



รายงานประจำปี 2560
ANNUAL REPORT
2017



Contents

Financial Information	2
Message from Chairman of the Board of Directors	3
Board of Directors	4
Report of the Audit Committee	5
Policy and Overall Business Operations	7
Nature of Business	9
Risk Factors	14
General Information	23
Securities and Shareholders Information	24
Dividend Payment Policy	25
Management	26
Corporate Governance Policy	49
Corporate Social Responsibilities	69
Internal Control and Risk Management	78
Related Party Transactions	79
Management Discussion and Analysis	88
Report of the Board of Directors' Responsibilities for Financial Statements	104
Auditor's Report and Financial Statements	105

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

Financial Information

Unit : Thousand Baht	2017	2016	2015
Financial status			
Investments – net	347,522	2,435,476	2,540,663
Net loans to customer and accrued interest receivables	8,710,300	1,401,001	1,385,109
Deposits and borrowings	8,573,775	3,387,358	3,184,330
Total assets	11,293,832	5,592,803	5,315,580
Total liabilities	9,144,204	3,517,789	3,327,412
Owners' equity	2,149,628	2,075,014	1,988,168
Paid-up capital	1,049,998	1,000,000	1,000,000
Number of shares (Thousand shares)	209,999	200,000	200,000
Performance			
Interest income	612,700	243,838	261,157
Dividend income	55,816	38,344	34,590
Fees and services income	12,131	7,474	6,991
Net gain on investments	171,624	(2,730)	17,441
Other income	8,894	20,655	971
Total income	861,165	307,581	321,150
Net income	744,118	238,773	217,368
Net profit	234,809	128,662	98,455
Financial ratio			
Net profit margin (%)	27.27	42.21	30.66
Return on equity (%)	11.12	6.38	5.01
Return on total assets (%)	2.78	2.38	1.98
Par value (Baht per share)	5.00	5.00	5.00
Earnings (Baht per share)	1.12	0.65	0.49
Dividend (Baht per share)	0.28	0.28	0.35
Book value (Baht per share)	10.24	10.40	9.94
BIS ratio (%)	22.80	46.41	44.93

Message from Chairman of the Board of Directors

Overall Image of Thailand's Economy in 2017

Thailand's economy in 2017 consistently grew by 3.9 percent better than the previous year because of a better direction when comparing with only 3.2 percent of the expansion of Thailand's economy in 2016, especially in the import business and the tourist business which were continuously successful according to the clearly expanded business partner's economy whereas the private sector gradually expanded and better spread including the continuous impulsion from the governmental sector. However, when considering the common inflation rate of 2017, it improved from 0.2 percent to 0.7 percent because of the higher price of energy in the last year. According to considering the interest rate of the policy by the Monetary Policy Committee of the Bank of Thailand, the policy interest rate was sustained by 1.5 percent all year – it was considered the mitigating interest level which supported the economic recovery.

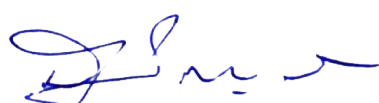
Financial Status and Brief Turnover

On 31st December 2017, the company owned the assets for 11,294 million baht increasing from the previous year by 101.94 percent with the increasing assets among banks, financial markets and loans and the decreasing assets of investment while the company meanwhile the company was increasingly deposited by 79.47 percent. However, the company gained the net interest for 495.65 million baht increasing by 183.18 percent from the previous year –the total interest income increased by 151.27 percent from the increasing credit expansion while the financial capital increased by 70.11 percent. Nevertheless, when including the profit from the sale of investment and dividend, in 2017, the company had the net profit for 234.81 million baht increasingly from 2016 by 82.50 percent.

Business Trend in 2018

The expansion of Thailand's economy in 2018 trends to expand from 2017 by receiving the positive import and tourist factors which will be expanding according to the business partner's economy. However, consumption in the private sector tends to gradually expand and more spread including the continuous impulsion from the governmental sector even some investment projects will more delay than expected. The inflation rate is at a low level, but it tends to be higher. The company's bad debt risk is continuously at a low level, and the company still appreciates the quality of assets and continuously expands the act of granting credits –the company is capable of earning more profits and maintaining liquidity in a fair level. It is assured that the company will sustainably run the business in 2018.

On behalf of the company committee, we would like to profusely thank the shareholders, the customers and all people concerned who have reposed in and supported the company as always.



Mr. Sukont Kanjana-Huttakit
Chairman

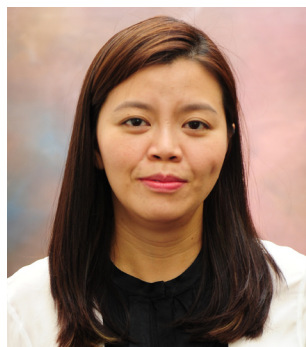
Board of Directors



Mr. Sukont Kanjana-Huttakit
Chairman



Mr. Suchart Leungsuraswat
Chairman of the Audit Committee



Miss Doungchai Kaewbootta
Director and Managing Director



Associate Professor
Dr. Siriwut Buranapin
Audit Committee



Mr. Kudun Sukhumananda
Audit Committee



Mr. Thititham Rojanapruk
Director and Deputy Managing
Director



Mr. Weidt Nuchjalearn
Director



Mr. Prawat Phattharaprasit
Independent Director



Mr. Pinit Puapan
Director



Mr. Prayong Saennual
Director

Report of the Audit Committee

The Board of Srisawad Finance (Public) Company Limited nominated three independent directors as the Audit Committee with the experience of accountancy, finance, administration and law consisting of (1) Mr. Suchart Leungsuraswat, Chairman of the Audit Committee, (2) Associate Professor Dr. Siriwut Buranapin and (3) Mr. Kudun Sukhumananda, Audit Committee

The Audit Committee called out as the scope of power, tasks and responsibilities assigned by the company's board. In 2017, the meeting was held for 5 times – to participate the meeting with the executives, the internal auditors and the auditors for having a discussion and sharing an opinion in the related agenda. The main points could be summarized as follows:

1. Review of Financial Report

The Audit Committee reviewed the company's quarter and annual financial report by the auditor prior to proposing to the Board of Srisawad Finance (Public) Company Limited for consideration and approval along with asking the auditor for the problem found while examining and checking the financial report, the suggestion of account improvement, the suggestion of information disclosure and the auditor's independence to ensure that the financial report which had been examined and checked followed the standards of financial report and the terms of related laws and considered the suggestion to the auditor's internal control system. The Audit Committee reckoned that the company's process of financial report followed its procedures properly and in time for a benefit of investors or persons who spent the financial report to decide on investment.

2. Review of Internal Control and Internal Audit

The Audit Committee reviewed the internal control system by the internal auditor in all quarters and by the auditor to evaluate appropriateness of the internal control system which supported the cautious operation and eased the error from consideration of the 2017 report of internal audit and suggestion from the auditor; moreover, considering the scope of tasks and responsibilities, the independence, the right of internal operation, the management of organizations and manpower rates of the internal audit department including the internal auditor's approved plan which covered the company's significant work system – considering the internal control system as the direction specified by the Securities and Exchange Commission of Thailand and the Bank of Thailand regarding the control of administration, finance and legality. The Audit Committee reckoned that the company had the internal control system which was proper, ample and effective and conformed to the targets along with developing the examination quality of personnel and examining consistently.

3. Review of Business Supervision according to Regulations

The Audit Committee emphasized the transparent policy of management with systematically good business supervision to prevent the operation which did not follow the regulation or the company's rules by inquiring the internal auditor and the executive related to the operation according to the Securities and Exchange regulation, the terms of Stock Exchange of Thailand or the regulation related to the company's business operation such as the Securities and Exchange Act, the terms of the Securities and Exchange Commission of Thailand, the terms of the Capital Market Supervisory, the terms of the Bank of Thailand, the terms of the Anti-Money Laundering Office and the terms of the Deposit Protection Agency including the commitment or liability which might result from a default of law or contract. According to the aforementioned inquiry, the satisfying

Report of the Audit Committee

answer was received. The Audit Committee reckoned that the company properly complied with the regulation and rules concerned.

4. Consideration of 2018 Selection, Nomination and Remuneration Payment of Auditor

The Audit Committee considered the independence, scope, direction, performance and the annual auditing plan raised before the examination; moreover, considering the auditor's and the auditor assistant's qualification, experience and productiveness including the auditor's service quality in the last year – the result was satisfying, and the discussed auditing fee was proper. Therefore, it should have been proposed to the Board of Srisawad Finance (Public) Company Limited for approval. The shareholder meeting nominated PwC Company Limited as the auditor of 2018.

5. Consideration of Concerned Particulars or Particulars with Conflicts of Interest

The Audit Committee considered revising and suggested disclosure of concerned particulars or particulars with conflicts of interest to ensure that the aforementioned particulars were reasonable, complete and proper according to the notice, the terms and the directions related to the Stock Exchange of Thailand and the Bank of Thailand. According to the consideration and the independent financial advisor's opinions, The Audit Committee reckoned that the management honestly made the aforementioned particulars – it was significantly considered the operation for the company's benefits like behaving towards common people with a reasonable price including the ample and complete information disclosure.

Finally, The Audit Committee followed the tasks and responsibilities assigned by the Board of Srisawad Finance (Public) Company Limited by sufficiently applying knowledge, carefulness, prudence and independence, commenting and suggesting for an equal benefit of stakeholders. The Audit Committee reckoned that the company's report of financial information was reliable and conformed to the standard of financial report. The company's operation followed the related regulation of business operation along with the excellent system of business supervision, the proper risk management, internal control system and internal audit; developed and improved the system of the aforementioned operations for better qualities.



(Mr. Suchart Leungsuraswat)
Chairman of the Audit Committee

Policy and Overall Business Operations

Srisawad Finance Public Company Limited (Former: 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:

- Business of finance for commerce
- Business of finance for development
- Business of finance for disposition and consumption
- Business of finance for housing

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

Business Goals

The company still has the goal of business operation on behalf of the financial institution –the type of which is the capital company registered in the Stock Exchange of Thailand. The company appreciates the quality of assets, the liquidity of assets and the continuous expansion of assets. The company aims for mainly running the credit business consistently, expanding the business from the previous customer groups and further servicing the credit for individuals and common people who have the access limit to the finances. The aforementioned credit services come with the security and without the security. Expanding the aforementioned customer base fortifies the company's business foundation which is sustainable and ready to support the growth of this kind of business in the future, help spread the business risk and have the opportunity of well-earning income; therefore, it is considered the good point for the company's business operation and the shareholders in long term.

Changes and major developments during the past 3 years

In 2015

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

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.

Policy and Overall Business Operations

- 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.
- Mrs.Kingthien Bang-Or has resigned from the Director and Acting Managing Director of the Company.
- The Board of Directors appointed Miss Doungchai Kaewbootta as Director and Managing Director of the Company.
- Srisawad Corporation Public Company Limited has been the Company's major shareholder holding 36.35 percent of the Company.
- The Annual General Meeting of Shareholders Approved the Change of the Name of the Company to "Srisawad Finance Public Company Limited" and the Change of the Seal of the Company, and the Amendments of the Memorandum of Association and the Regulations of the Company to Match the Changed Name of the Company.
- Mr.Thira Wipuchanin has resigned from the Independent Director and Member of the Audit Committee and Chairman of the Audit Committee of the Company.
- Mr.Amorn Jetchamnongnuch has resigned from the Director of the Company.
- Mr.Vorakit Srangsiwong has resigned from the Director of the Company.
- Mrs.Thanyathorn Chonlavan has resigned from the Director of the Company.
- The Board of Directors appointed Mr. Sukont Kanjana-Huttakit as Director and Chairman of the Company.
- The Board of Directors appointed Mr.Suchart Leungsuraswat as Independent Director, Member of the Audit Committee and Chairman of the Audit Committee of the Company.
- The Board of Directors appointed Mr.Pinit Puapan as Director of the Company.
- The Board of Directors appointed Mr.Prayong Saennual as Director of the Company.
- Mr.Auychai Somklin has resigned from the Director and Deputy Managing Director of the Company.
- The Company has launched new credit products such as Car for Cash and Home for Cash.

Nature of Business

Income Structure

Income Structure	2017		2016		2015	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Interest income						
Interbank and money market items	27.53	3.20	19.09	6.21	23.13	7.20
Investments in debt securities	56.73	6.59	93.38	30.36	97.56	30.38
Loans	528.44	61.36	131.37	42.71	140.47	43.75
Total interest income (1)	612.70	71.15	243.84	79.29	261.16	81.30
Fees and services income						
Acceptances, aval and guarantees	0.63	0.07	0.57	0.19	0.56	0.17
Other	11.50	1.34	6.90	2.24	6.43	2.00
Total fees and services income (2)	12.13	1.41	7.47	2.43	6.99	2.17
Net gain (loss) on investments						
Gain from disposal of investments	167.52	19.45	1.37	0.44	19.32	6.02
Loss on impairment of investments	4.10	0.48	(4.10)	(1.33)	(1.88)	(0.59)
Net gain (loss) on investments (3)	171.62	19.93	(2.73)	(0.89)	17.44	5.43
Other operating incomes						
Dividend income	55.82	6.48	38.34	12.47	34.59	10.77
Other income	8.89	1.03	20.66	6.71	0.97	0.30
Total other operating incomes (4)	64.74	7.51	59.00	19.18	35.56	11.07
Total income (1) + (2) + (3) + (4)	861.16	100.00	307.58	100.00	321.15	100.00

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

Nature of Business

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, 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 2017		At 31 December 2016		At 31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
At call	107.69	1.77	74.34	2.20	161.22	5.06
Less than 1 year	2,604.14	42.87	3,301.48	97.46	3,019.19	94.82
More than 1 year	3,361.87	55.36	11.54	0.34	3.92	0.12
Total	6,073.70	100.00	3,387.36	100.00	3,184.33	100.00

Lending

BFIT has provided loans for the following purposes:

1. 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.

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.

2. 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 economics 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.

Nature of Business

3. Personal Loans for individuals

BFIT provides both secured and unsecured personal loans for purpose of personal consumption. 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.

Market and Competition Condition

Finance Business Condition in 2017

As of 31 December 2017, there are 2 finance companies, Srisawad Finance PCL (Formerly name : Bangkok First Investment & Trust PCL) and Advance Finance PCL, having total asset of 20,209 million Baht or average 10,105 million Baht per company. The combined net loan was 14,219 million Baht or 7,109 million Baht per Company while the combined net investment was 2,478 million Baht or 1,239 million Baht per company

Finance Business Outlook in 2018

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 2017

In 2017, 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 2018). The yield of government bond securities, which is used as a base yield of corporate debt securities. In 2017, the yield of government bond securities have volatility throughout the year. 1-Year government bond yield decreased to the lowest level of the year at 1.37% in August 2017 then increased to 1.42% in December 2017. 10-Year government bond yield are same volatility, which decreased to the lowest level of the year at 2.35% in September 2017 then increased to 2.54% in December 2017. The fluctuation of yield in 2017 caused from external factors, such as the affect from Federal Reserve forecasting to raise the federal funds rate.

Interest Rate Outlook in 2018

Monetary Policy Committee of the Bank of Thailand estimated Thai economy in 2017 growth up by public spending, expansion in private consumption, recovery in merchandise exports and private investment continued to recover from a few expand. However, the economy in 2018 is expected to further recover by public spending, private consumption steady growth from 2017, while merchandise exports has recover of trading partners' economic. Interest rate trend remains low, which will support the economy recovery of Thailand.

Nature of Business

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) and long term borrowings from related party.

Table source of funding

(Unit : Million Baht)

Source of funding	2015	2016	2017
Deposits and Debt Securities			
From the public (individuals and entities).	3,184.27	3,387.30	6,073.72
From financial institutions	-0-	-0-	-0-
From foreign	0.06	0.06	0.06
Total Deposits and Debt Securities	3,184.33	3,387.36	6,073.78
Borrowings	-0-	-0-	2,500.00
Other liabilities	143.08	127.46	570.50
Total debt to capital	3,327.41	3,514.82	9,144.20
Capital - Equity of shareholders.	1,988.17	2,079.71	2,149.63
Total sources of funds	5,315.58	5,594.53	11,293.83

As of December 31, 2016, the Company has sources of funds from the borrowings and deposit amounted to Baht 6,073.78 million as a proportion of the deposit receipt from both individuals and general public amounted to Baht 6,067.78 million or 99.90% and borrowings of promissory note amounted to Baht 6 million or 0.10% of total borrowings and deposits. Total borrowings and deposits are 22.14 % 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.

Nature of Business

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.38).

At 31 December 2016, accruals are as totaled Baht 5,507.25 million of sources of funds or lending a person involve in the management or major shareholders.

Ability to maintain capital funds

The Company will maintain capital ratio according to the Bank of Thailand of is not less than 8.5%. 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 2017, the company has ratio per capital ratio of 22.80% 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 2017, the company had Liquidity Coverage Ratio (LCR) at 253.73%

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 Coverage Ratio (LCR) at least 80% and liquidity assets consisted of current deposit at the Bank of 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

Strategic Risk

The company realizes the significance of systematic and effective risk management and control. The company precisely determines the structure of risk arrangement in writing to mainly purpose to protect and manage the risk and formulate the rules under the supervision of the Bank of Thailand conforming to good corporate governance, transparency and justice.

However, the company has evaluated, controlled, monitored and reported the risk to create the methodical process of risk management controlled, monitored and managed the risk by the Board of Company, the Board of Examination and the Board of Risk Management.

Risk from Industrial Competition of Car Registration Credit and Hire-Purchase Credit

The business of car registration credit and hire-purchase credit has been recovering with the supporting factor, the need of cars from the first car purchase project. After cars are used for 5 years with the economic condition tending to recover, the competitions are serious from the previous operators who mostly are the companies in a group of financial institution with advantages from the low financial cost and the large capital base needing to get into the industry because of the high rate of return such as commercial banks or bank holding companies. This service provider has a lower financial cost than service providers in other countries. The hire-purchase or leasing company relies on advantages from the financial support from the parental companies, where are the car manufacturers and have strategic advantages from the business partner, and makes a marketing plan with the car distributor in the country.

Moreover, the business of car registration credit and hire-purchase credit must invest in equipment and tools for a number of operations, and it is not necessary to be permitted from any agencies. New operators can compete without limits; needing only the finances for credit grants. It makes more new competitors in this kind of industry. In addition to the competition from new operators, there are competitions from the previous operators in this kind of industry with various marketing strategies such as a high credit amount, a period of installment and a low interest rate to attract customers to use the service.

However, the factor of success for the credit business operation does not only depend on the ample finances, but also the fact that the company group has experienced in this kind of business for 34 years makes them know the customer targets well, have the right service to customers' need and add more varieties of credit products, especially the credit of SME and the individual credit. Furthermore, the company has made the agreement of service use with the companies in the same group – they have branches and services covering all over the country. On 31st December 2017, the company group had 2,490 branches in total with fast and effective services along with the large database system of customers and profession of considering credits and monitoring installment payment. Therefore, the company group has advantages over other operators and is capable of considering credits effectively. Moreover, commercial banks or bank holding companies are focusing on granting credits for a market of new cars or a premium customer; the hire-purchase or leasing company is focusing on the service for anyone who needs a new car or a secondhand car for upper market customers or middle market customers; the company group is focusing on the business of car registration credits, houses and title deeds for anyone who needs to spend money but they cannot access the service

Risk Factors

of commercial banks or bank holding companies; however, they have the ownership of properties, cars and lands to promote and improve people's life quality –they are considered the optional financial institutions for Thai people conforming to the governmental policy which is getting rid of informal debts and providing more various and complete credits. The company group still concentrates on growing in all groups of business like previous customers who are granted the credits with the security such as houses, lands or individual credits.

Risk from Industrial Competition of Individual Credit

The business of individual credit was highly competitive because of the interest rate and fee higher than the credit for a credit card; therefore, more operators which were financial institutions and non-financial institutions competed in the aforementioned business including the advantage of financial institutions in the sale channel with many branches spread over the country and many deposit account customer bases because the business of individual credit was various in the objectives and conditions of service use; therefore, there were competitions in this market. However, the company group realizes the aforementioned risk, but it is expected that the aforementioned risk does not significantly make an impact because the operators as the financial institutions focus on the premium customers while the company will focus on the company employees and evaluate the business condition of the employees' parental company to ensure that the company is capable of hire employees continuously.

Risk from Business Operation Controlled by Supervisory Agency

The company runs the business as a finance company and a financial institution. The business is under the supervision of the Bank of Thailand. At the same time, the company is registered in the Stock Exchange of Thailand; as a result, the company must comply with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand. Therefore, the changes in the regulations and rules in various supervisions of the aforementioned agency may impact on your goals –the capabilities of running the business and competing.

Marketing Risk

Risk from Fluctuation of Interest Rate

The changes in market interest rates have a direct impact on net interest income and the economic value of the company because most of the assets and liabilities of a financial institution are sensitive to interest rates. The company has closely monitored the trend and interest rate movement by evaluating the impact of sensitivity and fluctuations in interest rates to manage interest rates on both loans and deposits and structures of assets and liabilities proper to a situation at that time. However, the company has reduced the risk of changes in interest rates by setting most lending rates without obligation. The company group operates under the long-term effective risk management system of interest rate –capable of leveling off the relationship between structures of assets and liabilities sensitive to interest rates over time for the maximum benefit to the company. The company group develops equipment used to measure the interest rate risk to analyze the potential impact from the inequality between the period of interest rate adjustment on assets, liabilities and commitments in each period. The risk is daily measured to ensure that the company's operation is in the acceptable scope.

Risk Factors

However, the interest income from the credit service of exchanging cars to money, exchanging houses to money or exchanging lands to money considered the fixed rate according to the term of the contract. Meanwhile, significant expenses are the cost of loan from creditors and financial institutions. This is a floating interest rate. If there is a change in interest rates, it will affect a margin of the interest income and interest expense, especially in the case of higher interest rates, it affects the higher cost of loan. As a result, the margin of interest rate reduces and directly affects the operation and capability of the company's profitability.

However, at present time, the interest rate of the company has a margin to some extent. If the interest rate is increased, the company group believes that the group's income is still sufficient and covers the costs and other expenses. Moreover, the company also reduces the risk from the new loan agreement. In addition, interest rates are likely to remain stable in the short to medium term.

Price-Related Risk

Risk arising from changes in pricing of debt and equity instruments causes volatility in returns and corporate finances. The company has spread investment across various types of assets with sound fundamentals.

The company controls the duration of equity instruments to ensure balance between the rate of return and price-related risks, which allows the company to effectively adjust the investment funds to suit the level of returns in a volatile market. The company remains cautious with investments via equity instruments, the majority of which are invested in property funds which yield regular quarterly dividends and have low market price volatility. Furthermore, the company stays abreast of price fluctuations and fundamental investment conditions on a constant basis.

The company uses value at risk (VaR) as a tool for market risk management and evaluation. VaR is the highest possible value that the company stands to lose when there is a fluctuation in market conditions with 99% market confidence and a holding period of 1 day. Back testing and stress testing is also used in according to the guidance set by the Bank of Thailand. In any case, the company has reduced overall exposure via debt and equity instruments.

Credit Risks

Risk from Impairment of Collateral

At present the company holds collateral in the form of property and liquid capital, the value of which is determined by economic, legal and regulatory conditions. In adverse economic conditions the value of collateral may be impaired to the point that the company must increase the level of funds held in reserve for doubtful accounts with non-performing loans. In addition to this, the level of return from assets that must be sold off due to reduced repayment of loans may affect the operations and finances of the company. However, the company updates and evaluates the true value of collateral held on a regular basis as well as to aid in the determining operational strategies to deal with volatile credit risk.

Risk Factors

Under the credit risk management policy the companies within the group have implemented a credit culture wherein borrowers are analysed by a dedicated loan analysis department that uses models specific to the various types of loans to determine the credit risk levels of borrowers before arriving at the appropriate levels of credit for borrowing. Risk control within the determined risk ceiling, constant evaluation of the debt quality, cautious implementation and special weight on the determined ability of the borrower to repay the loan is an important factor –expanding the market to include potential customers with strong financial stability and ability to repay loans.

As for loans with vehicles, residences and land as collateral, the company adjusts the rate book regularly wherein if greater risk is perceived the value of collateral will be reduced accordingly.

Risk of Inability to Access to Collateral

Most of the collateral held by the company is in the form of movable assets such as automobiles and motorcycles which are difficult to track down and access when the borrower is in arrears than collateral that is held in various types of property such as residential property and land etc. Being unable to access the collateral for sale to repay the loans will send a direct negative impact to the financial status and operations of the company.

To reduce the aforementioned risk the company has instituted a policy of giving loans to persons with one of either contact address or collateral or guarantor within the catchment area of the company's branch offices. Staff in these branches are instructed to perform due diligence on the information given by verifying the information and addresses given in person. When borrowers are in arrears the branch staff shall go to the known location of the collateral without delay to reduce the chances of the collateral being removed from the vicinity. With 2,490 branches across all regions of the country there is a network of staff capable of assisting in tracking down collateral. The company has also developed systems to remind borrowers when the payment due date is approaching so that staff may efficiently contact and note any pertinent remarks and factors with greater continuity.

Risk from Inability to Discharge Assets

For loans with vehicles as collateral, borrowers who have missed 3 consecutive payments the company shall send notice of cancellation of the loan and if the borrower does not enter into debt negotiations within 7 days in the case of a loan agreement the company has the right to seize the collateral with immediate effect. After that the company will send notify the borrower that they have 30 days to redeem their collateral. If the borrower has not contacted the company to redeem the collateral within the 30 day period the company shall have the right to immediately discharge the collateral to the market for sale. At present the company discharges collateral to the market via various channels such as branch offices and auction by Union Auction PCL after which the proceeds shall go towards the repayment of the loan made to the borrower. Failure to discharge the collateral to the market for sale will directly affect the financial status and returns of the company.

Risk Factors

Furthermore, the company has a policy whereby loan approval is subject to favourable evaluation of the market value of the vehicle offered as collateral or of land that is situated in sizeable towns and urban areas in order to reduce the risk of inability to discharge the collateral to the market for sale. After the collateral has been seized the staff shall securely store and discharge said collateral to our partners for sale.

The sale price of the collateral is set with reference to information on outstanding debt. The sale price of collateral is usually lower than the market price which improves the liquidity of said assets.

Liquidity Risk

The company always manages the liquidity risk by closely revising, monitoring, evaluating and analyzing the circumstance of liquidity by the various equipment used to allocate money and the daily financial report. Next, it is proposed to the managing directors every day. There is the meeting held by the Board of Property and Liability Management every month for consideration of the company's liquidity. In case of emergency, the company has prepared the liquidity emergency plan and the action plan to support the aforementioned crisis and tested in case depositors withdraw the large amount of money.

	Less than 1 Year	Over 1 Year
Total Financial Assets	9,070.8	2,746.5
<u>Financial Debts</u>		
- Deposit	4842.6	1,225.2
- Debenture and Loan	6.0	2,500.0
Total Financial Debts	4,848.6	3,725.2

Remark: Excluding the non-performing debts

The information above shows that the company has the risk from maturity mismatch of assets and financial short-term debts. The most finances are loans and deposits less than a year considered the normal characteristics of deposit. However, most depositors of the company will keep depositing when it is due; thereby, this makes the liquidity risk result from the maturity mismatch of assets and financial short-term debts; it can be managed. Moreover, most capitals are the properties needed by the market which are supported by the secondary market. The credit amount from other financial institutions can be used when the company urgently needs to spend money; therefore, the liquidity crisis will be effectively solved.

In 2017, according to the Notice from the Bank of Thailand, finance companies applied the rules of asset coverage to support the serious liquidity circumstance (as known as Liquidity Coverage Ratio: LCR) since 2nd July 2017 so that finance companies would have liquid assets which could convert to cash in a real quick and much enough for the support of finance leak and various commitments. Since the aforementioned notice was promulgated, the LCR is higher than the minimum rate according to the rules of the Bank of Thailand by 70 percent of the estimation of the net cash outflow in 30 days –the ratio is during 102.12-666.39 percent or 286.99 percent in average.

Risk Factors

In the past, the company fully appreciated the liquidity and always leveled off the number of liquid assets in a high level including the surplus liquidity invested by the company in a good quality of investment –providing the secondary market for trading where can convert to cash immediately including the reserved financial amount with other financial institutions as the additional finances to solve the liquid problem which may result from the effect of reduced deposit protection amount.

In the last 4-5 years, the company imitated the situation of the effect of reduced deposit protection amount via DPS Stress Test at intervals. The test result of 2016 was satisfying –the company had the fair liquidity to support the effect from withdrawing the deposit over 15 million baht and 1 million baht of each depositor; that is to say, the company was capable of supporting the deposit withdrawal in almost all cases.

Operational Risk

The company precisely formulates the policy scope of operational risk management with the excellent internal control system, the operation manual, the training –to effectively understand the operation procedures and the equipment use for operational risk management such as storing data of monetary and non-monetary damages along with the risk which can be prevented and the data of other abnormal circumstances; improving the operational process and determining the control to reduce the risk which can damage again. Moreover, the company group formulates the policy of using the service of outsiders and the policy of manufacturing new products through studying, analyzing and evaluating the risk. This is supported by the department of risk management to consider and comment before using the service from outsiders or designing new products.

The company group also has the consistently supporting plan of business operation in case of emergency, loss and disaster which may occur so that the company group can keep servicing, recover the main computer system and have the specific team of checking cars for a reputation and credibility. Also, personnel are consistently developed for a better performance, and the seminar is held for personnel inside and outside to improve their skills and knowledge of operational risk management by online self-learning. However, the operational risk is realized all the time.

Risk from the potential conflict of interest

Subsequent to the acquisition of shares and the Tender Offer to purchase all securities of Srisawad Finance Public Company Limited (“the Company” or “BFIT”) by Srisawad Corporation Public Company Limited (“SAWAD”) in April 2017, the Company and SAWAD, a major shareholder holding 36.35 percent of BFIT total paid-up shares, undertake the restructuring of businesses within the group in order to create opportunities for future business growth. Whereby, the Company has extended its lending business from personal loan to corporate employees to collateralized loan to small SMEs and retail individuals that is not overlapped with the businesses currently operated by Srisawad Power 2014 Company Limited (“S2014”), a wholly-owned subsidiary of SAWAD, in order to clarify the Group business structure and eliminate conflicts of interest.

Prior to commencing the collateralized lending business, the Company has proceeded to request approval on new products from the Bank of Thailand, and has been notified that certain types of financial product are not permitted to be provided by BFIT as they were not in line with the scope of regulations.

Risk Factors

Accordingly, the Company is required to amend its collateralized lending business as stated in the Tender Offer documents, in order to conduct the business in compliance with the required regulations for the best interests of the shareholders

According to the Group revised business plan, BFIT shall operate collateralized lending business through loan contract, whilst, SAWAD (by S2014) shall principally engage in the hire purchase business. Therefore, SAWAD and BFIT may be considered having offered similar products and services, which may consequently consider potential conflicts of interest, especially for Car for Cash and Home for Cash services which will be offered by both SAWAD and BFIT.

However, the Group Companies is confident that the revised business plan will not create conflicts of interest as the Company has prepared to develop clear criterion to determine the lending entity and has promptly established reliable measures to prevent potential conflicts of interest, as follows:

1. Develop Clearly Written Work Instruction, Policy, and Business Separation Criterion

The Group Companies has developed clearly written work policy and instruction to provide effective guidance for the separation of business between BFIT and S2014, as follows:

Car for Cash – Use Rate Book to determine type of contract

- S2014 will offer the lending service through Hire Purchase contract, which is determined by loan amount that is equivalent or more than the Rate Book, where the client shall transfer ownership of the vehicles to S2014.
- BFIT will offer the lending service through Loan contract, which is determined by loan amount that is less than the Rate Book, and the client is not required to transfer ownership of the vehicles to BFIT.
- The clients will indicate their own financial needs and shall enter into the contract suitable to their choices, that is, if the desired loan amount is high, the clients will need to enter into Hire Purchase contract and shall transfer the ownership of vehicle to S2014. If the desired loan amount is low, the clients will need to enter into Loan Contract with BFIT which does not require to transfer the title of vehicle.

In practice, branch staffs, who seek for and get contact with the client, will refer to standard loan amount as stipulated in the Rate Book applicable at the time. Rate Book will provide standard loan amount for each type, brand, model, and year of vehicles. Nevertheless, the pre-approved credit limit shall never exceed the rates stipulated in the Rate Book.

Standard loan amount per the Rate Book will then be compared with the client's desired loan amount in order to determine contract type to be entered. If the desired loan amount is lower than the Rate Book, the client will need to execute Loan contract with BFIT, but if the desired loan amount is equivalent or higher than the Rate Book, the client will execute Hire Purchase contract with S2014. The credit limit of each borrower is determined by creditworthiness of the borrower and the guarantor as well as the quality of collateral and other factors.

Risk Factors

Home for Cash – Use transaction type and loan value of Baht 10 million to determine the lending entity

The basis used in determining the lending entity for Home for Cash service or loan secured by house, land, and condominium is transaction type and loan value of Baht 10 million, which is referred from the Bank of Thailand's supervision on Housing Loan, which rule outs the lending criteria for the residences price up to and exceed Baht 10 million separately based on different inherent risks.

In the practical lending process, the branch staffs will consider the fair price of house and land as appraised by Group internal staffs, and the government's appraised price for land, in order to determine the fair price of collateral before adjusting according to Loan-to-Value policy of the Company in order to derive pre-approved credit limit. If the loan value does not exceed Baht 10 million, the clients will enter into Loan contract with BFIT. If it exceeds Baht 10 million, the Loan contract shall be executed with S2014, where the loan amount shall be always within the pre-approved credit limit.

2. Regularly Review Business Separation Criterion and Ensure Audit Committees Approval Before Effective

Announcement of the Rate Book for Car for Cash and the Baht 10 million basis for Home for Cash service are under the responsibility of the Collateral Evaluation Committee, which is a unit independent of the Credit Department. The Collateral Evaluation Committee is responsible to review and ensure appropriateness of the Rate Book that is effective at any point in time. The Rate Book will be reviewed on a quarterly basis and adjusted in accordance with changing market of the used cars.

The Group Companies has established key policies to review the basis used in determining the lending entity, as follows:

- Rate Book shall be reviewed at least every quarter, and, when necessary, shall be revised in accordance with market changes.
- Once the Rate Book is mutually agreed by both parties, it shall be proposed to the Audit Committee of each entity for approval. For BFIT, the internal audit team will be responsible to reconfirm and justify the adjusted items on the Rate Book by comparing to the current market price of used cars, and report the audit results to the Audit Committee for their consideration and approval.
- Without approval from the Audit Committee by both parties, the Rate Book cannot become effective. In such event, both parties will need to reconsider and fine tune appropriate rates to be used in the Rate Book.

3. Use Conflict Checklist Form to Assist in Business Separation

Branch staffs are required to use Conflict Checklist Form to assist in determining appropriate type of contract to be entered by the client in accordance with the Group lending policies. The branch staffs are required to attach the Conflict Checklist Form with a copy of Rate Book prior to sending all relevant loan documents to the Credit Department for approval.

Risk Factors

4. Review and Reassure the Appropriateness of Contract Type by the Credit Department

Credit Department will conduct the review of loan application to justify the appropriateness of loan offered by the branch staffs prior to signing approval, as follows:

- Branch staffs will verify completeness and accuracy of loan application and determine pre-approved credit limit for the borrower, by comparing the desired loan amount with the standard loan amount per the Rate Book, in order to identify appropriate type of contract to be entered by the borrower (Loan/Hire Purchase contract)
- If the borrowers are qualified for Loan contract with BFIT, loan application and relevant supporting evidences will be scanned into the system and sent to the Credit Department. The Credit Department will review and confirm appropriateness of the pre-approved credit limit against the Rate Book before signing approval.

5. Prepare Monthly Credit Approval Report for Management Consideration

The Company has established a procedure to monitor inappropriate actions which wrongly define the lending entity. At the month end, the Credit Officer shall prepare a credit report to compare credit limit and standard loan amount per the Rate Book for the top Management consideration.

6. Regularly Perform Internal Auditing at Branch Office

The Company's internal audit team will conduct proactive audit at each branch on a rotating basis to ensure appropriateness and effectiveness of business separation, and report any inappropriate actions to the Audit Committee. Such internal audit activities have been included as part of the Company's annual audit plan.

7. Ensure Approval by the Audit Committee Before Rate Book Becomes Effective

The Audit Committee has the ultimate responsibility to review appropriateness of the revised Rate Book and approve it before effective. The Audit Committee will also consider other connected transactions or the transactions with potential conflicts of interest and ensure that the transactions are reasonable and in the best interest of the Company, and the disclosures of which have been made accurately, completely, and in compliance with the requirement of the SET and relevant regulations.

8. Develop Information Technology System to Assist in Defining the Lending Entity

The Group Companies has planned to implement a new IT system to support the separation of business between SAWAD and BFIT, particularly for loan approval process. The newly-implemented IT system is aimed to reduce roles of the branch staffs, which is the point at which the conflict of interest may arise. The new IT system will enable the Company to reduce most of the daily human errors and define clear process for determining the lending entity. The plan to implement new IT system was included as part of the plan to establish a financial business group proposed to the Bank of Thailand. Nevertheless, the Company may take at least 3-5 months to develop a reliable system and ensure that the system has worked functionally and effectively according to the purpose.

General Information

Name and address of the Company

Srisawad Finance 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.srisawadfinance.com

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 2017 :

Mr.Boonlert Kamolchanokkul, Certified Public Accountant (Thailand)	No. 5339 and/or
Mrs.Anothai Leekitwattana, Certified Public Accountant (Thailand)	No. 3442 and/or
Ms.Sakuna Yamsakul, Certified Public Accountant (Thailand)	No. 4906

PricewaterhouseCoopers ABAS Ltd.
 15th Floor, Bangkok City Tower
 179/74-80 South Sathorn Road
 Sathorn Bangkok, 10120
 Tel. 0-2844-1000

Audit Fee

For Examination of the financial statements of the Company for the year 2017	Baht 3,200,000
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Non-Audit Fee

- None -

Legal advisor

- None -

Securities and Shareholders Information

Authorised and paid-up capital

Authorised capital Baht 1,050,000,000,
divided into 210,000,000 shares of Baht 5 each

Issued and paid-up capital Baht 1,049,997,825,
divided into 209,999,565 shares of Baht 5 each

Major Shareholders

Top ten major shareholders as of 29 January 2018 (Last closing date) are as follows:

	Name	Number of shares	% of Holding
1.	SRISAWAD CORPORATION PUBLIC COMPANY LIMITED	76,325,640	36.35
2.	Mr.Siritaj Rojanapruk	20,481,275	9.75
3.	Mr.Luchi Phukhuan-Anadha	10,227,400	4.87
4.	Mr. Prachaya Sermasukkulchai	9,492,000	4.52
5.	Miss Supaporn Ahunai	7,350,000	3.50
6.	Mrs.Jaruwan Jampittayanuwat	6,978,400	3.32
7.	Thai NVDR Company Limited	5,135,055	2.45
8.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	4,421,000	2.11
9.	Miss Siriya Intharaprasit	4,200,000	2.00
10.	Mr. Thana Kunarakwong	2,992,200	1.42

Source: Thailand Securities Depository Co.,Ltd.

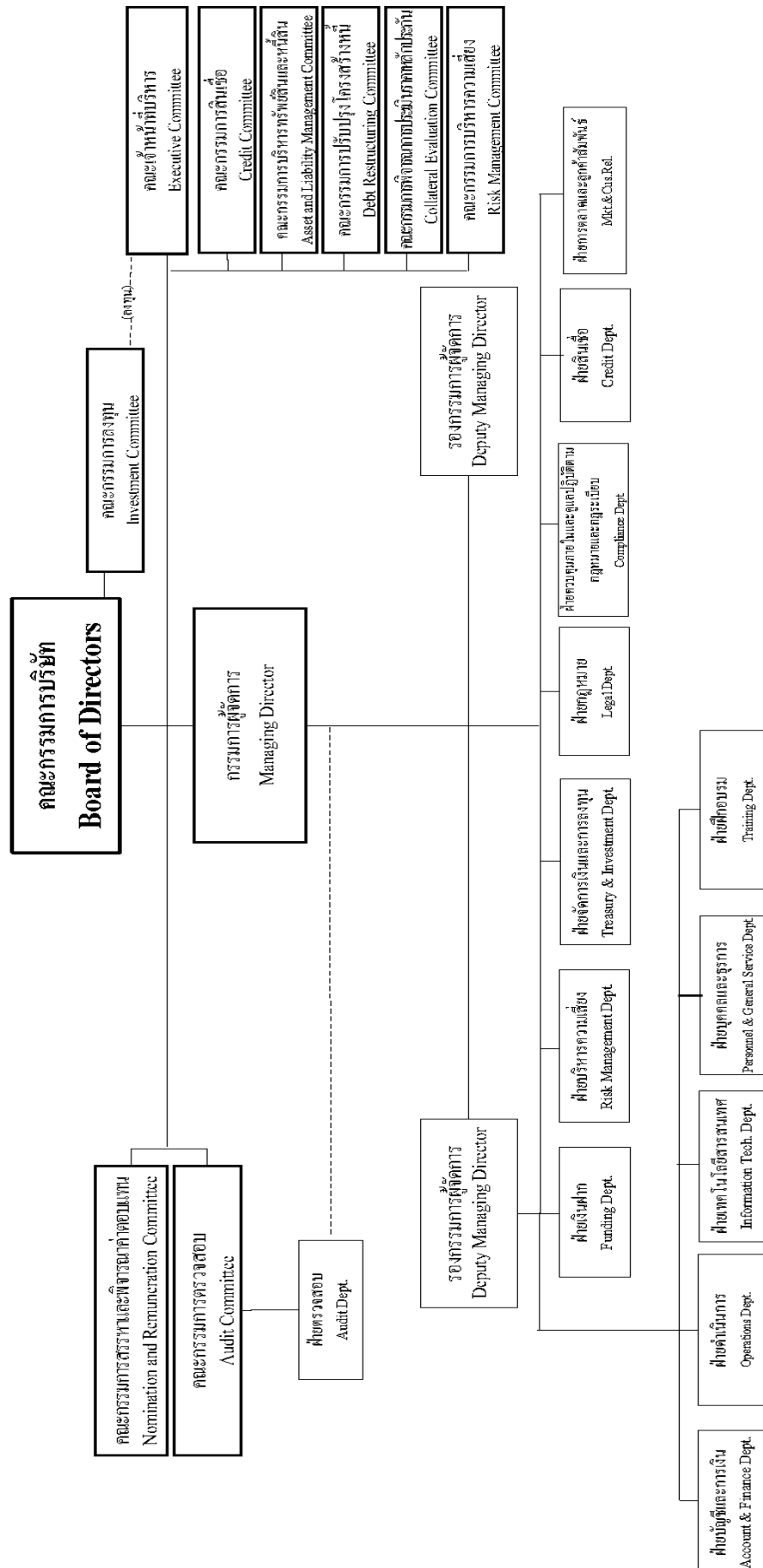
Dividend Payment Policy

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	2017	2016	2015
Earnings per share	1.12	0.65	0.49
Dividend paid per share	0.28	0.28	0.35
Dividend Payout Ratio (%)	25.04%	43.14%	71.10%

Management



Management

1. Board of Directors

As of December 31, 2017, the Company's Board of Directors consisted of 10 directors as listed below:-

1. Mr.Sukont Kanjanahuttakit*	Chairman
2. Miss.Doungchai Kaewbootta*	Director and Managing Director
3. Mr.Suchart Luengsuraswat*	Independent Director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee
4. Assoc.Prof.Dr.Siriwut Buranapin	Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee
5. Mr.Kudun Sukhumananda*	Independent Director, and Member of the Audit Committee
6. Mr.Prawat Phatraprasit*	Independent Director and Member of the Nomination and Remuneration Committee
7. Mr.Thititham Rojanapruk	Director
8. Mr.Pinit Puapan*	Director
9. Mr.Weidt Nuchjaleran*	Director
10. Mr.Prayong Seannual*	Director

Note: The New Board of Directors members was appointed during the year 2017

No.1, Mr. Sukont Kanjanahuttakit was appointed on June 13, 2017.

No.2, Miss Doungchai Kaewbootta was appointed on April 1, 2017.

No.3, Mr.Suchart Luengsuraswat was appointed on June 13, 2017.

No.5, Mr. Kudun Sukhumananda was appointed on March 9, 2017.

No.6, Mr.Prawat Phatraprasit was appointed on April 21, 2017.

No.8, Mr. Pinit Puapan was appointed on June 13, 2017.

No.9, Mr.Weidt Nuchjaleran was appointed on April 21, 2017.

No.10 Mr.Proyong Seannual was appointed on June 13, 2017.,

(Attachment Details of the Board of Directors)

Directors authorized to sign for company, the following 3 directors

Miss Doungchai Kaewbootta, Mr.Thititham Rojanapruk and Mr.Prayong Seannual , jointly signatures of two of these three are required together with company's seal affixed

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

In 2017, 12 meetings of the Board of Director, 5 meetings of the Audit Committee, 4 meetings of the Nomination and Remuneration Committee and 3 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:

Management

Name of Directors	Attendance / Number of eligible meeting (times)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Mr.Sukont Kanjanahuttakit	7/7	-	-	-
2. Miss.Doungchai Kaewbootta	9/9	-	-	2/2
3. Mr.Suchart Luengsurawat	5/7	3/3	1/1	-
4. Assoc.Prof.Dr.Siriwut Buranapin	8/12	5/5	4/4	-
5. Mr.Kudun Sukhumananda	11/11	4/4	-	-
6. Mr.Prawat Phatraprasit	9/9	-	1/1	-
7. Mr.Thititham Rojanapruk	11/12	-	-	3/3
8. Mr.Pinit Puapan	6/7	-	-	-
9. Mr.Weidt Nuchjaleran	8/9	-	-	-
10. Mr.Prayong Seannual	6/7	-	-	2/2
11. Mrs.Kingthien Bang-Or*	2/2	-	-	1/1
12. Mr.Thira Wipuchanin*	4/4	2/2	3/3	-
13. Mr.Vorakit Srangsrivong*	4/4	-	3/3	-
14. Mrs.Thanyathorn Chonlavorn*	4/4	-	-	-
15. Mr.Amorn Jetchamnongnuch*	4/4	-	-	-
16. Mr.Auychai Somklin*	3/6	-	-	1/2

Note: No.11, Mrs.Kingthien Bang-Or resigned on April 1, 2017.

No.12, Mr.Thira Wipuchanin resigned on June 13, 2017.

No.13, Mr.Vorakit Srangsrivong resigned on June 13, 2017.

No.14, Mrs.Thanyathorn Chonlavorn resigned on June 13, 2017.

No.15, Mr.Amorn Jetchamnongnuch resigned on June 13, 2017.

No.16, Mr.Auychai Somklin resigned on August 1, 2017.

2. Executives

As of December 31, 2017, the Company's executives consisted of executive directors and executive officers as follows:-

- | | |
|------------------------------|--|
| 1. Miss.Doungchai Kaewbootta | Managing Director |
| 2. Mr.Thititham Rojanapruk | Deputy Managing Director |
| 3. Mr.Wichain Proongpanish | Vice President Head of Risk Management Dept. |
| 4. Miss Kanoknui Cholvani | Vice President Head of Investment Advisory Dept. |
| 5. Miss Ticha Suwannasang | Vice President Head of Compliance Dept. |

Management

6. Mr. Adisorn Wichaidith Assistant Vice President Head of
Personnel & General Service Dept.
7. Miss Chonlada Thaweephanyopha Assistant Vice President Head of Account & Finance Dept.

Note: No. 3 Mr. Wichain Proongpanish resigned on Jan 1, 2018.

No. 5 Miss Ticha Suwannasang was appointed on September 1, 2017.

No. 7 Miss Chonlada Thaweephanyopha was appointed on April 21, 2017.

3. Corporate Secretary

As of December 31, 2017, Corporate Secretary and Board of Directors Secretary is Miss DOUNGCHAI KAEWBOOTTA

4. Remuneration and Benefits for Directors and Executives

(1) Remuneration:

- Remuneration for Directors

- The director fees for the year 2017 approved by the shareholders meeting are as follows:

Board of Directors		
	<u>Monthly Fee (Baht)</u>	<u>Meeting Fee (Baht)</u>
Chairman	120,000	No Fee
Vice Chairman	75,000	No Fee
Non-Executive Directors	50,000	No Fee
Executive Directors	No Fee	No Fee
Board of Sub-Committees		
	<u>Monthly Fee (Baht)</u>	<u>Meeting Fee (Baht)</u>
Chairman of Audit committee	25,000	No Fee
Chairman of the Nomination and Remuneration committee	25,000	No Fee
Risk Management committee	25,000	No Fee

Management

Remuneration paid to 16 directors amounted to Baht 5,968,080.00 in 2017, compared with Baht 5,062,918.00 paid in 2016. Details are as follow:

Name of Directors	Remuneration of the year 2017 (Baht)						
	Board of Directors		Audit Committee		Nomination and Remuneration Committee	Risk Management committee	Total
	Annual Fee	Meeting Fee	Annual Fee	Meeting Fee	Annual Fee	Annual Fee	
1. Mr.Sukont Kanjanahuttakit	768,065.00	-	-	-	-	175,000.00	943,065.00
2. Miss.Doungchai Kaewbootta	-	-	-	-	-	-	-
3. Mr.Suchart Luengsuraswat	350,000.00	-	175,000.00	-	-	-	525,000.00
4. Assoc.Prof.Dr.Siriwut Buranapin	519,997.00	50,000.00	12,500.00	25,000.00	237,500.00	-	844,997.00
5. Mr.Kudun Sukhumananda	477,500.00	50,000.00	-	-	-	-	527,500.00
6. Mr.Prawat Phatraprasit	425,000.00	-	-	-	-	-	425,000.00
7. Mr.Thititham Rojanapruk	70,003.00	75,000.00	-	-	-	-	145,003.00
8. Mr.Pinit Puapan	350,000.00	-	-	-	-	-	350,000.00
9. Mr.Weidt Nuchjaleran	425,000.00	-	-	-	-	-	425,000.00
10. Mr.prayong Seannual	350,000.00	-	-	-	-	-	350,000.00
11. Mrs.Kingthien Bang-Or	70,003.00	50,000.00	-	-	50,000.00	-	120,003.00
12. Mr.Thira Wipuchanin	257,503.00	75,000.00	25,000.00	25,000.00	12,500.00	-	395,003.00
13. Mr.Vorakit Srangsiwong	220,000.00	50,000.00	-	-	12,500.00	-	282,500.00
14. Mrs.Thanyathorn Chonlavorn	195,003.00	75,000.00	-	-	-	-	270,003.00
15. Mr.Amorn Jetchamnongnuch	195,003.00	75,000.00	-	-	-	-	270,003.00
16. Mr.Auychai Somklin	70,003.00	25,000.00	-	-	-	-	95,003.00
Total	4,473,080.00	525,000.00	212,500.00	50,000.00	262,500.00	175,000.00	5,968,080.00

Management

Remuneration of the year 2016 (Baht)						
Name of Directors	Board of Directors		Audit Committee		Nomination and Remuneration Committee	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
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

- **Remuneration for Executives**

Remuneration consisting of salary, bonus, contribution to provident fund, group live insurance premium, medical treatment and others paid to 12 executives amounted to Baht 29,907,188 in 2017.

Other Benefits:

- None -

Management

	Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
1.	Mr.Sukont Kanjanahuttakit Chairman 7 months	72	<ul style="list-style-type: none"> • Director Certification Program • Audit Committee program Thai Institute of Directors Association • Master of Accounting • Bachelor of Accounting Virginia Polytechnic and State University , U.S.A 	No	No
2.	Miss Doungchai Kaewbootta Authorized Director, Managing Director 9 months	39	<ul style="list-style-type: none"> • Director Certification Program Thai Institute of Directors Association • Master of Computer Science De Paul, Chicago , U.S.A • Bachelor of Art (Political Science) Kasetsart University 	No	No
3.	Mr.Suchart Luengsuraswat Chairman of the Audit Committee, Independent Director 7 Months	70	<ul style="list-style-type: none"> • Director Certification Program • Audit Committee program Thai Institute of Directors Association • Master of Accountacy • Bachelor of Accountacy Chulalongkorn University, Bangkok • Bachelor of Laws Thammasat University, Bangkok 	No	No

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2012 - present	• Chairman	Srisawad Corporation PCL.
	2017 - present	• Chairman	Srisawad Finance PCL.
	2014 - present	• Chairman of the Audit committee	World Corporation PCL.
	2009 - 2017	• Vice Chairman / Chairman of the	CIMB THAI
	2013 - 2015	Audit committee	Thaisri insurance PCL.
		• Vice Chairman / Chairman of the	
		Audit committee	
	2010 - present	• Director*	Srisawad Corporation PCL.
	2017 - present	• Director and Managing Director*	Srisawad Finance PCL.
	2008 - present	• Director*	Srisawad Power 2014 Co., Ltd.
		• Director*	S W P Asset Management Co., Ltd.
		• Director*	Srisawad International Holding Co., Ltd.
		• Director*	United Coastal Co., Ltd.
		• Director*	Fast Money Co., Ltd.
		• Director*	S W P Services Co., Ltd.
		*Authorized Director	
	2017 - present	• Director/ Chairman of the Audit	Srisawad Finance PCL.
	1971 - 2009	Committee	Pricewaterhousecoopers ABAS Limited
		• Partner	

Management

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	
4. Assoc.Prof.Dr.Siriwut Buranapin Independent Director, Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, 8 years 7 months	52	<ul style="list-style-type: none"> Chartered Director Class (CDC) Director Certification Program Audit Committee Program Monitoring the Internal Audit Function Monitoring the Quality of Financial Reporting Monitoring the System of Internal Control and Risk Management Monitoring Fraud Risk Management Financial Institutions Governance Program Role of the Nomination and Governance Committee Role of the Compensation Committee Thai Institute of Directors Association D.B.A. Boston University, U.S.A. MS. (Management) Massachusetts Institute of Technology, U.S.A. MIBA United States International University, U.S.A. Master of Art with Advanced Designation Certificate in International Trade University of California, Los Angeles, U.S.A. B.B.A.(Marketing, International Program, 1st Class Hons.) Bangkok University 	No	No	

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	May 2012 - present	<ul style="list-style-type: none"> Chairman of the Nomination and Remuneration Committee 	Srisawad Finance Public Company Limited.
	Aug. 2009 - present	<ul style="list-style-type: none"> Independent Director /Member of the Audit Committee 	Srisawad Finance Public Company Limited.
	1994 - present	<ul style="list-style-type: none"> Dean Head of Department-elected Deputy Dean for Academic Affairs Deputy Dean for Research and Foreign Affairs 	Faculty of Business Administration, Chiang Mai University

Management

	Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	
5.	Mr.Kudun Sukhumananda Independent Director and Member of the Audit Committee 10 Months	43	<ul style="list-style-type: none"> • Master of Laws Columbia University, U.S.A. • Bachelor of Laws Chulalongkorn University, Bangkok 	No	No	
6.	Mr.Prawat Phatraprasit Independent Director 9 Months	69	<ul style="list-style-type: none"> • Bachelor of Business Administration (Marketing) North Filed University, U.S.A 	No	No	

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2015 - present	• Director*	Kudun and Partners Co.,Ltd.
	2017 - present	• Director	Srisawad Finance Public Company Limited.
	2014 - 2015	• Member of the Audit Committee	GMM Grammy Plc.
	2014 - 2015	• Director	Bihai Resort Co.,Ltd.
	1998 - 2015	• Lawyer partner	Weerawong, Chinnavat & Peangpanor Ltd.
	*Authorized Director		
	2017 - present	• Independent Director	Srisawad Finance Public Company Limited.
	1989 - present	• Executive Director*	Pongrawe Co.,Ltd.
	2001 - present	• Executive Director*	Green Road Co.,Ltd.
	2012 - present	• Executive Director*	Wheels on Wheels Co.,Ltd.
	2008 - present	• Executive Director*	V.P.Garden Home Co.,Ltd.
	2012 - present	• Executive Director*	V.P.Ruamthun Co.,Ltd.
	1994 - present	• Executive Director*	Phattara Chokchai Co.,Ltd.
	2008 - present	• Advisor	Phirom Surang Co.,Ltd.
	*Authorized Director		

Management

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	
7. Mr.Thititham Rojanapruk Authorized Director, Deputy Managing Director 6 years	35	<ul style="list-style-type: none"> • The young executive program in energy literacy for a sustainable future YTEA class 5 • Director Certification Program Thai Institute of Directors Association • Academy of Business Creativity ABC #4 Sripatum University • TLCA Executive Development Program (EDP) Thai Listed Companies Association • Political Leadership in the New Era King Prajadhipok's Institute • Mini MBA (Faculty of Commerce and Accountancy) Thammasat University • Master of Business Administration Sasin Graduate Institute, Chulalongkorn University • Bachelor of Business Administration Holmes Institute, Melbourne, Australia 	0.17	No	

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2012 - present	• Director*	Srisawad Finance Public Company Limited.
	Oct. 2016 - present	• Deputy Managing Director	Srisawad Finance Public Company Limited.
	2012 - 2016	• Director	Srisawad Finance Public Company Limited.
	2006 - present	• Director*	Palang Rungruang Co., Ltd.
	2006 - present	• Director*	Boon Anek Anan Co., Ltd.
	- present	• Director*	Natural Asset Co.,Ltd.
	- present	• Director*	PPGR Co.,Ltd.
	2011 - 2012	• Managing Director	Sahasamakkee Service Co., Ltd.
	2011 - 2012	• Director*	Than Printing Co.,Ltd.
	2008 - 2016	• Vice President of Business Development Dept.	Hi-Tech Network Co., Ltd
	2008 - 2012	• Director*	Power Agricultural Industry Co.,Ltd.

*Authorized Director

Management

	Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
8.	Mr.Pinit Puapun Director 7 months	51	<ul style="list-style-type: none"> • Director Certification Program • Audit Committee program • Corporate Governance for Capital market • Intermediaries Thai Institute of Directors Association • Advanced Management Certificate Harvard Business School , U.S.A • Master of Economics The London School of Economics and Political Science • Bachelor of Economics and Political Science Tufts University, U.S.A 	No	No
9.	Mr.Weidt Nuchjaleran Director 7 Months	65	<ul style="list-style-type: none"> • Master of Business Administration Thammasat University • Bachelor of Science (Agricultural Economics) Kasetsart University 	No	No

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2017 - present	• Independent Director	Srisawad Finance Public Company Limited.
	2015 - present	• Director	Srisawad Corporation PCL.
	2002 - present	• Director	Charn Issara Development Plc.
	2015 - present	• Director	CAT Telecom PCL.
	2014 - present	• Director*	Mali Group 1962 Co.,Ltd.
	2008 - 2557	• Managing Director	KT Zmico Securities Co.,Ltd.
	2008 - present	• Director*	Seamico Securities Plc.
	2015 - present	• Director*	Solaris Asset Management Co.,Ltd.

*Authorized Director

2017 - present	• Director	Srisawad Finance Public Company Limited.
2015 - present	• Director / Member of Credit Committee	Srisawad Corporation PCL.
2014 - present	• Independent Director / Chairman of the Audit Committee	Thaifoods Group Plc.
2016 - present	• Director	S W P Services Co., Ltd.
2016 - present	• Director	United Coastal Co., Ltd.
2014 - present	• Director*	Dhipaya Insurance Plc.
2016 - present	• Independent Director / Chairman of the Audit Committee	Siam Technic Concrete Co.,Ltd.
2016 - present	• Director	WHA Utilities and Power Plc.
2009 - 2014	• Deputy Managing Director	Krung Thai Bank PCL.

*Authorized Director

Management

Name / Position Tenure		Age	Education	Shareholding	Family relationship with other director and member of management	
10.	Mr. Prayong Seannual Authorized Director 7 Months	52	• Bachelor of Political Science Ramkhamhaeng University	No	No	

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2012 - present	• Director* / Vice president of Personnel Dept.	Srisawad Corporation PCL.
	2017 - present	• Director *	Srisawad Finance PCL.
	2016 - present	• Director *	Srisawad Power 2014 Co.,Ltd.
	2016 - present	• Director *	S W P Asset Management Co., Ltd.
	2016 - present	• Director *	Fast Money Co., Ltd.

*Authorized Director

Management

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management
1. Miss Doungchai Kaewbootta Authorized Director, Managing Director 9 months	39	<ul style="list-style-type: none"> Director Certification Program Thai Institute of Directors Association Master of Computer Science De Paul, Chicago , U.S.A Bachelor of Art (Political Science) Kasetsart University 	No	No
2. Mr.Thititham Rojanapruk Authorized Director, Deputy Managing Director 6 years	35	<ul style="list-style-type: none"> The young executive program in energy literacy for a sustainable future YTEA class 5 Director Certification Program Thai Institute of Directors Association Academy of Business Creativity ABC #4 Sripatum University TLCA Executive Development Program (EDP) Thai Listed Companies Association Political Leadership in the New Era King Prajadhipok's Institute Mini MBA (Faculty of Commerce and Accountancy) Thammasat University Master of Business Administration Sasin Graduate Institute, Chulalongkorn University Bachelor of Business Administration Holmes Institute, Melbourne, Australia 	0.17	No

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	2010 - present	• Director*	Srisawad Corporation PCL.
	2017 - present	• Director and Managing Director*	Srisawad Finance PCL.
	2008 - present	• Director*	Srisawad Power 2014 Co., Ltd.
		• Director*	S W P Asset Management Co., Ltd.
		• Director*	Srisawad International Holding Co., Ltd.
		• Director*	United Coastal Co., Ltd.
		• Director*	Fast Money Co., Ltd.
		• Director*	S W P Services Co., Ltd.
		• *Authorized Director	
	2012 - present	• Director*	Srisawad Finance Public Company Limited.
	Oct.2016 - present	• Deputy Managing Director	Srisawad Finance Public Company Limited.
	2012 - 2016	• Director	Srisawad Finance Public Company Limited.
	2006 - present	• Director*	Palang Rungruang Co., Ltd.
	2006 - present	• Director*	Boon Anek Anan Co., Ltd.
	- present	• Director*	Natural Asset Co.,Ltd.
	- present	• Director*	PPGR Co.,Ltd.
	2011 - 2012	• Managing Director	Sahasamakkee Service Co., Ltd.
	2011 - 2012	• Director*	Than Printing Co.,Ltd.
	2008 - 2016	• Vice President of Business Development Dept.	Hi-Tech Network Co., Ltd
	2008 - 2012	• Director*	Power Agricultural Industry Co.,Ltd.

Management

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	
3. Miss Kanoknuj Cholvaniit Vice President/Head of Treasury & Investment Department	49	<ul style="list-style-type: none"> M.B.A. (Finance&Banking and Marketing) Sripatum University B.A. (Finance and Banking) Assumption University 	No	No	
4. Miss Ticha Suwannasang Vice President / Head of Compliance Department	37	<ul style="list-style-type: none"> Master of Management Information Technology Univercity of Nottingham Faculty of Commerce and Accountancy Chulalongkorn University, Bangkok 	No	No	
5. Mr.Adisorn Wichaidith Assistant Vice President/ Head of Personnel & General Service Department	50	<ul style="list-style-type: none"> B.Ed. (Social Studies) Srinakharinwirot University 	No	No	
6. Miss Chonlada Thaweephanyophat Assistant Vice President/ Head of Account & Finance Department	29	<ul style="list-style-type: none"> B.A.(Accounting) Thammasat University 	No	No	

Management

	Work Experience		
	Period	Position	Company's Name / Business Type
	Aug.2015 - present	• Vice President/Head of Dept. Investment Advisory Department	Srisawad Finance PCL.
	Jan.2014 - Aug.2015	• Assistant Vice President/Head of Dept. Personnel & General Service Dept.	
	Oct.2006 - Dec.2013	• Office Manager	Eternal Energy Pcl.
	Sep.2017 - present	• Vice President/Head of Dept. Compliance Department	Srisawad Finance PCL.
	Feb.2013 - Aug.2017	• Senior Manager	Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd.
		• Manager	EY Office Limited.
	1998 - present	• Assistant Vice President/Head of Dept. • Assistant Manager • General Service Division Head Personnel & General Service Department	Srisawad Finance PCL.
	2017 - present	• Assistant Vice President/Head of Dept.	Srisawad Finance PCL.
	2014 - 2017	• Assistant Vice President of Account Dept.	Srisawad Corporation PCL.
	2011 - 2014	• Senior Associate	Pricewaterhousecooper ABAS Co.,Ltd.

Management

Shareholding in the Company of Board of Directors as of December 31, 2017.

Name	Number of share held	
	As of <u>Dec. 31, 2017</u>	Increase (Decrease) <u>During the year</u>
1. Mr.Sukont Kanjanahuttakit	-	-
2. Miss.Doungchai Kaewbootta	-	-
3. Mr.Suchart Luengsurawat	-	-
4. Assoc.Prof.Dr.Siriwut Buranapin	-	-
5. Mr.Kudun Sukhumananda	-	-
6. Mr.Prawat Phatraprasit	-	-
7. Mr.Thititham Rojanapruk	359,195	359,195
8. Mr.Pinit Puapan	-	-
9. Mr.Weidt Nuchjaleran	-	-
10. Mr.Prayong Seannual	-	-

Shareholding in the Company of Executives as of December 31, 2017.

Name	Number of share held	
	As of <u>Dec. 31,2017</u>	Increase (Decrease) <u>During the year</u>
1. Miss Doungchai Kaewbootta	-	-
2. Mr.Thititham Rojanapruk	359,195	359,195
3. Mr.Wichian Proongpanish	-	-
4. Miss Kanoknuj Cholvanit	-	(9,970,000)
5. Miss Ticha Suwannasang	-	-
6. Mr.Adisorn Wichaidith	-	-
7. Miss Chonlada Thaweephanyophat	-	-

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.srisawadfinance.com both in Thai and English or through the website of the Stock Exchange of Thailand 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.

1. Shareholder's meeting

Corporate Governance Policy

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 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

Corporate Governance Policy

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 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.

Corporate Governance Policy

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 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.

Corporate Governance Policy

- 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.

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.

Corporate Governance Policy

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.srisawadfinance.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. 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

Corporate Governance Policy

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

he 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:

- 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

Corporate Governance Policy

and management in 2017 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 2017 are available in the sections titled “Audit Fees” and “Audit Report of Certified public Accountant” of this Annual Report.

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, 2017, the Company has 10 directors. The combination of directors must be complied with good corporate

Corporate Governance Policy

governance guideline by the Stock Exchange of Thailand and the regulations of the Bank of Thailand as follow:

- 1) 4 independent directors: Assoc.Prof.Dr.Siriwut Buranapin, Mr.Suchart Luengsurawat, Mr.Kudun Sukhumananda and Mr.Prawat Phatprasit
- 2) 3 executive directors: Miss Doungchai Kaewboota, Mr.Thititham Rojanapruk and Mr.Prayong Saennual
- 3) 3 non-executive directors: Mr.Sukont Kanjana-huttakit, Mr.Pinit Puapan and Mr.Weidt Nuchjalearn

The Board of Directors is well-balanced in the proportion because four 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.
- 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

Corporate Governance Policy

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:
 - an opinion on the accuracy, completeness and creditability of BFIT's financial report,
 - an opinion on the adequacy of BFIT's internal control system,
 - 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,
 - an opinion on the suitability of an auditor,
 - an opinion on the transactions that may lead to conflicts of interests,
 - the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
 - 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

Corporate Governance Policy

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:

- Conflict of interest.
- Fraud, possible fraud, or significant deficiency of internal control;
- 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, 2017, the Audit Committee comprising 3 members of independent directors as follows:

- | | |
|------------------------------------|---------------------------------|
| 1. Mr.Suchart Luengsurawat | Chairman of the Audit Committee |
| 2. Assoc.Prof.Dr.Siriwut Buranapin | Member of the Audit Committee |
| 3. Mr.Kudun Sukhumananda | Member of the Audit Committee |

Notation : Mr.Suchart Luengsurawat was appointed by the resolution of the Board of Director Meeting No. 5/2017 on June 13, 2017 as Chairman of the Audit Committee, replacing Mr.Thira Wipuchanin was retired on June 13, 2017.

Mr.Suchart Luengsurawat is a chairman of audit committee who having sufficient knowledge and experience to review the reliability of company'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

Corporate Governance Policy

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 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, 2017, the Nomination and Remuneration Committee comprising 3 members of independent directors as follows:

- | | |
|------------------------------------|---|
| 1. Assoc.Prof.Dr.Siriwut Buranapin | Chairman of the Nomination and Remuneration Committee
(Independent Director) |
| 2. Mr.Suchart Luengsuraswat | Member of the Nomination and Remuneration
Committee(Independent Director) |
| 3. Mr.Prawat Phatraprasit | Member of the Nomination and Remuneration Committee
(Independent 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

Corporate Governance Policy

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.
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, 2017, the Executive Committee comprising 4 members of directors and senior management as follows:

- | | |
|------------------------------|-----------------------------------|
| 1. Miss Doungchai Kaewbootta | Chief Executive Officer |
| 2. Mr.Thititham Rojanapruk | Member of the Executive Committee |
| 3. Mr.Prayong Saennual | Member of the Executive Committee |
| 4. Mr.Montree Chansongnoen | Member of the Executive Committee |

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.

Corporate Governance Policy

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 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

Corporate Governance Policy

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.
- 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.

Corporate Governance Policy

(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.

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))

Corporate Governance Policy

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.
- 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".

Corporate Governance 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.
- 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.

Corporate Governance Policy

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.

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.

Corporate Governance Policy

- 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.
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.

Corporate Social Responsibility

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.
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 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.

Corporate Social Responsibility

- 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.

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 23rd floor, Bangkok Insurance Building, no. 25, South Sathon Road, Tungmahamek Sub-district, Satorn District, Bangkok 10120

Corporate Social Responsibility

- Inform or report through Company's website:
<http://www.srisawadfinance.com> (under "Complaint")
- Inform or report via Company's E-mail as follows.
 - The Chairman of Audit Committee through a secretary : tichas@srisawadfinance.com
 - The Managing Director : dOUNGchai@srisawadfinance.com
 - The Head of Audit Department : tichas@srisawadfinance.com
- Inform or report through Company's telephone no. as follows.
 - The Chairman of Audit Committee through a secretary: 0-2677-4300 ext. 376
 - The Managing Director : 0-2677-4321
 - The Head of Audit Department (Acting) : 0-2677-4300 ext. 376
- Inform or report through Company's fax no. : 0-2677-4301-2

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.

Corporate Social Responsibility

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.

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:

Corporate Social Responsibility

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 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.

Corporate Social Responsibility

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.

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 reuses its packaging materials. Recycled or reused to make the most efficient removal and storage of 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.

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 2017, 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-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.

Corporate Social Responsibility

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.srisawadfinance.com) 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. Company 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.

Company'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 company'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 company.

Provisioning and monitoring operations of company is equipped with risk evaluation covering complying with laws and regulations governmental agencies, policies and ethical codes of company, adequacy evaluation in internal control, and proper risk management. Company 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 company from damages in assets and reputation.

Miss Ticha Suwannasang Head of Audit Department (Acting) 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.7.

Related Party Transactions

In 2017, 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.

Below is a summary of significant business transactions with related parties in 2017.

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
1. Srisawad-samarn kaewbootta foundation	• A close relative of a director is a director and a shareholder in this company (Ms.Doungchai kaewbootta)	• Interest paid on deposits	72	Same rate as applied to ordinary customers
2. Pridapramote Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Interest paid on deposits	5,903	Same rate as applied to ordinary customers
3. Excel Link Co.,Ltd.	• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	• Interest paid on deposits	164	Same rate as applied to ordinary customers
4. L.M. Tech Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Interest paid on deposits	5	Same rate as applied to ordinary customers
5. AAA Holding Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Interest paid on deposits	15	Same rate as applied to ordinary customers
6. Rakvaree Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Interest paid on deposits	14	Same rate as applied to ordinary customers

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
7.Thassiri Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	19	Same rate as applied to ordinary customers
8. Com -Link Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	18,794	Same rate as applied to ordinary customers
9. DAS Services Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	64	Same rate as applied to ordinary customers
10. Active Communication Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	120	Same rate as applied to ordinary customers
11. Dharmavong Co.,Ltd.	<ul style="list-style-type: none"> - A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	27	Same rate as applied to ordinary customers
12. Boon Anek Anan Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	81	Same rate as applied to ordinary customers
13. Cassava Land Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	49	Same rate as applied to ordinary customers

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
14. S.A.V.(Thailand) Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	83	Same rate as applied to ordinary customers
15. Prasert Dee Tae Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	9	Same rate as applied to ordinary customers
16. Palang Rungrueng Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	4	Same rate as applied to ordinary customers
17. Sahasamakkee Service Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	8	Same rate as applied to ordinary customers
18. PPGR Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Interest paid on deposits 	225	Same rate as applied to ordinary customers

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
19. Hi-Tech Network Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	<ul style="list-style-type: none"> Interest paid on deposits 	506	Same rate as applied to ordinary customers
20. RakThai Technology and Business Administration Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	<ul style="list-style-type: none"> Interest paid on deposits 	2,766	Same rate as applied to ordinary customers
21. Eternal Energy PCL.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) Common director (Mr.Vorakit Srangsiwong resigned on 13.06.17) 	<ul style="list-style-type: none"> Interest paid on deposits 	45	Same rate as applied to ordinary customers
22. Power Agricultural Industry Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk) Common director (Mr.Vorakit Srangsiwong resigned on 13.06.17) 	<ul style="list-style-type: none"> Interest paid on deposits 	2	Same rate as applied to ordinary customers
23. Jirola (Thailand) Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	<ul style="list-style-type: none"> Interest paid on deposits 	10	Same rate as applied to ordinary customers

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
24. I Tower Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	• Interest paid on deposits	3,879	Same rate as applied to ordinary customers
25. Boon Anek Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) Common director (Mr.Vorakit Srangsiwong resigned on 13.06.17) 	• Interest paid on deposits	32	Same rate as applied to ordinary customers
26. Eternal Energy & Electricity Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) Common director (Mr.Vorakit Srangsiwong resigned on 13.06.17) 	• Interest paid on deposits	24	Same rate as applied to ordinary customers
27. Charoenporn Energy Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) Common director (Mr.Vorakit Srangsiwong resigned on 13.06.17) 	• Interest paid on deposits	28	Same rate as applied to ordinary customers
28. Anek Boon Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	• Interest paid on deposits	21	Same rate as applied to ordinary customers
29. Tear One Network Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	• Interest paid on deposits	24	Same rate as applied to ordinary customers
30. Biz & Fun Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mrs.Kingthien Bang-Or resigned on 31.03.17) 	• Interest paid on deposits	11	Same rate as applied to ordinary customers
31. Srisawad Corporation PCL.	<ul style="list-style-type: none"> Parent Company 	• Interest paid on borrowing	20,236	Agreed rate per contract

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht	Pricing policy
32. Srisawad Power 2014 Co.,Ltd.	• Related party (Common Parent Company)	• Loan Management Fee	85,277	Agreed rate per contract

The balances of the accounts between the Company and those related companies as of December 31, 2017 are as follows:-

Related Party	Relationship	Transaction	Thousand Baht
1. Srisawad-samarn kaewbootta foundation	• A close relative of a director is a director and a shareholder in this company (Ms.Doungchai kaewbootta)	• Deposits • Accrued interest expenses	6,000 28
2. Pridapramote Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	715,984 3,095
3. Excel Link Co.,Ltd.	• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	10,003 85
4. Rakvaree Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	906 12
5. Com -Link Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	1,208,527 6,621
6. Active Communication Co.,Ltd.	• A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	7,702 68
7. Dharmavong Co.,Ltd.	• A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	• Deposits • Accrued interest expenses	1,748 6

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht
8. Cassava Land Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	4,264 36
9. S.A.V.(Thailand) Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	5,000 22
10. Prasert Dee Tae Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	570 5
11. Sahasamakkee Service Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	1,000 8
12. PPGR Co.,Ltd.	<ul style="list-style-type: none"> Common director (Mr.Thititham Rojanapruk) Director and a close relative of a director are a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	66,099 124
13. Hi-Tech Network Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	49,065 166
14. RakThai Technology and Business Administration Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	199,233 694
15. I Tower Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits Accrued interest expenses 	259,539 734
16. Charoenporn Energy Co.,Ltd.	<ul style="list-style-type: none"> A close relative of a director is a director in this company (Mr.Thititham Rojanapruk) 	<ul style="list-style-type: none"> Deposits 	500

Related Party Transactions

Related Party	Relationship	Transaction	Thousand Baht
17. Srisawad Corporation PCL.	• Parent Company	<ul style="list-style-type: none"> • Borrowing • Accrued interest expenses • Receivables • Payable 	2,500,000 20,236 607 248
18. Srisawad Power 2014 Co.,Ltd.	• Related party (Common Parent Company)	<ul style="list-style-type: none"> • Loan Management fee payable • Receivables • Payable 	387,016 104,432 4,691
19. Fast Money Co.,Ltd.	• Related party (Common Parent Company)	<ul style="list-style-type: none"> • Receivables 	73

Policy on Relate 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.

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 transaction of the company or the subsidiary company with directors, executives or relevant persons has a commonly commercial condition; that is to say, it is considered the transaction with the commercial agreements in the same manner as reasonable men will conduct the transaction with common contract partners in the same situation. By the commercial bargaining power without the influence as directors, executives or relevant persons (it is the transaction relevant to deposit and withdrawal, borrowing and lending, arrangement of financial structure and project loan, property trading, investment consultant, financial consultant, property distribution and advance trading of agricultural products), the executive board or the executives can approve the transaction before according to the approval authority and the principle approved by the company's board; furthermore, it is necessary to report the abovementioned conducted transaction to the meeting of the examination board or the company's board as specified.

2. The transaction of the company of the subsidiary company with directors, executives or relevant persons has no commonly commercial condition (it is not the transaction relevant to deposit and withdrawal, borrowing and lending, arrangement of financial structure and project loan, property trading, investment consultant, financial consultant, property distribution and advance trading of agricultural products); therefore, present the detail of particulars, relation of transaction, appropriateness of transaction and opinion from independent experts as the third party (auditors/appraisers/independent engineers/law offices) (if any) to the

Related Party Transactions

examination board for approval consideration and present to the company's board for approval consideration. The agreement of the abovementioned transaction will be presented to the shareholder's meeting for approval except the abovementioned transaction is based on the Section 89/12 and/or the Notification of Capital Market Supervisory Board TorJor. 21/2551 on Rules of Relevant Transaction and/or the Notification of Stock Exchange Board on Information Disclosure and Registered Company Operation in Relevant Transaction B.E. 2546 (2003) and/or any of other conditions in the future.

3. The executives are prohibited to approve the relevant transaction with any concerns or involvements by the executives. However, the higher superior will approve the transaction and reveal the manner of relations or concerns or any interests to the company and the approver.

4. The directors with interests of conducting the transaction as the relevant particulars are prohibited to be a co-approver. However, those directors must reveal relations or concerns or any interests with the transaction conductor to the company.

5. Conducting the transaction with major shareholders or the activity with relevant benefits must follow the policy of the Bank of Thailand on Credit Transaction.

6. Conducting the transaction with major shareholders or the activity with relevant benefits must be approved by the company's board with the unanimous resolution except in case the company's board can authorize to the credit board or the executive board to approve the abovementioned credit. However, it must follow the rules of credit approval formulated by the company, and the amount of money granted to major shareholders or the activity with relevant benefits will be ratified by the company's board in the next meeting and must accept the unanimous resolution.

7. Granting credits, investing, taking on commitments or conducting transactions in the same manner of granting credits to the governmental agency, the fund for rehabilitation and development of financial institution systems or the governmental company or fund for rehabilitation and development of financial institution systems having the power to control the business of hold over 10 percent of all distributed shares of those companies.

8. Granting credits, investing, taking on commitments or conducting transactions in the same manner of granting credits to the previous customers who were approved by the company's board; however, in case of asking for the abovementioned additional financial amount or the abovementioned new financial amount.

However, if the company's board does not ratify or ratify with split resolution, granting credits, investing, taking on commitments or conducting transactions in the same manner of granting credit will be cancelled immediately.

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	
	2017	2016	Increase (Decrease)	%
Interest income	612,700	243,838	368,862	151.27
Interest expenses	117,047	68,808	48,239	70.11
Net interest income	495,653	175,030	320,623	183.18
Fees and service income	12,131	7,474	4,657	62.31
Net gain (loss) on investments	171,624	(2,730)	174,354	6,386.59
Other operating incomes	64,710	58,999	5,711	9.68
Other operating expenses	308,018	97,199	210,819	216.89
Bad debts and doubtful accounts	159,677	0	159,677	100.00
Profit from operating before income tax expense	276,423	141,574	134,849	95.25
Income tax expense	41,615	12,912	28,703	222.30
Net profit for the year	234,809	128,662	106,147	82.50

The company's net profit was 234.81 million Baht which increased by 106.15 million Baht or 82.50%, compared to the net profit of 128.66 million Baht 2016. The increase in profit was mainly due to the increase of 1) net interest income amounting to 320.62 million Baht, 2) fees and service income amounting to 4.66 million Baht, 3) net income from investments amounting to 174.35 million Baht and 4) other operating income increased by 5.71 million Baht. At the same time, the company had a net loss resulting from the increase in other operating expenses amounted to 210.82 million Baht, increase in doubtful debt amounting to 159.68 million Baht and increase in tax expenses amounting to 28.70 million Baht. The details are as follows.

Management Discussion and Analysis

Net interest income

(Unit: Thousand Baht)

	For the year		Change	
	2017	2016	Increase (Decrease)	%
Interest income				
Interbank and money market items	27,530	19,094	8,436	44.18
Investment in debt securities	56,726	93,380	(36,654)	(39.25)
Loans	528,445	131,364	397,081	302.28
Total interest income	612,701	243,838	368,863	151.27
Interest expense				
Deposits	75,193	53,667	21,526	40.11
Interbank and money market items	0	0	0	0
Contribution fees to FIDF and the Deposit Protection Agency AAAAAgency	21,522	15,032	6,490	43.17
Debt securities issued and borrowings	20,332	108	20,224	18,725.93
Borrowings fees	0	1	(1)	(100.00)
Total interest expense	117,047	68,808	48,239	70.11
Net interest income	495,654	175,030	320,624	183.18

Revenue from net interest rose to 320.62 million Baht or 183.18 percent which increased from 175.03 million Baht in 2016 to 495.65 million Baht in 2017. In terms of change in the revenue from net interest in 2017, the company earned additional interest being 368.86 million Baht or 151.27 percent with details as follows.

- Interest from interbank and money market items Increased by Baht 8.44 million or 44.18% due to the increase in private repo transaction volume last year.
- Interest from investments in debt securities decreased by Baht 36.65 million or 39.25% due to the sale of investments and the maturity of investments during the year, along with a decrease in investment last year.
- Interest from loans increased by Baht 397.08 million or 302.28% due to the increase in loans compared to 2016.

Management Discussion and Analysis

Interest Expense

- Interest expenses on deposits increased by Baht 21.53 million or 40.11% due to an increase in deposits and average interest rates on deposits compared to 2016. However, the average interest rate for 2017 is equivalent to 1.96 percent which higher than the average interest rate of 1.64 percent in 2016.
- Expenses on Financial Institutions Development Fund and the Deposit Protection Agency increased by Baht 6.49 million or 43.17%, which was in line with the proportion of deposits, issued debt securities and loans with an increasing average rate increased last year.
- Interest expenses on issued debt securities and loans increased by Baht 20.22 million as a result of the increase in loans for business operation of the company.

Non-interest income

(Unit: Thousand Baht)

	For the year		Change	
	2017	2016	Increase (Decrease)	%
Fees and service income				
Acceptances, aval and guarantees	633	568	65	11.44
Others	11,498	6,906	4,592	66.49
Total fees and service income	12,131	7,474	4,657	62.31
Net gain (loss) on investments				
Gain (loss) on disposal	167,524	1,370	166,154	12,128.03
Loss on impairment of investments	4,100	(4,100)	8,200	200.00
Net gain (loss) on investments	171,624	(2,730)	174,354	6,386.59
Other operating income				
Dividend income	55,816	38,344	17,472	45.57
Other income	8,894	20,655	(11,761)	(56.94)
Total other operating income	64,710	58,999	5,711	9.68
Total non-interest income	248,465	63,743	184,722	289.79

Management Discussion and Analysis

- Revenue from fees and services increased by Baht 4.66 million or 62.31% from Baht 7.47 million in 2019 to Baht 12.13 million in 2017, mainly due to an increase in revenue from fees related to loans.
- Net profit (loss) from investment increased by Baht 174.35 million or 6,386.59% from Baht 2.73 million loss in 2016. The profit was 171.62 million Baht in 2017 due to an increase in profits from the sales of investment being 166.15 Baht and an increase in the reversal of impairment of investment being 4.10 million Baht. The company received the records as loss on impairment of investment of 4.10 million Baht in 2016.
- Revenue from other operations increased 5.71 million Baht or 9.68% due to an increase in dividend income of 17.47 million Baht, a decrease in profits of sale of foreclosed assets of 15.22 million Baht, a decrease in doubtful debt of 1.96 million Baht and an increase in other incomes of 5.42 million Baht.

Other Operating Expenses

(Unit: Thousand Baht)

	For the year		Change	
	2017	2016	Increase (Decrease)	%
Other operating expenses				
Personnel expenses	133,663	64,434	69,229	107.44
Directors' remuneration	5,743	5,063	680	13.43
Premises and equipment expenses	18,014	13,582	4,432	32.63
Taxes and duties	22,726	4,613	18,113	392.65
Other expenses	127,872	9,507	118,365	1,245.03
Total other operating expenses	308,018	97,199	210,819	216.89

Management Discussion and Analysis

- Other operating expenses Increased by 210.82 million Baht or 216.89% from 97.20 million Baht in 2019 to 308.02 million Baht in the year 2017 due to an increase in personnel expenses of 69.24 million Baht, an increase in taxes of 18.11 million Baht and an increase in costs of management; consultancy and other expenses of 123.47 million Baht. In this regard, the increase of such expenses is in line with the increase in revenue.

Corporate Income Tax

The increase in income tax was 28.70 million Baht or 222.30% from 12.91 million Baht in 2016 to 41.62 million Baht 2017 due to an increase in the corporate income tax of 55.70 million Baht which fluctuated according to an increase in operating profits before deducting the tax and a decrease in deferred income tax of 26.99 million Baht.

Financial Position

Assets

The company's total assets as of December 31, 2017 amounted to 11,293.83 million Baht, which increased by 5,701.03 million Baht or 101.94%, compared to the total assets of 5,592.80 million Baht at the end of 2016.

(Unit: Thousand Baht)

	December 31, 2017		December 31, 2016		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Cash	20	0.00	20	0.00	-	
Interbank and money market items - net	2,097,491	18.57	1,720,613	30.76	376,878	21.90
Investments - net	347,522	3.08	2,435,475	43.55	(2,087,953)	(85.73)
Net loans to customer and accrued interest receivables	8,710,300	77.12	1,401,000	25.05	7,309,300	521.72
Land, premises and equipment - net	17,278	0.15	10,859	0.19	6,419	59.11
Intangible assets - net	2,292	0.02	570	0.01	1,722	302.11
Deferred tax assets	-	-	-	-	-	-
Accrued interest income from investments	2,565	0.02	17,127	0.31	(14,562)	(85.02)
Other assets	116,364	1.03	7,139	0.13	109,225	1,529.98
Total assets	11,293,832	100.00	5,592,803	100.00	5,701,029	101.94

Management Discussion and Analysis

At the end of 2017, the company had a total amount of 1,350 million Baht according to the contract on acquisition from the private sector (which is included in interbank and money market items), or approximately 11.95% of total assets.

The company's main assets are comprised of financial assets, including interbank and money market items, loans to debtors and net accrued interest receivables and other assets, the details of which are as follows.

Net investments

The net investment at the end of 2017 amounted to Baht 347.52 million which decreased from 2,087.95 million Baht the end of 2016. The cost price or fair value is classified according to the type of investment as follows.

(Unit: Thousand Baht)

	December 31, 2017		December 31, 2016		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Available-for-sale securities						
Government and state enterprise securities	85,014	24.46	407,670	16.74	(322,656)	(79.15)
Private sector debt securities	243,310	70.01	1,490,767	61.21	(1,247,457)	(83.68)
Domestic marketable equity securities and unit trusts	2,417	0.70	524,357	21.53	(521,940)	(99.54)
Less: Allowance for impairment loss of private sector debt securities	-	-	(4,100)	(0.17)	4,100	(100.00)
Total available-for-sale securities	330,741	95.17	2,418,694	99.31	(2,087,953)	(86.33)
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	-	-	-	-	-	-
Other investments						
Domestic non-marketable equity securities	70,533	20.30	70,533	2.90	-	-
Less: Allowance for impairment loss	(53,752)	(15.47)	(53,752)	(2.21)	-	-
Total other investments	16,781	4.83	16,781	0.69	-	-
Total net investment	347,522	100.00	2,435,475	100.00	(2,087,953)	(85.73)

Management Discussion and Analysis

The movement of investments

(Unit: Thousand Baht)

	December 31, 2017	December 31, 2016
Balance-beginning of the year	2,435,476	2,540,663
Additions	49,742	248,811
Disposal / Redemptions	(1,936,048)	(392,307)
Amortizations of discount amortization an debenture	(1,733)	(1,351)
Change in fair value of available – for – sale securities	(199,915)	39,660
Balance-end of the year	347,522	2,435,476

Overall, the company's net investment was 347.52 million Baht which decreased by 2,087.95 million Baht or 85.73% mainly due to the sale of investments, the maturity of investments and the change in fair value of investments. In this regard, the change in investment is detailed as follows:

- (1) Investment in government and state enterprise securities amounted to 85.01 million Baht or 24.46% of total investment which decreased from that of 2016 by 255.26 million Baht or 79.15%.
- (2) Private debt securities amounted to 243.31 million Baht accounting for 70.01% of total investment which decreased from that of 2016 by 1,247.46 million Baht or 83.68%.
- (3) Equity instruments and units of investment in domestic market demand amounted to 2.42 million Baht or 0.70% of total investment which decreased from that of 2016 by 521.94 million Baht or 99.54%.
- (4) The value of investment decreased by 69.32 million Baht from 2016 due to a decrease in market value of investment.

The significant decline was due to the maturity of debt collateral and the sale of collateral according to the market demand to provide liquidity to the company.

Management Discussion and Analysis

Net loans to customer and accrued interest receivables

Loans to debtors and net accrued interest receivables according to the company's financial statement at the end of 2017 totaled 8,710.30 million Baht which increased from 1,401.00 million Baht at the end of 2016 or by 7,309.30 million Baht. The details are as follows.

(Unit : Thousand Baht)

	December 31, 2017	December 31, 2016	Change	
			Increase (Decrease)	%
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	10,421,653	1,904,293	8,517,360	447.27
<u>Less</u> : Unearned interest income	(1,049,358)	-	(1,049,358)	100.00
<u>Less</u> : allowance for doubtful accounts	(660,769)	(501,092)	(159,677)	31.87
<u>Less</u> : allowance for revaluation of debt restructuring	(1,226)	(2,201)	975	(44.30)
Net loans to customer and accrued interest receivables	8,710,300	1,401,000	7,309,300	521.72

The increase in loans to debtors and accrued interest receivables totaled 7,309.30 million Baht or 521.72% mainly due to:

- An increase in net loans from deferred income amounting to 7,467.59 million Baht due to the issuance of retail loans with collateral: cars in exchange for money, motorbikes in exchange for money and house and land in exchange for money which increased by 3,861.73 million Baht, 1,914.49 million Baht and 1,916.28 million Baht, respectively; and a decrease in business loans of 25.54 million Baht; a decrease in non-collateralized loans of 122.51 million Baht and a decrease in other receivables of 25.54 million Baht amounting to 76.86 million Baht due to repayment of debt under the agreement.
- An increase in allowance for doubtful accounts amounting to 159.68 million Baht which was in line with the growth of the receivables.

Management Discussion and Analysis

Liabilities

(Unit : Thousand Baht)

	December 31, 2017		December 31, 2016		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Deposits						
From public	6,067,719	53.73	3,380,892	60.45	2,686,827	79.47
From foreign countries	56	0.00	56	0.00	-	-
Total deposits	6,067,775	53.73	3,380,948	60.45	2,686,827	79.47
Debt securities issued and borrowings	2,506,000	22.19	6,410	0.11	2,499,590	38,995.16
Provisions	36,061	0.32	42,585	0.76	(6,524)	(15.32)
Deferred tax liabilities	5,231	0.05	57,862	1.03	(52,631)	(90.96)
Accrued interest payable	50,935	0.45	15,853	0.28	35,082	221.30
Withholding tax payable	1,407	0.01	1,997	0.04	(590)	(29.54)
Corporate income tax	10,018	0.09	-	-	10,018	100.00
Other liabilities	466,777	4.13	12,134	0.22	454,643	3,746.85
Total liabilities	9,144,204	80.97	3,517,789	62.90	5,626,415	159.94

According to the financial statement of at the end of 2017, the company had the total debt of 9,144.20 million Baht which increased from 3,517.79 million Baht at the end of 2016 or by 5,626.42 million Baht or 159.94 percent mainly due to an increase in deposits, debt securities and loans, accrued interest receivables, accrued income tax and other liabilities. At the same time, there was a decrease in provisioning for debts, deferred income tax liabilities and withholding tax. Items with significant changes are as follows:

- Deposits at the end of 2017 amounted to 6,067.78 million Baht which increased from the end of 2016 by 2,686.83 million Baht or 79.47% due to an increase in the average deposits compared to that of 2016. Such increase in deposits was to support the expansion of credit port.
- Issued debt securities and loans at the end of 2017 amounted to 2,506 million Baht which increased from the end of 2016 by 2,499.59 million Baht or 38,995.16% because in 2017, the company borrowed money for the purpose of lending, the amount of which increased by 2,500 million Baht. At the same time, there was a decrease in promissory notes which fell due and no renewal amounting to 0.41 million Baht.

Management Discussion and Analysis

- Accrued interest on loans at the end of 2017 was 50.94 million Baht which increased from the end of 2016 by 35.08 million Baht or 221.30% due to variation in interest expenses on deposits and increased loans.
- Other liabilities as at the end of 2017 amounted to 466.78 million Baht which increased from the end of 2016 by 454.64 million Baht or 3.77.85% mainly due to an increase in accrued management fee of 387.02 million Baht and an increase in accrued bonus of 18.69 million Baht.
- An increase in accrued corporate income tax amounted to 10.02 million Baht which is in line with an increase in profits from the company's operations before deducting the tax. There was also a decrease in provisioning for liabilities of 6.52 million Baht and a decrease in deferred tax liabilities of 52.63 million Baht.

Equity

(Unit : Thousand Baht)

	December 31, 2017		December 31, 2016		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Share capital						
Authorised share capital	1,050,000		1,500,000		(450,000)	(30.00)
Issued and paid-up share capital	1,049,998	9.30	1,000,000	17.88	49,998	5.00
Other components of equity	5,894	0.05	165,826	2.96	(159,932)	(96.45)
Retained earnings						
Appropriated Legal reserve	123,000	1.09	123,000	2.20	-	-
Unappropriated	970,736	8.60	786,188	14.06	184,548	23.47
Total equity	2,149,628	19.03	2,075,014	37.10	74,614	3.60
Total liabilities and equity	11,293,832	100.00	5,592,803	100.00	5,701,029	101.94

According to the company's financial statement, the equity as of December 31, 2016 totaled 2,149.63 million Baht which was higher than the amount as of December 31, 2016 by 74.61 million Baht. The details are as followed.

- Registered and paid-up capital at the end of 2017 amounted to 1,050 million Baht which increased from 2016 by 50 million Baht due to payment of dividends to ordinary shareholders.

Management Discussion and Analysis

Remark: In 2017, the company registered a decrease in its registered capital from 1,500 million Baht to 1,000 million Baht by reducing 100 million ordinary shares, the par value of which is 5 Baht, and increasing the registered capital by Baht 50 million from the existing registered capital of 1,000 Baht to 1,050 million Baht. The company issued 10 million ordinary shares with a par value of Baht 5 per share to support the payment of dividends as ordinary shares of the company.

- Other components of equity at the end of 2017 amounted to 5.89 million Bah which decreased from the end of 2016 by 159.93 million Baht due to a decrease in the value of available-for-sale securities both from the sales of investment and the decrease in fair value of available-for-sale investments resulting from a decline in the market value of investment.
- Unappropriated retained earnings at the end of 2017 amounted to 970.74 million Baht which increased from the end of 2016 by 184.55 million Baht due to the company's net profit for the year 2017 amounting to 234.81 million Baht, a decline in unappropriated retained earnings by 56 million Baht and an increase in net retained earnings from revaluation of liabilities and benefits from tax of 5.74 million Baht.

Assets Quality, Liquidity, Reserves, and Capital Fund Requirements

Loans

A. Component of loans as classified by type of business

(Unit : Thousand Baht)

Loans classified by type of business	December 31, 2017		December 31, 2016		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Manufacturing and Commerce	86,607	0.92	1 09,266	5.74	(22,659)	(20.74)
Real estate and construction	23,601	0.25	40,292	2.12	(16,691)	(41.43)
Public utilities and services	149,340	1.59	35,529	7.12	13,811	10.19
Others					-	
Non-secured loans for retails	1,384,729	14.78	1,507,234	79.20	(122,505)	(8.13)
Secured loans for retails						
Vehicle-backed Loan	3,861,725	41.21	-	-	3,861,725	100.00
Motorcycle-backed Loan	1,914,492	20.43	-	-	1,914,492	100.00
Land and House-backed Loan	1,916,275	20.45	-	-	1,916,275	100.00
Others	33,917	0.36	110,778	5.82	(76,861)	(69.38)
Total loans net of deferred incomes	9,370,686	100.00	1,903,099	100.00	7,467,587	392.39

Management Discussion and Analysis

The net loans from deferred income as of December 31, 2017 increased from 1,903.10 million Baht at the end of 2016 to 9,370.69 million Baht at the end of 2017 or increased by 7,467.59 million Baht or 392%. Such change resulted from the fact that the company gave retail loans with securities: cars in exchange for money, motorbikes in exchange for money and house and land in exchange for money which increased by 3,861.73 million Baht, 1,914.49 million Baht and 1,916.28 million Baht, respectively; a decline in retail loans without securities amounting to 25.24 million Baht and a decline in the number of other retail debtors amounting to 78.68 million Baht due to repayment of debt under the agreement.

(Unit : Thousand Baht)

Loans to customers and accrued interest receivables	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	%	Amount	%	Amount	%
Normal	1,492.92	76.64	1,532.53	80.48	8,458.45	90.25
Special Mention	117.63	6.04	32.99	1.73	648.42	6.92
Sub – standard	0.03	0.00	28.35	1.49	43.63	0.46
Doubtful	23.78	1.22	15.80	0.83	-	-
Doubtful of Loss	313.57	16.10	294.62	15.47	221.80	2.37
Total	1,947.93	100.00	1,904.29	100.00	9,372.29	100.00
Less : Allowance for doubtful accounts	(559.45)	(28.72)	(501.09)	(26.31)	(660.77)	(7.05)
Loans to customers and accrued Receivables , net	1,388.48	71.28	1,403.20	73.69	8,711.52	92.95

If the quality of the debtor I considered, most of the debtors are debtors from car loans and home loans which the company started to give loans in the third quarter of 2017. It was found that 90.25% of debtors were classified as normal, and 7% were classified as special loans, indicating that the quality of the debtor is in a good condition.

B. Classification of Loans and Allowance for Doubtful Accounts

The company has adhered to classification of loans and determined allowance for doubtful accounts for loans pursuant to the provisions of the Bank of Thailand numbered SorNorSor. 5/2559 on Classification Criteria and Provision of Reserve of Financial Institutions dated June 20, 2016 from the outstanding loans at the end of the period. The classification of loans is based on debtors' overdue period and ability to repay. The value of collateral used depends on the type of collateral. All loans are classified into six categories, and allowance for doubtful accounts is provided for each type of loan.

Management Discussion and Analysis

According to the company's financial statements as at December 31, 2017, the classification of loans and allowance for doubtful accounts are as follows:

(Unit: Thousand Baht)

	2017				
	Loans and accrued interest receivables	Net balance used in made allowance for doubtful accounts ⁽¹⁾	Percent used for calculating the allowance (Percent)	Allowance for doubtful accounts	
				The minimum requirement of BOT	Amount already set up by the Company
Normal	8,458,446	7,402,066	1	74,021	88,908
Special mention	648,420	603,053	2	12,061	131,330
Sub-standard	43,629	42,789	100	42,789	42,789
Doubtful	0	0	100	0	0
Doubtful of loss	221,800	163,852	100	163,852	167,352
Surplus reserves	0	0		0	230,391
Total ⁽²⁾	9,372,295	8,211,760		292,723	660,770

(1) Net balance used to determine the allowance for doubtful accounts of normal and special debtors refers to the net outstanding principal balance of deferred income excluding accrued interest receivable and after deduction of collateral value. For substandard debtors, doubtful accounts are defined as the net outstanding principal balance of deferred income plus accrued interest receivable after deduction of the present value of cash flows expected to receive from debtors or the present value of the cash flow expected to receive from the sale of collateral, as the case may be.

(2) Total net loans from deferred income plus accrued interest receivable

(3) Considering the adequacy of the allowance for doubtful accounts, the company had an allowance for doubtful accounts amounting to 660.77 million Baht which was higher than the criteria of the Bank of Thailand by 368.05 million Baht.

Management Discussion and Analysis

Credits and Non-Performing Loans

The company had non-performing loans of 265.43 million Baht and Baht 338.77 million in 2017 and 2016, respectively which decreased by 73.34 million Baht from the repayment of debtors. The proportion of non-performing loans per loans provided to debtors totaled 2.83% at the end of 2017 and 17.80% at the end of 2016.

Quality of Investment in Securities

In 2017, the company earned revenue from the total investment of 284.17 million Baht which increased from 155.18 million Baht in 2016 or by 120.30%. The income of 2017 consisted of revenue from interest of investment in debt securities of 56.73 million Baht, the net profit from investments of 171.62 million Baht and the revenue from dividend of 55.82 million Baht. Details are as follows.

1. Revenue from interest of investments in debt securities was 56.73 million Baht which decreased by 36.65 million Baht from 2016 or by 39.25% due to the sales of investment and the maturity of the investment during the year.
2. Net profit from investment amounted to 171.62 million Baht which increased by 174.35 million Baht from 2016 or increased by 6,386.59% from the loss of 2.73 million Baht in 2016 amounting to the profit of 171.62 million Baht in 2016. It was an increase in the profit from the sale of investments amounting to 166.15 million Baht, and there was an increase in the reversal of impairment of investment of 4.10 million Baht which was recorded as loss from impairment of investment amounting to 4.10 million Baht in 2016.
3. Revenue from dividend was 55.82 million Baht which increased by 17.47 million or 45.57% from 2016 due to the fact that the equity held by the company distributed a dividend at a higher rate than the previous year.

Investment in debt securities was subject to the consideration of financial status and credit ratings of issuer every time, and investment in debt securities were diversified to both public, state enterprise and private sectors in an appropriate portion according to the risks. Therefore, in 2017, the company had no problems concerning repayment of interest and principal from debt securities. Investment in investment units within the market demand was subject to the consideration of financial status, rate of return and liquidity sufficiently every time as well.

Management Discussion and Analysis

Liquidity of Company

As of December 31, 2017, the company had a liquidity coverage ratio of 253.73% which was higher than the minimum requirement of 100% set by the Bank of Thailand.

Daily liquidity management is under the supervision of the financial management department which supervises the source of funds and investments. Based on the company's daily cash flow estimates, the financial management department is responsible for ensuring that the company's liquidity is in line with the company's risk management policy and guidelines according to the Notification of the Bank of Thailand.

Relationships between sources and uses of fund

The company's main source of funds is from deposits from the public and loans, in addition to the company's capital, whereas most of the sources of funds are loans and investments in securities. At the end of 2017, the sources can be classified by the remaining period of the deposits and loans, the remaining period of investments in securities and the remaining period of loans according to the company's financial statement as follows.

(Unit : Thousand Baht)

Period	Deposits and Borrowings	%	Loans	Investment in ⁽¹⁾ debt securities	Investments in ⁽²⁾ Private Repurchase Agreement	Total	%	Gap.
Call	107,689	1.26	249,908	-	-	249,908	2.26	(142,219)
≤ 1 year	4,740,893	55.30	6,673,196	50,002	1,350,000	8,073,198	73.10	(3,332,305)
> 1 year	3,725,194	43.45	2,449,191	272,067	-	2,721,258	24.64	1,003,936
Total	8,573,776	100.00	9,372,295	322,069	1,350,000	11,044,364	100.00	(2,470,588)

Remark: (1) only the cost of investment excluding items with allowance for revaluation.

Deposits and loans at the end of 2017 totaled 8,573.78 million Baht, the 107.69 million Baht or 1.26% of which were those obtained upon collection request 4,740.89 million Baht or 55.30% of which had the maturity of up to one year and 3,725.19 million Baht or 43.45 percent of which had the maturity over 1 year. Based on the ratio of deposits and loans for the remaining period of the agreement at the end of 2017, the ratio of deposits and loans on upon collection request, with the maturity not over 1 year and with the maturity over 1 year was at 1.26, 55.30 and 43.45. It is apparent that there was a proportion of short-term capital sources higher than that of long-term ones. The spending of capital in the form of loans, investments in debt securities and private repurchase transactions, the spending proportion was classified as upon collection request, with the maturity not more than 1 year and with the maturity over 1 year which was at 2.26, 73.10 and 24.64. In addition, at the end of 2017, the company had liquid assets of 1,687.76 million Baht or 49.83% of total deposits and loans which was considered quite high.

Management Discussion and Analysis

Reserves and Capital Fund Requirements

Capital Adequacy Ratio

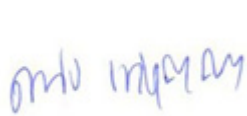
At year end 2017, The company had capital-to-risk assets ratio of 22.80% which was much higher when comparing to the BOT's requirement of 8.5%

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 2017 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 2017 ended on December 31, 2017 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.



(Miss Doungchai Kaewbootta)
Managing Director



(Mr. Thititham Rojanapruk)
Deputy Managing



Bangkok First Investment & Trust Public Company Limited
Auditor's Report and Financial Statements
For The Year Ended December 31, 2017

Auditor's Report and Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")

My opinion

In my opinion, the financial statements of Srisawad Finance Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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.

Auditor's Report of Independent Auditor

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.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for doubtful accounts on loans to customers</p> <p>Refer to Note 11 to the financial statements for loans to customers.</p> <p>Loans to customers contributed 82.97% of the Company's total assets. The Company has set an allowance for doubtful accounts for loans of Baht 660.77 million in accordance with the Notification of the Bank of Thailand and with management's judgement over the ending balance of loan receivables based on qualitative and quantitative factors. The methods used for assessment are described in Note 2.8 for the accounting policies and Note 5 for the estimates and assumptions.</p> <p>The Company also sets an additional allowance for doubtful accounts as a part of the general provision. The general provision is considered from key financial ratios, industry risk and economic uncertainties, etc.</p> <p>I focused on this area because the allowance for doubtful accounts on loans to customers involve significant judgement by management, especially on the qualitative factors of loans, estimation of the expected cash inflows from debtors, including the realisation of any debt restructuring, collateral, and the general provision.</p>	<p>I evaluated management's assessment of the allowance for doubtful accounts on loans to customers by talking with management about the method used and the assumptions made.</p> <p>I randomly selected samples for a credit analysis of loans to customers by business type and loan classification to test the accuracy of classification of those loans and I assessed the current financial position and the key financial ratio used as the basis of measuring the allowance for doubtful accounts, to consider whether key judgments were appropriate.</p> <p>I tested the estimation of the expected cash inflows from debtors, including the realisation of any debt restructuring, and collateral. This involved assessing the work performed by external independent experts used to value the collateral to check that the valuation is up to date.</p> <p>I also challenged management to provide supporting evidence for the related key assumptions. For example, the approval of any restructuring agreements, the appraisal report by the independent appraiser, latest financial information of debtors and impairment indicators.</p> <p>On certain loans, management sets up an additional allowance, I understood management's process and assessed the appropriateness of management's information about the debtor's capacity to pay using internal and external evidence, and assessed the appropriateness of those allowances.</p>

Auditor's Report of Independent Auditor

Key audit matter	How my audit addressed the key audit matter
	<p>On certain loans, management sets up an additional allowance, I understood management's process and assessed the appropriateness of management's information about the debtor's capacity to pay using internal and external evidence, and assessed the appropriateness of those allowances.</p> <p>I tested the accuracy of aging reports for loan receivables by considering the aging of the loans and made a recalculation using the allowance rate in accordance with the Notification of the Bank of Thailand.</p> <p>For the general provision set up from management's judgement, I understood and evaluated the process for identifying the industry risk of debtors in the loan portfolio. I also used my industry experience and knowledge in the financial sector to consider the appropriateness of the provision.</p> <p>Overall, the results of my testing are consistent with management's assessment and I did not identify any material differences.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I 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 when it becomes available 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 the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Auditor's Report of Independent Auditor

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities 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 TSAs 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 TSAs, I exercise professional judgment and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 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.

Auditor's Report of Independent Auditor

- 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 the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.



Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
Bangkok
19 February 2018

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Financial Position
As at 31 December 2017

		31 December	Restated	Restated
		2017	31 December	1 January
			2016	2016
Notes	Baht	Baht	Baht	Baht
Assets				
Cash		20,000	20,000	20,000
Interbank and money market items, net	9	2,097,491,312	1,720,613,192	1,349,468,682
Investments, net	3, 10	347,521,948	2,435,475,563	2,540,663,109
Loans to customers and accrued interest receivables, net	11			
Loans to customers		10,420,043,918	1,903,099,683	1,941,514,419
Accrued interest receivables		1,609,136	1,193,498	6,419,030
Total loans to customers and accrued interest receivables		10,421,653,054	1,904,293,181	1,947,933,449
<u>Less</u> Unearned interest income	11	(1,049,358,141)	-	-
<u>Less</u> Allowance for doubtful accounts	11, 13	(660,769,118)	(501,091,813)	(559,451,557)
<u>Less</u> Allowance for troubled debt restructuring	12, 14	(1,226,319)	(2,200,846)	(3,373,260)
Total loans to customers and accrued interest receivables, net		8,710,299,476	1,401,000,522	1,385,108,632
Properties foreclosed, net	15	5,681,642	5	6
Land, premises and equipment, net	16	17,278,233	10,858,810	12,802,103
Other intangible assets, net	17	2,292,360	570,085	679,410
Other assets, net	18	113,246,563	24,266,406	25,404,043
Total assets		11,293,831,534	5,592,804,583	5,314,145,985

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Financial Position (Cont'd)
As at 31 December 2017

		31 December 2017 Baht	Restated 31 December 2016 Baht	Restated 1 January 2016 Baht
	Notes			
Liabilities and equity				
Liabilities				
Deposits	19.1	6,067,775,979	3,380,948,290	3,177,530,331
Debt securities issued and borrowings	19.2	2,506,000,000	6,410,000	6,800,000
Provisions	3, 20	36,060,774	42,584,848	43,742,782
Deferred tax liabilities	3, 21	5,231,378	57,862,340	36,406,021
Other liabilities	22	529,135,859	29,984,784	67,489,666
Total liabilities		9,144,203,990	3,517,790,262	3,331,968,800
Equity				
Share capital	23			
Authorised share capital				
210,000,000 ordinary shares				
at par value of Baht 5 each				
(2016: 300,000,000 ordinary shares				
at par value of Baht 5 each)		1,050,000,000	1,500,000,000	1,500,000,000
Issued and paid-up share capital				
209,999,565 ordinary shares				
paid-up of Baht 5 each				
(2016: 200,000,000 ordinary shares				
paid-up of Baht 5 each)		1,049,997,825	1,000,000,000	1,000,000,000
Retained earnings				
Appropriated				
Legal reserve	24	123,000,000	123,000,000	116,000,000
Unappropriated	3	970,735,752	786,188,371	732,078,965
Other components of equity		5,893,967	165,825,950	134,098,220
Total equity		2,149,627,544	2,075,014,321	1,982,177,185
Total liabilities and equity		11,293,831,534	5,592,804,583	5,314,145,985

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 Baht	Restated 2016 Baht
Interest income	26	612,700,432	243,838,310
Interest expenses	27	(117,046,596)	(68,807,838)
Interest income, net		495,653,836	175,030,472
Fees and services income	28	12,131,168	7,473,515
Gains (Losses) on investments, net	29	171,623,541	(2,730,033)
Other operating income	30	64,710,017	58,999,435
Total operating income		744,118,562	238,773,389
Other operating expenses			
Personnel expenses	3	133,663,427	64,434,480
Directors' remuneration		5,743,080	5,062,918
Premises and equipment expenses		18,013,842	13,582,377
Taxes and duties		22,725,532	4,612,550
Other expenses	31	127,872,013	9,507,021
Total other operating expenses		308,017,894	97,199,346
Bad debts and doubtful accounts		(159,677,305)	-
Profit from operating before income tax		276,423,363	141,574,043
Income tax	3, 32	(41,614,604)	(12,912,437)
Net profit for the year		234,808,759	128,661,606

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2017

		2017	Restated 2016
	Notes	Baht	Baht
Other comprehensive income (expenses)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	20	7,173,278	3,059,750
Income tax on item that will not be reclassified subsequently to profit or loss	21	(1,434,656)	(611,950)
Total item that will not be reclassified subsequently to profit or loss		5,738,622	2,447,800
Item that will be reclassified subsequently to profit or loss			
Unrealised (losses) gains on changes in value of available-for-sale investments	10	(32,391,438)	36,929,630
Item in other comprehensive income (expenses) transferred to profit or loss	10	(167,523,541)	2,730,032
Income tax relating to item that will be reclassified subsequently to profit or loss	21	39,982,996	(7,931,932)
Total item that will be reclassified subsequently to profit or loss		(159,931,983)	31,727,730
Other comprehensive (expenses) income for the year, net of tax		(154,193,361)	34,175,530
Total comprehensive income for the year		80,615,398	162,837,136
Earnings per share	33		
Basic earnings per share (Baht per share)		1.12	0.61

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Changes in Equity
For the year ended 31 December 2017

	Notes	Issued and paid-up share capital Baht	Retained earnings		Other components of equity Baht	Total Baht
			Appropriated - Legal reserve Baht	Unappropriated Baht		
Balance as at 1 January 2016		1,000,000,000	116,000,000	738,070,373	134,098,220	1,988,168,593
Retrospective adjustments from errors	3	-	-	(5,991,408)	-	(5,991,408)
Balance after adjustments		1,000,000,000	116,000,000	732,078,965	134,098,220	1,982,177,185
Changes in equity for the year						
Cash dividends	34	-	-	(70,000,000)	-	(70,000,000)
Legal reserve appropriation		-	7,000,000	(7,000,000)	-	-
Remeasurement of post-employment benefit obligations, net of tax		-	-	2,447,800	-	2,447,800
Unrealised gains on changes in value of available-for-sale investments, net of tax		-	-	-	28,997,698	28,997,698
Item in other comprehensive income (expenses) transferred to profit or loss, net of tax		-	-	-	2,730,032	2,730,032
Net profit for the year (restated)		-	-	128,661,606	-	128,661,606
Balance as at 31 December 2016 (restated)		1,000,000,000	123,000,000	786,188,371	165,825,950	2,075,014,321
Balance as at 1 January 2017 (restated)		1,000,000,000	123,000,000	786,188,371	165,825,950	2,075,014,321
Changes in equity for the year						
Share dividends	34	49,997,825	-	(49,997,825)	-	-
Cash dividends	34	-	-	(6,002,175)	-	(6,002,175)
Remeasurement of post-employment benefit obligations, net of tax		-	-	5,738,622	-	5,738,622
Unrealised losses on changes in value of available-for-sale investments, net of tax		-	-	-	(25,913,150)	(25,913,150)
Item in other comprehensive income (expenses) transferred to profit or loss, net of tax		-	-	-	(134,018,833)	(134,018,833)
Net profit for the year		-	-	234,808,759	-	234,808,759
Balance as at 31 December 2017		1,049,997,825	123,000,000	970,735,752	5,893,967	2,149,627,544

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")

Statement of Cash Flows
For the year ended 31 December 2017

		2017	Restated 2016
	Notes	Baht	Baht
Cash flows from operating activities			
Profit from operating before income tax expense		276,423,363	141,574,043
Adjustments to reconcile profit from operating before income tax expense to net cash provided by (used in) operating activities:			
Depreciation and amortisation	16, 17	1,735,300	1,490,563
(Reversal) Losses on impairment of investments	29	(4,100,000)	4,100,000
Gains on disposal of investments	29	(167,523,541)	(1,369,967)
Amortisation of discount on investments in debentures	10	(1,732,929)	(1,350,709)
Bad debts and doubtful accounts	13	159,677,305	-
Allowance for troubled debt restructuring	14	(974,527)	(1,172,414)
(Gains) Losses on disposal of assets		(135,153)	450,637
Losses (Gains) on disposal of properties foreclosed		27,593	(15,776,483)
Decommissioning cost		3,000,000	-
Employee benefit obligations		1,888,171	2,707,116
Interest income, net		(495,653,836)	(175,030,472)
Dividend income	30	(55,816,341)	(38,343,955)
Cash received from interest income		528,808,961	252,866,057
Cash paid for interest expenses		(81,964,603)	(78,169,485)
Cash paid for corporate income tax		(45,407,412)	(25,721,163)
Profit from operating activities before changes in operating assets and liabilities		118,252,351	66,253,768
(Increase) decrease in operating assets			
Interbank and money market items		200,000,000	(400,000,000)
Loans to customers		(7,369,746,316)	(19,945,008)
Land, premises and equipment, net		-	833,860
Properties foreclosed	15	(5,793,702)	-
Other assets		(101,398,534)	(2,678,318)
Increase (decrease) in operating liabilities			
Deposits		2,686,827,689	203,417,959
Cash paid for employee benefit obligations		(6,383,200)	(805,300)
Other liabilities		453,779,267	(2,422,072)
Net cash flows used in operating activities		(4,024,462,445)	(155,345,111)

The notes on pages 12 to 58 are an integral part of these financial statements.

Auditor's Report of Independent Auditor

Srisawad Finance Public Company Limited
(Formerly named "Bangkok First Investment & Trust Public Company Limited")
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

		2017	Restated 2016
	Notes	Baht	Baht
Cash flows from investing activities			
Cash paid for investments		(49,742,430)	(248,810,662)
Cash paid for purchase of equipment		(8,291,869)	(1,105,620)
Cash paid for purchase of intangible assets		(2,085,130)	-
Cash from disposal and redemptions of investments		2,111,137,536	392,278,547
Cash from disposal of assets		635,154	383,178
Cash from disposal of properties foreclosed		84,472	15,776,484
Cash from dividend income		55,816,341	38,343,955
Net cash flows provided by investing activities		2,107,554,074	196,865,882
Cash flows from financing activities			
Cash from debt securities issued		(410,000)	(390,000)
Cash from long-term borrowings from related parties		2,500,000,000	-
Dividend paid	34	(6,002,175)	(70,000,000)
Net cash flow provided by (used in) financing activities		2,493,587,825	(70,390,000)
Net increase (decrease) in cash and cash equivalents		576,679,454	(28,869,229)
Cash and cash equivalents as at 1 January		170,354,357	199,223,586
Cash and cash equivalents as at 31 December		747,033,811	170,354,357
Cash and cash equivalents consist of:			
Cash		20,000	20,000
Bank deposits		747,013,811	170,334,357
Total cash and cash equivalents		747,033,811	170,354,357
Non-cash items			
Share dividends	23, 34	49,997,825	-
Employee benefit obligations transferred from related party	20	2,144,233	-

The notes on pages 12 to 58 are an integral part of these financial statements.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

1 General information

Srisawad Finance Public Company Limited (Formerly named “Bangkok First Investment & Trust Public Company Limited”) (“the Company”) is a public limited company which is incorporated in Thailand and listed on the Stock Exchange of Thailand. The address of the Company’s registered office is as follows:

25, Bangkok Insurance/ Y.W.C.A. Building, 23rd Floor, Sathon Tai Road, Thung Mahamek, Sathon, Bangkok.

At the Annual General Meeting of the shareholders for fiscal year 2017 No. 52, held on 21 April 2017, the shareholders approved to change the Company’s name from Bangkok First Investment & Trust Public Company Limited to Srisawad Finance Public Company Limited. The Company registered the change of the Company’s name with Ministry of Commerce on 7 June 2017. In this regard, there is no change that has been made to the Company’s securities symbol traded on the Stock Exchange.

The principal business operation of the Company is a finance company under the supervision of the Bank of Thailand.

These financial statements were authorised for issue by the board of directors on 19 February 2018.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai financial reporting standards under the Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”). The primary financial statements (i.e. statements of financial position, comprehensive income, changes in equity and cash flows) have been prepared in the full format as required by the Securities and Exchange Commission and the Notification of the Bank of Thailand (“BOT”), no. SorNorSor. 22/2558 on the preparation and format of the financial statements of investment company and credit foncier company dated on 4 December 2015.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with the Thai financial reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

An English-language version of the financial statements has been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standard and interpretation is effective on 1 January 2017 which is relevant to the Company:

TAS 1 (revised 2016)

Presentation of financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Management has assessed and considered that the above revised standards do not have significant impact to the Company.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not yet adopted these revised standards.

TAS 7 (revised 2017)

Statement of Cash Flows

TAS 12 (revised 2017)

Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Company's management assessed and considered that the above revised standards will not have a material impact on the Company except for disclosure.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

2.4 Cash

Cash includes cash on hand according to the Notification of the Bank of Thailand.

2.5 Securities purchased under resale agreements

Securities purchased under agreements are 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

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

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.

2.6 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.7 Loans to customers

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

2.8 Allowance for doubtful accounts

The Company classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the Notification of the Bank of Thailand no. SorNorSor. 5/2559 "Classification criteria and reserve requirements of financial institutions" dated 20 June 2016 from the ending balance of loans. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan. The value of collateral used depends on each type of collateral. The Company categorises their loan portfolios into six categories and determines allowance for doubtful accounts subject to different levels of provisioning.

2.9 Troubled debt restructuring

The Company recognises troubled debt restructuring and related losses arising from debt restructuring in accordance with the Notification of the Bank of Thailand.

In cases where the debt restructuring involves modifications to terms of receivables as accepted by the Company, the fair value of investments in receivables after restructuring is based on the net present value of expected future cash flows discounted using the Minimum Lending Rates (MLR) at the restructuring date.

The Company recognises losses arising from debt restructuring by the waiver of loan principal or recorded accrued interest receivables, less recorded allowance, in the statement of comprehensive income when incurred.

The Company recalculates the fair value of restructured debts based on the aforementioned discount interest rate as of the end date of the financial statements and adjust the valuation on debt restructured for any change, in accordance with the Notification of the Bank of Thailand. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Legal fees and other direct costs incurred as a result of the debt restructuring are expensed when incurred.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

2.10 Properties foreclosed

The Company states at the lower of the outstanding loan principal including accrued interest or fair value and subsequent measures at cost less provision for diminution in value.

Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in the statement of comprehensive income when the disposal is made. Impairment loss (if any) is recognised as expense in the statement of comprehensive income.

2.11 Land, premises and equipment

The Company states land at historical cost, while premises and equipment are stated at historical cost less accumulated depreciation and less allowance for impairment (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to allocate the cost of each asset, except for land, to its residual value over its estimated useful life as follows:

Premises and building improvement	20 years
Equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or other expenses in the statement of comprehensive income.

2.12 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

- It is technically feasible to complete the software product so that it will be available for use or sell;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

2.13 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

The Company operates various retirement benefits schemes. The Company has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are presented as a separate item in statement of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.16 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Revenues 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 the Notifications of the Bank of Thailand.

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.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

(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

The Company recognises fees and services income when services have been rendered.

2.18 Recognition of expenses

The Company recognises expenses on an accrual basis.

2.19 Earnings per share

The Company computes basic earnings per share by dividing the net profit for the period by the weighted-average number of issued and paid-up ordinary shares during the period.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company's Board of Directors that makes strategic decisions.

3 Correction of errors

The Company restated prior year financial statements due to correction of errors related to employee benefit obligations, deferred tax and investment in preferred stock. The effects of correction of errors to statement of financial position as at 31 December 2016 and 1 January 2016 and statement for comprehensive income for the year ended 31 December 2016 for comparative purpose are as follows:

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Statement of Financial Position as at (Restated)

		31 December 2016		
		As previously reported Baht	Adjusted increase (decrease) Baht	As currently reported Baht
a)	Deferred tax assets	1,727,492	2,327,038	4,054,530
	Retained earnings - Unappropriated	790,885,897	(4,697,526)	786,188,371
	Provisions (Note 20)	35,560,284	7,024,564	42,584,848
b)	Deferred tax assets	4,054,530*	(4,054,530)	-
	Deferred tax liabilities (Note 21)	61,916,870	(4,054,530)	57,862,340
c)	Investment, net - Available-for-sale investments (Note 10)	2,418,694,450	(1)	2,418,694,449
	Investment, net - General investments (Note 10)	16,781,113	1	16,781,114

Statement of Financial Position as at (Restated)

		1 January 2016		
		As previously reported Baht	Adjusted increase (decrease) Baht	As currently reported Baht
a)	Deferred tax assets	1,434,283	2,851,833	4,286,116
	Retained earnings - Unappropriated	738,070,373	(5,991,408)	732,078,965
	Provisions	34,899,541	8,843,241	43,742,782
b)	Deferred tax assets	4,286,116*	(4,286,116)	-
	Deferred tax liabilities (Note 21)	40,692,137	(4,286,116)	36,406,021
c)	Investment, net - Available-for-sale investments (Note 10)	2,523,881,996	(1)	2,523,881,995
	Investment, net - General investments (Note 10)	16,781,113	1	16,781,114

*balance after restated in item a)

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Statement of Comprehensive Income for the year ended (Restated)

Personnel expenses
Income tax expense (Note 32)

31 December 2016		
As previously reported Baht	Adjusted increase (decrease) Baht	As currently reported Baht
63,193,408	1,241,072	64,434,480
12,999,591	(87,154)	12,912,437

- The Company restated prior year financial statements which revised employee benefit obligations and related deferred tax assets because revising errors to comply with Company's policy have an impact on the carrying amount of employee benefit obligations.
- The Company restated prior year financial statements which revised deferred tax assets by off-setting with deferred tax liabilities on a net basis to comply with TAS 12 Income Tax.
- The Company restated prior year financial statements which revised investment in preferred stock from available-for-sale investment to be general investment because investment in preferred stock was non-marketable security and was not convertible to common stock.

However, correction of errors do not have significant impact to earnings per share for the year ended 31 December 2016.

4 Financial risks management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value risk resulting from change in interest rate, cash flow risk resulting from change in interest rate, and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the fluctuation of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by a central treasury department under policies approved by the board of directors. The Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, and credit risk.

Operation risk management is carried out by management by identifying, evaluating and hedging the overall financial risks that is described in Note 37.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

5 Estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Allowance for doubtful accounts

The Company classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the Notification of the Bank of Thailand and with the management's estimation over the allowance for doubtful accounts from the outstanding balance of loans at the year end date. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan.

The collateral value used in calculating the required allowance for doubtful accounts is based on the type of collateral. Revaluation is performed every 3 years in accordance to the Notification of the Bank of Thailand. The Company provided the allowance for doubtful accounts on substandard, doubtful and doubtful loss at the rate of 100% of the difference between the carrying amount and net present value of estimated future cash flows to be received from debtors or from sales of collateral. Discount rate and holding periods used is in compliance with the Bank of Thailand's guideline.

(b) Valuation of properties foreclosed

Fair value of properties foreclosed-immovable assets is calculated from the appraisal value, appraised by an external independent appraiser, less estimated selling expenses, and the appraisal value is discounted according to the holding period.

(c) Post-employment benefits under defined benefit plans

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefits liability.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Key financial assumptions for post-employment benefit were disclosed in Note 20.

(d) 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. Management need to determine the amount of deferred tax assets that the Company can be recognised, based upon the likely timing and level of estimate future taxable profits.

6 Capital risk management

The objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

7 Segment information

The Company operates only one segment which is a finance company and only in Thailand. Income and expenses from this segment are the same amount with the statement of comprehensive income. Therefore, the Company did not separately present segment information.

8 Fair value

8.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the financial assets and liabilities that are measured at fair value as at 31 December 2017 and 2016.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2017			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial Assets				
Available-for-sale				
investments (Note 10)	2,416,825	328,324,009	-	330,740,834
Total financial assets	2,416,825	328,324,009	-	330,740,834

The following table presents the financial assets and liabilities that are measured at fair value as at 31 December 2017 and 2016. (Cont'd)

	2016 (Restated)			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial Assets				
Available-for-sale				
investments (Note 3, 10)	524,357,440	1,894,337,009	-	2,418,694,449
Total financial assets	524,357,440	1,894,337,009	-	2,418,694,449

There were no transfers between Levels 1 and 2 during the years and no changes in valuation techniques during the year.

The following table presents fair value of the financial assets and liabilities that are not measured at fair value as at 31 December 2017 and 2016.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2017			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial assets				
Cash	20,000	-	-	20,000
Interbank and money market items	2,097,491,312	-	-	2,097,491,312
General investments (Note 3, 10)	-	-	16,781,114	16,781,114
Loans to customers and accrued interest receivables, net	-	8,924,625,880	-	8,924,625,880
Total financial assets	2,097,511,312	8,924,625,880	16,781,114	11,038,918,306
Financial liabilities				
Deposit				
Debt securities issued and borrowings	-	6,049,757,062	-	6,049,757,062
	-	2,375,368,681	-	2,375,368,681
Total financial liabilities	-	8,425,125,743	-	8,425,125,743

	2016 (Restated)			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial assets				
Cash	20,000	-	-	20,000
Interbank and money market items	1,720,613,192	-	-	1,720,613,192
General investments (Note 3, 10)	-	-	16,781,114	16,781,114
Loans to customers and accrued interest receivables, net	-	1,401,000,522	-	1,401,000,522
Total financial assets	1,720,633,192	1,401,000,522	16,781,114	3,138,414,828

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2016 (Restated)			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial liabilities				
Deposit	-	3,380,948,290	-	3,380,948,290
Debt securities issued and borrowings	-	6,410,000	-	6,410,000
Total financial liabilities	-	3,387,358,290	-	3,387,358,290

There were no transfers between Levels 1 and 2 during the years and no changes in valuation techniques during the year.

Fair value of the following assets and liabilities is estimated for the purpose of disclosure as described below:

Cash, and interbank and money market items

The fair value of cash and interbank and money market items (assets) is equivalent to their carrying amount as presented in statement of financial position.

General investments

The fair value of general investment is equivalent to their carrying amount as presented in statement of financial position.

Loans to customers and accrued interest receivables, net

The fair value of loans to customers and accrued interest receivables, net including non-performing loans is equivalent to loans to customers and accrued interest receivables deduct allowance for doubtful accounts. The fair value of financial assets; loans to customers and accrued interest receivables, using discounted cash flows by average market interest rates.

Deposits

The fair value of deposits with due less than 1 year is equivalent to their carrying amounts as presented in the statement of financial position. The fair value of deposits with due over than 1 year is estimated by using discounted cash flow applying market interest rates offered for fixed deposits of similar remaining maturities.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Debt securities issued and borrowings

The fair value of debt securities issued and borrowings with short-term maturity is equivalent to their carrying amounts in the statement of financial position. The fair value of debt securities issued and borrowings with long-term maturity is estimated by discounted cash flow by average market interest rates.

8.2 Valuation techniques

a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Specific valuation techniques used to value financial instruments of the financial assets and liabilities were aforementioned described their valuation techniques.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

9 Interbank and money market items, net (assets)

	2017			2016		
	On demand	Term	Total	On demand	Term	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Domestic						
The Bank of Thailand	10,136,475	240,000,000	250,136,475	217,345	151,000,000	151,217,345
Commercial Banks	466,739,672	-	466,739,672	19,117,012	-	19,117,012
Special purpose financial institutions	30,137,664	1,350,000,000	1,380,137,664	-	1,550,000,000	1,550,000,000
Total	507,013,811	1,590,000,000	2,097,013,811	19,334,357	1,701,000,000	1,720,334,357

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2017			2016		
	On demand	Term	Total	On demand	Term	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Add Accrued interest receivables	225,391	252,110	477,501	8,274	270,561	278,835
Total Domestic items	507,239,202	1,590,252,110	2,097,491,312	19,342,631	1,701,270,561	1,720,613,192

10 Investments, net

	2017	Restated 2016
	Baht	Baht
Available-for-sale securities (Note 3)	330,740,834	2,418,694,449
General investments	16,781,114	16,781,114
Total investments, net (Note 3)	347,521,948	2,435,475,563

10.1 Classified by type of investments in securities

Available-for-sale securities

	2017		Restated 2016	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
Government and state enterprise securities	81,669,144	85,013,617	395,332,630	407,670,447
Private sector debt securities	240,399,003	243,310,392	1,446,649,411	1,486,666,562
Domestic marketable equity securities and unit trusts	1,305,229	2,416,825	373,529,971	524,357,440
Add Allowance for revaluation	7,367,458	-	207,282,437	-
Less Allowance for impairment loss debt securities	-	-	(4,100,000)	-

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2017		Restated 2016	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
Total available-for-sale				
Securities (Note 3)	330,740,834	330,740,834	2,418,694,449	2,418,694,449

Held-to-maturity debt securities

	2017	Restated 2016
	Cost/ amortised cost Baht	Cost/ amortised cost Baht
Private sector debt securities	1,274,559	1,274,559
<u>Less</u> Allowance for impairment	(1,274,559)	(1,274,559)
Total held-to-maturity debt securities (Note 3)	-	-

General investments

	2017	Restated 2016
	Cost/ amortised cost Baht	Cost/ amortised cost Baht
Domestic non-marketable equity securities	70,533,055	70,533,055
<u>Less</u> Allowance for impairment	(53,751,941)	(53,751,941)
Total general investments (Note 3)	16,781,114	16,781,114

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

10.2 Movement of investments

Available-for-sale securities

	2017	Restated 2016
	Baht	Baht
Net book value-beginning balance of the year (Note 3)	2,418,694,449	2,523,881,995
Additions	49,742,430	248,810,662
Disposals / Redemptions	(1,936,048,137)	(392,307,161)
Amortisations of discount amortisation on debenture	(1,732,929)	(1,350,709)
Change in fair value of available-for-sale securities	(199,914,979)	39,659,662
Net book value-ending balance of the year (Note 3)	330,740,834	2,418,694,449

General investments

	2017	Restated 2016
	Baht	Baht
Net book value-beginning balance of the year (Note 3)	16,781,114	16,781,114
Addition	-	-
Disposal	-	-
Net book value-ending balance of the year (Note 3)	16,781,114	16,781,114

10.3 Unrealised gain on change in value of available-for-sale investments recognised into equity through other comprehensive income

	2017	2016
	Baht	Baht
Beginning balance of the year	207,282,437	167,622,774
Changes in securities values during the year	(199,914,979)	39,659,663
Ending balance of the year	7,367,458	207,282,437

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

11 Loans to customers and accrued interest receivables, net

11.1 Classified by product

	2017 Baht	2016 Baht
Loans to customers	10,420,043,918	1,903,099,683
<u>Less</u> Unearned interest income	<u>(1,049,358,141)</u>	<u>-</u>
Total loans to customers, net unearned interest income	9,370,685,777	1,903,099,683
<u>Add</u> Accrued interest receivables	<u>1,609,136</u>	<u>1,193,498</u>
Total loans to customers and accrued interest receivables	9,372,294,913	1,904,293,181
<u>Less</u> Allowance for doubtful accounts		
1. Minimum allowance per BOT guideline		
- Individual Approach	(292,722,497)	(296,968,596)
2. Surplus reserve	(368,046,621)	(204,123,217)
<u>Less</u> Allowance for troubled debt restructuring	<u>(1,226,319)</u>	<u>(2,200,846)</u>
Total loans to customers and accrued interest receivables, net	<u>8,710,299,476</u>	<u>1,401,000,522</u>

11.2 Classified by currency and residence of customers

	2017 Baht	2016 Baht
Domestic		
Baht	9,370,685,777	1,903,099,683
Total loans to customers (excluding accrued interest receivables)	<u>9,370,685,777</u>	<u>1,903,099,683</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

11.3 Classified by remaining period of contracts

	2017	2016
	Baht	Baht
At call	249,793,836	355,668,078
Not over 1 year	6,671,700,565	85,163,096
Over 1 year	2,449,191,376	1,462,268,509
Total loans to customers (excluding accrued interest receivables)	9,370,685,777	1,903,099,683

11.4 Classified by business type and loan classification

	2017					
	Normal	Special	Sub-	Doubtful	Doubtful	Total
	Baht	mention	standard	Baht	of loss	Baht
	Baht	Baht	Baht	Baht	Baht	Baht
Manufacturing and commerce	15,037,344	13,416,976	-	-	58,152,598	86,606,918
Real estate and construction	3,601,240	-	-	-	20,000,000	23,601,240
Public utilities and services	13,810,458	-	-	-	135,529,287	149,339,745
Others	8,424,440,818	634,949,743	43,628,737	-	8,118,576	9,111,137,874
Total loans to customers	8,456,889,860	648,366,719	43,628,737	-	221,800,461	9,370,685,777
Accrued interest receivables	1,556,158	52,978	-	-	-	1,609,136
Total	8,458,446,018	648,419,697	43,628,737	-	221,800,461	9,372,294,913

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2016					
	Normal	Special	Sub-	Doubtful	Doubtful	Total
	Baht	mention	standard	Baht	of loss	Baht
		Baht	Baht		Baht	
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 customers	1,531,444,153	32,886,634	28,351,666	15,800,149	294,617,081	1,903,099,683
Accrued interest receivables	<u>1,089,589</u>	<u>103,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,498</u>
Total	<u>1,532,533,742</u>	<u>32,990,543</u>	<u>28,351,666</u>	<u>15,800,149</u>	<u>294,617,081</u>	<u>1,904,293,181</u>

11.5 Classified by loan classification

	2017				
	Loans to customers and accrued interest receivables	Net balance used for allowance	Percent used for allowance	Allowance for doubtful accounts	
				Minimum allowance per BOT guideline	Amount already set up by the Company
	Baht	Baht	%	Baht	Baht
Normal	8,458,446,018	7,402,066,029	1	74,020,660	88,907,631
Special mention	648,419,697	603,053,451	2	12,061,069	131,329,503
Sub-standard	43,628,737	42,788,737	100	42,788,737	42,788,737
Doubtful	-	-	100	-	-
Doubtful of loss	<u>221,800,461</u>	<u>163,852,031</u>	100	<u>163,852,031</u>	<u>167,352,031</u>
Total loans to customers and accrued interest receivables	<u>9,372,294,913</u>	<u>8,211,760,248</u>		292,722,497	430,377,902
Surplus reserves				-	230,391,216
Total				<u>292,722,497</u>	<u>660,769,118</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2016				
	Loans to customers and accrued interest receivables	Net balance used for allowance	Percent used for allowance	Allowance for doubtful accounts	
				Minimum allowance per BOT guideline	Amount already set up by the Company
	Baht	Baht	%	Baht	Baht
Normal	1,532,533,742	1,531,444,153	1	15,314,442	33,605,995
Special mention	32,990,543	32,886,634	2	657,733	27,201,970
Sub-standard	28,351,666	28,351,666	100	28,351,666	28,351,666
Doubtful	15,800,149	15,800,149	100	15,800,149	15,800,149
Doubtful of loss	<u>294,617,081</u>	<u>236,844,606</u>	100	<u>236,844,606</u>	<u>240,344,607</u>
Total loans to customers and accrued interest receivables	<u>1,904,293,181</u>	<u>1,845,327,208</u>		296,968,596	345,304,387
Surplus reserves				-	<u>155,787,426</u>
Total				<u>296,968,596</u>	<u>501,091,813</u>

11.6 Non-performing loans to customers

	2017	2016
	Baht	Baht
Non-performing loans to customers (excluding accrued interest receivables)	265,429,198	338,768,896
Percentage of non-performing loans to customers to total loans to customers	2.83	17.80
Non-performing loans to customers net of allowance for doubtful accounts (excluding accrued interest receivables)	55,840,000	55,000,000
Percentage of non-performing loans to customers net of allowance for doubtful accounts to total loans to customers	0.64	3.92

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Loans to customers and accrued interest receivables from which recognition of income has been discontinued on the accrual basis are as follows:

	2017 Baht	2016 Baht
Non-performing loans to customers	265,429,198	338,768,896
Total	265,429,198	338,768,896

12 Troubled debt restructuring

During the years ended 31 December 2017 and 2016, the Company did not make additional debt restructuring agreement.

Details of customers whose debts have been restructured as at 31 December 2017 and 2016 compared with the total customers are as follows:

	2017		2016	
	Number of debtors	Outstanding balance before restructuring Baht	Number of debtors	Outstanding balance before restructuring Baht
Restructured debts	1	95,000,000	1	95,000,000
Total customers	201,598	9,370,685,777	17,496	1,903,099,683

Details of the restructured debts for the years ended 31 December 2017 and 2016, classified into the restructuring methods are as follows:

	2017		
	Number of debtors	Outstanding balance	Loss from restructuring
		Before restructuring Baht	After restructuring Baht
Modification of terms of receivable	1	95,000,000	15,037,344
Total	1	95,000,000	15,037,344

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2016			
	Outstanding balance			Loss from restructuring Baht
	Number of debtors	Before restructuring	After restructuring	
		Baht	Baht	
Modification of terms of receivable	1	95,000,000	19,438,090	2,200,846
Total	1	95,000,000	19,438,090	2,200,846

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows:

Period of debts restructuring contracts	2017			2016		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Baht	After restructuring Baht	Number of debtors	Before restructuring Baht	After restructuring Baht
Not over than 1 month	-	-	-	-	-	-
More than 1 month	-	-	-	-	-	-
- 3 months						
More than 3 months						
- 6 months	-	-	-	-	-	-
More than 6 months						
- 12 months	-	-	-	-	-	-
More than 12 months	1	95,000,000	15,037,344	1	95,000,000	19,438,090
Total	1	95,000,000	15,037,344	1	95,000,000	19,438,090

Supplemental information relating to the restructured debts for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Losses on debt restructuring	1,226,319	2,200,846
Interest income	1,735	1,974

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

13 Allowance for doubtful accounts

	2017						Total Baht
	Normal	Special	Sub-	Doubtful	Doubtful	Surplus	
	Baht	Mention	standard	Baht	of loss	reserves	
		Baht	Baht		Baht	Baht	
At 1 January 2017	33,605,995	27,201,970	28,351,666	15,800,149	240,344,607	155,787,426	501,091,813
Add Doubtful accounts (reversal)	55,301,636	104,127,533	14,437,071	(15,800,149)	(72,992,576)	74,603,790	159,677,305
At 31 December 2017	88,907,631	131,329,503	42,788,737	-	167,352,031	230,391,216	660,769,118

	2016						Total Baht
	Normal	Special	Sub-	Doubtful	Doubtful	Surplus	
	Baht	Mention	standard	Baht	of loss	reserves	
		Baht	Baht		Baht	Baht	
At 1 January 2016	35,138,482	70,365,912	29,096	8,401	200,558,960	253,350,706	559,451,557
Add (Reversal) doubtful accounts	(1,532,487)	(43,163,942)	28,322,570	15,791,748	39,785,647	(71,826,559)	(32,623,023)
Less Bad debt written-off	-	-	-	-	-	(25,736,721)	(25,736,721)
At 31 December 2016	33,605,995	27,201,970	28,351,666	15,800,149	240,344,607	155,787,426	501,091,813

14 Allowance for troubled debt restructuring

	2017 Baht	2016 Baht
Beginning balance of the year	2,200,846	3,373,260
Decrease during the year	(974,527)	(1,172,414)
Ending balance of the year	1,226,319	2,200,846

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

15 Properties foreclosed, net

	2017	2016
	Baht	Baht
Properties foreclosed	56,506,137	50,824,500
<u>Less</u> Provision for diminution in value	<u>(50,824,495)</u>	<u>(50,824,495)</u>
Net properties foreclosed	<u>5,681,642</u>	<u>5</u>

Movements of properties foreclosed are as follows:

	2017	2016
	Baht	Baht
Beginning balance of the year	50,824,500	66,484,500
Additions during the year	5,793,702	-
Disposals during the year	<u>(112,065)</u>	<u>(15,660,000)</u>
Ending balance of the year	56,506,137	50,824,500
<u>Less</u> Provision for diminution in value	<u>(50,824,495)</u>	<u>(50,824,495)</u>
Net properties foreclosed	<u>5,681,642</u>	<u>5</u>

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 Notification of the Bank of Thailand, due to they are not financial assets in the Company's business operation.

16 Land, premises and equipment, net

	Land	Building, improvement	Equipment	Vehicles	Total
	Baht	Baht	Baht	Baht	Baht
At 1 January 2016					
Cost	1,548,000	2,231,040	23,757,135	13,873,490	41,409,665
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(2,231,039)</u>	<u>(23,109,973)</u>	<u>(3,266,550)</u>	<u>(28,607,562)</u>
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>647,162</u>	<u>10,606,940</u>	<u>12,802,103</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	Land	Building, improvement	Equipment	Vehicles	Total
	Baht	Baht	Baht	Baht	Baht
For the year ended					
31 December 2016					
Opening net book value	1,548,000	1	647,162	10,606,940	12,802,103
Additions	-	-	199,752	12,400	212,152
Disposals/Write off	-	-	(827,280)	(1,712,000)	(2,539,280)
<u>Add</u> Accumulated depreciation	-	-	827,235	878,185	1,705,420
Depreciation charge	-	-	(186,288)	(1,135,297)	(1,321,585)
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>660,851</u>	<u>8,650,228</u>	<u>10,858,810</u>
At 31 December 2016					
Cost	1,548,000	2,231,040	23,129,607	12,173,890	39,082,537
<u>Less</u> Accumulated depreciation	-	(2,231,039)	(22,469,026)	(3,523,662)	(28,223,727)
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>660,581</u>	<u>8,650,228</u>	<u>10,858,810</u>
At 1 January 2017					
Cost	1,548,000	2,231,040	23,129,607	12,173,890	39,082,537
<u>Less</u> Accumulated depreciation	-	(2,231,039)	(22,469,026)	(3,523,662)	(28,223,727)
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>660,581</u>	<u>8,650,228</u>	<u>10,858,810</u>
For the year ended					
31 December 2017					
Opening net book value	1,548,000	1	660,581	8,650,228	10,858,810
Additions	-	-	6,822,869	1,469,000	8,291,869
Disposals	-	-	-	(2,528,000)	(2,528,000)
<u>Add</u> Accumulated depreciation	-	-	-	2,027,999	2,027,999
Depreciation charge	-	-	(496,073)	(876,372)	(1,372,445)
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>6,987,377</u>	<u>8,742,855</u>	<u>17,278,233</u>
At 31 December 2017					
Cost	1,548,000	2,231,040	29,952,476	11,114,890	44,846,406
<u>Less</u> Accumulated depreciation	-	(2,231,039)	(22,965,099)	(2,372,035)	(27,568,173)
Closing net book value	<u>1,548,000</u>	<u>1</u>	<u>6,987,377</u>	<u>8,742,855</u>	<u>17,278,233</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

17 Other intangible assets, net

	Computer software Baht	Total Baht
At 1 January 2016		
Cost	2,210,451	2,210,451
<u>Less</u> Accumulated amortisation	<u>(1,531,041)</u>	<u>(1,531,041)</u>
Net book value	<u>679,410</u>	<u>679,410</u>
For the year ended 31 December 2016		
Opening net book value	679,410	679,410
Additions	59,653	59,653
Amortisation charge	<u>(168,978)</u>	<u>(168,978)</u>
Closing net book value	<u>570,085</u>	<u>570,085</u>
At 31 December 2016		
Cost	2,270,104	2,270,104
<u>Less</u> Accumulated amortisation	<u>(1,700,019)</u>	<u>(1,700,019)</u>
Net book value	<u>570,085</u>	<u>570,085</u>
At 1 January 2017		
Cost	2,270,104	2,270,104
<u>Less</u> Accumulated amortisation	<u>(1,700,019)</u>	<u>(1,700,019)</u>
Net book value	<u>570,085</u>	<u>570,085</u>
For the year ended 31 December 2017		
Opening net book value	570,085	570,085
Additions	2,085,130	2,085,130
Amortisation charge	<u>(362,855)</u>	<u>(362,855)</u>
Closing net book value	<u>2,292,360</u>	<u>2,292,360</u>
At 31 December 2017		
Cost	4,355,234	4,355,234
<u>Less</u> Accumulated amortisation	<u>(2,062,874)</u>	<u>(2,062,874)</u>
Net book value	<u>2,292,360</u>	<u>2,292,360</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

18 Other assets, net

	2017	2016
	Baht	Baht
Accrued interest income from investments	2,564,578	17,127,188
Deposits	2,390,736	2,571,426
Prepaid expenses	1,295,459	440,875
Employee receivables	32,643,023	32,643,023
<u>Less</u> Allowance for doubtful accounts	(32,643,023)	(32,643,023)
Receivables from related parties (Note 38)	104,157,212	-
Others	2,838,578	4,126,917
Total other assets, net	113,246,563	24,266,406

19 Deposits and debt securities issued and borrowings

19.1 Deposits

Classified by type of deposits

	2017	2016
	Baht	Baht
At call	67,689,179	74,339,376
At maturity	6,000,086,800	3,306,608,914
Total deposits	6,067,775,979	3,380,948,290

Classified by currency and residence of customers

	2017	2016
	Baht	Baht
Domestic		
Baht	6,067,719,484	3,380,892,034
Foreign		
Baht	56,495	56,256
Total deposits	6,067,775,979	3,380,948,290

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

19.2 Debt securities issued and borrowings

Classified by type of debt securities issued and borrowings

	2017 Baht	2016 Baht
At maturity	2,506,000,000	6,410,000
Total debt securities issued and borrowings	2,506,000,000	6,410,000

Classified by currency and residence of customers

	2017 Baht	2016 Baht
Domestic Baht	2,506,000,000	6,410,000
Total debt securities issued and borrowings	2,506,000,000	6,410,000

At 31 December 2017, the Company has long-term borrowings from related party amount of Baht 2,500,000,000 with MLR minus percent of fixed rate per annum which would be matured in December 2020 with no collateral pledged. (Note 38)

20 Provisions

	2017 Baht	Restated 2016 Baht
Provisions for employee benefit obligations	10,748,574	20,272,648
Provisions for commitments as off-statement of financial position items	22,312,200	22,312,200
Provision for decommissioning costs	3,000,000	-
Total provisions (Note 3)	36,060,774	42,584,848

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Provisions for employee benefit obligations

The Company has post-employment benefits plan under the Thai Labor Protection Act, which is considered as unfunded defined benefit plans.

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plans for the years ended 31 December 2017 and 2016 are as follows:

	2017	Restated 2016
	Baht	Baht
Current service cost	3,174,622	2,213,869
Past service cost	(2,694,183)	-
Interest cost	493,632	493,247
Total	974,071	2,707,116

Movements of the defined benefit obligation are as follows:

	2017	Restated 2016
	Baht	Baht
Beginning defined benefit obligation	20,272,648	21,430,582
Current service cost	3,174,622	2,213,869
Past service cost	(2,694,183)	-
Interest cost	493,632	493,247
Defined benefit obligation transferred from related party	2,144,233	-
Remeasurements of defined benefit obligation	(7,173,278)	(3,059,750)
Benefits paid	(5,469,100)	(805,300)
Ending defined benefit obligation	10,748,574	20,272,648

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at 31 December 2017 and 2016 are as follows:

	2017	Restated 2016
Financial assumptions		
Discount rate	3.06%	2.62% - 3.36%
Expected rate of salary increase	7.00%	5.19% - 6.00%
Turnover rate	0.00% - 15.00%	0.00% - 10.00%
Retirement age	60 years	55 years

Sensitivity analysis on key assumption changes are as follows:

	2017 Baht	Restated 2016 Baht
Discount rate -1.0%	12,492,303	21,237,300
Discount rate (base)	10,748,574	20,272,648
Discount rate +1.0%	9,305,249	19,398,923
Expected rate of salary increase -1.0%	9,286,160	19,333,121
Expected rate of salary increase (base)	10,748,574	20,272,648
Expected rate of salary increase +1.0%	12,477,412	21,289,217
Turnover rate -10.0%	11,700,027	20,470,254
Turnover rate (base)	10,748,574	20,272,648
Turnover rate +10.0%	9,903,721	20,079,168

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

The methods and types of assumptions used in preparing the sensitivity analysis do not change compared to the previous year.

Maturity profile of defined benefit obligation

	2017	Restated 2016
	Baht	Baht
Maturity duration of the post-employment benefits (years)	20	7
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 12 months	-	9,699,989
Benefits expected to be paid between 1 and 3 years	-	3,329,020
Benefits expected to be paid between 3 and 5 years	824,573	2,845,986
Benefits expected to be paid between 5 and 10 years	6,578,369	14,251,739
Benefits expected to be paid in more than 10 years	77,232,368	20,173,301

21 Deferred income tax, net

Deferred tax assets and deferred tax liabilities as at 31 December 2017 and 2016 are as follows:

	2017	Restated 2016
	Baht	Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	-	989,220
Deferred tax asset to be recovered after more than 12 months	2,149,715	3,065,310
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	(720,000)	(720,000)
Deferred tax liability to be settled after more than 12 months	(6,661,093)	(61,196,870)
Deferred income tax, net (Note 3)	(5,231,378)	(57,862,340)

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Movements in deferred tax assets and deferred tax liabilities are as follows:

	2017	Restated 2016
	Baht	Baht
Beginning balance of the year (Note 3)	(57,862,340)	(36,406,021)
Charged (credited) to profit or loss (Note 32)	14,082,622	(12,912,437)
Tax charged (credited) relation to other comprehensive income	38,548,340	(8,543,882)
Ending balance of the year (Note 3)	(5,231,378)	(57,862,340)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Provisions for employee benefit obligations	Total
	Baht	Baht
Deferred tax assets		
At 1 January 2016 (Restated)	4,286,115	4,286,115
Charged to profit or loss	380,365	380,365
Credited to other comprehensive income	(611,950)	(611,950)
At 31 December 2016 (Restated)	4,054,530	4,054,530
At 1 January 2017 (Restated)	4,054,530	4,054,530
Charged to profit or loss	(470,159)	(470,159)
Credited to other comprehensive income	(1,434,656)	(1,434,656)
At 31 December 2017	2,149,715	2,149,715

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	Allowance for doubtful accounts Baht	Allowance for revaluation of available-for-sale investment Baht	Total Baht
Deferred tax liabilities			
At 1 January 2016 (Restated)	(7,167,582)	(33,524,554)	(40,692,136)
Credited to profit or loss	(13,292,802)	-	(13,292,802)
Credited to other comprehensive income	-	(7,931,932)	(7,931,932)
At 31 December 2016 (Restated)	(20,460,384)	(41,456,486)	(61,916,870)
At 1 January 2017 (Restated)	(20,460,384)	(41,456,486)	(61,916,870)
Charged to profit or loss	14,552,781	-	14,552,781
Charged to other comprehensive income	-	39,982,996	39,982,996
At 31 December 2017	(5,907,603)	(1,473,490)	(7,381,093)

22 Other liabilities

	2017 Baht	2016 Baht
Accrued interest expenses	30,699,069	15,853,377
Accrued interest expenses of long-term loans from related parties (Note 38)	20,236,301	-
Withholding tax payable	1,406,977	1,996,594
Corporate income tax payable	10,018,406	-
Related parties payable (Note 38)	391,955,112	-
Others	74,819,994	12,134,813
Total other liabilities	529,135,859	29,984,784

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

23 Share capital

	Number of shares <u>Shares</u>	Share capital <u>Baht</u>	Total <u>Baht</u>
Authorised share capital			
At 1 January 2016	300,000,000	1,500,000,000	1,500,000,000
Reduction of registered shares	-	-	-
Increase of registered shares	-	-	-
At 31 December 2016	<u>300,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>
At 1 January 2017	300,000,000	1,500,000,000	1,500,000,000
Increase of registered shares	10,000,000	50,000,000	50,000,000
Reduction of registered shares	<u>(100,000,000)</u>	<u>(500,000,000)</u>	<u>(500,000,000)</u>
At 31 December 2017	<u>210,000,000</u>	<u>1,050,000,000</u>	<u>1,050,000,000</u>

	Number of shares <u>Shares</u>	Share capital <u>Baht</u>	Total <u>Baht</u>
Issued and paid-up share capital			
At 1 January 2016	200,000,000	1,000,000,000	1,000,000,000
Reduction of registered shares	-	-	-
Increase of registered shares	-	-	-
At 31 December 2016	<u>200,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
At 1 January 2017	200,000,000	1,000,000,000	1,000,000,000
Increase of registered shares	9,999,565	49,997,825	49,997,825
Reduction of registered shares	-	-	-
At 31 December 2017	<u>209,999,565</u>	<u>1,049,997,825</u>	<u>1,049,997,825</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

On 21 April 2017, the Annual General Meeting of shareholders for the year 2017, the shareholders approved the reduction of the authorised share capital from the previous authorised share capital Baht 1,500,000,000 to Baht 1,000,000,000 by reducing the ordinary shares amount of 100,000,000 shares at par value of Baht 5 per each and approved the increase of authorised share capital amount of Baht 50,000,000 from the previous authorised share capital amount of Baht 1,000,000,000 to Baht 1,050,000,000 by increasing 10,000,000 authorised ordinary shares at par value of Baht 5 per each to be reserved for stock dividends which described in Note 34.

The Company allocated the issued and paid-up share capital amount of Baht 49,997,825 from the previous issued and paid-up share capital amount of Baht 1,000,000,000 to Baht 1,049,997,825 by increasing 9,999,565 issued and paid-up ordinary shares at paid-up of Baht 5 per each.

The Company registered the additional of its authorised share capital and issued and paid-up share capital with the Ministry of Commerce on 7 June 2017.

24 Legal reserve

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 % of the registered capital. The legal reserve is non-distributable.

25 Capital fund

As at 31 December 2017 and 2016, the Company maintained the capital funds in accordance with Section 30 of the Financial Institution Business Act as follows:

	2017 Baht	2016 Baht
<u>Tier 1 capital</u>		
Issued and paid-up share capital	1,049,997,825	1,000,000,000
Legal reserve	123,000,000	123,000,000
Retained earnings - unappropriated	730,188,367	668,070,370
Other components of equity	4,715,173	-
<u>Less</u> Deduction items from common equity Tier 1 capital	(1,833,888)	-
Deduction 50 percent of Tier 1 and Tier 2	(78,148,869)	(79,236,709)
Common equity Tier 1 capital	1,827,918,608	1,711,833,661
Total Tier 1 capital	1,827,918,608	1,711,833,661
<u>Tier 2 capital</u>		
Reserve for assets classified as normal	74,020,660	15,129,678
Revaluation surplus on investments	-	67,872,361

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	2017	2016
	Baht	Baht
Less Deduction items from Tier 2 capital	(74,020,660)	-
Deduction 50 percent of Tier 1 and Tier 2 but not exceed Tier 2	-	(79,236,709)
Total Tier 2 capital	-	3,765,330
Total capital fund	1,827,918,608	1,715,598,991
Tier 1 capital ratio (%)	22.80	46.31
Common equity Tier 1 capital ratio (%)	22.80	-
Total capital ratio (%)	22.80	46.41
Minimum Tier 1 capital ratio requirement (%)	6.00	4.00
Minimum common equity Tier 1 capital ratio requirement (%)	4.50	-
Minimum total capital ratio requirement (%)	8.50	8.00

26 Interest income

Interest income for the years ended 31 December 2017 and 2016 are as follows:

	2017	2016
	Baht	Baht
Interbank and money market items	27,529,889	19,094,315
Investment in debt securities	56,725,747	93,380,234
Loans to customers	528,444,796	131,363,761
Total interest income	612,700,432	243,838,310

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

27 Interest expenses

Interest expenses for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Deposits	75,192,700	53,667,179
Contributions to Financial Institution Development Fund and Deposit Protection Agency	21,521,855	15,032,270
Debt securities issued and borrowings	95,526	107,623
Long-term borrowings from related parties (Note 38)	20,236,301	-
Fees and charges on borrowings	214	766
Total interest expenses	117,046,596	68,807,838

28 Fees and services income

Fees and services income for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Acceptance, avals and guarantees	632,952	567,795
Others	11,498,216	6,905,720
Total fees and services income	12,131,168	7,473,515

29 Gains (losses) on investments, net

Gains (losses) on investments, net for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Gains (losses) on disposal of available-for-sale investments	167,523,541	1,369,967
Reversal (losses) from impairment investment	4,100,000	(4,100,000)
Total gains (losses) on investments, net	171,623,541	(2,730,033)

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

30 Other operating income

Other operating income for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Dividend income	55,816,341	38,343,955
Others	8,893,676	20,655,480
Total other operating income	64,710,017	58,999,435

31 Other expenses

Other expenses for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Loan management fee (Note 38)	85,276,894	-
Fee expenses	11,694,250	1,722,642
Marketing expenses	10,324,629	-
Others	20,576,239	7,784,379
Total other expenses	127,872,012	9,507,021

32 Income tax expense

Income tax expense for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	Restated 2016 Baht
Current tax on profit for the year	55,697,226	-
Deferred tax (Note 21)	(14,082,622)	12,912,437
Total income tax (Note 3)	41,614,604	12,912,437

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Reconciliation of effective tax rate for the years ended 31 December 2017 and 2016 are as follows:

	2017 Baht	Restated 2016 Baht
Profit before income tax expense	276,423,363	141,574,043
Tax calculated at a tax rate of 20%	55,284,673	28,314,809
Income not subject to tax	(15,914,486)	(15,908,562)
Expenses not deductible for tax purpose	2,244,417	506,190
Total income tax	41,614,604	12,912,437

The weighted average income tax rate in the financial statements for the year ended 31 December 2017 was 15.05% (2016: 9.12%).

33 Earnings per share

Earnings per share in the financial statements for the years ended 31 December 2017 and 2016 are calculated as follows:

	2017	Restated 2016
Net profit for the year to ordinary shareholders of the Company (Baht)	234,808,759	128,661,605
Weighted average number of ordinary shares outstanding (shares)	209,999,565	209,999,565
Basic earnings per share (Baht per share)	1.12	0.61

There are no dilutive ordinary shares in issue for the years ended 31 December 2017 and 2016.

34 Dividend paid

On 26 April 2016, the Annual General Meeting of shareholders for the year 2016, the shareholders approved dividend payment for the year 2015 at the rate of Baht 0.35 per share to the shareholders amounting to Baht 70,000,000. The dividend payment will be paid in cash.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

On 21 April 2017, the Annual General Meeting of shareholders for the year 2017, the shareholders approved dividend payment for the year 2016 at the rate of Baht 0.28 per share to the shareholders amounting to Baht 56,000,000. The dividend payment will be paid in cash and ordinary shares on the following basis:

1. Payment of cash dividend at the rate of Baht 0.03 per share amounting to Baht 6,000,000.
2. Payment of ordinary shares dividend of shares at par value of Baht 5 per share to the shareholders at the rate of 20 ordinary shares per 1 ordinary share dividend totaling Baht 50,000,000 a dividend of Baht 0.25 per share. In the case of fractional shares, payment will be paid in cash instead of stock dividend at the rate of Baht 0.25 per share.

The Company paid dividend to shareholders on 19 May 2017.

35 Contingent liabilities

	2017 Baht	2016 Baht
Letter of guarantee in performance bond	28,312,200	28,312,200
Total contingent liabilities	28,312,200	28,312,200

36 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2017 and 2016 are as follows:

36.1 Investments in securities

The Company has no investments in companies having problems in financial position and operation as at 31 December 2017 and 2016.

36.2 Loans to customers and accrued interest receivables

The Company had granted loans to customers and accrued interest receivables to companies which faced the financial operational difficulties and provided related allowance for doubtful accounts as follows:

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

2017			
	Total debts	Collateral	Allowance for doubtful accounts
Numbers	Baht	Baht	Baht
Companies having problems in debt settlement or have defaulted on debt settlement	8	213,681,885	58,500,000
			158,681,885
Total	8	213,681,885	58,500,000
			158,681,885

2016			
	Total debts	Collateral	Allowance for doubtful accounts
Numbers	Baht	Baht	Baht
Companies having problems in debt settlement or have defaulted on debt settlement	9	229,459,227	58,500,000
			174,459,227
Total	9	229,459,227	58,500,000
			174,459,227

37 Financial instruments

Financial instruments are any contracts that give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Foreign exchange risk

The Company has no significant exposure to foreign currency risk relates due to its trading transactions are mainly carried out in Thai Baht. The Company does not use any derivative financial instruments to hedge foreign currency exposure.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company's normal exposure to interest rate risk relates primarily to its borrowings from financial institutions. However, the Company considers that it is not necessary to use derivative instruments to hedge such risk, as the management believes that future movements in market interest rates will not materially affect the Company's operating results.

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Financial assets and financial liabilities classified by interest rate characteristic are as follows:

2017				
Outstanding balance of financial instrument – net				
	Floating interest rate Baht	Fixed interest rate Baht	Non-interest Baht	Total Baht
Financial assets				
Interbank and money				
market items, net	580,323,815	1,350,000,000	166,689,996	2,097,013,811
Investments, net	-	328,324,009	19,197,939	347,521,948
Loans to customers	1,446,149,480	7,924,536,297	-	9,370,685,777
	<u>2,026,473,295</u>	<u>9,602,860,306</u>	<u>185,887,935</u>	<u>11,815,221,536</u>
Financial liabilities				
Deposits	-	6,067,775,979	-	6,067,775,979
Debt securities issued and borrowings	<u>2,500,000,000</u>	<u>6,000,000</u>	<u>-</u>	<u>2,506,000,000</u>
	<u>2,500,000,000</u>	<u>6,073,775,979</u>	<u>-</u>	<u>8,573,775,979</u>

Financial assets and financial liabilities classified by interest rate characteristic are as follows: (Cont'd)

2016				
Outstanding balance of financial instrument – net				
	Floating interest rate Baht	Fixed interest rate Baht	Non-interest Baht	Total Baht
Financial assets				
Interbank and money				
market items, net	151,000,000	1,550,000,000	19,334,357	1,720,334,357
Investments, net	155,991,257	1,738,345,752	541,138,554	2,435,475,563
Loans to customers	<u>1,592,386,268</u>	<u>309,959,015</u>	<u>754,400</u>	<u>1,903,099,683</u>
	<u>1,899,377,525</u>	<u>3,598,304,767</u>	<u>561,227,311</u>	<u>6,058,909,603</u>
Financial liabilities				
Deposits	-	3,380,948,290	-	3,380,948,290
Debt securities issued and borrowings	<u>-</u>	<u>6,410,000</u>	<u>-</u>	<u>6,410,000</u>
	<u>-</u>	<u>3,387,358,290</u>	<u>-</u>	<u>3,387,358,290</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

As at 31 December 2017, financial assets and liabilities 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:

2017									
Reprising or maturity date									
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-Performing loan	Non-interest	Total	Interest rates
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	(%)
Financial assets									
Interbank and market money items, net	580,323,815	1,350,000,000	-	-	-	-	166,689,996	2,097,013,811	0.375 - 1.50
Investments, net	-	-	50,164,729	85,013,617	193,145,663	-	19,197,939	347,521,948	3.00 - 7.00
Loans to customers	47,623	2,129,330,614	4,542,369,951	2,447,503,608	1,687,768	249,746,213	-	9,370,685,777	0.01 - 36.00
	580,371,438	3,479,330,614	4,592,534,680	2,532,517,225	194,833,431	249,746,213	185,887,935	11,815,221,536	
Financial liabilities									
Deposits	67,689,179	2,365,010,835	2,415,795,920	1,219,280,045	-	-	-	6,067,775,979	0.50 - 3.40
Debt securities issued and borrowings	-	6,000,000	-	2,500,000,000	-	-	-	2,506,000,000	1.75 - 5.00
	67,689,179	2,371,010,835	2,415,795,920	3,719,280,045	-	-	-	8,573,775,979	

As at 31 December 2017, financial assets and liabilities 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: (Cont'd)

2016									
Reprising or maturity date									
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-Performing loan	Non-interest	Total	Interest rates
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	(%)
Financial assets									
Interbank and market money items, net	-	1,701,000,000	-	-	-	-	19,334,357	1,720,334,357	1.00 - 1.50
Investments, net	155,991,257	100,087,442	230,389,288	823,926,099	583,942,923	-	541,138,554	2,435,475,563	3.00 - 7.00
Loans to customers	31,483	149,424,504	387,048,711	1,023,594,076	3,477,613	338,768,896	754,400	1,903,099,683	0.01 - 19.00
	156,022,740	1,950,511,946	617,437,999	1,847,520,175	587,420,536	338,768,896	561,227,311	6,058,909,603	
Financial liabilities									
Deposits	117,483,521	2,108,059,079	1,144,671,266	10,734,424	-	-	-	3,380,948,290	0.50 - 3.10
Debt securities issued and borrowings	-	6,000,000	410,000	-	-	-	-	6,410,000	1.00 - 2.00
	117,483,521	2,114,059,079	1,145,081,266	10,734,424	-	-	-	3,387,358,290	

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Credit risk

Management manages the risk by adopting appropriate credit control policies and procedures and therefore, the Company does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of loan receivables as stated in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to pay its debts and obligations when due because of an inability to convert assets into cash timely, or because of its failure to procure enough funds.

Management is responsible for liquidity management, including procurement of both short-term and long-term sources of funds.

	2017					
	At call Baht	1 year Baht	More than 1 - 5 years Baht	Over 5years Baht	No Maturity Baht	Total Baht
Financial assets						
Interbank and money						
market items, net	747,277,230	1,350,214,082	-	-	-	2,097,491,312
Investments, net	-	50,164,729	85,013,617	193,145,663	19,197,939	347,521,948
Loans to customers and accrued interest						
receivables	249,907,816	6,673,195,721	2,447,503,608	1,687,768	-	9,372,294,913
	<u>997,185,046</u>	<u>8,073,574,532</u>	<u>2,532,517,225</u>	<u>194,833,431</u>	<u>19,197,939</u>	<u>11,817,308,173</u>
Financial liabilities						
Deposits						
Debt securities issued	107,689,179	4,734,893,239	1,225,193,561	-	-	6,067,775,979
and borrowings	-	6,000,000	2,500,000,000	-	-	2,506,000,000
	<u>107,689,179</u>	<u>4,740,893,239</u>	<u>3,725,193,561</u>	<u>-</u>	<u>-</u>	<u>8,573,775,979</u>

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

2016						
	At call Baht	1 year Baht	More than 1 - 5 years Baht	Over 5years Baht	No Maturity Baht	Total Baht
Financial assets						
Interbank and money						
market items, net	19,342,631	1,701,270,561	-	-	-	1,720,613,192
Investments, net	697,129,811	1,154,402,829	583,942,923	-	-	2,435,475,563
Loans to customers and accrued interest						
receivables	<u>371,545,424</u>	<u>85,286,505</u>	<u>1,443,229,240</u>	<u>3,477,612</u>	<u>754,400</u>	<u>1,904,293,181</u>
	<u>1,088,017,866</u>	<u>2,940,959,895</u>	<u>2,027,172,163</u>	<u>3,477,612</u>	<u>754,400</u>	<u>6,060,381,936</u>
Financial liabilities						
Deposits	117,483,521	3,252,730,345	10,734,424	-	-	3,380,948,290
Debt securities issued and borrowings	<u>-</u>	<u>6,410,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,410,000</u>
	<u>117,483,521</u>	<u>3,259,140,345</u>	<u>10,734,424</u>	<u>-</u>	<u>-</u>	<u>3,387,358,290</u>

38 Related party transactions

Related parties comprise enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

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 are as follows:

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

	Relationship
Srisawad Corporation Public Company Limited	Parent Company
Srisawad Power 2014 Company Limited	Related party (Common Parent Company)
Fast Money Co., Ltd.	Related party (Common Parent Company)
Tear One Network Co., Ltd.	Common director
Biz & Fun Co., Ltd.	Common director
Anek Boon Co., Ltd.	Common director
Srisawad-Samarn Kaewbootta Foundation	Common director
Sahasamakkee Service Co.,Ltd.	Common director
PPGR Co.,Ltd.	Common director
Boon Anek Anan Co., Ltd.	Director and a close relative of a director is a shareholder in this company
Palang Rungrueng Co., Ltd.	Director and a close relative of a director is a director and shareholder in this company
Charoenporn Energy Co., Ltd.	A close relative of a director is a director in this company and a common director
Rakthai Technology and Business Administration Co., Ltd.	A close relative of a director is a director in this company and a common director
Boon Anek Co., Ltd.	A close relative of a director is a director in this company and a common director
Eternal Energy Plc.	A close relative of a director is a director in this company and a common director
I Tower Co., Ltd.	A close relative of a director is a director in this company and a common director
Eternal Energy and Electricity Co., Ltd.	A close relative of a director is a director in this company and a common director
DAS Service Co., Ltd.	A close relative of a director is a director and a shareholder in this company
Rakvaree Co., Ltd.	A close relative of a director is a director and a shareholder in this company
Dharmavong Co., Ltd.	A close relative of a director is a director and a shareholder in this company
L.M. Tech Co., Ltd.	A close relative of a director is a director and a shareholder in this company

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

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 are as follows: (Cont'd)

	Relationship
AAA Holding Co., Ltd.	A close relative of a director is a director and a shareholder in this company
Power Agricultural Industry Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director
Jirola (Thailand) Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director
Hi-Tech Network Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director
Cassava Land Co., Ltd	A close relative of a director is a shareholder in this company
Com-Link Co., Ltd.	A close relative of director is a director in this company
Prasert Dee Tae Co., Ltd.	A close relative of director is a director in this company
Pridapramote Co., Ltd.	A close relative of director is a director in this company
People's Garment Plc.	A close relative of director is a director in this company
Thatsiri Co., Ltd.	A close relative of director is a director in this company
S.A.V. (Thailand) Co., Ltd.	A close relative of director is a director in this company
Excel - Link Co., Ltd.	A close relative of director is a director in this company
Active Communication Co., Ltd.	A close relative of director is a director in this company

a) Expenses

	2017 Baht	2016 Baht
Interest expenses		
Parent Company (Note 27)	20,236,301	-
Related companies (Common director and/or shareholders)	11,661,216	6,802,871
Directors and management at the position of department head and above including their related persons	271,019	51,226
Total	32,168,536	6,854,097
Loan management fee		
Related party (Common Parent Company) (Note 31)	85,276,894	-
Total	85,276,894	-

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

b) Outstanding balances

	2017 Baht	2016 Baht
Receivables		
Related party (Common Parent Company) (Note 18)	104,157,212	-
Total	104,157,212	-
Deposits		
Related companies (Common director and/or shareholders)	2,536,140,728	1,975,643,487
Directors and management at the position of department head and above including their related persons	47,000,000	12,016,018
Total	2,583,140,728	1,987,659,505
Borrowing		
Parent Company	2,500,000,000	-
Total	2,500,000,000	-
Accrued interest expenses		
Parent Company (Note 22)	20,236,301	-
Related companies (Common director and/or shareholders)	10,703,521	7,993,785
Directors and management at the position of department head and above including their related persons	213,566	63,068
Total	32,153,388	8,056,853
Payable		
Related party (Common Parent Company) (Note 22)	391,955,112	-
Total	391,955,112	-

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

Movements of borrowings from related party are as follows:

	2017	2016
	Baht	Baht
At 1 January	-	-
Loan received during the year	2,500,000,000	-
Loan repaid during the year	-	-
At 31 December	2,500,000,000	-

c) Benefits paid to directors and executives

The Company has no special benefits given to the directors and executives beyond the general benefits provided such as directors' remuneration, executives' salary and bonus (if any).

For years ended 31 December 2017 and 2016, compensations paid to key management personnel are as follows:

	2017	Restated 2016
	Baht	Baht
Short-term employee benefits	21,001,410	27,928,829
Post-employment benefits	6,905,778	1,769,397
Total	27,907,188	29,698,226

39 Service and lease commitments

As at 31 December 2017 and 2016, the Company has obligation for payment rental and service fees under non-cancellable lease and service agreements as follows:

	2017	2016
	Baht	Baht
Payment within:		
Not later than 1 year	871,004	9,577,798
Later than 1 year but not later than 5 years	-	-
Total service and lease commitments	871,004	9,577,798

Notes To The Financial Statements

Bangkok First Investment & Trust Public Company Limited For The Year Ended December 31, 2017

40 Events after the reporting date

At the meeting of the Company's Board of Directors No.3/2018 held on 19 February 2018, the Board of Directors approved the following agenda:

1. Approved dividend payments for the year 2017 to shareholders amounting to Baht 58,799,877. The dividend payments will be paid on the following basis:
 - Payment of cash dividend at the rate of Baht 0.03 per share amounting to Baht 6,299,987
 - Payment of ordinary shares dividend of 10,499,978 shares at par value of Baht 5 per share to the shareholders at the rate of 20 shares per 1 stock dividend totaling Baht 52,499,890, a dividend of Baht 0.25 per share. In the case of fractional shares, payment will be paid in cash instead of stock dividend at the rate of Baht 0.25 per share.
2. Approved capital decrease from Baht 1,050,000,000 to Baht 1,049,997,825.
3. Approved capital increase from Baht 1,049,997,825 to Baht 1,102,497,715 by issuing 220,499,543 ordinary shares with par value of Baht 5 per share and allocate 10,499,978 shares to accommodate for the stock dividend payment for ordinary shares.

However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for fiscal year 2018.



บริษัทเงินทุน ศรีสวัสดิ์ จำกัด (มหาชน)

Srisawad Finance Public Company Limited

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