amount of Baht 1,903.10 million divided into minor personal loans for approximately 17,000 persons (approximately 160 employers) equal to amount of Baht 1,501.94 million with the condition that person has to be a member of provident fund of employers. The finance company determined credit providing amount to each group of employer and the qualified employee will be selected by the employer to enter into loans

## Auditor's Report of Independent Auditor

agreement with the finance company. Nevertheless, the employers have made covenant with the finance company in order to cooperate and provide such loans. The audit therefore has a risk regarding the existing of minor personal loans, whether about they are really employees of the Company since the finance company is not directly considerer of personal loans providing.

### My audit responded to the risk

I have obtained the assurance in respect of the existing of minor personal loans by included, assessment and testing the efficiency of control system as follows:

- Loans facility are considered and approved by employer in accordance with the finance company's regulation.
- The finance company will make payment by cheque, A/C Payee only or transferred the money only in the name of employee who entered into loans agreement.
- Check the evidence for requesting personal loans such as copies of identification card, house registration.
- Procedures and recording receiving debts repayment from personal loans.
- Check by sampling loans agreement.

I planned to perform substantive test at the end of year as follow:

- I have sent the confirmation letter by taking more carefully against assurance that the confirmation letter have been properly sent to the debtors.

I have performed the following auditing procedures in the case of the confirmation letter have not been replied yet.

- Check the subsequent payment after the reporting date.
- Check loans agreements
- Check personal loans account

### Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and my auditor's report thereon, which I obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read annual report, if I conclude that there is a material misstatement therein, I am required to communication the matter to those charged with governance for correction of the misstatement.

## Auditor's Report of Independent Auditor

### 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 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify



## Auditor's Report of Independent Auditor

my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate 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.

I communicate 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Co., Ltd.



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

February 27, 2017



# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(Unit : Baht)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
Cash		20,000	20,000
Interbank and money market items - net	7	1,720,613,192	1,349,468,682
Investments - net	8	2,435,475,563	2,540,663,109
Net loans to customer and accrued interest receivables	9		
Loans to customer		1,903,099,683	1,941,514,419
Accrued interest receivables		1,193,498	6,419,030
Total loans to customer and accrued interest receivables		1,904,293,181	1,947,933,449
Less: Allowance for doubtful accounts	11	(501,091,813)	(559,451,557)
Less: Allowance for revaluation of debt restructuring	12	(2,200,846)	(3,373,260)
Net loans to customer and accrued interest receivables		1,401,000,522	1,385,108,632
Properties foreclosed - net	14	5	6
Land, premises and equipment - net	15	10,858,810	12,802,103
Other intangible assets - net	16	570,085	679,410
Deferred tax assets	17	1,727,492	1,434,283
Other assets - net	18	24,266,406	25,404,043
<b>Total assets</b>		<b>5,594,532,075</b>	<b>5,315,580,268</b>

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

(Unit : Baht)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Liabilities and owners' equity</b>			
Deposits			
From public		3,380,892,034	3,177,474,314
From foreign countries		56,256	56,017
Total deposits	19.1	3,380,948,290	3,177,530,331
Debt securities issued and borrowings	19.2	6,410,000	6,800,000
Provisions	20	35,560,284	34,899,541
Deferred tax liabilities	17	61,916,870	40,692,137
Other liabilities			
Accrued interest payable		15,853,377	25,215,024
Withholding tax payable		1,996,594	2,185,364
Corporate income tax payable		-	25,721,163
Others		12,134,813	14,368,115
Total other liabilities		29,984,784	67,489,666
<b>Total liabilities</b>		<b>3,514,820,228</b>	<b>3,327,411,675</b>

Notes to financial statements are parts of these financial statements.

## Auditor's Report of Independent Auditor

### BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

#### STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

(Unit : Baht)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Liabilities and owners' equity ( Cont. )</b>			
Share capital			
Authorised share capital			
300,000,000 ordinary shares of Baht 5 each		1,500,000,000	1,500,000,000
Issued and paid-up share capital			
200,000,000 ordinary shares of Baht 5 each		1,000,000,000	1,000,000,000
Other components of equity	21	165,825,950	134,098,220
Retained earnings			
Appropriated - statutory reserve	22	123,000,000	116,000,000
Unappropriated		790,885,897	738,070,373
<b>Total owners' equity</b>		<b>2,079,711,847</b>	<b>1,988,168,593</b>
<b>Total liabilities and owners' equity</b>		<b>5,594,532,075</b>	<b>5,315,580,268</b>

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

		(Unit : Baht)	
	Note	2016	2015
<b>Interest income</b>			
Interbank and money market items		19,094,315	23,127,710
Investments in debt securities		93,380,234	97,561,953
Loans		131,363,761	140,467,161
Total interest income		243,838,310	261,156,824
<b>Interest expenses</b>			
Deposits		53,667,179	86,966,161
Interbank and money market items		-	2,753
Contribution fee to FIDF and the Deposit Protection Agency		15,032,270	16,668,950
Debt securities issued and borrowings		107,623	140,586
Borrowings fee		766	3,045
Total interest expenses		68,807,838	103,781,495
Net interest income		175,030,472	157,375,329
<b>Fees and services income</b>			
Acceptances, aval and guarantees		567,795	566,244
Others		6,905,720	6,424,838
Total fees and services income		7,473,515	6,991,082
Net gain (loss) on investments	25	(2,730,033)	17,440,906
<b>Other operating incomes</b>			
Dividend income		38,343,955	34,589,602
Others income		20,655,480	971,698
Total other operating incomes		58,999,435	35,561,300

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Note	2016	2015
<b>Other operating expenses</b>			
Personnel expenses		63,193,408	63,770,196
Directors' remuneration		5,062,918	5,004,999
Premises and equipment expenses		13,582,377	13,560,320
Taxes and duties		4,612,550	4,869,006
Other expenses		9,507,021	10,177,859
Total other operating expenses		95,958,274	97,382,380
Profit (loss) from operating before income tax expense		142,815,115	119,986,237
Income tax expense	28	(12,999,591)	(21,531,214)
Profit (loss) for the year		129,815,524	98,455,023
<b>Other comprehensive incomes</b>			
Items that may be reclassified to profit or loss in subsequent periods			
Gain (loss) on revaluation available-for-sale investments		39,659,663	21,944,771
Income tax relating to gain (loss) on revaluation available-for-sale investments		(7,931,933)	(4,388,954)
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) on employee benefit plan		-	1,797,791
Income tax relating to actuarial gain (loss) on employee benefit plan		-	(359,558)
Other comprehensive income (loss), net of taxes		31,727,730	18,994,050
<b>Total comprehensive income</b>		161,543,254	117,449,073
<b>Basic earnings per share</b>		0.65	0.49

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Note	Issued and paid-up	Other components of	Retained earnings		Total
		share capital	equity	Appropriated	Unappropriated	
<b>Balance as at January 1, 2015</b>		1,000,000,000	116,542,403	111,000,000	713,177,117	1,940,719,520
Total comprehensive income		-	17,555,817	-	99,893,256	117,449,073
Dividend paid	23	-	-	-	(70,000,000)	(70,000,000)
Appropriated - statutory reserve		-	-	5,000,000	(5,000,000)	-
<b>Balance as at December 31, 2015</b>		1,000,000,000	134,098,220	116,000,000	738,070,373	1,988,168,593
Total comprehensive income		-	31,727,730	-	129,815,524	161,543,254
Dividend paid	23	-	-	-	(70,000,000)	(70,000,000)
Appropriated - statutory reserve		-	-	7,000,000	(7,000,000)	-
<b>Balance as at December 31, 2016</b>		1,000,000,000	165,825,950	123,000,000	790,885,897	2,079,711,847

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

			(Unit : Baht)
	Note	2016	2015
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax expense		142,815,115	119,986,237
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortisation		2,324,423	1,321,178
Doubtful accounts (reversal)		(25,736,721)	(3,297,685)
Bad debt written off		25,736,721	3,297,685
Interest expense		68,807,838	103,781,495
Loss (Gain) on disposal of assets		450,637	-
Loss (Gain) on disposal of properties foreclosed		(15,776,483)	-
(Gain) loss on disposal of investments	25	(1,369,967)	(19,320,566)
Loss on impairment of investments	25	4,100,000	1,879,660
Amortization of premium (discount) on investments in debentures		(1,350,709)	(1,810,808)
Allowance for employee benefits		1,466,043	1,459,353
Interest income		(243,838,310)	(261,156,824)
Dividend income		(38,343,955)	(34,589,602)
Cash received from interest income		252,866,058	258,249,929
Cash received from dividend income		38,343,955	34,589,602
Cash paid for interest expenses		(78,169,485)	(93,681,788)
Cash paid for corporate income tax		(25,721,163)	(6,548,295)
Profit (Loss) from operating activities before changes in operating assets and liabilities		106,603,997	104,159,571

Notes to financial statements are parts of these financial statements.

# Auditor's Report of Independent Auditor

## BANGKOK FIRST INVESTMENT & TRUST PUBLIC COMPANY LIMITED

### STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

		(Unit : Baht)	
	Note	2016	2015
<b>(Increase) decrease in operating assets</b>			
Interbank and money market items		(400,000,000)	(900,000,000)
Loans to customer		(21,117,422)	111,114,772
Other assets		(2,678,318)	886,408
<b>Increase (decrease) in operating liabilities</b>			
Deposits		203,417,959	632,264,085
Debt securities issued and borrowings		(390,000)	(567,000)
Provisions		(805,300)	(1,537,000)
Other liabilities		(2,422,072)	(14,143,580)
Net cash flows provided by (used in) operating activities		(117,391,156)	(67,822,744)
<b>Cash flows from investing activities</b>			
Cash paid for purchase of equipment		(1,105,620)	(4,411,923)
Proceeds from disposal of assets		383,178	-
Proceeds from disposal of properties foreclosed		15,776,484	-
Cash paid for investments		(248,810,662)	(1,083,917,695)
Cash from disposal and redemptions of investments		392,278,547	1,283,944,247
Net cash flows provided by (used in) investing activities		158,521,927	195,614,629
<b>Cash flows from financing activities</b>			
Dividend paid		(70,000,000)	(70,000,000)
Net cash flow provided by (used in) financing activities		(70,000,000)	(70,000,000)
Net increase (decrease) in cash and cash equivalents		(28,869,229)	57,791,885
Cash and cash equivalents as at January 1,		199,223,586	141,431,701
Cash and cash equivalents as at December 31,	4	170,354,357	199,223,586

Notes to financial statements are parts of these financial statements.



## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 1. GENERAL INFORMATION

Bangkok First Investment & Trust Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The principal activity of the Company is the finance business. Its registered address is 23rd Floor, Bangkok Insurance / Y.W.C.A. Building, 25 Sathon Tai Road, Thung Mahamek, Sathon, Bangkok.

### 2. PREPARATION OF FINANCIAL STATEMENTS BASIS

#### 2.1 Preparation of financial statements basis

These financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

These financial statements have been prepared in conformity with the Accounting Standards TAS 1 (Revised 2015) "Presentation of Financial Statements" under the revised accounting standards.

These financial statements have been prepared in accordance with accounting standards enunciated by the Federation of Accounting Professions and the regulations issued by the Stock Exchange of Thailand dated January 22, 2001 relating to the preparation and presentation of the financial statements and financial status reports and performance of the listed company B.E. 2544. The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Bank of Thailand No. SorNorSor. 12/2553 relating to the preparation and notification of the financial statements of finance and credit foncier companies dated December 3, 2010.

#### 2.2 Valuation

These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in notes to financial statements.

#### 2.3 Accounting standards adoption during the year

The Federation of Accounting Professions issued accounting standards, financial reporting standards, accounting standard interpretations and financial reporting interpretations which are effective for the financial statements beginning on or after January 1, 2016 as detailed below:

##### Accounting Standards

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories

# Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

## Accounting Standards

TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

## Financial Reporting Standards

TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### Financial Reporting Standards

TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

### Accounting Standards Interpretations

TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs

### Financial Reporting Interpretations

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) Employee Benefits
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

# Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

During the year, the Company has adopted the revised and new financial reporting standards and accounting guidance issued by the Federation of Accounting Professions. From aforementioned adoption, these financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company.

## 2.4 Financial Reporting Standards issued and revised which will be effective in the future

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which had been announced in the Royal Gazette that are effective for the financial statements for the periods beginning on or after January 1, 2017 onwards, as follows:

### Accounting Standards

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### Accounting Standards

TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

### Financial Reporting Standards

TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement

### Accounting Standards Interpretations

TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs

# Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

## Financial Reporting Interpretations

TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2016) Employee Benefits
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

The Company still has not a plan to adopt such financial reporting standards early application and expected that they will have no material impacts on the financial statements in the year in which they are applied.

## 3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are summarised below.

### 3.1 Revenues and expenses recognition

#### (a) Interest and discounts on loans

Interest income on loans is recognised over the term of the loan based on the amount of principal outstanding. The Company ceases recognising interest income on an accrual basis for loans for which principal or interest payments are over 3 months past due. The interest income previously recognised is reversed and interest henceforth recognised on a cash basis, in accordance with notifications of the Bank of Thailand.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

Interest income on restructured loans of the Company is recognised on the same accrual basis as used for loans described above. However, for loans that are subject to monitoring for compliance with restructuring conditions, the Company recognises interest income on a cash basis until the borrower is able to comply with the restructured conditions for a period of not less than three months or three installments, whichever is longer.

Interest or discounts which are already included in the face value of notes receivable or loans are deferred and taken up as income evenly throughout the term of the notes or loans.

Interest income on hire purchase of the Company is recognised on allocation of hire purchase interest throughout the installments period by using effective rate method which recognised upon the date of installment due. Hire purchase interest will not be recognised when the payment is overdue for 3 months.

(b) Interest and dividends on investments in securities

Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends from investments in securities are recognised as income when the entitlement to receive the dividends arises.

(c) Gains (losses) on trading in securities

Gains (losses) on trading in securities are recognised as income or expense on the transaction dates.

(d) Fees and services income

Fees are recognised as income on an accrual basis. Services income are recognised when services have been rendered taking into account the stage of completion.

(e) Expenses

Expenses are recognised on an accrual basis.

### 3.2 Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest included in the face value of the deposit receipts or the notes payable are recorded as deferred interest and amortised to expenses evenly throughout the term of the deposit receipts or the notes.

### 3.3 Basic earnings per share

Basic earnings per share that presents in the statements of comprehensive income is basic earning per share which is determined by dividing net income for the periods by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 3.4 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include all kinds of cash on hand and at banks, but exclude negotiable certificates of deposit (NCDs) and deposit at financial institution under resale agreements

### 3.5 Securities purchased under resale agreements

The Company enters into purchases of securities under agreements to resell securities at certain dates in the future at a fixed price. Amounts paid for securities purchased subject to a commitment to be resold at a future date are presented as assets under the caption of “Interbank and money market items” or “Loans to customer” depending on the counterparty. These receivables are shown as collateralised by the underlying security.

### 3.6 Investments

- a) Investments in securities held for trading are presented at fair value. Gains or losses arising from changes in the value of securities are included in statements of comprehensive income.
- b) Investments in available-for-sale securities are presented at fair value. Changes in the value of securities are separately shown in owner' equity to other comprehensive income (expense) until the securities are sold, and the changes are then included in statements of comprehensive income.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are valued at cost net of allowance for loss on diminution in value (if any).

The fair value of securities and unit trusts listed on the Stock Exchange of Thailand is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The fair value of debt instruments which are listed on the Thai Bond Market Association is determined using the average bid yield quoted by the Thai Bond Market Association on the last working day of the year. If no average bid yield is available, then the yield on the latest transaction is used, providing this was not more than one month, and that there have been no significant changes in the economic situation between the date of the latest transaction and the valuation date. Calculation of the fair value is determined using the formula quoted by the Thai Bond Market Association.



## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

The fair value of debt instruments which are not listed on the Thai Bond Market Association or listed but are not active securities, is determined using the government bond yield curve published by the Thai Bond Market Association on the last working day of the year as a benchmark and then adjusted by an appropriated risk premium.

The fair value of unit trusts is determined from their net asset value at the end of year.

The weighted average method is used for computation of the cost of investment.

In the event of reclassifying investments, the investments are valued at their fair value prevailing on the reclassification date. Differences between the carrying value of the investments and their fair value on that date are recorded as gains (losses) in the statements of comprehensive income.

### 3.7 Loans to customer

Loans to customer are stated at the principal balances, excluding accrued interest receivables. Unrecognised deferred revenue/discounts on loans to customer are deducted from loans to customer.

### 3.8 Allowance for doubtful accounts and allowance for revaluation of debt restructuring

The Company sets aside an allowance for doubtful accounts and an allowance for revaluation of debt restructuring based on the guidelines laid down in the Bank of Thailand's Notification ("BOT"), and by analyzing and evaluating debtors' status based on the collateral valuation and risk assessment.

The Company has implemental a policy not to reverse the excess allowance for doubtful accounts that are able to settle their debt under debt restructuring agreement signed with the company.

On August 3, 2008, BOT issued the guidelines No. SorNorSor. 31/2551 on determining rule of classified by loan classification and allowance for doubtful accounts of financial institutions. As at December 31, 2016, the Company already set aside provision in accordance with the BOT's guidelines.

### 3.9 Troubled debt restructuring

Under the Company's accounting policy for troubled debt restructuring, if payment of debt is received through the transfer of property or financial instruments, or if equity in the debtor is received as a result of a debt to equity conversion, the Company records the assets received at their fair value. Losses arising from differences between the book value of the debt and the fair value of the assets are recorded in the statements of comprehensive income, taking into account the existing allowance for doubtful accounts.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

If debt restructuring includes the allowance of a relaxation of debt repayment conditions to the debtor, the Company will record the loss arising from the revaluation of the book value of the debtor, determined on the basis of the present value of the future cash flows to be received under the new conditions, applying the Minimum Loan Rate (MLR) of Bangkok Bank Public Company Limited for discounting. Any amount by which the newly determined book value is lower than the previous book value, including interest receivable, is recorded as a loss from debt restructuring in the statements of comprehensive income.

Losses from troubled debt restructuring arising from reductions of principal and interest are included in the statements of comprehensive income.

### 3.10 Properties foreclosed

Properties foreclosed are stated at the lower of cost or net realisable value with reference to the latest appraisal value less estimated selling expenses (if any).

Properties foreclosed received as a result of debt restructuring, is recorded at its fair value, minus estimated selling expenses, but this is not to exceed the balance of the principal and interest receivable legally claimable.

Gain (loss) on disposal of properties foreclosed is recorded as income or expenses in the statements of comprehensive income when the disposal is made. Impairment loss is recognised as expenses in the statements of comprehensive income.

### 3.11 Land, premises and equipments and depreciation

Land is stated at cost. Buildings and equipments are stated at cost less accumulated depreciation and provision for loss on impairment of assets (if any).

Depreciation of buildings and equipments is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	20	years
Computers and equipments	3 - 5	years
Furniture, fixtures and installations	5	years
Motor vehicles	5	years

Depreciation is included in the determining income.

No depreciation has been provided for land and assets under installation.

### 3.12 Long-term leases

Leases which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

### 3.13 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortisation and provision for impairment (if any). Amortisation is calculated by reference to cost on a straight-line basis over the expected future period for which the asset is expected to generate economic benefit, as follows:

Computer software	5 years
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Amortisation is included in the results of operation.

### 3.14 Sales of bills of exchange

Sales of bills of exchange that carry no acceptances or aval from financial institutions with recourse clause are recorded as liabilities under the caption of "Liabilities under commercial papers sold". The amount of debt recorded upon the purchase of the bills will be credited when the bills are due and collected.

### 3.15 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

### 3.16 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statements of comprehensive income. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 3.17 Employee benefits

#### Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in the statements of comprehensive income in the period in which they are incurred.

#### Compensation for employees retirement ( Defined benefit plan )

The Company calculated employee benefits liabilities for post-employment benefits by using Projected Unit Credit Method estimated by the certified actuary. Such obligations are estimated on the actuarial method by utilizing various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, employee turnover, mortality and inflation rate. Actuarial gains or losses for the employee benefits plan will be recognised immediately in the statements of comprehensive income.

### 3.18 Provisions

The Company recognises a provision when a present legal or constructive obligation exists as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If it is certain that some or all the expenditure to settle a provision, is expected to be reimbursed, the Company will record amount as a separate item of asset. The amount recognised should not exceed the amount of the provision.

### 3.19 Financial instruments

Financial instruments presented in the statements of financial position consist of cash, Interbank and money market items, investments, loans to customer, deposits, debt securities issued and borrowings. The accounting policy used for each accounting transaction has been separately shown under the related caption.

The Company has no policy to speculate in or engage in the trading of any derivative instruments.

### 3.20 Income tax

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities with tax base of those assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current income tax and deferred tax, the Company takes into account the impact of uncertain tax positions. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at ended of reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company measures fair value using observable data or revaluation techniques that related to assets and liabilities at the measurement date. Fair value measurement and/or disclosure to the financial statements are following this basis.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels based on the inputs used in the valuation as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

### 3.22 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 4. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	As at December 31	
	2016	2015
Cash	20,000	20,000
Deposit at financial institution	170,334,357	199,203,586
Total Cash and cash equivalents	170,354,357	199,223,586

## 5. DEPOSIT PROTECTION AGENCY ACT B.E. 2551

On February 13, 2008, the Deposit Protection Agency Act B.E. 2551 ("The Act") was announced in the Government Gazette. The significant content of the Act concerns the cancellation of the coverage of deposits and interest in accordance with the regulations of the Financial Institutions Development Fund, whereby the coverage limit will be gradually reduced over a four year periods, such that it will stand at Baht 1 million per financial institution from the fifth year after such Act becomes effective. Subsequently, the Royal Decree on Coverage of Insured Deposits was announced for extending the period of matured deposit coverage continuously. At present, the Royal Decree on Coverage of Insured Deposit B.E. 2559 was enacted on July 7, 2016 which is effective on August 11, 2016, onwards by gradually changing coverage of insured deposit based on a level below:

License period of financial institution were revoked	Protection Amount
August 11, 2016 - August 10, 2017	Baht 15 million
August 11, 2017 - August 10, 2018	Baht 15 million
August 11, 2018 - August 10, 2019	Baht 10 million
August 11, 2019 - August 10, 2020	Baht 5 million

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 6. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions (in addition to those already disclosed in other notes to the financial statements).

(Unit: Million Baht)

	2016	2015	Pricing policy
Transactions with related companies			
Interest expenses	21.4	24.6	At normal interest rate applicable to ordinary customers

The outstanding balance of the transactions between the Company and those related companies are as follows:

(Unit: Million Baht)

	Relationship	2016	2015
Investment – Debt Security (Cost)			
Srisawad Power 1979 Plc.	Shareholder (9.84%)	50.0	-
Accrued interest receivables			
Srisawad Power 1979 Plc.	Shareholder (9.84%)	0.3	-
Interest receivables			
Srisawad Power 1979 Plc.	Shareholder (9.84%)	1.3	
Borrowings and deposits from related companies			
Pridapramote Co., Ltd.	A close relative of a director is a director in this company	430.0	104.0
Boon Anek Co., Ltd.	A close relative of a director is a director in this company and a common director	4.2	9.6
Eternal Energy Plc.	A close relative of a director is a director in this company and a common director	11.0	28.0
Anek Boon Co., Ltd.	Common director	5.3	5.1
Tear One Network Co., Ltd.	Common director	5.8	5.6
Jirola (Thailand) Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director	3.4	3.4
Biz & Fun Co., Ltd.	Common director	2.6	2.5
People's Garment Plc.	A close relative of a director is a director in this company	-	44.0



## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

		(Unit: Million Baht)	
	Relationship	2016	2015
Borrowings and deposits from related companies			
Excel - Link Co., Ltd.	A close relative of a director is a director in this company	14.0	15.3
I Tower Co., Ltd.	A close relative of a director is a director in this company and a common director	204.2	127.4
Rakthai Technology and Business Administration Co., Ltd.	A close relative of a director is a director in this company and a common director	174.7	155.0
Hi - Tech Network Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director	31.5	52.5
Eternal Energy and Electricity Co., Ltd.	A close relative of a director is a director in this company and a common director	4.3	4.5
Power Agricultural Industry Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director	0.4	5.6
L.M. Tech Co., Ltd.	A close relative of a director is a director and a shareholder in this company	0.7	0.7
AAA Holding Co., Ltd.	A close relative of a director is a director and a shareholder in this company	2.9	2.9
Rakvaree Co., Ltd.	A close relative of a director is a director and a shareholder in this company	0.9	8.5
Charoenporn Energy Co., Ltd.	A close relative of a director is a director in this company and a common director	3.4	4.2
Thatsiri Co., Ltd.	A close relative of a director is a director in this company	6.2	6.2
DAS Service Co., Ltd.	A close relative of a director is a director and a shareholder in this company	5.8	5.8
Active Communication Co., Ltd.	A close relative of a director is a director in this company	7.5	7.5
Com-Link Co., Ltd.	A close relative of a director is a director in this company	1,041.8	579.1

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

		(Unit: Million Baht)	
	Relationship	2016	2015
Borrowings and deposits from related companies			
Dharmavong Co., Ltd.	A close relative of a director is a director and a shareholder in this company	1.7	1.7
Boon Anek Anan Co., Ltd.	Director and a close relative of a director is a shareholder in this company and a common director	6.0	6.0
Cassava Land Co., Ltd.	A close relative of a director is a shareholder in this company	1.2	1.2
S.A.V. (Thailand) Co., Ltd.	A close relative of a director is a director in this company	4.9	-
Prasert Dee Tae Co., Ltd.	A close relative of a director is a director in this company	0.6	-
Palang Rungrueng Co., Ltd.	Director and a close relative of a director is a director and shareholder in this Company	0.6	-

During the year, movements of loans to, borrowings and deposits from related parties were as follows:

		(Unit: Million Baht)		
	Balance as at January 1, 2016	Increase during the year	Decrease during the year	Balance as at December 31, 2016
Investment - Debt Security (Cost)				
Srisawad Power 1979 Plc.	-	50.0	-	50.0
Accrued interest receivables				
Srisawad Power 1979 Plc.	-	0.3	-	0.3
Interest receivables				
Srisawad Power 1979 Plc.	-	1.3	-	1.3
Borrowings and deposits from related companies				
Pridapramote Co., Ltd.	104.0	484.3	158.3	430.0
Boon Anek Co., Ltd.	9.6	1.0	6.4	4.2
Eternal Energy Plc.	28.0	8.0	25.0	11.0
Anek Boon Co., Ltd.	5.1	0.2	-	5.3
Tear One Network Co., Ltd.	5.6	0.2	-	5.8

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

(Unit: Million Baht)

	Balance as at January 1, 2016	Increase during the year	Decrease during the year	Balance as at December 31, 2016
Borrowings and deposits from related companies				
Jirola (Thailand) Co., Ltd.	3.4	-	-	3.4
Biz & Fun Co., Ltd.	2.5	0.1	-	2.6
People's Garment Plc.	44.0	75.0	119.0	-
Excel – Link Co., Ltd.	15.3	13.1	14.4	14.0
I Tower Co., Ltd.	127.4	76.8	-	204.2
Rakthai Technology and Business Administration Co., Ltd	155.0	19.7	-	174.7
Hi – Tech Network Co., Ltd.	52.5	2.1	23.1	31.5
Eternal Energy and Electricity Co., Ltd.	4.5	-	0.2	4.3
Power Agricultural Industry Co., Ltd.	5.6	0.1	5.3	0.4
L.M. Tech Co., Ltd.	0.7	-	-	0.7
AAA Holding Co., Ltd.	2.9	-	-	2.9
Rakvaree Co., Ltd.	8.5	-	7.6	0.9
Charoenporn Energy Co., Ltd.	4.2	1.6	2.4	3.4
Thatsiri Co., Ltd.	6.2	-	-	6.2
DAS Service Co., Ltd.	5.8	-	-	5.8
Active Communication Co., Ltd.	7.5	-	-	7.5
Com-Link Co., Ltd.	579.1	462.7	-	1,041.8
Dharmavong Co., Ltd.	1.7	-	-	1.7
Boon Anek Anan Co., Ltd.	6.0	-	-	6.0
Cassava Land Co., Ltd.	1.2	-	-	1.2
S.A.V. (Thailand ) Co., Ltd.	-	4.9	-	4.9
Prasert Dee Tae Co., Ltd.	-	0.6	-	0.6
Palang Rungrueng Co., Ltd.	-	0.6	-	0.6

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

The transactions between the Company and its executive officers from departmental manager level upward and/or connected persons with those persons are as follows:

(Unit: Million Baht)

	2016	2015	Pricing policy
Officers from departmental managers level upward			
Borrowings and deposits	3.0	3.2	At normal rate applicable to ordinary customer declared by the Company
Loans	0.3	0.9	At deposit rate of 12-month deposit receipt of the Company as at 1 January of the year with no interest charged for car loans
Related and/or connected persons with the officers from departmental managers level upward			
Borrowings and deposits	9.0	14.0	At normal rate applicable to ordinary customer declared by the Company
Interest expenses on borrowings and deposits			
Officers from departmental managers level upward	0.1	0.1	At normal rate applicable to ordinary customer declared by the Company
Related and/or connected persons with the officers from departmental managers level upward	0.2	0.5	At normal rate applicable to ordinary customer declared by the Company
Interest income on loans	-	0.1	At deposit rate of 12-month deposit receipt of the Company as at 1 January of the year

During the year, movements of loans to, borrowings and deposits from executive officers from departmental managers level upward and/or their connected persons were as follows:

(Unit: Million Baht)

	Balance as at January 1, 2016	Increase during the year	Decrease during the year	Balance as at December 31, 2016
Officers from departmental managers level upward				
Borrowings and deposits	3.2	1.3	1.5	3.0
Loans	0.9	-	0.6	0.3
Related and/or connected persons with the officers				
From departmental managers level upward				
Borrowings and deposits	14.0	1.0	6.0	9.0

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 7. INTERBANK AND MONEY MARKET ITEMS-NET (ASSETS)

	(Unit: Baht)	
	2016	2015
Domestic		
Bank of Thailand	151,217,345	93,008,100
Commercial bank	19,117,012	106,195,486
Specialized financial institutions	1,550,000,000	1,150,000,000
Total	1,720,334,357	1,349,203,586
Add : Accrued interest receivables	278,835	265,096
Total domestic	1,720,613,192	1,349,468,682

### 8. INVESTMENTS-NET

#### 8.1 Available-for-sale securities

	(Unit: Baht)	
	Fair value	
	2016	2015
Government and state enterprise securities	407,670,447	404,782,327
Private sector debt securities	1,490,766,562	1,631,614,583
Domestic marketable equity securities and unit trusts	524,357,440	487,485,085
Others	1	1
Less: Allowance for impairment loss of private sector debt securities	(4,100,000)	-
Total	2,418,694,450	2,523,881,996

#### 8.2 Held-to-maturity debt securities

	(Unit: Baht)	
	Cost/Amortized cost	
	2016	2015
Private sector debt securities	1,274,559	1,274,559
Less: Allowance for impairment loss	(1,274,559)	(1,274,559)
Total	-	-

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 8.3 Other investments

(Unit: Baht)

	Cost	
	2016	2015
Domestic non-marketable equity securities	70,533,054	70,533,054
Less: Allowance for impairment loss_	(53,751,941)	(53,751,941)
Total	16,781,113	16,781,113
Total investments-net	2,435,475,563	2,540,663,109

### 8.4 The movement of investments

The movement of investments is below:

(Unit: Baht)

	2016	2015
Balance-beginning of the year	2,540,663,109	2,699,493,176
Add : Additions	248,810,662	1,083,917,695
Less : Disposal and redemption	(393,657,871)	(1,264,692,533)
Total	2,395,815,900	2,518,718,338
Add(Less) : Increase(Decrease) in changes in securities value during the year (note21.1)	39,659,663	21,944,771
Balance-end of the year	2,435,475,563	2,540,663,109

## 9. LOANS TO CUSTOMER AND ACCRUED INTEREST RECEIVABLES-NET

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 9.1 Classified by loan type

	(Unit: Baht)	
	2016	2015
<u>Loans to customer and receivables:</u>		
Loans to customer	1,903,099,683	1,939,003,199
Hire purchase receivables	-	2,511,220
Total loans to customer	1,903,099,683	1,941,514,419
<u>Add : Accrued interest receivables</u>	<u>1,193,498</u>	<u>6,419,030</u>
Total loans to customer and plus accrued interest receivables	1,904,293,181	1,947,933,449
Less: Allowance for doubtful accounts		
1. The minimum requirement of BOT		
- Individual Approach	(296,968,596)	(214,310,905)
2. Excess provision	(204,123,217)	(345,140,652)
Less: Allowance for revaluation from debt restructuring	<u>(2,200,846)</u>	<u>(3,373,260)</u>
Total loans to customer and accrued interest receivables-net	<u>1,401,000,522</u>	<u>1,385,108,632</u>

### 9.2 Classified by the remaining period of contracts

Loans to customer (principal only) are classified by the remaining period of contracts as follows:

	(Unit: Baht)	
	2016	2015
At call	355,668,078	401,027,664
Not over 1 year	85,163,096	87,442,348
Over 1 year	<u>1,462,268,509</u>	<u>1,453,044,407</u>
Total loans to customer	<u>1,903,099,683</u>	<u>1,941,514,419</u>

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 9.3 Classified by type of business and classification

(Unit: Baht)

	2016					
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Manufacturing and commerce	18,476,317	32,636,976	-	-	58,152,598	109,265,891
Real estate and construction	4,515,101	-	-	15,777,342	20,000,000	40,292,443
Public utilities and services	-	-	-	-	135,529,287	135,529,287
Others	<u>1,508,452,735</u>	<u>249,658</u>	<u>28,351,666</u>	<u>22,807</u>	<u>80,935,196</u>	<u>1,618,012,062</u>
Total loans to customer net of deferred incomes	<u>1,531,444,153</u>	<u>32,886,634</u>	<u>28,351,666</u>	<u>15,800,149</u>	<u>294,617,081</u>	<u>1,903,099,683</u>

(Unit: Baht)

	2015					
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Manufacturing and commerce	20,475,029	52,421,977	-	-	81,942,838	154,839,844
Real estate and construction	4,622,101	-	-	23,777,342	20,000,000	48,399,443
Public utilities and services	-	35,000,000	-	-	128,121,996	163,121,996
Others	<u>1,461,723,187</u>	<u>29,890,268</u>	<u>29,096</u>	<u>8,401</u>	<u>83,502,184</u>	<u>1,575,153,136</u>
Total loans to customer net of deferred incomes	<u>1,486,820,317</u>	<u>117,312,245</u>	<u>29,096</u>	<u>23,785,743</u>	<u>313,567,018</u>	<u>1,941,514,419</u>



## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 9.4 Classified by loan classification in accordance with the Notification of Bank of Thailand

(Unit: Thousand Baht)

	2016				
	Loans and accrued interest receivables	Net balance used in made allowance for doubtful accounts <sup>(1)</sup>	Percent used for calculating the allowance (Percent)	Allowance for doubtful accounts	
				The minimum requirement of BOT	Amount already set up by the Company
Normal	1,532,533	1,531,444	1	15,314	33,606
Special mention	32,991	32,886	2	658	27,202
Sub-standard	28,352	28,352	100	28,352	28,352
Doubtful	15,800	15,800	100	15,800	15,800
Doubtful of loss	294,617	236,845	100	236,845	240,345
Provision exceeded uncollectibility receivables	-	-		-	155,787
<b>Total <sup>(2)</sup></b>	<b>1,904,293</b>	<b>1,845,327</b>		<b>296,969</b>	<b>501,092</b>

(1) Net balance used in setting allowance for doubtful accounts for loans classified as normal and special mention is principal balance net of deferred incomes, excluding accrued interest receivables, and not deducting collateral values. For Substandard, doubtful and doubtful of loss, it is the principal balance net of deferred incomes plus accrued interest receivables, after deducting the present value of expected future cash flows from debt collection or from disposal of collaterals, as the case may be.

(2) Loans receivable balance net of deferred incomes plus accrued interest receivable.

(Unit: Thousand Baht)

	2015				
	Loans and accrued interest receivables	Net balance used in made allowance for doubtful accounts <sup>(1)</sup>	Percent used for calculating the allowance (Percent)	Allowance for doubtful accounts	
				The minimum requirement of BOT	Amount already set up by the Company
Normal	1,492,917	1,486,820	1	14,868	35,138
Special mention	117,634	117,312	2	2,346	70,366
Sub-standard	29	29	100	29	29
Doubtful	23,786	8	100	8	8
Doubtful of loss	313,567	197,059	100	197,059	200,559
Provision exceeded uncollectibility receivables	-	-		-	253,351
<b>Total <sup>(2)</sup></b>	<b>1,947,933</b>	<b>1,801,228</b>		<b>214,310</b>	<b>559,451</b>

(1) Net balance used in setting allowance for doubtful accounts for loans classified as normal and special mention is principal balance net of deferred incomes, excluding accrued interest receivables, and not deducting collateral values. For Substandard, doubtful and doubtful of loss, it is the principal balance net of deferred incomes plus accrued interest receivables, after deducting the present value of expected future cash flows from debt collection or from disposal of collaterals, as the case may be.

(2) Loans receivable balance net of deferred incomes plus accrued interest receivable.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

As at December 31, 2016, the Company has already set aside provision for all types of non-performing loans in accordance with the provision guidelines of the BOT.

### 9.5 Non-performing and non-accrued loans to customer and receivables

#### 9.5.1 Non-performing loans to customer and receivables

Non-performing loans to customer and receivables are as follows:

(Unit: Thousand Baht)

	2016	2015
Loans to customer	338,769	337,382

Non-performing loans to customer and receivables are presented in accordance with the report on overdue loans to customer and receivables prepared by the Company for a submission to the Bank of Thailand.

As December 31, 2016, non-performing loans to customer and receivables in the financial statements represented 9.81% of total loans to customer (December 31, 2015: 10.91%).

#### 9.5.2 Loans to customer and receivables for which the recognition of interest income has ceased

As at December 31, 2016, the total loans to customer and receivables which the Company discontinued recognising interest income was Baht 338.8 million (December 31, 2015: Baht 337.4 million).

### 9.6 The Company has loans to customer, receivables and accrued interest receivables from companies which have problems in their financial position and operating results, for which the Company has set aside allowance for doubtful accounts as presented below:

(Unit: Million Baht)

	Number of loans		Amount		Allowance for doubtful accounts	
	2016	2015	2016	2015	2016	2015
Listed companies under rehabilitation	1	2	10.55	111.08	10.55	111.08

9.6.1 As at February 29, 2016, the Central Bankruptcy Court has ordered not to agree with the submitting for revise rehabilitation plan. The Plan Administrator has not agreed with the ordering of the Central Bankruptcy Court, then the appeal was filed to the Central Bankruptcy Court on May 11, 2016. At present, the appeal is still pending the Supreme Court's trial. Such rehabilitation plan is still effective.

9.6.2 As at March 15, 2016, the Central Bankruptcy Court issued a receivership order for a company.

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 9.7 HIRE PURCHASE RECEIVABLES

As at December 31, 2016, the Company write off receivables under hire purchase agreements.

(Unit: Baht)

	2015			
	Amount due under lease agreement			
	Not over 1 year	1 – 5 years	Over 5 years	Total
Gross receivables in the lease	2,511,220	-	-	2,511,220
Present value of minimum lease payments receivable	2,511,220	-	-	2,511,220
Allowance for doubtful accounts	(2,511,220)	-	-	(2,511,220)
Hire purchase receivables - net				-

### 10. CLASSIFICATIONS OF ASSETS

Classification of assets under the Bank of Thailand's guidelines

As at December 31, 2016, the Company classified its assets and made allowances against those assets in accordance with the Bank of Thailand's guidelines as presented below:

(Unit: Million Baht)

	Allowance for doubtful accounts						
	Balance		Provision	Amount to be provided under BOT's guideline		Amount already set up	
	2016	2015		Rate	2016	2015	2016
<u>Loans and receivables <sup>(1)</sup></u>							
Normal (included loans to financial institutions, loans to employees and other assets)	1,531.4	1,486.8	1%	15.3	14.9	33.6	35.1
Special mention	32.9	117.3	2%	0.7	2.3	27.2	70.4
Sub-standard	28.4	-	100%	28.4	-	28.4	-
Doubtful	15.8	23.8	100%	15.8	-	15.8	-
Doubtful of loss	294.6	313.6	100%	236.8	197.1	240.3	200.6
Provision exceeded the minimum requirement of BOT	-	-		-	-	155.8	253.4
Total	1,903.1	1,941.5		297.0	214.3	501.1	559.5

<sup>(1)</sup> Debt balance/book value of normal and special mention loans using in calculating provision is excluding accrued interest receivables.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

As at December 31, 2016, the Company has already set aside provision for all type of non-performing loans in accordance with the provision guidelines of the BOT (as stated in Note 9.4).

### 11. ALLOWANCE FOR DOUBTFUL ACCOUNTS

(Unit: Baht)

	2016					
	Special		Sub- standard	Doubtful	Doubtful	
	Normal	Mention			of loss	Total
Balance-beginning of the year	35,138,482	70,365,912	29,096	8,401	453,909,666	559,451,557
Bad debt written off	-	-	-	-	(25,736,721)	(25,736,721)
Others	(1,532,487)	(43,163,942)	28,322,570	15,791,748	(32,040,912)	(32,623,023)
Balance - end of the year	33,605,995	27,201,970	28,351,666	15,800,149	396,132,033	501,091,813

(Unit: Baht)

	2015					
	Special		Sub- standard	Doubtful	Doubtful	
	Normal	Mention			of loss	Total
Balance-beginning of the year	37,831,001	84,578,248	75,401,435	-	364,915,858	562,726,542
Bad debt written off	-	-	-	-	(3,297,685)	(3,297,685)
Others	(2,692,519)	(14,212,336)	(75,372,339)	8,401	92,291,493	22,700
Balance - end of the year	35,138,482	70,365,912	29,096	8,401	453,909,666	559,451,557

### 12. ALLOWANCE FOR REVALUATION OF DEBT RESTRUCTURING

The Company has allowance for revaluation of debt restructuring as follows:

(Unit: Baht)

	2016	2015
Balance - beginning of the year	3,373,260	4,690,876
Increase (decrease) during the year	(1,172,414)	(1,317,616)
Balance - end of the year	2,200,846	3,373,260

### 13. DEBT RESTRUCTURING

During the year ended December 31, 2016, the Company did not make additional debt restructuring agreement.

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

For the year ended December 31, 2016, the Company did not recognise interest income from the restructured receivables and received payment of principal and interest from those restructured receivables amount of Baht 2.01 million (For the year ended December 31, 2015: Baht 6.99 million).

The outstanding balance of loans to customer as at December 31, 2016, can be summarized as follows:

	2016		2015	
	Number of Debtors	Million Baht	Number of Debtors	Million Baht
Restructured loans currently classified as normal	1	18.48	1	20.48
Restructured loans currently classified as special mention	-	-	-	-
Restructured loans currently classified as sub-standard	-	-	-	-
Restructured loans currently classified as doubtful	-	-	-	-
Restructured loans currently classified as doubtful of loss	2	14.07	3	114.60
Normal loans to customer	17,453	1,870.55	16,780	1,806.43
Total loans to customer	17,456	1,903.10	16,784	1,941.51

The Company is unable to estimate the amount of future losses on outstanding loan currently being restructured.

### 14. PROPERTIES FORECLOSED

The value of properties foreclosed in the form of land acquired from redemption debt securities which defaulted payment of interest and repayment of loans receivable are stated at their fair value less estimated selling expenses but not exceed the amount of principal and accrued interest receivable which can be claimed according to the legal governing.

As at December 31, 2016, the details of properties foreclosed consist of:

(Unit : Baht)

Type of properties foreclosed	2016				2015			
	Beginning of year	Increase	Decrease	End of year	Beginning of year	Increase	Decrease	End of year
Real estate								
- Appraised by independent Appraiser	66,484,500	-	(15,660,000)	50,824,500	66,484,500	-	-	66,484,500
Less: Allowance for impairment	(66,484,494)	-	15,659,999	(50,824,495)	(66,484,494)	-	-	(66,484,494)
Total properties foreclosed-net	6	-	(1)	5	6	-	-	6

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

The fair value of properties foreclosed amounted to Baht 45.68 million (forced sale value) is valued by an independent appraiser. For conservative reasons, the company has provided full provision for the impairment of properties foreclosed, since such assets have low liquidity and limited holding period of time in accordance with the BOT's guidelines, due to they are not financial assets in the Company's business operation.

### 15. LAND, PREMISES AND EQUIPMENT-NET

(Unit : Baht)

	Land	Building	Computer and equipment	Furniture	Fixtures	Motor vehicles	Total
Cost							
January 1, 2015	1,548,000	2,231,040	5,912,046	5,950,832	11,491,499	10,623,490	37,756,907
Additions	-	-	402,758	-	-	3,250,000	3,652,758
December 31, 2015	1,548,000	2,231,040	6,314,804	5,950,832	11,491,499	13,873,490	41,409,665
Additions	-	-	193,592	6,160	-	12,400	212,152
Disposal	-	-	(806,562)	(20,718)	-	(1,712,000)	(2,539,280)
December 31, 2016	1,548,000	2,231,040	5,701,834	5,936,274	11,491,499	12,173,890	39,082,537
Accumulated depreciation							
January 1, 2015	-	(2,126,195)	(5,502,165)	(5,946,317)	(11,491,477)	(2,350,352)	(27,416,506)
Depreciation for the year	-	(104,844)	(169,165)	(849)	-	(916,198)	(1,191,056)
December 31, 2015	-	(2,231,039)	(5,671,330)	(5,947,166)	(11,491,477)	(3,266,550)	(28,607,562)
Depreciation for the year	-	-	(185,430)	(858)	-	(1,135,297)	(1,321,585)
Disposal	-	-	806,526	20,709	-	878,185	1,705,420
December 31, 2016	-	(2,231,039)	(5,050,234)	(5,927,315)	(11,491,477)	(3,523,662)	(28,223,727)
Net book value							
December 31, 2015	1,548,000	1	643,474	3,666	22	10,606,940	12,802,103
December 31, 2016	1,548,000	1	651,600	8,959	22	8,650,228	10,858,810
Depreciation for the year							
December 31, 2015							1,191,056
December 31, 2016							1,321,585

As at December 31, 2016, the Company has certain equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to approximately Baht 23.1 million (December 31, 2015: Baht 23.9 million)

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 16. OTHER INTANGIBLE ASSETS-NET

(Unit: Baht)

2016					
	Balance remaining life	Balance beginning of the year	Additions	Amortisation	Balance ending of the year
Software – net	1-5 years	679,410	59,653	(168,978)	570,085
Total		679,410	59,653	(168,978)	570,085

(Unit: Baht)

2015					
	Balance remaining life	Balance beginning of the year	Additions	Amortisation	Balance ending of the year
Software – net	1-5 years	50,367	759,165	(130,122)	679,410
Total		50,367	759,165	(130,122)	679,410

As at December 31, 2016, the company has certain software items which have been fully amortised but are still in use. The original cost of those assets before deducting accumulated amortisation amounted to approximately Baht 1.4 million (December 31, 2015: Baht 1.4 million).

### 17. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

17.1 As at December 31, 2016, the Company has certain deferred tax assets and deferred tax liabilities as follows:

(Unit: Baht)

	2016	2015
Deferred tax assets	1,727,492	1,434,283
Deferred tax liabilities	(61,916,870)	(40,692,137)
Net	(60,189,378)	(39,257,854)

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 17.2 Movements in total deferred tax assets and liabilities during the year were as follows:

(Unit: Baht)

	Charged/(credited) to			As at December 31, 2016
	As at January 1, 2016	Profit or loss	Other Comprehensive income	
Deferred tax assets				
Provisions	1,434,283	293,209	-	1,727,492
Total	1,434,283	293,209	-	1,727,492
Deferred tax liabilities				
Gain (loss) on revaluation of available for sale investments	(33,524,554)	-	(7,931,933)	(41,456,487)
Allowance for doubtful accounts	(7,167,583)	(13,292,800)	-	(20,460,383)
Total	(40,692,137)	(13,292,800)	(7,931,933)	(61,916,870)
Net	(39,257,854)	(12,999,591)	(7,931,933)	(60,189,378)

### 18. OTHER ASSETS-NET

(Unit: Baht)

	2016	2015
Accrued interest income from investments	17,127,188	20,943,144
Deposits	2,571,426	2,572,226
Prepaid expenses	440,875	481,338
Others receivable	-	1,667,524
Employees receivable	32,643,023	-
Others	4,126,917	1,407,335
Total other assets	56,909,429	27,071,567
Less: Allowance for doubtful accounts	(32,643,023)	(1,667,524)
Total other assets-net	24,266,406	25,404,043



## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 19. DEPOSITS AND DEBT SECURITIES ISSUED AND BORROWINGS

#### 19.1 DEPOSITS

Classified by type of deposits

	(Unit: Baht)	
	2016	2015
At call	74,339,376	161,219,653
At maturity	3,306,608,914	3,016,310,678
Total	3,380,948,290	3,177,530,331

#### 19.2 DEBT SECURITIES ISSUED AND BORROWINGS

Classified by type of debt securities issued and borrowings

	(Unit: Baht)	
	2016	2015
At maturity	6,410,000	6,800,000
Total	6,410,000	6,800,000

### 20. PROVISIONS

20.1 As at December 31, 2016, the Company has provisions as follows:

	(Unit: Baht)	
	2016	2015
Provisions for employee benefit plan	13,248,084	12,587,341
Provisions for commitments as off-financial reporting items	22,312,200	22,312,200
Total provisions	35,560,284	34,899,541

#### 20.2 Provisions for employee benefit plan

As at December 31, 2016, the Company has pay post employment benefit and pension based on the requirement of the Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Employee benefit obligations in statements of financial position

	(Unit: Baht)	
	2016	2015
Post-employment benefits - Legal severance payment plan	13,248,084	12,587,341
Total	13,248,084	12,587,341

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

The reconciliations of the present value of the employee benefit obligations

(Unit: Baht)

	2016	2015
Employee benefit obligations as at January 1,	12,587,341	14,462,779
Current service costs and interest on obligations	1,466,043	1,459,353
Benefits paid	(805,300)	(1,537,000)
Actuarial (gain) loss	-	(1,797,791)
Employee benefit obligations as at December 31,	13,248,084	12,587,341

Expenses recognised in profit or loss

(Unit: Baht)

	2016	2015
Current service costs	1,095,051	1,085,925
Interest on obligations	370,992	373,428
Total	1,466,043	1,459,353

Items recognised in comprehensive incomes

(Unit: Baht)

	2016	2015
Actuarial (gain) loss	-	(1,797,791)
Total	-	(1,797,791)

Principal actuarial assumptions used to calculate the employee benefit obligations as at December 31, 2016 and 2015, are as follows:

(Rate : percent)

	2016	2015
Discount rate	2.06 - 4.28	2.24 - 4.34
Salary increases rate	4.00	4.00
Average turnover rate	5.00	5.00

Sensitivity analysis

Reasonably possible changes as of the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit plans by the amounts shown below.

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

	(Unit: Baht)	
	2016	2015
Effect on the defined benefit plans		
at December 31		
Discount rate		
1% increase	(1,211,927.00)	(1,180,986.00)
1% decrease	1,386,893.00	1,358,724.00
Salary increase rate		
1% increase	1,714,218.00	1,517,212.00
1% decrease	(1,503,491.00)	(1,332,517.00)
Average turnover rate		
1% increase	108,485.00	104,625.00
1% decrease	(107,536.00)	(103,682.00)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 21. OTHER COMPONENTS OF EQUITY

#### 21.1 Premium (Discount) on changes in investment value

As at December 31, 2016, the Company has premium (discount) on share from change in proportion of investment as follows:

	(Unit: Baht)	
	2016	2015
Balance - beginning of the year	167,622,774	145,678,003
Increase(decrease)in the value of securities		
during the year	39,659,663	21,944,771
Balance - end of the year	207,282,437	167,622,774

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 21.2 Income tax relating to components of other comprehensive income

As at December 31, 2016, the Company has income tax relating to components of other comprehensive income as follows:

	(Unit: Baht)	
	2016	2015
Balance - beginning of the year	(33,524,554)	(29,135,600)
Income tax relating to components of other comprehensive income, increase (decrease) during the year	(7,931,933)	(4,388,954)
Balance - end of the year	(41,456,487)	(33,524,554)
Total Other components of equity	165,825,950	134,098,220

### 22. STATUTORY RESERVE

Under section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its annual net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for distribution as dividend payment.

### 23. DIVIDENDS

During the year 2016 and 2015, the Annual General Meeting of the Company's shareholders passed a resolution for dividend declaration as follows:

		(Unit: Baht)	
Dividends	Approved by	Total dividends	Dividend per share
Final dividends of the year 2014	The Annual General Meeting of the shareholders on April 27, 2015	70,000,000	0.35
Total dividends for 2015		70,000,000	0.35

		(Unit: Baht)	
Dividends	Approved by	Total dividends	Dividend per share
Final dividends of the year 2015	The Annual General Meeting of the shareholders on April 26, 2016	70,000,000	0.35
Total dividends for 2016		70,000,000	0.35

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 24. CAPITAL FUND

As at December 31, 2016, the Company maintained the capital funds in accordance with Section 30 of the Financial Institution Business Act as follows:

		(Unit: Baht)	
		2016	2015
<u>Tier 1</u>			
Issued and fully paid share capital		1,000,000,000	1,000,000,000
Statutory reserve		123,000,000	116,000,000
Retained earnings - unappropriated		668,070,370	644,615,347
Less: Deduction 50 percent of Tier 1 and Tier 2		(79,236,709)	(77,131,436)
Deduction of Tier 2 and the exceed of Tier 2		-	(13,591,088)
Total tier 1		<u>1,711,833,661</u>	<u>1,669,892,823</u>
<u>Tier 2</u>			
Reserve for assets classified as "Normal"		15,129,678	14,663,453
Revaluation surplus on investments		67,872,361	48,876,895
Less : Deduction 50 percent of Tier 1 and Tier 2			
but not exceed Tier 2		<u>(79,236,709)</u>	<u>(63,540,348)</u>
Total tier 2		<u>3,765,330</u>	<u>-</u>
Total capital fund		<u>1,715,598,991</u>	<u>1,669,892,823</u>
Tier 1 capital ratio	%	46.31	44.93
Total capital ratio	%	46.41	44.93
Minimum tier 1 capital ratio requirement	%	4.00	4.00
Minimum total capital ratio requirement	%	8.00	8.00

### 25. NET GAIN (LOSS) ON INVESTMENTS

		(Unit: Baht)	
		2016	2015
1. Gain (loss) from disposal			
Available - for - sale investments		<u>1,369,967</u>	<u>19,320,566</u>
Total		<u>1,369,967</u>	<u>19,320,566</u>
2. Reversal (loss) on impairment			
Available - for - sale investments		(4,100,000)	-
Other investments		<u>-</u>	<u>(1,879,660)</u>
Total		<u>(4,100,000)</u>	<u>(1,879,660)</u>
Grand total		<u>(2,730,033)</u>	<u>17,440,906</u>

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 26. DIRECTOR AND MANAGEMENT'S REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors and management.

Besides, for the year ended December 31, 2016, the Company records salaries, remunerations and other benefits to its directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under such definition includes a chief executive officer, the next four executive levels immediately below the chief executive officer and all persons in positions comparable to these fourth executive levels. Management benefit expenses in the financial statements follows:

	(Unit: Baht)	
	2016	2015
Key management's remuneration		
- Short-term employee benefits	27.93	31.12
- Post-employment benefits	0.96	1.13

### 27. PROVIDENT FUND

The Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed by the Company, and its employees at the rate of 6% of the employees' basic salary. The fund is managed by a local asset management company and will be paid to the employees upon termination in accordance with the rules of the fund.

During the year ended December 31, 2016, Baht 1.55 million has been contributed to the fund by the Company (December 31, 2015: Baht 1.64 million).

### 28. INCOME TAX

The Company has to measure deferred tax assets and deferred tax liabilities at the tax rate that are expected to apply in the period when the asset is realized or the liability is settled in line with the accounting standard.

#### 28.1 Income tax recognised in profit or loss for the year ended December 31, 2016, consist of:

	(Unit: Baht)	
	2016	2015
Current tax expense		
For the year	-	21,823,085
Deferred tax expense		
Movement in temporary difference	12,999,591	(291,871)
Total income tax expense	12,999,591	21,531,214

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 28.2 Income tax recognised in other comprehensive income for the year ended December 31, 2016 consist of:

(Unit: Baht)

	2016	2015
Income tax relating to gain (loss) on revaluation available- for-sale investments	7,931,933	4,388,954
Income tax relating to actuarial gain (loss) on employee benefit plan	-	359,558
Total	7,931,933	4,748,512

### 28.3 Reconciliation of effective tax rate for the year ended December 31, 2016 consist of :

(Unit: Baht)

	2016		2015	
	Tax rate (%)	Amount (Baht)	Tax rate (%)	Amount (Baht)
Profit before income tax expense		142,815,115		119,986,237
Income tax amount base on tax rate	20.00%	28,563,023	20.00%	23,997,247
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit				
Dividend income not subject to tax		(7,577,356)		(6,398,526)
Income and Expenses that are not taxable income or not deductible in determining taxable profit		(20,985,667)		4,224,364
Total current tax expense for the year	-	-	18.18%	21,823,085
Deferred tax expense	9.10%	12,999,591	(0.24%)	(291,871)
Total income tax	9.10%	12,999,591	17.94%	21,531,214

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

### 29.1 Service and lease commitments

As at December 31, 2016, the Company is liable for payment rental and service fees under lease agreements and service agreements as follows:

(Unit: Million Baht)

	2016	2015
Payment within :		
1 Year	9.6	10.3
1 - 3 Years	-	7.7

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 29.2 Contingent liabilities

	(Unit: Million Baht)	
	2016	2015
Letter of guarantee in performance bond and bid bond to debtors	28.31	28.31
Total commitments	28.31	28.31

As at December 31, 2016, the Company has been set up provisions amount of Baht 22.31 million (note 20).

### 30. SEGMENT INFORMATION

The Company did not present financial information by segment since the Company's operation involve virtually in financial business, thus all revenues, profit and assets were presented in the financial statements in relation to that segment.

### 31. Financial Instrument

The Company is exposed to risk from fluctuations in interest rate, the risk of counterparties defaulting on their obligations and liquidity risk. The Company has no policy to use derivative instruments manage such risk or to speculate or trade in any derivative instruments.

#### 31.1 Credit and guarantee risk

Credit risk is the risk that a counterparty will default on its obligation under financial instruments resulting in a financial loss to the Company. The Company discloses significant concentrations of credit risk in note 9 to the financial statements. The amount of maximum credit risk exposure is the carrying amount of the financial assets less allowance for losses as stated in the statement of financial position.

As at December 31, 2016, the Company is exposed to a risk from issuance of letter of guarantee to debtors of Baht 28.31 million, as stated in note 29.2, such transaction was not recognised in the financial statements but has been set up provisions amount of Baht 22.31 million.

#### 31.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operating results and cash flow of the Company.

As at December 31, 2016, the balance of financial assets and financial liabilities classified by interest rate characteristic are as follows:



## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

(Unit: Million Baht)

	2016			
	<u>Outstanding balance of financial instrument - net</u>			
	<u>Floating</u>	<u>Fixed</u>	<u>Non interest</u>	<u>Total</u>
	<u>interest rate</u>	<u>Interest rate</u>		
Financial assets				
Interbank and money market items-net	151.0	1,550.0	19.6	1,720.6
Investments-net	156.0	1,738.3	541.2	2,435.5
Loans to customer	1,564.0	50.3	288.8	1,903.1
Financial liabilities				
Deposits	-	3,380.9	-	3,380.9
Debt securities issued and borrowings	-	6.4	-	6.4

(Unit: Million Baht)

	2015			
	<u>Outstanding balance of financial instrument - net</u>			
	<u>Floating</u>	<u>Fixed</u>	<u>Non interest</u>	<u>Total</u>
	<u>interest rate</u>	<u>Interest rate</u>		
Financial assets				
Interbank and money market items-net	82.0	1,150.0	117.5	1,349.5
Investments-net	150.9	1,885.5	504.3	2,540.7
Loans to customer	1,560.4	67.2	313.9	1,941.5
Financial liabilities				
Deposits	-	3,177.5	-	3,177.5
Debt securities issued and borrowings	-	6.8	-	6.8

As at December 31, 2016, financial assets and liabilities with fixed interest rate can be separated the remaining periods to earlier of reprising dates or maturity date, commencing as from the statement of financial position date as follows:

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

(Unit: Million Baht)

2016								
	Reprising or maturity date					Non maturity	Total	Interest rates (percent)
	At call	0-3 months	3-12 months	1 - 5 years	Over 5 years			
Financial assets								
Interbank and money market								
items-net	-	1,550.0	-	-	-	-	1,550.0	1.46-1.49
Investments-net	-	100.1	230.3	824.1	583.8	-	1,738.3	3.10-5.75
Loans to customer	25.8	-	0.6	20.4	3.5	-	50.3	0.01-4.50
Financial liabilities								
Deposits	117.5	2,108.1	1,143.8	11.5	-	-	3,380.9	0.50-3.10
Debt securities issued and borrowings	-	6.0	0.4	-	-	-	6.4	1.40-1.65

(Unit: Million Baht)

2015								
	Reprising or maturity date					Non maturity	Total	Interest rates (percent)
	At call	0-3 months	3-12 months	1 - 5 years	Over 5 years			
Financial assets								
Interbank and money market								
items-net	-	1,150.0	-	-	-	-	1,150.0	1.46-1.49
Investments-net	-	11.2	190.1	568.2	1,116.0	-	1,885.5	4.10-6.75
Loans to customer	37.2	4.7	1.1	1.8	22.4	-	67.2	0.01-6.50
Financial liabilities								
Deposits	161.2	2,221.1	791.3	3.9	-	-	3,177.5	0.50-3.25
Debt securities issued and borrowings	-	6.0	0.8	-	-	-	6.8	1.75-2.05

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 31.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in a financial loss incurring.

The periods of time from the statement of financial position date to the maturity dates of financial instruments outstanding as December 31, 2016 are as follows:

(Unit: Million Baht)

2016							
	At call	0-3 months	3-12 months	1 - 5 years	Over 5 years	Non performing loans	Total
Financial assets							
Interbank and money market							
items - net	19.6	1,701.0	-	-	-	-	1,720.6
Investments – net	524.4	100.1	230.3	824.1	583.8	172.8	2,435.5
Loans to customer	67.7	9.4	75.7	1,458.8	3.5	-	1,903.1
Financial liabilities							
Deposits	117.5	2,108.1	1,143.8	11.5	-	-	3,380.9
Debt securities issued and borrowings	-	6.0	0.4	-	-	-	6.4

(Unit: Million Baht)

2015							
	At call	0-3 months	3-12 months	1 - 5 years	Over 5 years	Non performing loans	Total
Financial assets							
Interbank and money market							
items - net	117.5	1,232.0	-	-	-	-	1,349.5
Investments – net	487.5	11.2	190.1	568.2	1,116.0	167.7	2,540.7
Loans to customer	87.4	11.8	75.6	1,401.3	51.8	-	1,941.5
Financial liabilities							
Deposits	161.2	2,221.1	791.3	3.9	-	-	3,177.5
Debt securities issued and borrowings	-	6.0	0.8	-	-	-	6.8

## Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2016

### 31.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2016, the Company does not have any material financial instruments in foreign currencies.

### 31.5 Fair value

Fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company has estimated the fair value of financial instruments as presented below:

#### a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets, including cash, deposits at banks, and loans to customer and receivables are presented as the amount stated in the statement of financial position, which is considered to approximate their respective carrying value since the financial instruments carry interest at rates close to market interest rates. Financial instruments that have standard terms and conditions which are traded on an active and liquid market, such as investments in securities, have their fair values determined by the quoted market price.

#### b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, are considered to approximate their respective carrying values for the same reasons as described above.

As at December 31, 2016, there are no material differences between the book value of financial instruments and their fair value.

## Notes To The Financial Statements

Bangkok First Investment &amp; Trust Public Company Limited For The Year Ended December 31, 2016

### 31.6 FAIR VALUE OF FINANCIAL INSTRUMENTS

(Unit: Baht)

	2016		2015	
	Cost/ Book value	Fair value / Market price	Cost/ Book value	Fair value / Market price
Financial assets				
Cash	20,000	20,000	20,000	20,000
Interbank and money market items - net	1,720,613,192	1,720,613,192	1,349,468,682	1,349,468,682
Investments - net	2,435,475,563	2,435,475,563	2,540,663,109	2,540,663,109
Loans to customer and accrued interest- net	<u>1,401,000,522</u>	<u>1,401,000,522</u>	<u>1,385,108,632</u>	<u>1,385,108,632</u>
Total	<u>5,557,109,277</u>	<u>5,557,109,277</u>	<u>5,275,260,423</u>	<u>5,275,260,423</u>
Financial liabilities				
Deposits	3,380,948,290	3,380,948,290	3,177,530,331	3,177,530,331
Debt securities issued and borrowings	<u>6,410,000</u>	<u>6,410,000</u>	<u>6,800,000</u>	<u>6,800,000</u>
Total	<u>3,387,358,290</u>	<u>3,387,358,290</u>	<u>3,184,330,331</u>	<u>3,184,330,331</u>

### 32. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' meeting held on February 27, 2017 approved dividend payment for the year 2016 to shareholders as follows:

1. Pay dividend by ordinary shares at the rate of 20 shares per 1 stock dividend. In the case of fractional shares, payment will be paid in cash at the rate of Baht 0.25 per share.
2. Pay dividend by cash at the rate of Baht 0.03 per share total amount of Baht 6 million.

However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders.

### 33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of directors on February 27, 2017.





บริษัทเงินทุน กรุงเทพนาร จำกัด (มหาชน)

Bangkok First Investment & Trust Public Company Limited

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