

ANNUAL REPORT 2020



Srisawad Finance Public Company Limited

รายงานประจำปี 2563

บริษัทเงินทุน ศรีสวสด์ จำกัด (มหาชน)

www.srisawadfinance.com

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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.srisawadfinance.com

Financial Information

unit: Thousand Baht			
Financial Status	2020	2019	2018
Investments – net	120,209	180,868	198,409
Net loans to customers and accrued interest receivables	11,484,557	18,295,569	17,311,984
Deposits and borrowings	5,240,096	8,354,333	15,779,973
Total assets	19,582,043	20,699,198	19,677,409
Total Liabilities	9,985,397	11,416,929	17,160,253
Shareholders' equity	9,596,646	9,282,269	2,517,155
Paid-up capital	2,756,236	2,756,236	1,102,494
Number of shares (shares)	551,247,241	551,247,241	220,498,897
Performance			
Interest Income	3,422,449	3,101,333	2,249,285
Dividend income	2,047	2,769	2,372
Fees and services income	138,225	213,773	144,517
Gain (loss) on investment	0	(1)	3,449
Other income	138,363	92,998	55,196
Total income	3,816,045	3,410,872	2,454,820
Net income	3,594,998	2,943,498	1,965,712
Net profit	1,567,193	810,859	377,375
Financial Ratio			
Net profit margin (%)	41.07	23.77	15.37
Return on equity (%)	16.60	13.74	16.17
Return on assets (%)	7.78	4.02	2.44
Par value (Baht per share)	5.00	5.00	5.00
Earnings (Baht per share)	2.84	1.98	1.71
Dividend (Baht per share)	1.40	2.25	N/A
Book value (Baht per share)	17.41	16.84	11.42
BIS ratio (%)	45.84	45.16	13.63

Message from Chairman

Overall Outlook of Thailand's Economy in 2020

Thailand's economy in 2020 dropped by 6.1 percent when comparing with grew 2.3 percent of the year 2019 resulting from Export value, private sector consumption expenditure and the private sector investment gradually decreased. However, when considering the common inflation rate of 2020, it averaged to -0.8 percent because of the outbreak of Coronavirus-19. Then there were measurements to control the outbreak such as lockdown, and measures to support households and business sector to return to near the pre-COVID level. According to considering the interest rate of the policy by the Monetary Policy Committee of the Bank of Thailand, the policy interest rate was cut 3 times last year to 0.50 percent at the end of the year – it was considered the economic is not yet recovery.

Financial Status and Performance

On 31st December 2020, the company owned the assets for 19,582 million Baht decreasing from the previous year by 5.40 percent with the decreasing financial markets and loans and the decreasing assets among banks, assets of investment while the company meanwhile the company was decreasingly deposited by 17.55 percent. However, the company gained the net interest for 3,201.40 million Baht increasing by 52.70 percent from the previous year –the total interest income increased by 10.55 percent from the recognition of income while the financial cost decreased by 52.70 percent. Nevertheless, when including the profit from the sale of investment and dividend, in 2020, the company had the net profit for 1,567.19 million Baht increasingly from 2019 by 93.28 percent.

Business Trend in 2021

The expansion of Thailand's economy in 2021 trends to slow down from projection and potential but better than 2020 by the new epidemic of COVID-19, which concerning with government's control and preventive measures. Supporting affected sectors experiencing limitations on the recovery. Stimulating private investment, by preparing for re-opening to foreign tourists, arranging preemptive measures for risks of drought and monitoring and preparing for cushioning the impact of world economic and financial fluctuation. Office of the National Economic and Social Development Council forecasted the economy expansion will be 2.5-3.5 percent this year. The company still appreciates the quality of assets and continuously and carefully 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 2021

On behalf of the Company, 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. Suchart Leungsuraswat

Vice Chairman

Board of Directors



Mr. Suchart Leungsuraswat
Vice Chairman
Chairman of Audit Committee



Ms. DOUNGCHAI KAEWBOOTTA
Director



Mr. Thititham Rojanapruk
Director/ Managing Director



Mr. Prawat Phatprasit
Independent Director/Audit Committee



Ms. Nanthida Pattanasakpingo
Independent Director/Audit Committee

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 Leungsurawat, Chairman of the Audit Committee, (2) Miss Nanthida Pattanasakpinyo and (3) Mr.Prawat Phatraprasit, Member of the Audit Committee

The Audit Committee called out as the scope of power, tasks and responsibilities assigned by the company's board. In 2020, the meeting was held for 4 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 meetings were held without the executive participation. 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 2019 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 answer was received. The Audit Committee reckoned that the company properly complied with the regulation and rules concerned.

4. Consideration of 2021 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 Mr. Paiboon Tunkoon CPA. No.4298 and/or Miss Sinsiri Thangsombat CPA. No.7352 and/or Mr. Boonruang Lertwisetwit CPA No.6552 from PricewaterhouseCoopers ABAS Company Limited as the auditor of 2021.

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.

6. Report on the performance of the Audit Committee

The Audit Committee is responsible for reporting performance to the Board of Directors on a quarterly basis, such as financial statements and the Company's operations, internal control and internal audit, compliance with Company Laws and Regulations, summary of important issues and should be corrected, etc. to the Management and the Board of Directors for acknowledgment.

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

Policies and Overall Business Operations

Srisawad Finance Public Company Limited (Former: Bangkok First Investment & Trust Public Company Limited) was founded in 1972 as a finance company listed on the Stock Exchange of Thailand provides financial services under the scope permitted by the Bank of Thailand, Ministry of Finance and other relevant government agencies. The Company's business operations have been based on the principle of caution, resulting in continuous operating profits, no significant damage from the invested assets, as well as having a stable capital position.

Business

The principal business operation is finance company, which has been approved by the Ministry of Finance, in accordance with the license no 8/2516, to operate 4 types of finance businesses as below;

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

Moreover, the Company is licensed to operate as a debenture holders' representative and/or trustee.

The Company has been providing service as a debenture holders' representative since April 2018.

Business Goals

The Company still has the goal to operate on behalf of financial institution, type of finance company, listed on the Stock Exchange of Thailand. The Company focuses on the quality of assets, the liquidity of assets and the continuous expansion of assets. The Company aims to continuously operate the credit business which is the main business of the Company, expand the business from existing customers and provide additional service which is personal loans for individuals and people who have limited access to funding by providing both secured and unsecured loans. The aforementioned expansion of the customer base fortifies the Company's business foundation to ensure stability and readiness to support the growth of the loan business in the future, help diversify the business risks and bring the opportunities to generate revenue and good returns which will benefit the business operations of the Company and shareholders in long term.

Significant changes and developments over the past 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, resigned from the Chairman, Director and Chief Executive Officer of the Company.
- The Board of Directors appointed Mr.Auychai Somklin as Authorized Director and Deputy Managing Director of the Company.
- The Board of Directors appointed Mr.Thititham Rojanapruk, Director, as Authorized Director and Deputy Managing Director of the Company.
- Mr.Thanapol Sirithanachai 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 19,680,000 shares, representing 9.84% of the total issued shares of the Company, by acquiring from Company's shareholders in the amount of 53,011,000 shares or 26.51% of the total issued shares of the Company at price of not exceeding than Baht 10.50 per share. For the rest amount of 127,309,000 shares or 63.65% of the total issued shares of the Company will be tendered at the price of not exceeding Baht 11.42 per share. However, the tender offer for all shares must be approved from the SAWAD shareholders meeting first.

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 resigned from the Director and Acting Managing Director of the Company.
- The Board of Directors appointed Ms.Duangchai Kaewbootta as Director and Managing Director of the Company.
- The shareholder structure has been changed; Srisawad Corporation Public Company Limited has been the major shareholder holding 36.35% of the paid-up share capital of the Company.
- The Annual General Meeting of Shareholders approved the change of the Company's name to "Srisawad Finance Public Company Limited", the change of the seal of the Company, the

amendments of Memorandum of Association and Articles of Association in order to comply with the changed name of the Company.

- Mr.Thira Wipuchanin resigned from the Independent Director, Member of the Audit Committee and Chairman of the Audit Committee of the Company.
- Mr.Amorn Jetchamnongnuch resigned from the Director of the Company.
- Mr.Vorakit Srangsiwong resigned from the Director of the Company.
- Mrs.Thanyathorn Chonlavan 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 resigned from Director and Deputy Managing Director of the Company.
- The Company has launched new credit produces which are Car for Cash and Home for Cash.

In 2018

- The office has been relocated from Bangkok Insurance Building to Srisawad Building, Chaeng Wattana Road.
- The major shareholder of the Company, Srisawad Corporation Public Company Limited, increased its shareholding in the Company from 36.35% to 45.34%.

In 2019

- Assoc.Prof.Dr.Siriwut Buranapin has resigned from independent director, Audit Committee
- The Board of Director appointed Mr. Anantroj Thangsupanich to be independent director, Audit Committee
- AGM approved to increase registered capital from 1,102,494,485 Baht to 2,756,236,215 Baht by issuing 330,748,346 ordinary shares at the par value of 5 Baht to offer to existing shareholders by proportion of holding at the ratio of 1 existing share to 1.5 new shares at the offer price at 18 Baht per share. The subscription shares amounted 330,748,344 shares.
- Srisawad Corporation Plc., major shareholder, had increased its proportion by oversubscription from 45.34% to 77.95%

- The Company had been informed tender offer from Srisawad Corporation Plc. (SAWAD), major shareholder held 429,717,210 shares or 77.95% of paid-up shares. For the rest amount of 121,530,031 shares or 22.05% of the total issued shares of the Company will be tendered at the price of not exceeding Baht 18.00 per share. After tender offer period, the major shareholder had raise its proportion to 82.04%.
- Mr. Weidt Nuchjalearn had resigned from the Company's director.
- Miss Doungchai Kaewbootta had resigned from the position of Managing Director but still be director
- The Board of Director had appointed Mr. Thititham Rojanapruk to be Managing Director.

In 2020

- The Board of Director had appointed Miss Nanthida Pattanasakpinyo to be independent director, member of Audit Committee.
- Mr. Anantroj Thangsupanich had resigned from the Company's director.
- Mr. Kudun Sumkhumananda had resigned from the Company's director.
- The Board of Director had appointed Mr. Prawat Phatraprasit, independent director, to be member of Audit Committee.
- Mr. Sukont Kanjanahuttakit and Mr. Pinit Puapan had resigned from the Company's directors.
- The Board of Director had appointed Mr. Suchart Luengsuraswat to be Vice Chairman of the Board.
- Mr. Prayong Saennual had resigned from the Company's director.

Nature of Business

1. Income Structure

Income Structure	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Interest income						
Interbank and money market items	9.96	0.26	15.76	0.46	18.18	0.74
Investments in debt securities	6.37	0.17	7.78	0.23	12.66	0.52
Loans to customers	3,406.12	89.26	3,077.79	90.23	2,218.44	90.37
Total Interest income (1)	3,422.45	89.69	3,101.33	90.92	2,249.28	91.63
Fees and services income						
Acceptances, Aval and guarantees	-	-	-	-	0.04	0.00
Others	138.23	3.62	213.77	6.27	144.48	5.89
Total fees and services income (2)	138.23	3.62	213.77	6.27	144.52	5.89
Net gains (losses) on investments						
Gains (losses) on disposals	0	0.00	0	0.00	2.17	0.09
Gain on financial instruments measured at fair value through profit and loss	114.96	3.01				
Reversal (losses) on impairment of investments	0	0.00	0	0.00	1.27	0.05
Net gains (losses) on investments (3)	114.96	3.01	0	0.00	3.45	0.14
Other operating income						
Dividend income	2.05	0.05	2.77	0.08	2.37	0.10
Other income	138.36	3.63	93.00	2.73	55.20	2.25
Total other operating income (4)	140.41	3.68	95.77	2.81	57.57	2.35
Total income (1) + (2) + (3) + (4)	3,816.05	100.00	3,410.87	100.00	2,454.82	100.00

2. Products and Services

The nature of Company's services by permission can be separated by business type as follows:

- Finance
- Other financial services that company is authorized

Both types of businesses above can be separated into various services as follows:

- Deposit
- Lending
- Debenture Holders' Representative
- Investment in securities

Deposit

The company raises funds by providing deposit services in the form of deposit receipts and promissory notes for individuals, corporate entities, foundations and associations. The terms of deposits are determined according to the needs of depositors that are 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 the appropriate interest rate according to national economy situation, the company's liquidity, yield and interest rate in the money market as a whole.

Source of funds at the end of the year is classified by the remaining period of the deposit receipts and promissory notes over the past 3 years as stated in the company's financial statements are as follows:

Remaining period	At December 31, 2020		At December 31, 2019		At December 31, 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
At call	199.19	3.81	94.70	1.49	404.42	5.56
Less than 1 year	4,684.09	89.49	5,441.94	85.72	5,065.45	69.64
More than 1 year	350.82	6.70	811.69	12.79	1,804.10	24.80
Total	5,234.10	100.00	6,348.33	100.00	7,273.97	100.00

Lending

The Company provides loans for the following proposes:

1. Commercial Lending is a loan to various types of businesses to be used as working capital for the business in the short term, to pay the price of the ordered product or to extend the credit limit to customers of the business. The Company provides various types of credit to suit the needs and in accordance with the collateral risk.
2. Project finance is a loan for business expansion, expansion of a factory or for the construction of a new project that benefits the country's economy. Short-term loans, medium-term loans or long term loan are available in order to comply with project requirements including the SME business to meet the government's policy to support such businesses.
3. Consumer lending are both secured and unsecured loan to individual for consumption purposes. Short-term loans, medium-term loans or long term loan are available to suit the borrower's need and their abilities to repay the debts.

Markets and Competitions

Finance business condition in 2020

As of December 31, 2020, there are 2 finance companies, Srisawad Finance Public Company Limited (Formerly name: Bangkok First Investment & Trust Public Company Limited) and Advance Finance Public Company Limited, having total asset of 31,708 million Baht or average Baht 15,854 million per company. The combined net loan was Baht 15,767 million or average Baht 7,883 million per company while the combined net investment was Baht 4,568 million or average Baht 2,284 million per company.

Finance Business Outlook in 2021

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 currently remained only 2 companies. Major business of finance companies, according to their financial statements, focused on investment in securities and loans. In regard to business loans, the financial companies still focus on retail and SMEs customers. In terms of deposit funding, the finance company will continuously compete with mutual fund management companies that can offer tax advantages to investors who invest in money market funds including compete with medium-sized commercial banks.

Interest Rate Condition in 2020

Due to the Coronavirus-19 outbreak, the policy rate had been decreased totaled 0.75% in the first half year, this made policy rate decreased from the previous rate at 1.25% at the end of 2019 to 0.5% at the end of 2020 which correlation to foreign policy rate, Government bond yield, which is used as a base for determining private sector debt yields in 2020, has volatility throughout the year. The government bond yield decreased all short term and long term bond.

The volatility of the return rate in 2020 is mainly from the outbreak of Coronavirus-19, then the investors worried about the global outbreak would impact the world economy.

Interest Rate Outlook in 2021

From the economic assessment in 2021, trends to slow down from projection and potential but better than 2020 by the new epidemic of COVID-19, which concerning with government's control and preventive measures. Supporting affected sectors experiencing limitations on the recovery. Stimulating private investment, by preparing for re-opening to foreign tourists, arranging preemptive measures for risks of drought and monitoring and preparing for cushioning the impact of world economic and financial fluctuation. Office of the National Economic and Social Development Council forecasted the economy expansion will be 2.5-3.5 percent this year. The company still appreciates the quality of assets and continuously and carefully 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 2021.

Sources of funds

Procurement of the Company's funding, in addition to the company's funds, most sources of funds are in the form of deposit mobilization by issuing deposit receipts to receive deposits from the public, which are available both in the form of at call deposits, no maturity deposits and fixed deposits with a fixed period with interest rates that vary according to the tenor of the deposit receipt (The Company started issuing deposit receipts to the public since August 2008) and borrowing from the parent company.

Sources of Funds

(Unit: Million Baht)

Sources of funds	2018	2019	2020
Deposits and debt securities issued			
From individuals	7,279.91	6,354.27	5,240.04
From financial institutions	-0-	-0-	-0-
From foreign	0.06	0.06	0.06
Total deposits and debt securities issued	7,279.97	6,354.33	5,240.10
Borrowings	8,500.00	2,000.00	-0-
Other liabilities	1,380.28	3,062.60	4,745.30
Total funds from liabilities	17,160.25	11,416.93	9,985.40
Funds - Shareholders' equity	2,517.16	9,282.27	9,596.65
Total funds from equity	19,677.41	20,699.20	19,582.05

As of December 31, 2020, the Company had sources of funds from deposits and debt securities issued in the amount of Baht 5,240.10 million, with a proportion of deposit receipts from individuals, both individuals and corporate entities amounted to Baht 5,234.10 million or 99.89 percent, from promissory notes amounted to Baht 6 million or 0.11 percent. Total deposits and debt securities issued accounted for 27.31 percent of the company's funding. At present, the Company had pay funding from loans to reduce cost of fund due to excess liquidity.

For future funding sources, the Company has a policy for financing in accordance with the objectives and the need for money by taking into account the appropriateness of net capital.

Funding from related parties

The company has funding from related parties in the year 2020, in accordance with the ordinary course of business. Such transactions were made according to commercial conditions and the criteria under the contract between the Company and those persons or entities. (Please see item 12, related party transactions in 56-1 Form and notes to financial statements No. 45 of the accompanying financial statements)

The outstanding balance as of December 31, 2020 amounted to Baht 2,784 million is the financing and lending from related parties.

Ability to Maintain Capital Funds

The Company will maintain capital funds to risk-weighted assets in accordance with the ratio prescribed by the Bank of Thailand, not less than 8.5 percent. The company will conduct business carefully by focusing on good quality customer base in order to minimize the risk of possible damage. In the past period, the Company has the capital ratio which much higher than the ratio prescribed by the Bank of Thailand. At December 31, 2020, the Company has the capital ratio at 45.84 percent.

Liquidity Management Policy

The liquidity management policy of the Company has a sufficient liquidity reserve for the current liquidity risk level. Most of liquidity reserve will be invested in private repurchase agreement, which is a loan between financial institutions that have government debt securities as collateral in full amount. At December 31, 2020, the Company's Liquidity Coverage Ratio (LCR) is at 2,036.27 percent.

Daily liquidity management is the responsibility of the Treasury and Investment Department, which will oversee the source of funds and investments according to the cash flow projections of each day. Also, the Treasury and Investment Department will be responsible for overseeing the liquidity of the Company to comply with the Company's risk management policy and the Notification of Bank of Thailand on the Capital

Requirement and Maintenance of Liquid Assets, Regulations on Supervision of Capital and Liquid Coverage Ratio (LCR) and the criteria that require the Company to maintain an average deposit of not less than 1% of the average deposit and loan amount.

In addition, the Company has prepared a contingency plan for liquidity management in times of crisis which includes the practice guidelines according to such plan. The contingency plan will be reviewed annually to prepare and provide sufficient liquidity if the liquidity crisis occurs.

Risk Factors

Strategic Risk

The Company realizes the significance of systematic and effective risk management and control by clearly defining the risk management structure for the main purpose of preventing and managing risks. Including 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 which controlled, monitored and managed by the Board of Company, Audit Committee and Risk Oversight Committee.

The risk of competition in the auto title loan and hire purchase loan segments

The business of auto loan and high purchase has been recovering according the recovery of the economics from the cars that purchased from the first-car tax scheme has been used more than 5 years. This lead to the intense competitions from the current competitors, mostly are the companies under financial institution group with the advantages of the low financial cost and the large capital such as banks and their subsidiaries, who foresee the higher return from having lower cost than other competitors. For the hire-purchase or leasing company who are financially supported by the parent companies which are the car manufacturer who have the strategic advantage from being a business partner and form business and marketing plan with car dealers throughout the country.

Moreover, the change in regulation related to the auto title loan for non-financial institution that will be directly oversee by Bank of Thailand which are already appointed in 2019. If a state agency becomes involved more in the hire purchase business, small operators whose operations are not systematized and standardized may be pressured. This situation may prevent new players from entering the market given that penetrating to the business may not be as easy as in the past. However, such laws set the interest ceiling at 28%, which may result in the company having to compete at a lower interest rate to attract customers to use the service.

It is worth highlighting that the success factors do not depend solely on sufficient funding. With its long experience of 40 years in the business, the Group Company understands its customer groups very well, so the Group is able to provide services that well suit customers' demand. The Group service coverage is across the country, with service networks covering all regions nationwide. As of December 31,

2020, Group's branch networks included 4,750 branches. The Group provides fast and effective services, with a large system for its customer-related data base. In addition, The Group also possesses expertise in loan approval procedure as well as loan collections. As a result, the Group enjoys competitive advantages over its peers and is able to examine loan applications efficiently. Moreover, most commercial banks or the firms under the umbrellas of commercial banks focus mainly on the new auto market while hire purchase or leasing companies emphasize on providing services for buyers of new cars or used cars in the upper and middle market segments. On the contrary, The Group focuses on different customer groups by offering auto-backed loans and home-backed loans to potential customers who may be unable to access financial services offered by commercial banks or those under banks' umbrellas but they own vehicles and property.

The risk in regard to competition in the personal loan segment

The personnel loan segment has seen fiercer competition. The fact that the interest rates and fees in this loan segment are higher than those from credit card loans attracts both financial institutions and non-financial institutions to enter the 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.

While the Company is well aware of the risk of higher competition, the Company believes the risk will not have any significant impact on its overall operation given that the Company focuses on employees of private companies. The credit approval process for these individuals also takes into consideration the financial health of the related companies as well. The logic is that as long as the Company is doing well, the employee's income should be stable, and thus the ability to pay back the loan should be secure.

Risk from Business Operation Controlled by Supervisory Agency

The Company is a finance company which categorize as the 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.

Risk of high dependence on major shareholders

At present, the Company is serviced by SAWAD, its major shareholders with 82.04 percent of the paid-up capital as of 31 December 2020, for the marketing, credit monitoring and cash payment at branches of SAWAD. The relying on services from major shareholders in the case that the major shareholder is unable to provide services might cause the business continuity of the Company. However, the Company has a process to consider and assess the risk of outsources, including the Company are looking for additional outsources to reduce the risk.

Marketing Risk

Interest rate risk

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 as float rate. 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 under the risk appetite.

However, the interest income from the credit service of auto loan (car for cash) and house for cash considered the fixed rate according to the term of the contract. Meanwhile, significant expenses are the cost of loan from creditors and financial institutions which is a fix interest rate. If there is a change in interest rates, it will not affect a margin of the interest income and interest expense, especially in the case of higher interest rates, it will not affect 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 Risk

Risk that arising from changes in bond and stock price which affects financial performance and capital fund of the Company. The Company has carefully evaluated and diversified its investment in various types and sound fundamentals of securities.

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

However, the Company has continuously decreased the investment proportion of debt and equity securities.

Credit Risks

Risk of higher NPLs

At present, the Company develop the credit risk management under credit risk management policy and procedure including create the credit risk awareness culture throughout the Company. The Company has risk assessment form for each type of product and customers. Credit department is responsible for review risk level, customer credibility, loan limit that suitable to minimize risk to be under risk appetite. The Company also cautiously monitors credit quality of loan to make sure that all loans are well manage and be able to repay and follow policy on allowance of doubtful accounts for focusing on repayment ability.

Risk from Impairment of Collateral

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

As for auto and housing loans, the Company regularly adjusts the rate book to reflect the real value and will adjust the collateral discount rate to affect the risk.

Risk of possible failure to confiscate collaterals

Most collateral items are cars and motorcycles and these items are more difficult to confiscate, in case customers fail to repay debts, than other collateral items, e.g., deeds of housing units, land, and etc. If the Company is unable to confiscate and sell the collateral in compensation of unpaid debts, this will have a direct negative impact on the Company's business operation, financial position, and earnings performance.

To reduce the risk, the Company has a policy to extend loans to individuals and/or collateral and/or guarantors residing in the same areas where the Group's branches are located. Moreover, the branch's staff is also assigned to examine the information on site, i.e., the addresses identified by the customers, in order to double check the existence of the collateral. In case the customers fail to settle the monthly installment bills, the Group will assign its staff in charge to follow the customers and confiscate the collateral afterwards. The staff will promptly take action in order to prevent the customers from running away with collateral. It should be noted that the Company also benefit from the Group's extensive branch network that included 4,750 branches nationwide, allowing the Group to locate the collateral more easily.

Risk in regard to inability to sell foreclosed assets

According to the nature of the auto title and hire purchase loan businesses, once a customer fails to settle. The instalment bills for three consecutive periods, the Group will send a letter notifying that the contract will be terminated should the customer does not repay the debts 7 days (in case of the loan agreements). If no action is taken by the customer within the identified timeframe, the Group is entitled to confiscate the collateral. After that the Group will issue a letter notifying the customer to redeem the collateral within 30 days. If the customer is not present to redeem the collateral within the specific timeframe, the Group is entitled to sell the collateral. At present, the Company sells foreclosed assets through several sale channels including branches for selling motorcycles, and warehouses for keeping confiscated cars. In addition, the Company also hires a private auction organizer to organize auctions for people who may be interested in buying confiscated motorcycles. The proceeds from the sale of confiscated collateral will be used for covering the outstanding balance. If the Company is unable to sell the confiscated items, this will have a negative impact on its financial position and operational performance.

The Company decides to extend loans to customers, considering the popularity of the vehicles in the market or the locations of the land in order to reduce potential impact of the lack of

liquidity from the sale of confiscated collateral. After confiscating the collateral, the Company's staff will keep the items and sell them to the Group's selected counterparty by tranches at net asset value price.

The pricing of confiscated collateral is based on the remaining value of the outstanding balance, which is normally lower than the market price. Hence, the selling prices of confiscated collateral items are normally lower than the market prices, increasing more liquidity to the sale transactions.

Risk from COVID-19 outbreak

In 2020, Thailand had an outbreak of COVID-19, it affected on everyone's health and lifestyle. In case of economy, some private sectors had to cease their business and their employees affected their income. The Company, as a financial institution has measures to help customers by deferring principal and interest payments or restructure appropriate with the customer which reducing the financial obligation of customers. Consequently, the Company has effective risk management, resulting in a slight increase in non-performing loans in 2020 compared to 2019. In addition, the Company has a strong capital fund and liquidity assets, ensuring that it has a strong financial that can accommodate the risk of unexpected events. However, the company is closely monitoring the outbreak for analyze or improve the business operation under uncertainty.

Liquidity Risk

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

From the balance sheet, as December 31, 2020 the Company's financial assets and financial liabilities classified by maturity as follow;

	Less than 1 Year	Over 1 Year
Total Financial Assets	15,646.15	1,243.96
Financial Debts		
- Deposit	4,883.28	350.82
- Debenture and Loan	6.00	-
Total Financial Debts	4,889.28	350.82

Remark: Excluding the non-performing debts

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

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 need to maintain a high level of liquid assets, which can be easily and quickly into cash without significant value losses in order to cover its projected net cash outflows during a 30-day stress period. The Company's LCR is higher than Bank of Thailand's minimum requirement at 100 percent. During 2020, the Company's LCR ratios were between 128.24 and 2,045.27 percent and average LCR was at 688.78 percent.

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

For the past 4-5 years, the Company has concentrated on the issue of validity Deposit Protection Agency in reducing the amount. Therefore, the Company has prepared a DPA Stress test model to assess the impact of deposit protection amount. The result of DPA Stress test was satisfactory. The Company has sufficient liquidity to support the impact of the deposit withdrawal of more than 10 million baht and 1 million baht for each depositor. It means the Company has the ability to carry out sufficient liquidity to support deposit withdrawals on almost every case.

Operational Risk

The Company precisely formulates the policy scope of operational risk management with strong internal control system and the operation manual with the effective training. The Company organized Loss data and near-missed data both monetary and non-monetary from each department. Moreover, the Company formulates the outsourcing policy and new product through studying, analyze and assess the risk and gain comment from risk management department. The Company also has an independent internal auditor that directly report to Audit Committee for formulate risk-based audit plan and provide consultancy for internal control improvement.

The Group also has formulated the Business continuity plan in order to prevent disruption in business operation. For the human resources, the Company has continue provide training, on the job training, online course and other development program to increase staff capability as well as the risk awareness from the operation.

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 (“BFIT”) by Srisawad Corporation Public Company Limited (“The Company” or “SAWAD”), the Company and SAWAD, major shareholder, SAWAD held 82.04 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, BFIT 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. According the Tender Offer Statements concerning the Company’s future business plan after completion of the Tender Offer, in the event that the Company can hold between 36.35 and 60 percent interest in BFIT, the lending business to be operated by BFIT shall not overlap with S2014, which shall be separated by type of collateral. In this regards, BFIT will operate the lending collateralized by vacant land and house, and the 4 -wheeled vehicles, whilst, S2014 will offer the lending secured by motorcycle, trucks, and agricultural vehicles.

The Group’s revised business plan shall affect the following lending products of BFIT: Car for Cash and Home for Cash services. After amending to re-separate the business between SAWAD and

BFIT, the lending entity for Car for Cash product will be determined by type of contracts (Loan/Hire Purchase). Whilst, Home for Cash will be determined by transaction type (Mortgage and Sale with redemption right) and loan value (exceed/not exceed Baht 10 million). The amendment of the Group business plan will impact and change BFIT operation as previously stated in the Tender Offer documents.

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 transferring the title of vehicle.

In practice, branch staffs, who seek for and get contact with the client, will refer to standard loan amount as mention 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.

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 Committee, which is a unit independent of the Credit Department. The Collateral 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.

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

General information

Srisawad Finance Public Company Limited (“BFIT”) is a finance company which is located at 99/392 Srisawad Building, Floor 1, 3, 5, 6, Chaeng Watthana 10 Alley, Lane 3, Changwattana Road, Tungsonghong, Laksi, Bangkok, 10210. The Company has registered capital amounting to Baht 2,756,236,215 and has paid-up capital amounting to Baht 2,756,236,205 divided into 551,247,241 ordinary shares at par value of Baht 5 each. The Company does not have any branches.

Registration No. : 0107536000722
Tel : 0-2073-0677
Fax : 0-2073-0670
Home Page : www.srisawadfinance.com

Other references

Share Registrar

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

Auditors

Auditors for the year 2020

Mrs. Anothai Leekitwattana, Certified Public Accountant (Thailand) No. 3442 and/or
Mr. Paiboon Tunkoon, Certified Public Accountant (Thailand) No. 4298 and/or
Ms. Sinsiri Thangsombat, Certificated Public Accountant (Thailand) No. 7352
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 2020 Baht

4,028,000

Non-Audit Fee

- None -

Legal advisor

- None -

Securities and Shareholders Information

Authorized and paid-up capital

Authorized capital Baht 2,756,236,215
divided into 551,247,243 shares of Baht 5 each

Issued and paid-up capital Baht 2,756,236,205
divided into 551,247,241 shares of Baht 5 each

Other Securities -None-

Major Shareholders

Top ten major shareholders as of 7 July 2020 (Last closing date) are as follows:

	Name	Number of shares	% of Holding
1.	SRISAWAD CORPORATION PUBLIC COMPANY LIMITED	452,238,407	82.04
2.	Mrs. Jaruwan Jiampittayanuwat	10,167,605	1.84
3.	Mr. Luchai Phukhan-anan	8,480,070	1.54
4.	Miss Supaporn Ahunai	7,717,500	1.40
5.	Mrs. Mei Lee	4,620,000	0.84
6.	Mr. Charoon Viriyapornpipat	2,877,500	0.52
7.	Miss Ravisara Ngarmroongsiri	2,510,000	0.46
8.	Thai NVDR Company Limited	2,252,566	0.41
9.	Mrs. Maneerat Ngarmreungpong	1,755,500	0.32
10.	Mr. Lee Jui-Chuan	1,600,964	0.29

Source: Thailand Securities Depository Co., Ltd.

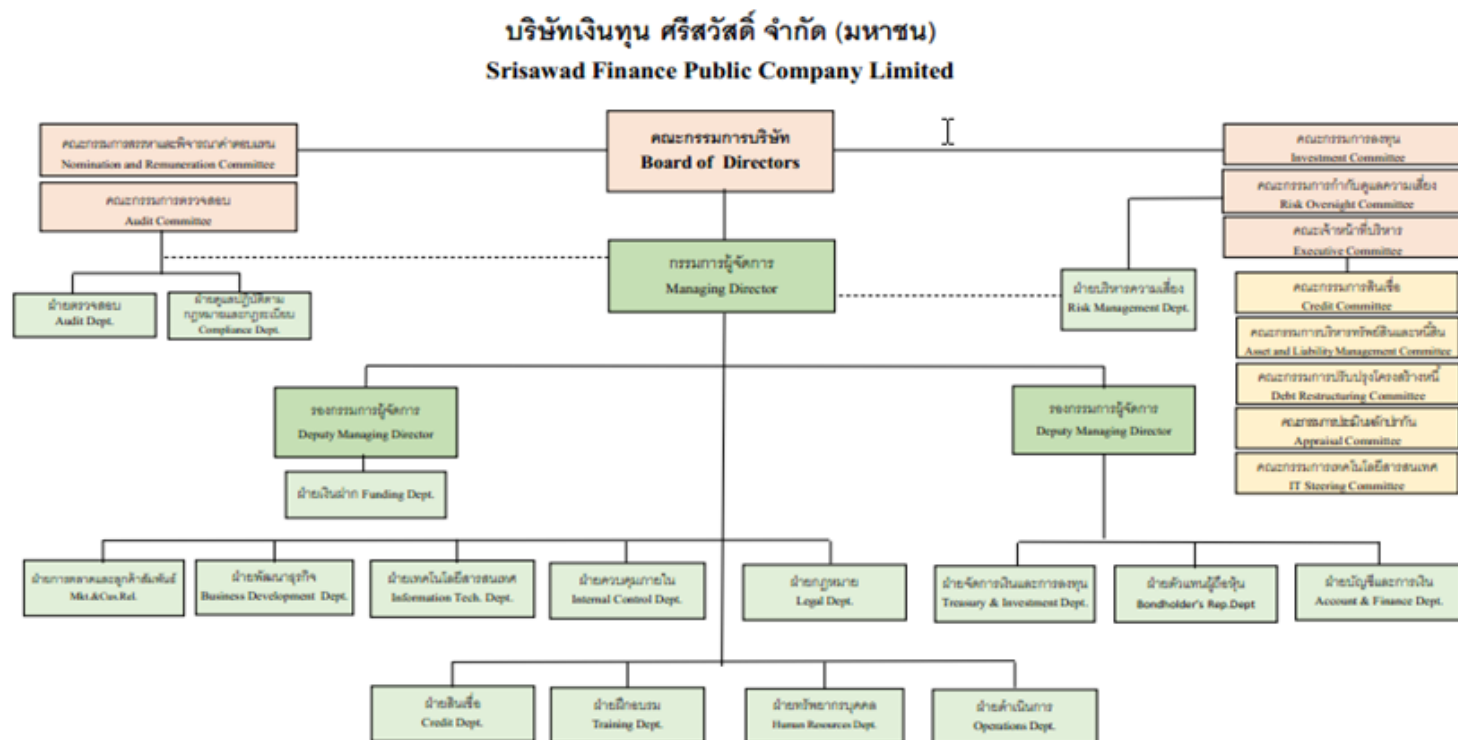
Dividend Payment Policy

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	2020	2019	2018
Earnings per share	2.84	1.98	1.74
Dividend paid per share	1.40	2.25	0.00
Dividend Payout Ratio (%)	49.30%	113.64%	N/A

Management Structure



Management

1. Board of Directors

As of December 31, 2020, the Company's Board of Directors consisted of 5 directors as listed below:-

- | | |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr.Suchart Luengsurawat | Vice Chairman
Independent Director, Chairman of the Audit Committee
and Member of the Nomination and Remuneration Committee |
| 2. Miss Nanthida Pattanasakpinyo | Independent Director, Member of the Audit Committee
Member of the Nomination and Remuneration Committee |
| 3. Mr.Prawat Phatprasit | Independent Director, Member of the Audit Committee
Member of the Nomination and Remuneration Committee |
| 4. Mr.Thititham Rojanapruk | Director and Managing Director |
| 5. Ms.Doungchai Kaewbootta | Director |

(Attachment Details of the Board of Directors)

Directors authorized to sign for company, the following 2 directors

Miss Doungchai Kaewbootta, and Mr.Thititham Rojanapruk jointly signatures are required together with company's seal affixed

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

In 2020, 11 meetings of the Board of Director, 4 meetings of the Audit Committee, 2 meetings of the Nomination and Remuneration Committee and 15 meetings of the Executive Committee were held. The meeting attendance records of the members of the board of directors / committees in those meeting are as follows:

Name of Directors	Attendance / Number of eligible meeting (times)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Mr.Sukont Kanjanahuttakit ^{/1}	9/9	-	-	-
2. Miss.Doungchai Kaewbootta	11/11	-	-	15/15
3. Mr.Suchart Luengsurawat	11/11	4/4	3/3	-
4. Mr.Kudun Sukhumananda ^{/2}	6/6	2/2	-	-
5. Mr.Prawat Phatprasit	11/11	-	3/3	-
6. Mr.Thititham Rojanapruk	11/11	-	-	15/15
7. Mr.Pinit Puapan ^{/3}	8/9	-	-	-
8. Mr.Prayong Saennual ^{/4}	10/10	-	-	15/15
9. Mr.Anantroj Thangsupanich ^{/5}	1/3	1/1	-	-
10. Miss Nanthida Pattanasakpinyo ^{/6}	8/9	3/3	2/2	-

Remark: ^{/1} Mr. Sukont Kanjanahuttakit resigned from director, and Chairman since November 10,2020

^{/2} Mr. Kudun Sukhumananda resigned from independent director and member of Audit Committee since August 7,2020

^{/3} Mr. Pinit Puapan resigned from director since November 10,2020

^{/4} Mr. Prayong Saennual resigned from director since December 22,2020

^{/5} Mr. Anantroj Thangsupanich resigned from independent director and member of Audit Committee since April 9,2020

^{/6} Miss Nanthida Pattanasakpinyo has been appointed to be independent director, member of Audit Committee and member of Nomination and Remuneration Committee since February 25,2020

2. Executives

As of December 31, 2020, the Company's executives consisted of executive directors and executive officers as follows:-

- | | | |
|----------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1. Mr.Thititham Rojanapruk | Managing Director | |
| 2. Mr.Vasit Kanjanahuttakit | Deputy Managing Director/The person taking the highest responsibility in finance and accounting | |
| 3. Mrs. Sirinthip Rabinwong | Assistant Managing Director | Head of Debt Management |
| 4. Mr. Chaiwut Wichaneenoi | Assistant Managing Director | Head of Personnel Dept. |
| 5. Miss Kanoknuj Cholvani | Vice President | Head of Investment Advisory Dept. |
| 6. Miss Ticha Suwannasang | Vice President | Head of Compliance Dept. |
| 7. Mr.Adisorn Wichaidith | Assistant Vice President | Head of Personnel & General Service Dept. |
| 8. Miss Chonlada Thaweephanyopha | Assistant Vice President | Head of Account & Finance Dept. |

3. Corporate Secretary

As of December 31, 2020, 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 2020 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

Remuneration paid to 9 directors amounted to Baht 5,732,371.00 in 2020, compared with Baht 6,165,000.00 paid in 2019. Details are as follow:

Remuneration of the year 2020 (Baht)

<u>Name of Directors</u>	<u>Board of Directors</u>	<u>Audit Committee</u>	<u>Nomination & Remuneration</u>	<u>Risk Management</u>	<u>Total</u>
1. Mr.Sukont Kanjanahuttakit	1,236,000	-	-	257,000	1,493,500
2. Miss.Doungchai Kaewbootta	600,000	-	-	-	600,000
3. Mr.Suchart Luengsurawat	640,000	300,000	-	-	940,000
4. Mr.Kudun Sukhumananda	350,000	-	-	-	350,000
5. Mr.Prawat Phatprasit	600,000	-	-	-	600,000
6. Mr.Thititham Rojanapruk	-	-	-	-	-
7. Mr.Pinit Puapan	515,000	-	-	-	515,000
8. Mr.Prayong Seannual	583,871	-	-	-	583,871
9. Miss Nanthida Pattanasakpinyo	500,000	-	-	-	500,000
10. Mr. Anantroj Thangsupanich	150,000	-	-	-	150,000
Total	5,174,871	300,000	-	257,500	5,732,371

Remuneration of the year 2019 (Baht)

<u>Name of Directors</u>	<u>Board of Directors</u>	<u>Audit Committee</u>	<u>Nomination & Remuneration</u>	<u>Risk Management</u>	<u>Total</u>
1. Mr.Sukont Kanjanahuttakit	1,440,000	-	-	300,000	1,740,000
2. Miss.Doungchai Kaewbootta	-	-	-	-	-
3. Mr.Suchart Luengsurawat	600,000	300,000	-	-	900,000
4. Assoc.Prof.Dr.Siriwut Buranapin	150,000	-	75,000	-	225,000
5. Mr.Kudun Sukhumananda	600,000	-	-	-	600,000
6. Mr.Prawat Phatprasit	600,000	-	-	-	600,000
7. Mr.Thititham Rojanapruk	-	-	-	-	-
8. Mr.Pinit Puapan	600,000	-	-	-	600,000
9. Mr.Weidt Nuchjaleran	450,000	-	-	-	450,000
10. Mr.Prayong Seannual	600,000	-	-	-	600,000
11. Mr. Anantroj Thangsupanich	450,000	-	-	-	450,000
Total	5,490,000	300,000	75,000	300,000	6,165,000

- Remuneration for Executives**

Remuneration consisting of salary, bonus, contribution to provident fund, group live insurance premium, medical treatment and others paid to 8 executives amounted to Baht 27,963,760 in 2020.

(2) Other Benefits:

-None-

Management

Profiles of Directors of Srisawad Finance Public Company Limited

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	Work Experience		
					Period	Position	Company's Name / Business Type
1. Mr.Suchart Luengsurawat Vice Chairman Chairman of the Audit Committee, Independent Director 3 year 7 Months	71	<ul style="list-style-type: none"> Director Certification Program Audit Committee program Thai Institute of Directors Association Master of Accountancy Bachelor of Accountancy Chulalongkorn University, Bangkok Bachelor of Laws Thammasat University, Bangkok 	No	No	2020 - present 2017 - present 1971 - 2009	Vice Chairman Director/ Chairman of the Audit Committee Partner	Srisawad Finance PCL. Srisawad Finance PCL. Pricewaterhousecoopers ABAS Limited
2. Miss Doungchai Kaewbootta Authorized Director 3 year 9 months	41	<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	2010 - present 2017 - 2019 2008 - present 2014 - present 2015 - present 2018 - present 2012 - present 2016 - present 2020 - present 2020 - present 2020 - present 2020 - present 2020 - present 2020 - present	Director* Director and Managing Director* Director* Director* Director* Director* Director* Director* Director* Director* Director* Director*	Srisawad Corporation PCL. Srisawad Finance PCL. Srisawad Power 2014 Co., Ltd. S W P Asset Management Co., Ltd. Srisawad International Holding Co., Ltd. P Lending Co., Ltd. Fast Money Co., Ltd. S W P Services Co., Ltd. Srisawad Digital Co., Ltd. Srisawad Capital Co., Ltd. Srisawad Pico Pattani Co., Ltd. Srisawad Pico Yala Co., Ltd. Srisawad Pico Narathivas Co., Ltd.
3. Mr.Prawat Phatprasit Independent Director and Member of the Audit Committee 3 year 9 Months	71	Bachelor of Business Administration (Marketing) North Filed University, U.S.A	No	No	2017 - present 1989 - present 2001 - present 2012 - present 2008 - present 2012 - present 1994 - present 2008 - present	Independent Director Executive Director* Executive Director* Executive Director* Executive Director* Executive Director* Executive Director* Advisor *Authorized Director	Srisawad Finance Public Company Limited. Pongrawe Co.,Ltd. Green Road Co.,Ltd. Wheels on Wheels Co.,Ltd. V.P.Garden Home Co.,Ltd. V.P.Ruamthun Co.,Ltd. Phattara Chokchai Co.,Ltd. Phirom Surang Co.,Ltd.

Profiles of Directors of Srisawad Finance Public Company Limited

Name / Position Tenure	Age	Education	Shareholding	Family relationship with other director and member of management	Work Experience		
					Period	Position	Company's Name / Business Type
4. Mr.Thititham Rojanapruk Authorized Director, Managing Director 9 years	37	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	No	2012 - present Oct.2016 - present 2012 - 2016 2006 - present 2006 - present - present present 2011 - 2012 2011 - 2012 2008 - 2016 2008 - 2012	Director* Deputy Managing Director Director Director* Director* Director* Director* Managing Director Director* Vice President of Business Development Dept. Director*	Srisawad Finance Public Company Limited. Srisawad Finance Public Company Limited. Srisawad Finance Public Company Limited. Palang Rungruang Co., Ltd. Boon Anek Anan Co., Ltd. Natural Asset Co.,Ltd. PPGR Co.,Ltd. Sahasamakkee Service Co., Ltd. Than Printing Co.,Ltd. Hi-Tech Network Co., Ltd Power Agricultural Industry Co.,Ltd.
5. Miss Nanthida Pattanasakpinyo Independent Director and Member of the Audit Committee 1 year 2 months	36	Bachelor of Art (Accounting) Thammasat University	No	No	2008 - 2011 2012 - present 2020 - present	Senior Assistant Independent Certified Auditor Director	Pricewaterhousecoopers ABAS Limited Srisawad Finance PCL.

Profiles of Management of Srisawad Finance Public Company Limited

Name / Position	Age	Education	Shareholding	Family relationship with other director and member of management	Work Experience		
					Period	Position	Company's Name / Business Type
1. Mr.Thititham Rojanapruk Authorized Director, Managing Director	37	<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	No	2012 - present Oct.2016 - 2019 2012 - 2016 2006 - present 2006 - present - present present 2011 - 2012 2011 - 2012 2008 - 2016 2008 - 2012 Dec.2019 - present	Director* Deputy Managing Director Director Director* Director* Director* Director* Managing Director Director* Vice President of Business Development Dept. Director* Managing Director	Srisawad Finance Public Company Limited. Srisawad Finance Public Company Limited. Srisawad Finance Public Company Limited. Palang Rungruang Co., Ltd. Boon Anek Anan Co., Ltd. Natural Asset Co.,Ltd. PPGR Co.,Ltd. Sahasamakkee Service Co., Ltd. Than Printing Co.,Ltd. Hi-Tech Network Co., Ltd Power Agricultural Industry Co.,Ltd. Srisawad Finance Public Company Limited.
2. Mr. Vasit Kanjanahuttakit	42	<ul style="list-style-type: none"> - Master of Accounting University of Virginia - Bachelor of Accounting University of Virginia 	No	No	Jan-18 - present 2015 - 2017 2010 - 2013 2018 - present 2016 - present 2015 - present	Deputy Managing Director Deputy Managing Director <i>Senior Manager</i> <i>Director</i> <i>Director</i> <i>Director</i>	Srisawad Finance PCL. Srisawad Corporation PCL. PricewaterhouseCoopers Thailand Srisawad Power 2014 Co., Ltd. Srisawad International Holding Co., Ltd. Srisawad Vietnam LLC
3. Mrs. Sirinthip Rabinwong	59	<ul style="list-style-type: none"> - Master of Business Administration Dhurakij Pundit University - Bachelor of Business Administration Dhurakij Pundit University 	No	No	2013 - 2014 2014 - 2015 2015 - 2020 2020 - present	<i>Senior Vice President</i> <i>Assitant Managing Director</i> <i>General Manager</i> <i>Assistant Managing Director</i>	CFG Services Co., Ltd. Krungthai Bank Public Company Limited Ascend Nano Company Limited Srisawad Finance PCL.

*Authorized Director

Profiles of Management of Srisawad Finance Public Company Limited

Name / Position	Age	Education	Shareholding	Family relationship with other director and member of management	Work Experience		
					Period	Position	Company's Name / Business Type
4. Mr. Chaiwut Wichaneanoi	46	- Master of Business Administration Chulalongkorn University - Bachelor of Engineering Chulalongkorn University	No	No	2007 - 2013 2014 - 2020 2020 - present	<i>Vice President</i> <i>Senior Vice President</i> <i>Assistant Managing Director</i>	Bank of Ayudhya Plc. Group M Co., Ltd. Srisawad Finance PCL.
5. Miss Kanoknui Cholvani Vice President/Head of Treasury & Investment Department	50	- M.B.A. (Finance&Banking and Marketing) Sripatum University - B.A. (Finance and Banking) Assumption University	No	No	Aug.2015 - present Jan.2014 - Aug.2015	- Vice President/Head of Dept. Investment Advisory Department - Assistant Vice President/Head of Dept. Personnel & General Service Dept.	Srisawad Finance PCL.
6. Miss Ticha Suwannasang Vice President / Head of Compliance Department	40	- Master of Management Information Technology University of Nottingham - Faculty of Commerce and Accountancy Chulalongkorn University, Bangkok	No	No	Sep.2017 - present Feb.2013 - Aug.2017	- Vice President/Head of Dept. Compliance Department - Senior Manager - Manager	Srisawad Finance PCL. Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd. EY Office Limited.
7. Mr.Adisorn Wichaidith Assistant Vice President/Head of Personnel & General Service Department	52	- B.Ed. (Social Studies) Srinakharinwirot University	No	No	1998 - present	- Assistant Vice President/Head of Dept. - Assistant Manager - General Service Division Head Personnel & General Service Department	Srisawad Finance PCL.
8. Miss Chonlada Thaweephanyopha Assistant Vice President/Head of Account & Finance Department	31	- B.A.(Accounting) Thammasat University	No	No	2017 - present 2014 - 2017 2011 - 2014	- Assistant Vice President/Head of Dept. - Assistant Vice President of Account Dept. - Senior Associate	Srisawad Finance PCL. Srisawad Corporation PCL. Pricewaterhousecooper ABAS Co.,Ltd.

Profiles of Management of Srisawad Finance Public Company Limited

Name / Position	Age	Education	Shareholding	Family relationship	Work Experience		
				with other director and member of management	Period	Position	Company's Name / Business Type
9. Miss Doungchai Kaewbootta Authorized Director, Company Secretary	41	- Director Certification Program	No	No	2010 - present	Director*	Srisawad Corporation PCL.
		Thai Institute of Directors Association			2017 - 2019	Director and Managing Director*	Srisawad Finance PCL.
		- Master of Computer Science			2016 - present	Director*	Srisawad Power 2014 Co., Ltd.
		- De Paul, Chicago , U.S.A			2014 - present	Director*	S W P Asset Management Co., Ltd.
		- Bachelor of Art (Political Science)			2012 - present	Director*	Fast Money Co., Ltd.
		- Kasetsart University			2015 - present	Director*	Srisawad International Holding Co., Ltd.
					2018 - present	Director*	P Lending Co., Ltd.
					2016 - present	Director*	S W P Services Co., Ltd.
					2020 - present	Director*	Srisawad Digital Co., Ltd
					2020 - present	Director*	Srisawad Capital Co., Ltd.
					2020 - present	Director*	Srisawad Pico Pattani Co., Ltd
					2020 - present	Director*	Srisawad Pico Yala Co., Ltd
					2020 - present	Director*	Srisawad Pico Narathivas Co., Ltd
						*Authorized Director	

Shareholding in the Company of Board of Directors as of December 31, 2020.

Name	Number of share held	
	As of <u>Dec. 31, 2020</u>	Increase (Decrease) <u>During the year</u>
1. Mr.Suchart Luengsurawat	-	-
2. Miss.Doungchai Kaewbootta	-	-
3. Mr.Prawat Phatraprasit	-	-
4. Mr.Thititham Rojanapruk	-	-
5. Miss Nanthida Pattanasakpinyo	-	-

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

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.srisawadfinance.com both in Thai and in English at least 30 days prior to the meeting so that shareholders can spend more time considering important agendas.

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

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

2. The meeting date

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

2.2 Before the start of the Annual General Meeting of Shareholders, the Company Secretary shall introduce members of the Board of Directors, auditors and high ranking executives of the Company participating the meeting to the Shareholders and inform the Shareholders on how to cast a vote and the Shareholders' rights. The Chairman of the meeting shall be responsible for conducting the meeting according to the agenda stated in the meeting invitation letter, allocating time for each agenda appropriately and sufficiently without adding any other agendas apart from those stated in the meeting invitation letter. Moreover, the Company shall prepare ballots for shareholders for voting of each agenda which made use of a bar code system. The votes of all agendas i.e. for, against and abstention shall be counted and disclosed transparently and fairly by Head of Legal Department as a head of vote count inspection.

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

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

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

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

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

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

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

3. The preparation of the minutes and voting disclosure.

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

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

Section 2 Equitable Treatment of Shareholders

All the Shareholders, either the Company executives or not, major or minor Shareholders, including foreign Shareholders shall be equally and fairly treated with their basic right protected. The Company shall

communicate with the Shareholders and disclose information through various channels of the Stock Exchange of Thailand, the Company website and other appropriate media to ensure that all the Shareholders shall equally and properly receive all the Company information and messages.

1. Release of information before the Shareholders meeting

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

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

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

2. Protection of Minor Shareholders

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

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

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

- Matters that beyond the authority of the company.
- Matters that against the laws, announcements, rules and regulations of governmental authority or regulating authority or not in accordance with the company's objectives or Articles of Association or the resolutions of the Shareholders' meetings.

- Matters that may cause significant problems to shareholders at large.
- Matter that the company has already proceeded.
- Matters that are for the benefit of an individual or a particular group of person.
- Matters about the normal business operation of the company and the shareholders who proposed the agenda are unable to show that the matters are abnormal.
- Matters that the Board of Directors considers that they are no need to be included in the agenda, and the Board must have valid reasons and are able to explain to the shareholders.

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

3. Prevention on the abuse of Inside Information

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

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

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

4. Conflict of Interest of Directors and management

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

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

Section 3 Role of Stakeholders

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

1. Policy affecting stakeholders

The company has established Business Codes of Conduct which is the policy on treating stakeholders and published through the website www.srisawadfinance.com 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 from any transactions of the Company. The Board and Employee are prohibited from soliciting or accepting any unsporting benefit from business partner, should refrain from offering or paying and unsporting advantage to business partner. The Company designate all transaction to be done strictly within the extent of law and not supporting any unlawful nominee business and not to offer or pay any illegal advantage. (Refer to “Anti-Corruption policy” in the title of “Corporate Social Responsibility”)

3.3 Policy on Intellectual property.

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

3.4 Policy on Human Right.

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

Section 4 Disclosure of Information and Transparency

1. Disclosure Policy and Practice

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

- 1) Information to be disclosed must be accurate, adequate and clear as well as disclosed on a timely basis;
- 2) Disclosure must comply with all applicable rules and regulations.

- 3) Stakeholders including customers, counterparties, creditors, shareholders, investors, analysts and interested persons must have equal right of access to the information disclosed by the company.
- 4) Information that could affect the price of the company's shares or influence investors' decisions or affect the rights of shareholders must be immediately disclosed, as appropriate, to the public through the Stock Exchange of Thailand.

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

In addition, the company's Corporate Governance Policy requires directors and management to disclose their holdings of the company's shares. Changes in the holdings of the company's shares by directors and management in 2020 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 2020 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 at least 5 directors. As of 31 December, 2020, the Company has 5 directors. The combination of directors must be complied with good corporate governance guideline by the Stock Exchange of Thailand and the regulations of the Bank of Thailand as follow:

- 1) 3 independent directors: Mr.Suchart Luengsuraswat, Mr.Prawat Phatraprasit and Miss Nanthida Pattanasakpinyo
- 2) 1 executive director: Mr.Thititham Rojanapruk
- 3) 1 non-executive director: Miss Doungchai Kaewbootta

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

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

1. To review BFIT's financial reporting process to ensure that it is accurate and adequate.

2. To review BFIT's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. To review BFIT's compliance with the law on securities and exchange, the Stock Exchange's regulations, and/or the laws relating to BFIT's business.

4. To consider, select and nominate an independent person to be BFIT's auditor, and to propose such person's remuneration to the Board of Directors and submit to the General Meeting of Shareholders for approval, as well as to attend a non-management meeting with an auditor at least once a year.

5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company.

6. To prepare, and to disclose in BFIT's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- (a) an opinion on the accuracy, completeness and creditability of BFIT's financial report,
- (b) an opinion on the adequacy of BFIT's internal control system,
- (c) an opinion on the compliance with the law on securities and exchange, the Stock Exchange's regulations, and/or the laws relating to BFIT's business,
- (d) an opinion on the suitability of an auditor,
- (e) an opinion on the transactions that may lead to conflicts of interests,
- (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
- (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
- (h) other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by BFIT's board of directors.

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

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

(a) Conflict of interest.

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

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

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

As of December 31, 2020, the Audit Committee comprising 3 members of independent directors as follows:

1. Mr.Suchart Luengsurawat	Chairman of the Audit Committee
2. Miss Nanthida Pattanasakpinyo	Member of the Audit Committee
3. Mr. Prawat Phatraprasit	Member of the Audit Committee

Mr.Suchart Luengsurawat is a chairman of audit committee and Miss Nanthida Pattanasakpinyo 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 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, 2020, the Nomination and Remuneration Committee comprising 3 members of independent directors as follows:

- | | |
|------------------------------------------------------------|-----------------------------------------------------|
| 1. Mr.Suchart Luengsurawat
(Independent Director) | Member of the Nomination and Remuneration Committee |
| 2. Mr.Prawat Phatraprasit
(Independent Director) | Member of the Nomination and Remuneration Committee |
| 3. Miss Nanthida Pattanasakpinyo
(Independent Director) | Member of the Nomination and Remuneration Committee |

D. Executive Committee

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

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

1. The Executive Committee is authorized to manage business and oversee overall operation of the Company except some cases that the Company's Articles of Association had stipulated that they must be approved by the Company's board of directors or matters that the Board of Directors had already regulated specific authority such as the approval of credit line and investment.
2. To consider the alteration of the authorized persons and condition of the signing of the authorized persons.
3. To consider the appointment of the members of Assets and Liabilities Committee, Risk Management Committee, Investment Committee and Credit Committee in case the members' term expired and report to the Board of Directors for acknowledgement.
4. To stipulate and review the ratio of the holding of liquid assets of the Company.
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 equities, warrants, derivatives and unit trust, which are traded or expected to be traded in secondary markets, up to 100 million baht per company.

7. Authority to approve investments in debt securities that either have credit ratings below Investment Grade or do not have creating ratings up to 100 million baht per company. The aggregate investments in such debt securities will not exceed 10 percent of total debt securities portfolio value.
8. Authority to approve investments in private repo which have collateral specified by Bank of Thailand valued not less than face value, up from Baht 200 million to Baht 500 million per contract.
9. Authority to approve investments in private repo which have collateral specified by Bank of Thailand valued not less than face value, up from Baht 200 million to Baht 500 million per contract with two members at least. As of December 31, 2020, the Executive Committee comprising 3 members of directors and senior management as follows:
 1. Mr.Thititham Rojanapruk Member of the Executive Committee
 2. Miss Doungchai Kaewbootta Member of the Executive Committee
 3. 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.

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 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.

(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))

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”.

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.

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.

- 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 (CSR)

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.

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.

- *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.

- 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 3rd floor, Srisawad Building, no. 99/392, Soi Chaeng Watana 10 yaek 3, Chaeng Watana Road, Tungsonghong Sub-district, Laksi District, Bangkok 10210

- 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 : thititham@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: 0-2073-0677 ext. 376
 - The Managing Director : 0-2073-0677
 - The Head of Audit Department (Acting) : 0-2073-0677 ext. 376
- Inform or report through Company's fax no. : 0-2073-0670

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

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

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

4. Equitable Treatment for all Employees

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

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

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

- *Individual rights and freedom of choice of employees*

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

- *Development of staff potential*

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

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

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

5. Responsible towards Customers, Counterparties and Others

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

Customers: The Company aims to promote customer satisfaction in high quality financial products and services, in response to the needs of customers. The Company gives due attention to and holds itself accountable to customers, and gives high priority to the protection of their confidential information. Customers are provided with explanations of the risks related to the use of various financial services, and are given the opportunity to express opinions through responsible parties that the Company has assigned to handle customer complaints.

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

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

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

The Company also specified other procedural guidelines, as follows:

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

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

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

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

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

6. Development Local Communities and Society

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

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 2020, 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.

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.

Related Party Transactions

In 2020, 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 2020.

- Deposits, Loan to customers and Obligation to key management directors of the company and family members, the company uses fair pricing which is a normal condition of doing business as follows:-

Deposits	Baht 115.3 Million
Borrowing	Baht - Million
Obligation	Baht - Million

- Related party transactions between the Company and related parties, the company uses fair market price pricing, which is a normal condition of doing business or according to the agreement agreed as follows:-

Related Party	Relationship	Transaction (Million Baht)		
		Deposits / Borrowing	Service fees	Rental fees
1. Srisawad-samarn kaewbootta foundation	- A close relative of a director is a director and a shareholder in this company (Ms.Doungchai kaewbootta)	6.05	-	-
2. Pridapramote Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	181.70	-	-
3. Rakvaree Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	0.80	-	-
4. Com -Link Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	1,575.10	-	-
5. Dharmavong Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham	1.79	-	-

Related Party	Relationship	Transaction (Million Baht)		
		Deposits / Borrowing	Service fees	Rental fees
	Rojanapruk)			
6. Cassava Land Co.,Ltd.	- A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)	5.50	-	-
7. S.A.V.(Thailand) Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	5.35	-	-
8.Prasert Dee Tae Co.,Ltd.	- A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)	1.60	-	-
9.PPGR Co.,Ltd.	- 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)	8.09	-	-
10. Hi-Tech Network Co.,Ltd.	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	96.41	-	-
11. RakThai Technology and Business Administration Co.,Ltd.	- A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	47.95	-	-
12. Eternal Energy Public Company Limited	- A close relative of a director is a director and a shareholder in this company (Mr.Thititham Rojanapruk)	20.00	-	-
13. I Tower Co.,Ltd.	- A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	385.25	-	-
14. Boon Anek Co.,Ltd.	- A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	24.50	-	-
15. Charoenporn Energy Co.,Ltd.	- A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	7.20	-	-
16. XET Co.,Ltd.	- A close relative of a director is a director in this company (Mr.Thititham Rojanapruk)	281.38	-	-

Related Party	Relationship	Transaction (Million Baht)		
		Deposits / Borrowing	Service fees	Rental fees
17. Saha Samakkee Services Co.,Ltd.	- Common director (Mr.Thititham Rojanapruk) - A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)		1.27	-
18 Boon Anek Anan Co., Ltd.	- Common director (Mr.Thititham Rojanapruk)	16.10		
19. Telservice Co., Ltd.	A close relative of a director is a shareholder in this company (Mr.Thititham Rojanapruk)	4.01		
20.Srisawad Power 2014 Co.,Ltd.	- Related party (Common Parent Company)	-	845.34	-
21.I.D. 2017 Co.,Ltd.	- Common director (Ms.Doungchai kaewbootta) - Director and a close relative of a director are a director and a shareholder in this company (Ms.Doungchai kaewbootta)	-	-	29.92

Policy on Related Party Transactions

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

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 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.

6.1 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.

6.2 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

Impact of the Coronavirus outbreak

The outbreak of Coronavirus Disease 2020 (“COVID-19”) in early 2020 has become severe and pervasive to the business sector, company’s customers and people. The Bank of Thailand has issued guidelines on how to assist debtors affected by the situation impacting the Thai economy and additional aid measures for debtors during the COVID-19 pandemic to financial Institution, specialised financial institution and others financial services. In addition, the Government has declared the State of Emergency to combat the COVID-19 outbreak.

From the aforementioned situation, the Company granted moratorium to debtors for financial aids following the Bank of Thailand measures by offering loan payment holiday for both principal and interest to help customers who have good historical repayment. According to the mentioned financial aids has an impact on the decreased penalty income during the year 2020 as the Company would not charge penalty from debtors during the suspension of principal and interest payments. However, it does not have any impact the overall performance of the Company and does not cause any interruption to the business operation. In addition, the Company has also increased the tightening criteria in lending to obtain good credit quality customers eventhrough it may cause the decline of lending amount.

In addition, the Bank of Thailand has considered to temporarily reduce the rate of contribution for the Financial Institutions Development Fund from 0.46 percent per annum to 0.23 percent per annum during the period of 2020 to 2021 to reduce the financial costs that will be passed on to debtors, both businesses sector and the public sector. According to the Bank of Thailand’s Notification No. SorKorSor 1. 1/2020 Re: Determination Rates of Contributions, Criteria and Methods for Submission of Contributions and Contributions to Savings Account for Repayment of Principal of Loan to Compensate for Losses of Financial Institution Development Fund (No. 2) which effective April 7, 2020 onwards. Thus, the Company has waived the penalty fee since March 2020 onwards.

In terms of liquidity, the Company has sufficient liquidity and has not encountered any problems from deposit withdrawals before maturity. Moreover, most of the Company's loan receivables are still able to pay off the debt on schedule, resulting in good liquidity.

Summary of Operating Performance

(Unit: Thousand Baht)				
	For the year		Change	
	2020	2019	Increase (Decrease)	%
Interest income	3,422,449	3,101,333	321,116	10.35
Interest expenses	(221,047)	(467,373)	(246,326)	(52.70)
Net interest income	3,201,402	2,633,960	567,442	21.54
Fees and service income	138,225	213,773	(75,548)	(35.34)
Net gain on financial instruments measured at fair value through profit or loss	114,961	0	114,961	100.00
Net gains (losses) on investments	0	(1)	1	100.00
Other operating income	140,410	95,767	44,643	46.62
Other operating expenses	(1,553,875)	(1,840,390)	(286,515)	(15.57)
Bad debts and doubtful accounts / Expected credit losses	(82,517)	(87,028)	(4,511)	(5.18)
Profit from operating before income tax expense	1,958,606	1,016,081	942,525	92.76
Income tax expense	(391,413)	(205,222)	186,191	90.73
Net profit for the year	1,567,193	810,859	756,334	93.28

The operating results of the Company for the year ended December 31, 2020 showed a net profit of Baht 1,567.19 million, an increase of Baht 756.33 million or 93.28% compared with net profit of Baht 810.86 million obtained in the year 2019. The details of which are listed below

Net Interest Income

(Unit: Thousand Baht)				
	For the year		Change	
	2020	2019	Increase (Decrease)	%
Interest income				
Interbank and money market items	9,963	15,761	(5,798)	(36.79)
Investment in debt securities	6,371	7,782	(1,411)	(18.13)
Loans to customers	3,406,115	3,077,790	328,325	10.67
Total interest income	3,422,449	3,101,333	321,116	10.35
Interest expenses				
Deposits	128,076	176,541	(48,465)	(27.45)
Contribution fees to FIDF and the Deposit Protection Agency	17,653	56,791	(39,138)	(68.92)
Debt securities issued and borrowings	60,705	234,041	(173,336)	(74.06)
Lease liabilities and decommissioning costs	14,613	0	14,613	100.00
Total interest expenses	221,047	467,373	(246,326)	(52.70)
Net interest income	3,201,402	2,633,960	567,442	21.54

An increase in interest income by Baht 312.12 million due to

- An increase in interest income from loans to customers by Baht 328.33 million due to the decrease in direct costs associated with providing credit including the application of TFRS 9.
- A decrease in interest income from interbank and money market items (Repo) by Baht 5.80 million due to the decrease in private repo transaction volume compared with the year 2019.
- A decrease in interest income from investment in debt securities by Baht 1.41 million since the investment has been sold or redeemed during the year 2019 while no investment was purchased during the year 2020.

A decrease in interest expenses by Baht 246.32 million due to

- A decrease in interest expenses from deposits by Baht 48.46 million due to the decrease in outstanding deposits from Baht 6,348.33 million in 2019 to Baht 5,234.10 million in 2020 or decreased by 17.55%.
- A decrease in contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 39.14 million which is in line with the proportion of deposits and borrowings. Moreover, this is also a result of the temporality reduction of contribution rate for the Financial Institutions Development Fund according to the Bank of Thailand's notification.
- A decrease in interest expenses from debt securities issued and borrowings by Baht 173.33 million because of the repayment of all outstanding borrowings from related party for business operation during the year 2020

An increase in interest expenses of lease liabilities and decommissioning costs by Baht 14.61 million is a result of the application of TFRS 16 which effective in 2020.

Non-Interest Income

	(Unit: Thousand Baht)			
	For the year		Change	
	2020	2019	Increase (Decrease)	%
Fees and service income				
Others	138,225	213,773	(75,548)	(35.34)
Total fees and service income	138,225	213,773	(75,548)	(35.34)
Net gains on financial instruments				
measured at fair value through profit of loss				
Gains (losses) on change in fair value	114,961	0	114,961	100.00
Total net gains on financial instruments	114,961	0	114,961	100.00
measured at fair value through profit				
Net gains (losses) on investments				
Gains (losses) on disposal of investments	0	(1)	1	100.00
Net gains (losses) on investments	0	(1)	1	100.00
Other operating income				
Dividend income	2,047	2,769	(722)	(26.07)
Other income	138,363	92,998	45,365	48.78
Total other operating income	140,410	95,767	44,643	46.62
Total non-interest income	393,596	309,539	84,057	27.16

- A decrease in fee income relating to loans to customers by Baht 75.54 million a result of the revision of interest calculation and fee collection in compliance with the Bank of Thailand's notification including the financial aids for debtors to assist debtors from COVID-19 impact.
- An increase in net gains on financial instruments measured at fair value through profit or loss by Baht 114.96 million is a result of the disposals of investments during the year 2020 amounting to Baht 54.73 million and gains on changes in fair value of Baht 60.23 million.
- An increase in other operating income by Baht 44.64 million mainly due to the increase in the bad debt recoveries balance in 2020.

Other Operating Expenses

(Unit: Thousand Baht)				
	For the year		Change	
	2020	2019	Increase (Decrease)	%
Other operating expenses				
Personnel expenses	409,542	341,200	68,342	20.03
Directors' remuneration	5,732	6,685	(953)	(14.26)
Premises and equipment expenses	50,185	56,609	(6,425)	(11.35)
Taxes and duties	136,601	137,803	(1,202)	(0.87)
Loan management fee	845,342	1,214,547	(369,205)	(30.40)
Other expenses	106,473	83,546	22,928	27.44
Total other operating expenses	1,553,875	1,840,390	(286,515)	(15.57)

- A decrease in loan management fee by baht 369.21 million due to the declining loan portfolio and the decrease in collection service provided by service provider.
- A decrease in premises and equipment expenses by Baht 6.43 million due to the application of TFRS 16.
- An increase in personnel expenses by Baht 68.34 million is in line with the increasing number of employees.
- An increase in other expenses mainly due to the increase in losses on foreclosed assets disposal.

Doubtful Account

A decrease in doubtful accounts or expected credit losses by Baht 4.51 million due to the application of TFRS 9 which effective on January 1, 2020 onwards.

Corporate Income Tax

An increase in income tax expense by Baht 186.19 million mainly due to an increase in profit before income tax.

Financial Position

Assets

The Company's total assets as of December 31, 2020 amounted to Baht 19,582.04 million, which decreased by Baht 1,117.16 million or 5.40%, compared with the total assets of Baht 20,699.20 million at the end of 2019.

	(Unit: Thousand Baht)					
	December 31, 2020		December 31, 2019		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Cash	20	0.00	20	0.00	0	0.00
Interbank and money market items, net	4,774,983	24.38	1,549,837	7.49	3,225,146	208.10
Financial instruments measured at fair value through profit or loss	54,128	0.28	0	0.00	54,128	100.00
Investments, net	120,209	0.62	180,868	0.87	(60,659)	(33.54)
Net loans to customer and accrued interest receivables, net	11,484,557	58.65	18,295,568	88.40	(6,811,011)	(37.23)
Properties foreclosed, net	43,406	0.22	162,147	0.78	(118,741)	(73.23)
Land, premises and equipment, net	480,311	2.45	145,838	0.70	334,473	229.35
Intangible assets, net	13,677	0.07	5,685	0.03	7,992	140.58
Deferred tax assets, net	7,703	0.04	661	0.00	7,042	1,065.36
Other assets, net	2,603,049	13.29	358,574	1.73	2,244,475	625.94
Total asset	19,582,043	100.00	20,699,198	100.00	(1,117,155)	(5.40)

At the end of 2020, the Company had a Private Repurchase Agreement of Baht 4,350.00 million (which is included in interbank and money market items), or approximately 22.21% of total assets.

The Company's main assets are comprised of financial assets as Interbank and money market items, loans to customers and accrued interest receivables, financial instruments measured at fair value through profit or loss and investments, the details of which are as follows:

Investments, net

Net investment decreased from Baht 180.87 million at the end of 2019 to Baht 120.21 million at the end of 2020 or decreased by Baht 60.66 million. The details of cost or fair value classified by type of investments are as follows:

(Unit: Thousand Baht)						
	December 31, 2020		December 31, 2019		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
<u>Investment in debt instruments measured at fair value through other comprehensive income</u>						
Government and state enterprise securities	80,000	66.55	0	0.00	80,000	100.00
Private sector debt securities	83,078	69.11	0	0.00	83,078	100.00
Less Allowance for expected credit losses	(42,869)	(35.66)	0	0.00	42,869	100.00
Total	120,209	100.00	0	0.00	120,209	100.00
<u>Available-for-sale securities</u>						
Government and state enterprise securities	0	0.00	81,538	45.08	(81,538)	(100.00)
Private sector debt securities	0	0.00	82,382	45.54	(82,382)	(100.00)
Domestic marketable equity securities and unit trusts	0	0.00	167	0.09	(167)	(100.00)
Total	0	0.00	164,087	90.71	(164,087)	(100.00)
<u>General investments</u>						
Domestic non-marketable equity securities	0	0.00	16,781	9.29	(16,781)	(100.00)
Total	0	0.00	16,781	9.29	(16,781)	(100.00)
Total Investment, net	120,209	100.00	180,868	100.00	(60,659)	(33.54)

Movements of available-for-sale securities are as follows:

(Unit: Thousand Baht)		
	December 31, 2020	December 31, 2019
Beginning book value, net	164,087	181,628
Disposals / Redemption	0	(15,001)
Amortization of premium on investments	(431)	(769)
Change in fair value	42,212	(1,771)
Reclassify to financial instruments measured at fair value through profit or loss according to TFRS 9	(42,790)	0

Reclassify to financial instruments measured at fair value through
other comprehensive income according

to TFRS 9	(163,078)	0
Ending book value, net	0	164,087

Movements of general investments are as follows:

	(Unit: Thousand Baht)	
	December 31, 2020	December 31, 2019
Beginning book value, net	16,781	16,781
Disposals	(5,443)	0
Reclassify to financial instruments measured at fair value through profit or loss according to TFRS 9	(11,338)	0
Ending book value, net	0	16,781

Overall, the Company had a total net investment of Baht 120.21 million, a decrease of Baht 60.66 million or a decreased by 33.54% , mainly due to the disposal of investments, changes in fair value, reclassification and allowance for expected credit losses in accordance with TFRS 9. The changes in investments are detailed as follows:

- (1) Investments in government and state enterprise securities of Baht 80.00 million, accounting for 66.55% of total investments, a decrease from the year 2019 by Baht 1.54 million or 1.89%.
- (2) Private sector debt securities of Baht 40.21 million, accounting for 33.45% of the total investments, a decrease from the year 2019 by Baht 42.17 million or 51.19%.
- (3) Domestic marketable equity securities and domestic non-marketable equity securities have been reclassified in accordance with TFRS 9 as a financial instrument measured at fair value through profit or loss.
- (4) An increase in allowance for expected credit loss amounted to Baht 42.87 million is a result of the application of TFRS 9 which effective on January 1, 2020 onwards.

Loans to customers and accrued interest receivables, net

Net loans to customers and accrued interest receivables decreased from Baht 18,295.57 million at the end of 2019 to Baht 11,484.56 million at the end of 2020 or decreased by Baht 6,811.01 million. The details are as follows:

(Unit: Thousand Baht)				
	December 31, 2020	December 31, 2019	Change Increase (Decrease)	%
Loans to customers and accrued interest receivables, net				
Loans to customers	13,707,527	22,430,691	(8,723,164)	(38.89)
Accrued interest receivables	877	1,625	(748)	(46.03)
Loans to customers and accrued interest receivables	13,708,404	22,432,316	(8,723,912)	(38.89)
<u>Less</u> Unearned interest income	(1,767,617)	(3,428,156)	(1,660,539)	(48.44)
<u>Less</u> Allowance for expected credit loss	(456,230)	(708,552)	(252,322)	(35.61)
<u>Less</u> Allowance for troubled debt restructuring	0	(40)	(40)	(100.00)
Total loans to customers and accrued interest receivables, net	11,484,557	18,295,568	(6,811,011)	(37.23)

A decrease in net loans to customers and accrued interest receivables of Baht 6,811.01 million or 37.23% mainly due to:

- A decrease in loans to customers net unearned interest income amounted to Baht 7,062.62 million due to a decrease in lending amount and debt repayment which amount of vehicle-backed loans, land and house-backed loans, motorcycle-backed loans, and other loans decreased by Baht 3,263.99 million, Baht 3,419.08 million, Baht 0.70 million and Baht 378.85 million, respectively.
- A decrease in allowance for expected credit loss amounted to Baht 252.32 million is a result of the application of TFRS 9 which effective on January 1, 2020 onwards

Liabilities

(Unit: Thousand Baht)

	December 31, 2020		December 31, 2019		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Deposits						
Domestic	5,234,039	26.73	6,348,276	30.67	(1,114,237)	(17.55)
Foreign	57	0.00	57	0.00	0	0.00
Total deposits	5,234,096	26.73	6,348,333	30.67	(1,114,237)	(17.55)
Debt securities issued and borrowings	6,000	0.03	2,006,000	9.69	(2,000,000)	(99.70)
Provisions	45,708	0.23	24,344	0.12	21,364	87.76
Lease liabilities	351,899	1.80	0	0.00	351,899	100.00
Interest payables	19,858	0.10	44,247	0.21	(24,389)	(55.12)
Withholding tax payables	1,995	0.01	1,630	0.01	365	22.39
Tax payables	171,306	0.87	184,447	0.89	(13,141)	(7.12)
Related party payables	4,025,705	20.56	2,635,496	12.74	1,390,209	52.75
Other liabilities	128,830	0.66	172,431	0.83	(43,601)	(25.29)
Total liabilities	9,985,397	50.99	11,416,928	55.16	(1,431,531)	(12.54)
Total liabilities and equity	19,582,043	100.00	20,699,198	100.00	(1,117,155)	(5.40)

According to the financial statements at the end of 2020, the Company had the total liabilities of Baht 9,985.40 million which decreased from Baht 11,416.93 million at the end of 2019 or decreased by Baht 1,431.53 million or 12.54%. Such change was mainly due to a decrease in deposits, debt securities issued and borrowings, and increase in related companies payable. Items with significant changes are as follows:

- Deposits at the end of 2020 amounted to Baht 5,234.10 million decreased from the end of 2019 by Baht 1,114.24 million or 17.55% because the termination of the special rate for fixed deposit program which is effective on July 18, 2019 onwards.
- Debt securities issued and borrowings at the end of 2020 amounted to Baht 6.00 million decreased from the end of 2019 by Baht 2,000.00 million or 99.70% due to the repayment of borrowings from the parent company amounted to Baht 2,000.00 million

- Related party payables at the end of 2020 amounted to Baht 4,025.71 million increased from the end of 2019 by Baht 1,390.21 million or 52.75% . Significant increase mainly caused by an increase in loan management fee payable amounted to Baht 1,380.70 million.

Equity

(Unit: Thousand Baht)						
	December 31, 2020		December 31, 2019		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Share capital						
Authorized share capital	2,756,236	14.08	2,756,236	13.32	0	0.00
Issued and paid-up share capital	2,756,236	14.08	2,756,236	13.32	0	0.00
Share premium	4,299,729	21.96	4,299,729	20.77	0	0.00
Other components of equity	870	0.00	933	0.00	(63)	(6.75)
Retained earnings						
Appropriated-Legal reserve	241,903	1.24	163,543	0.79	78,360	47.91
Unappropriated	2,297,908	11.73	2,061,829	9.96	236,079	11.45
Total equity	9,596,646	49.01	9,282,270	44.84	314,376	3.39
Total liabilities and equity	19,582,043	100.00	20,699,198	100.00	(1,117,155)	(5.40)

According to the Company's financial statements, the equity as of December 31, 2020 amounted to Baht 9,596.65 million, increased by Baht 314.38 million or 3.39% compared with amount at the end of 2019. The details are as follows:

- Other components of equity at the end of 2020 amounted to Baht 0.87 million which decreased from the end of 2019 by Baht 0.06 million. The decrease was mainly due to a decrease in fair value of debt instruments measured at fair value through other comprehensive income.
- Unappropriated retained earnings at the end of 2020 amounted to Baht 2,297.91 million which increased from the end of 2019 by Baht 236.08 million. Such changes were from the Company's net profit for the year 2020 amounted to Baht 1,567.19 million, the losses from re-measurement of post-employment benefit obligations amounted to Baht 3.89 million, the impacts from initial application of the new financial reporting standards which resulted in the decrease in retained earnings amounted to Baht 8.55 million. In addition, the Company paid dividends and appropriated legal reserve which

resulted in the decrease in unappropriated retained earnings at the end of 2020 by Baht 1,240.31 million and Baht 78.36 million, respectively.

Quality of assets, Liquidity, Reserves, and Capital Fund Requirements

Loans to customers

A. Component of loans to customers as classified by type of business

(Unit: Thousand Baht)						
	December 31, 2020		December 31, 2019		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Manufacturing and Commerce	0	0.00	69,637	0.37	(69,637)	(100.00)
Real estate and construction	0	0.00	4,016	0.02	(4,016)	(100.00)
Public utilities and services	39,290	0.32	160,971	0.85	(121,681)	(75.59)
Others						
Non-secured loans for retails	185,764	1.56	369,294	1.94	(183,530)	(49.70)
Secured loans for retails						
Vehicle-backed Loan	8,331,484	69.78	11,595,469	61.02	(3,263,985)	(28.15)
Motorcycle-backed Loan	7	0.00	705	0.00	(698)	(99.01)
Land and House-backed Loan	3,383,366	28.34	6,802,443	35.80	(3,419,077)	(50.26)
Total loans to customers net of						
 unearned interest income	11,939,911	100.00	19,002,535	100.00	(7,062,624)	(37.17)

The loans to customers, net of unearned interest income as of December 31, 2020 decreased from Baht 19,002.54 million at the end of 2019 to Baht 11,939.91 million at the end of 2020 or decreased by Baht 7,062.62 million. Such change was resulted from the decline of secured loans for retails which its loan outstanding decreased by Baht 3,263.99 million for vehicle-backed loans, decreased by Baht 0.70 million for motorcycle-backed loans and decreased by Baht 3,419.08 million for land and house-backed loans, compared with loan portfolio as of December 31, 2019. For the year 2020, the Company did not grant new loan on corporate loans and non-secured loans for retails. Therefore, outstanding balance of corporate loans and non-secured loans for retails decreased by Baht 195.32 million and Baht 183.53 million, respectively.

Loans to customers and accrued interest receivables	December 31, 2020	
	Thousand Baht	%
Financial assets with no significant increase in credit-risk	5,216,377	43.69
Financial assets with significant increase in credit-risk	5,861,047	49.08
Credit-impaired assets	863,363	7.23
Total	11,940,787	100.00
Less Allowance for expected credit loss	(456,230)	(3.82)
Loans to customers and accrued interest receivables, net	11,484,557	96.18

As of December 31, 2020, the Company has loan receivables classified as financial assets with no significant increase in credit-risk for 43.69% and classified as financial assets with significant increase in credit-risk for 49.08%. This can imply that 92.77% of total loan receivables was performing loan, indicating that the quality of the debtor is in a good condition.

B. Classification of Loans and Allowance for expected credit loss

The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognized equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognized.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking

information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

The Company defines a financial instrument as default or credit-impaired which is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to significantly affect the ability to repay. Exposures are credit-impaired if they are past due for 90 days or more or possesses signs indicating weaknesses which are likely to impact ability to meet future financial obligations. The default definition is consistent with that used for risk management purposes.

Exposures that are credit-impaired are classified as Stage 3 and could be upgraded to Stage 2 if the customer no longer meet credit impaired definition, and exposures are classified as Stage 1 if significant increase in credit risk since initial recognition is no longer significant.

The Company applied the temporary exemption guidance for entities assisting debtors affected by the situation impacting the Thai economy announced by the Federation of Accounting Professions (TFAC) in accordance with the relief measures issued by Bank of Thailand on Thor Por Tor. For Nor Sor. (23) Wor. 273/2563 guidelines to assist debtors affected by the situation impacting the Thai economy, dated on 28 February 2020 and on Thor Por Tor. For Nor Sor. (01) Wor. 380/2563 additional measures to assist debtors affected by COVID-19 pandemic, dated on 26 March 2020 for the reporting periods ending between 1 January 2020 and 31 December 2021 as follows:

- in the event that the debt restructuring causes an original effective interest rate to no longer reflect the estimated cash flow to be received from the loans, the Company uses a new effective interest rate for the calculation of the current value of the restructured loans under the Bank of Thailand's circular assistance guidelines.
- the Company has maintained the staging of debtors as before entering the relief measures under the Bank of Thailand's circular assistance guidelines.

According to the Company's financial statements as at December 31, 2020, the classification of loans and Allowance for expected credit loss are as follows:

(Unit: Thousand Baht)

	2020				
	Allowance for expected credit loss				
	Lifetime				
	12-month	ECL - not	Lifetime	Allowance	
	ECL	credit	ECL - credit	established	Total
	Baht	impaired	impaired	in excess	Baht
	Baht	Baht	Baht	Bah	Baht
Loans to customers and accrued interest receivables - net					
As at 1 January 2020	90,393	265,038	261,319	91,841	708,591
Reclassification	12,549	(16,658)	4,109	0	0
Change in value of allowance for expected credit loss/ re-measurement	321	11,579	48,291	0	60,191
Purchase or origination of financial assets	31,998	143,359	35,555	0	210,912
De-recognition of financial assets	(74,798)	(194,043)	(37,757)	0	(306,598)
Write-off of financial assets	0	0	(198,498)	0	(198,498)
Others	31,998	143,359	35,555	0	210,912
As at 31 December 2020	60,463	209,275	113,019	73,473	456,230

Loans and Non-Performing Loans

The Company had non-performing loans by Baht 863.36 million and Baht 1,056.76 million at the end of 2020 and 2019, respectively. The percentage of non-performing loans to total loans to customers (including loans to financial institutions) were 5.30% at the end of year 2020 and 5.37% at the end of year 2019 which were below the target NPL ratio set by Company.

Quality of Investment in Securities

In 2020, the Company has total revenue from investment by Baht 123.38 million which increased from year 2019 by Baht 112.83 million or 1,069.47%. The details are described as below:

(Unit: Thousand Baht)

	For the year		Change	
	2020	2019	Increase (Decrease)	%
Interest income from investment in debt securities	6,371	7,782	(1,411)	(18.13)
Gains (losses) on disposal of financial instruments	54,733	0	54,733	100.00
Gains (losses) on change in fair value	60,228	0	60,228	100.00
Gains (losses) on disposal of investments	0	(1)	1	100.00
Dividend income	2,047	2,769	(722)	(26.07)
Total revenue from investments	123,379	10,550	112,829	1,069.47

- A decrease in interest income from investment in debt securities by Baht 1.41 million due to the maturity of debt securities during the year 2020.
- An increase in net gain in change of fair value amounted to Baht 60.23 million is resulted from the re-measurement according to TFRS 9.
- An increase in net gain from disposal of financial instruments amounted to Baht 54.73 million due to the disposals of general investment during the year 2020.
- A decrease in dividend income by Baht 0.72 million.

The Company will consider financial position and credit rating of the debt issuers before investing in debt securities. Moreover, the Company diversified its portfolio by investing in both government and state enterprise securities and private sector debt securities. Therefore, the Company had no problems concerning repayment of interest and principal from debt securities. For investment in equity securities, the Company will consider financial position, rate of return and liquidity before making a decision.

Liquidity of Company

As of December 31, 2020, the Company had a liquidity coverage ratio of 2,036.27% which was higher than the minimum requirement of 100.00% set by the Bank of Thailand.

Daily liquidity management is under the supervision of the financial management department which supervises the sources of funds, the use of funds and 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

Major sources of fund of the Company, except from fund from shareholders, are deposits and borrowings. While major uses of fund are for loans to customers and investment in securities. Sources and uses of fund as of December 31, 2020 are shown as below:

(Unit: Thousand Baht)

Period	Sources of fund						Uses of fund						Gap
	Deposits	Borrowings	Interest payables	Lease liabilities	Total	%	Loans and accrued interest	Financial instruments measured at fair value through profit or loss	Investment in debt securities	REPO	Total	%	
At call	199,190	6,000	3,183	0	208,373	3.64	934,687	54,128	37,131	0	1,025,946	6.23	(817,573)
≤ 1 year	4,684,088	0	14,648	35,193	4,733,929	82.63	9,899,351	0	0	0	14,249,351	86.54	(9,515,422)
> 1 year	350,818	0	2,027	433,638	786,483	13.73	1,106,750	0	83,078	0	1,189,828	7.23	(403,345)
Total	5,234,096	6,000	19,858	468,831	5,728,785	100.00	11,940,788	54,128	120,209	0	16,465,125	100.00	(10,736,340)

The Company had short term sources of fund greater than long term sources of fund, the proportion of At call : ≤ 1 year : > 1 year is 3.64 : 82.63 : 13.73. For the uses of fund, the Company invested in short term invested assets greater than long term invested assets, the proportion of At call : ≤ 1 year : > 1 year is 6.23 : 86.54 : 7.23. These relationships between sources and uses of fund represent that

- In short term (Less than or equal to 1 year): The Company has sufficient liquid assets to pay for all short term debts.
- In long term (over than 1 year): The proportion of debts (13.73%), is greater than assets (7.23%). Such relationships will have no significant impact on Company because those long term debts are comprised of deposits amounted to Baht 350.82 million, from good-relationship-customers who always roll over deposit receipts when it due, and also comprised of lease liabilities amounted to Baht

433.64 million which resulted from the application of TFRS 16. The Company considered that it does not affect the liquidity of the Company.

Reserves and Capital Fund Requirements

At year ended 2020, the Company had capital ratio of 45.84% which was higher than the BOT's minimum requirement of 8.50%.

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 2020 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 2020 ended on December 31, 2020 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.



(Mr. Thititham Rojanapruk)

Managing Director



(Miss Doungchai Kaewbootta)

Director

SRISAWAD FINANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2020

Independent Auditor's Report

To the shareholders of Srisawad Finance Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Srisawad Finance Public Company Limited (the Company) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS) and the Bank of Thailand notifications in relation to the preparation and presentation of financial reporting as described in the notes to the financial statements no. 3 and no. 5.

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- 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 financial statements, which include significant accounting policies and other explanatory information

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: Allowance for expected credit losses on loans to customers. The matter was 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 this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for expected credit losses on loans to customers</p> <p>Refer to Notes to the financial statements which are Note 8 on Critical Accounting Estimates and Judgements, and Note 16 on Loans to Customers and Accrued Interest Receivables - net.</p> <p>Loans to customers contributed 61% of the Company's total assets. Management estimated the allowance for expected credit losses on loans to customers by applying both a qualitative approach and quantitative factors.</p> <p>I focused on this matter because the allowance for expected credit loss model under Thai Financial Reporting Standard 9 - Financial Instruments requires the use of complex models and significant assumptions about future economic conditions and customer's ability to pay.</p> <p>In addition, the significant management judgements in estimating allowance for expected credit losses include:</p> <ul style="list-style-type: none"> • building collective assessment models to calculate the allowance for expected credit losses and applying judgement in determining the appropriate construct of the model. • management assumptions used in setting up management overlays. <p>Furthermore, in response to COVID-19 outbreak, the Company has adopted the accounting treatment guidance on temporary relief measures for entities supporting debtors affected by the economic situation in Thailand. The adoption of these relief measures has an impact on the accounting treatment for staging.</p>	<p>I evaluated management's judgement in determining the allowance for expected credit losses on loans to customers by enquiring with management about the method used and the assumptions made.</p> <p>I obtained an understanding of management's process and policy in setting up the allowance for expected credit losses on loans to customers.</p> <p>I evaluated the appropriateness of the collective assessment model calculation for the expected credit losses on loans to customers whether it is in accordance with Thai Financial Reporting Standard 9.</p> <p>I evaluated the design of operating controls and tested the effectiveness of those controls over the allowance for expected credit losses as follows:</p> <ul style="list-style-type: none"> • the control over the completeness and accuracy of significant input data for the model calculation. • the control over recording the allowance for expected credit loss from models to general ledger • IT controls for loan data and aging. <p>I assessed and evaluated the reasonableness of forward-looking by using statistical methods and testing input with reliable external data.</p> <p>I assessed and evaluated the reasonableness of management overlays by obtaining an understanding of the procedures applied and testing the calculation.</p> <p>I tested the accuracy of staging for customers under COVID-19 relief programmes according to Bank of Thailand notifications.</p> <p>I tested the calculation for the allowance for expected credit losses and agreed the results with the general ledger.</p> <p>Overall, the model and assumptions used for estimating the allowance for expected credit losses on loans to customers was properly set up, based on supporting evidence.</p>

Emphasis of matter

I draw attention to note 5 of the financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19. My opinion is not modified in respect to this matter.

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.

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 TFRS and the Bank of Thailand notifications in relation to the preparation and presentation of financial reporting, and for such internal control as the directors determine is necessary to enable the preparation of the 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.
- 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.

Anothai Leekitwattana

Certified Public Accountant (Thailand) No. 3442

Bangkok

25 February 2020

Srisawad Finance Public Company Limited
Statement of Financial Position
As at 31 December 2020

		2020	2019
	Notes	Baht	Baht
Assets			
Cash		20,000	20,000
Interbank and money market items - net	13	4,774,983,074	1,549,836,924
Financial assets measured at fair value through profit or loss	14	54,128,349	-
Investments - net	15	120,208,745	180,868,406
Loans to customers and accrued interest receivables - net	16	11,484,557,800	18,295,568,071
Properties for sale - net	20	43,405,501	162,146,887
Property, premises and equipment - net	21	480,311,275	145,837,743
Intangible assets - net	22	13,676,995	5,685,446
Deferred tax assets - net	28	7,702,695	661,069
Other assets - net	23	2,603,049,002	358,573,765
Total assets		19,582,043,436	20,699,198,311

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2020

	Notes	2020 Baht	2019 Baht
Liabilities and equity			
Liabilities			
Deposits	24	5,234,095,617	6,348,332,737
Debt securities issued and borrowings	25	6,000,000	2,006,000,000
Lease liabilities	26	351,898,546	-
Provisions	27	45,707,667	24,343,960
Other liabilities	29	4,347,695,379	3,038,251,570
Total liabilities		9,985,397,209	11,416,928,267
Equity			
Share capital			
Authorised share capital			
551,247,243 ordinary shares			
at par value of Baht 5 each			
(2019: 551,247,243 ordinary shares			
at par value of Baht 5 each)			
	30	2,756,236,215	2,756,236,215
Issued and paid-up share capital			
551,247,241 ordinary shares			
paid-up of Baht 5 each			
(2019: 551,247,241 ordinary shares			
paid-up of Baht 5 each)			
	30	2,756,236,205	2,756,236,205
Premium on share capital	30	4,299,728,472	4,299,728,472
Retained earnings			
Appropriated			
Legal reserve			
	31	241,902,628	163,542,963
Unappropriated			
		2,297,908,271	2,061,829,275
Other components of equity		870,651	933,129
Total equity		9,596,646,227	9,282,270,044
Total liabilities and equity		19,582,043,436	20,699,198,311

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2020

		2020	2019
	Notes	Baht	Baht
Interest income	34	3,422,448,999	3,101,333,252
Interest expenses	35	(221,046,984)	(467,373,727)
Interest income, net		3,201,402,015	2,633,959,525
Fees and services income	36	138,225,455	213,772,963
Gain on financial instruments measured at fair value through profit or loss	37	114,960,553	-
Loss on investments - net		-	(656)
Other operating income	38	140,410,288	95,766,616
Total operating income		3,594,998,311	2,943,498,448
Other operating expenses			
Personnel expenses		409,542,114	341,199,558
Directors' remuneration		5,732,371	6,685,000
Premises and equipment expenses		50,184,515	56,609,264
Taxes and duties		136,601,108	137,803,448
Loan management fee	46 b)	845,341,669	1,214,546,506
Other expenses	39	106,473,203	83,546,218
Total other operating expenses		1,553,874,980	1,840,389,994
Expected credit loss	40	(82,517,424)	-
Bad debts and doubtful accounts		-	(87,027,733)
Profit from operating before income tax		1,958,605,907	1,016,080,721
Income tax	41	(391,412,609)	(205,221,478)
Net profit for the year		1,567,193,298	810,859,243

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Losses on investments in debt instruments at fair value through other comprehensive income		(411,412)	-
Unrealised loss on changes in value of available-for-sale investments		-	(1,771,687)
Item in other comprehensive expense transferred to profit or loss		-	656
Income tax relating to item that will be reclassified subsequently to profit or loss		82,282	354,206
Total items that will be reclassified subsequently to profit or loss		(329,130)	(1,416,825)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	27	(4,864,747)	2,752,582
Income tax on item that will not be reclassified subsequently to profit or loss		972,949	(550,516)
Total items that will not be reclassified subsequently to profit or loss		(3,891,798)	2,202,066
Other comprehensive income (expense) for the year, net of tax		(4,220,928)	785,241
Total comprehensive income for the year		1,562,972,370	811,644,484
Earnings per share	42		
Basic earnings per share (Baht per share)		2.84	1.98

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

	Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Other components of equity Baht	Total Baht
				Appropriated - Legal reserve Baht	Unappropriated Baht		
Balance as at 1 January 2019		1,102,494,485	-	123,000,000	1,289,310,929	2,349,954	2,517,155,368
Changes in equity for the year							
Equity shares issued	30	1,653,741,720	4,299,728,472	-	-	-	5,953,470,192
Remeasurement of post-employment benefit obligations, net of tax	27	-	-	-	2,202,066	-	2,202,066
Unrealised gain on changes in value of available-for-sale investments, net of tax		-	-	-	-	(1,417,350)	(1,417,350)
Item in other comprehensive income transferred to profit or loss, net of tax		-	-	-	-	525	525
Appropriate to reserve fund	31	-	-	40,542,963	(40,542,963)	-	-
Net profit for the year		-	-	-	810,859,243	-	810,859,243
Balance as at 31 December 2019		<u>2,756,236,205</u>	<u>4,299,728,472</u>	<u>163,542,963</u>	<u>2,061,829,275</u>	<u>933,129</u>	<u>9,282,270,044</u>
Balance as at 1 January 2020 (previously reported)		2,756,236,205	4,299,728,472	163,542,963	2,061,829,275	933,129	9,282,270,044
Retrospective adjustments from changes in accounting policy	5	-	-	-	(8,556,546)	266,652	(8,289,894)
Opening balance at 1 January (restated)		2,756,236,205	4,299,728,472	163,542,963	2,053,272,729	1,199,781	9,273,980,150
Changes in equity for the year							
Interim dividends	30	-	-	-	(1,240,306,293)	-	(1,240,306,293)
Loss on investments in debt instruments at fair value through other comprehensive income, net of tax		-	-	-	-	(329,130)	(329,130)
Loss on remeasurement of post-employment benefit obligations, net of tax		-	-	-	(3,891,798)	-	(3,891,798)
Reserve legal reserve	31	-	-	78,359,665	(78,359,665)	-	-
Net profit for the year		-	-	-	1,567,193,298	-	1,567,193,298
Balance as at 31 December 2020		<u>2,756,236,205</u>	<u>4,299,728,472</u>	<u>241,902,628</u>	<u>2,297,908,271</u>	<u>870,651</u>	<u>9,596,646,227</u>

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2019
	Notes	Baht	Baht
Cash flows from operating activities			
Profit from operating before income tax expense		1,958,605,907	1,016,080,721
Adjustments to reconcile profit from operating before income tax expense to net cash provided by (used in) operating activities:			
Depreciation and amortisation	21, 22	44,727,742	15,361,127
Loss on disposal of investments		-	656
Diminution in value of properties foreclosed (reverse)	20	(5,266,304)	11,133,791
Amortisation of premium on investments in debt instruments measured at fair value through other comprehensive income		431,163	768,642
Gain on financial instruments measured at fair value through profit or loss	37	(114,960,553)	-
Bad debts and doubtful accounts		-	87,027,733
Expected credit loss	40	82,517,424	-
Allowance for troubled debt restructuring	16	-	(418,247)
Loss on disposal of assets		-	1,647,689
Loss from write-off of equipment	21	-	3,141
Employee benefit obligations	27	16,050,278	9,383,017
Interest income, net		(3,201,402,015)	(2,633,959,525)
Dividend income	38	(2,046,890)	(2,768,918)
Cash received from interest income		3,842,144,653	3,810,020,529
Cash paid for interest expenses		(245,243,284)	(467,202,812)
Cash paid for employee benefit obligations	27	-	(194,000)
Cash paid for corporate income tax		(408,314,613)	(62,041,153)
Profit from operating activities before changes in operating assets and liabilities		1,967,243,508	1,784,842,391
(Increase) decrease in operating assets			
Interbank and money market items		(3,680,000,000)	(70,000,000)
Loans to customers		6,820,105,668	(1,000,175,548)
Properties foreclosed		124,007,690	(81,328,692)
Other assets		(2,243,833,483)	(196,047,205)
Increase (decrease) in operating liabilities			
Deposits		(1,114,237,120)	(925,640,490)
Provision		-	(54,714)
Other liabilities		877,622,917	753,314,855
Net cash generated from operating activities		2,750,909,180	264,910,597

The accompanying notes are an integral part of this financial statements.

Srisawad Finance Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Cash flows from investing activities			
Cash paid for purchase of equipment	21	(13,767,037)	(11,152,890)
Cash paid for purchase of intangible assets	22	(9,412,640)	(1,127,673)
Cash from disposal of equipment		-	2,152,336
Cash from disposal and redemptions of investments		77,780,003	15,000,000
Cash from dividend income	38	2,046,890	2,768,918
Net cash generated from investing activities		56,647,216	7,640,691
Cash flows from financing activities			
Cash received from borrowings from parent company	46 c)	-	500,000,000
Cash paid for borrowings from parent company	46 c)	(2,000,000,000)	(7,000,000,000)
Cash received from issue of ordinary shares	30	-	5,953,470,192
Cash paid for principal elements of lease liabilities		(22,373,967)	-
Dividend paid	32	(1,240,306,293)	-
Net cash used in financing activities		(3,262,680,260)	(546,529,808)
Net decrease in cash and cash equivalents		(455,123,864)	(273,978,520)
Cash and cash equivalents as at 1 January		879,731,157	1,153,709,677
Cash and cash equivalents as at 31 December		424,607,293	879,731,157
Cash and cash equivalents consist of:			
Cash		20,000	20,000
Bank deposits		424,587,293	879,711,157
Total cash and cash equivalents		424,607,293	879,731,157
Non-cash item			
Acquisition of right-of-use assets under lease contracts	21	23,060,040	-

The accompanying notes are an integral part of this financial statements.

1 General information

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

Srisawad Building, 1st, 3rd, 5th, 6th Floor, 99/392, Chaeng Watthana 10 Alley, 3 Sub Alley, Chaeng Watthana Road, Thungsonghong, Laksi, Bangkok, 10210.

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

The financial statements are presented in Thai Baht and rounded to the nearest Baht, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors on 25 February 2021.

2 Significant events during and after the year

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has become severe and pervasive to the business sector, company’s customers and people. The Bank of Thailand has issued guidelines on how to assist debtors affected by the situation impacting the Thai economy and additional aid measures for debtors during the COVID-19 pandemic to financial Institution, specialised financial institution and others financial services. In addition, the Government has declared the State of Emergency to combat the COVID-19 outbreak.

From the aforementioned situation, the Company granted moratorium to debtors for financial aids following the Bank of Thailand measures by offering loan payment holiday for both principal and interest to help customers who have good historical repayment.

3 Basis of preparation

The financial statements are 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) are prepared in the full format as required by the Securities and Exchange Commission and the Notification of the Bank of Thailand (“BOT”), no. SorNorSor. 22/2561 on the preparation and format of the financial statements of investment company and credit foncier company dated on 31 October 2018 and BoT circular letter number TorPorTor ForNorSor (23) Wor 276/2563 directive dated on 28 February 2020, regarding to “The relief programs for customers affected by Thai economic situations”.

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 8.

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

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have impacts to the Company

4.1.1 Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Company to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Company whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Company to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Company has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

4.1.2 TFRS 16, Leases

Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Company has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

4.1.3 Amendment to TAS 12, Income tax

Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

The management has assessed and considered that aforementioned financial standard has no significant impact to the Company.

4.1.4 TFRIC 23, Uncertainty over income tax treatments

TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The management has assessed and considered that aforementioned financial standard has no significant impact to the Company.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have impacts to the Company

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company.

4.2.1 Revised Conceptual Framework for Financial Reporting

Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

4.2.2 Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors

Amendment to TAS 1, and TAS 8 amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

Management is currently considering the impact of applying the above standards.

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have impacts to the Company

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company.

4.3.1 Amendment to TFRS 16, Leases

Amendment to TFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Company has chosen not to early apply the exemption for the current reporting period.

5 Impacts from initial application of the new and revised financial reporting standards

The Company has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.

In addition, the Company has applied the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020 as follows:

- **Reversal of deferred tax assets**

The Company has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Company writes down the carrying amount of the deferred tax assets when it is not probable that the future taxable profit will be available for utilising the deductible temporary differences.

- **Impairment of assets**

The Company has chosen to exclude information related to COVID-19 to be an indication of the impairment of assets.

The management is currently considering the impact on the financial statements after ceasing the application of the relief measurements on 31 December 2020.

In addition, the Company has applied the temporary exemption guidance for entities assisting debtors affected by the situation impacting the Thai economy announced by the Federation of Accounting Professions (TFAC) in accordance with the relief measures issued by Bank of Thailand on Thor Por Tor. For Nor Sor. (23) Wor. 276/2563 guidelines to assist debtors affected by the situation impacting the Thai economy, dated on 28 February 2020 and on Thor Por Tor. For Nor Sor. (01) Wor. 648/2563 additional measures to assist debtors affected by COVID-19, dated 26 March 2020 for the reporting periods ending between 1 January 2020 and 31 December 2021 as follows:

- in the event that the debt restructuring causes an original effective interest rate to no longer reflect the estimated cash flow to be received from the loans, the Company uses a new effective interest rate for the calculation of the current value of the restructured loans under the Bank of Thailand's circular assistance guidelines.
- the Company has maintained the staging of debtors as before entering the relief measures under the Bank of Thailand's circular assistance guidelines.

Srisawad Finance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2020

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards related to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	As at 31 December 2019, Previously reported Baht	TAS 32 and TFRS 9 Reclassifications and adjustments for financial instruments Baht	TFRS 16 Reclassifications and adjustments for lease contracts Baht	As at 1 January 2020, restated Baht
Assets				
Financial assets measured at fair value through profit or loss	-	16,947,799	-	16,947,799
Investments - net	180,868,406	(16,947,799)	-	163,920,607
Premises and equipment - net	145,837,743	-	340,953,106	486,790,849
Deferred tax assets	661,069	-	2,225,580	2,886,649
Total assets	327,367,218	-	343,178,686	670,545,904
Liabilities and equity				
Liabilities				
Lease liabilities	-	-	351,212,472	351,212,472
Provisions	24,343,960	-	256,108	24,600,068
Total liabilities	24,343,960	-	351,468,580	375,812,540
Equity				
Other components of equity	933,129	266,652	-	1,199,781
Retained earnings Unappropriated	2,061,829,275	(266,652)	(8,289,894)	2,053,272,729
Total equity	2,062,762,404	-	(8,289,894)	2,054,472,510
Total liabilities and equity	2,087,106,364	-	343,178,686	2,430,285,050

5.1 Financial reporting standards relating to financial instruments

The Company has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 by applying the modified retrospective approach, whereby the Company measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Company had on 31 December 2019. In which, the Company will amortise the surplus reverse using the straight-line method over 5 years in accordance with notification to utilise surplus reserve from Bank of Thailand dated on 6 November 2019.

The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment as follows;

Classification of financial liabilities and equity

Financial instruments issued by the Company must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Classification and measurement of investments in equity instruments (previously called general investments)

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss, or ii) at fair value through other comprehensive income without subsequent recycling to profit or loss.

As at 1 January 2020, the Company had equity instruments measured at fair value of Baht 16.95 million through other comprehensive income. These instruments will be remeasured to fair value through profit or loss and reclassified with a corresponding adjustment to retained earnings of Baht 0.3 million.

5.2 Financial reporting standards relating to leases

On adoption of TFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 4.12% and 3.50% for properties and motor vehicles respectively.

	Baht
Operating lease commitments disclosed as at 31 December 2019	44,857,300
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	(129,708,528)
Add: Adjustments as a result of a different treatment of extension and termination options	436,063,700
Lease liability recognised as at 1 January 2020	<u>351,212,472</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	1 January 2020 Baht
Properties	340,712,075
Motor vehicles	<u>3,938,481</u>
Total right-of-use assets	<u>344,650,556</u>

Practical expedients applied

In applying TFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases

6 Accounting policies

6.1 Recognition of revenues and expenses

a) Interest and discounts on loans

From 1 January 2020, there will be no longer reversal concept for accrued interest income on loan when its principal or interest payment has become over three months past due.

Interest income is calculated by applying the effective interest rate to the gross carrying of the financial asset, except for:

- Purchased or originated credit-impaired financial asset (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of financial asset.
- Financial assets that are not (POCI) but have subsequently becomes credit-impaired (a stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost net of the expected credit loss provision.

Before 1 January 2020, the Company recognised interest income on loans over the term of the loan based on the amount of principal outstanding. The Company ceased recognising interest income on an accrual basis for loans for which principal or interest payments were over 3 months past due. The interest income previously recognised was reversed and interest then was recognised on a cash basis, in accordance with the Notifications of the Bank of Thailand.

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.

e) Recognition of expenses

The Company recognises expenses on an accrual basis.

6.2 Cash

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

6.3 Securities purchased under resale agreements

Securities purchased under agreements are to resell securities at certain date in the future at a fixed price. Amounts paid for securities purchased subject to a commitment to be resold at a future date are presented as assets under the caption of interbank and money market items or loans to customer depending on the counterparty. These receivables are shown as collateralised by the underlying security.

6.4 Financial assets

For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains (losses) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for holding to collect and sales the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain (loss) on investments. Interest income is included in interest income. Impairment expenses are presented separately in the statement of comprehensive income .
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gain (loss) on financial instruments measured at fair value through profit or loss in the period in which it arises.

Equity instruments

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in gain (loss) on financial instruments measured at fair value through profit or loss in the statement of comprehensive income.

d) Impairment

From 1 January 2020, the Company assesses on a forward looking basis of the expected credit loss associated with its debt instruments measured at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.

For the year ended 31 December 2019

Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures were initially recognised at fair value of consideration paid plus direct transaction cost.

Available-for-sale investments

Available-for-sale investments were subsequently measured at fair value. The unrealised gains and losses of available for sale investments were recognised in other comprehensive income and were subsequently reclassified to profit or loss when the investment is disposed.

General investments

General investments were carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) was recognised to profit or loss. When the Company disposed an investment partially, the carrying amount of the disposed part was determined by the weighted average method.

6.5 Loans to customers

Secured personal loan

Personal loan receivable is initially recognised at an amount equal to the net investment in the contract. Subsequently, they are stated at net realisable value from the contract value net deferred revenue and allowance for expected credit loss. Allowance for expected credit loss on secured personal loan is disclosed in note 6.6.

Unsecured personal loan and commercial loan

Personal loan receivable is initially recognised at an amount equal to the investment in the contract. Subsequently, they are stated at the net principal, including accrued interest receivable and allowance for expected credit loss. Allowance for expected credit loss on unsecured personal loan and commercial loan are disclosed in note 6.6.

6.6 Allowance for expected credit loss

For the year ended 31 December 2020

The Company measures expected credit losses using the following approaches:

a) Simplified approach

The Company applies simplified approach to measure expected credit losses which uses a lifetime expected credit loss for other receivables.

b) General approach

At each reporting date, The Company applies general approach to measure expected credit losses on debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, loan commitments, and financial guarantee contracts except for those that are under simplified approach. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.

- Stage 3 - when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default or credit-impaired which is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to significantly affect the ability to repay. Exposures are credit-impaired if they are past due for 90 days or more or possesses signs indicating weaknesses which are likely to impact ability to meet future financial obligations. The default definition is consistent with that used for risk management purposes.

Exposures that are credit-impaired are classified as Stage 3 and could be upgraded to Stage 2 if the customer no longer meet credit impaired definition, and exposures are classified as Stage 1 if significant increase in credit risk since initial recognition is no longer significant.

The Company applied the temporary exemption guidance for entities assisting debtors affected by the situation impacting the Thai economy announced by the Federation of Accounting Professions (TFAC) in accordance with the relief measures issued by Bank of Thailand on Thor Por Tor. For Nor Sor. (23) Wor. 273/2563 guidelines to assist debtors affected by the situation impacting the Thai economy, dated on 28 February 2020 and on Thor Por Tor. For Nor Sor. (01) Wor. 380/2563 additional measures to assist debtors affected by COVID-19 pandemic, dated on 26 March 2020 for the reporting periods ending between 1 January 2020 and 31 December 2021 as follows:

- in the event that the debt restructuring causes an original effective interest rate to no longer reflect the estimated cash flow to be received from the loans, the Company uses a new effective interest rate for the calculation of the current value of the restructured loans under the Bank of Thailand's circular assistance guidelines.
- the Company has maintained the staging of debtors as before entering the relief measures under the Bank of Thailand's circular assistance guidelines.

Surplus reserve

The Company measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Company had on 31 December 2019. In which, the Company will amortised the surplus reverse using straight-line method by 5 years consecutively in accordance with notification to utilise surplus reserve from Bank of Thailand dated on 6 November 2019.

6.7 Allowance for doubtful accounts

For the year ended 31 December 2019

The Company classified its loan portfolios into categories and set 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 on 29 June 2016 from the ending balance of loans. The year of time that a loan was past due and the ability to repay the debt were the principal criteria utilised in classifying a loan. The value of collateral used depended on each type of collateral. The Company categorised their loan portfolios into six categories and determined allowance for doubtful accounts subject to different levels of provisioning.

For increase or decrease in allowance for doubtful accounts, the Company recorded as an expense or decrease in expenses during the accounting period.

Bad debts written-off during the year were recognised as expenses in profit or loss and bad debts recovery were recognised as other operating income in profit or loss after settlements.

6.8 Properties for sale

Properties for sale consist of movable and immovable assets, which the Company recognises at the lower of the outstanding loan principal including accrued interest or fair value net with selling expense. Impairment loss (if any) is recognised as expense in profit or loss.

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

6.9 Property, premises and equipment

All property, premises and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land	Not depreciated
Premises and building improvement	20 years
Equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 - 10 years
Building improvement	18 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses.

6.10 Intangible assets

Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 5 years.

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Computer software	5 years
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Cost associated with maintaining computer software are recognised as an expense as incurred.

Research and development / Internally generated intangible asset

Research expenditure is recognised as an expense as incurred.

Development expenditure is recognised as an asset when the Company can demonstrate that the expenditure attributable to its development can be measured reliably, it is technically, financially, commercially, and resourcefully feasible; and the Company intends to and has the ability to complete the development for the purpose of using or selling.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are amortised when the asset is ready to use or sell by applying a straight-line method over the period of its expected benefit, not exceeding 5 years.

6.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

6.12 Leases - where the Company is the lessee

For the year ended 31 December 2020

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurements of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

For the year ended 31 December 2019

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

6.13 Financial liabilities

For the year ended 31 December 2020

a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost except derivative liabilities that are measured at fair value through profit or loss (FVPL).

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains (losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated flows discounted at its original effective interest rate. The difference is recognised in other gains (losses) in profit or loss.

6.14 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Recovery of written off loan amount will be recognized as other operating income.

6.15 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Company writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

6.16 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care revise as appropriate that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Company pays contributions to a separate fund on a mandatory basis. 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.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 high-quality corporate bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

6.17 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.

6.18 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

6.19 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.

7 Financial risks management

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.

7.1. Credit risk

7.1.1 Loan risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Derivative counterparties and deposits are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

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.

7.1.2 Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The main collateral type accepted and given value by the Company are:

- Real estate
- Vehicles

The Company has revaluated the loan to value ratio to cover the credit risk for entire contract and the policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	2020			
	Gross carrying amount Baht	Expected credit losses Baht	Net carrying amount Baht	Fair value of collateral held Baht
Retail	827,706,598	77,361,965	750,344,633	1,665,056,102
Corporate	35,656,638	35,656,638	-	50,572,000
Total credit-impaired assets	863,363,236	113,018,603	750,344,633	1,715,628,102

7.1.3 Maximum exposure to credit risk

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligation is detailed below. No account taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount or, for non-derivative off-statement of financial position transaction and financial guarantee, their contractual nominal amounts. The exposure to credit risk of the Company equals their carrying amount in the statement of financial position as at reporting date, except for the followings:

	2020
	Maximum exposure Baht
Credit risk exposures of on-statement of financial position assets:	
Investments - net	162,000,000
	162,000,000

7.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions, borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. In addition, to reduce the interest rate risk, the Company has determined the maximum limit for investments as appropriate. As a result, the interest rate risk is expected to be minimal.

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. 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.

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

	2020			
	Outstanding balance of financial instrument			
	Floating interest rate Baht	Fixed interest rate Baht	Non-interest Baht	Total Baht
Financial assets				
Interbank and money market items	-	4,531,886,110	242,701,183	4,774,587,293
Financial instruments measured at fair value through profit or loss	-	-	54,128,349	54,128,349
Investments	-	120,208,745	-	120,208,745
Loans to customers	219,686,754	11,720,223,951	-	11,939,910,705
	219,686,754	16,372,318,806	296,829,532	16,888,835,092
Financial liabilities				
Deposits	-	5,234,095,617	-	5,234,095,617
Debt securities issued and borrowings	-	6,000,000	-	6,000,000
Lease liabilities	-	351,898,546	-	351,898,546
	-	5,591,994,163	-	5,591,994,163

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	2019			
	Outstanding balance of financial instrument			Total Baht
	Floating interest rate Baht	Fixed interest rate Baht	Non- interest Baht	
Financial assets				
Interbank and money market items	-	998,774,110	550,937,047	1,549,711,157
Investments	-	163,920,607	16,947,799	180,868,406
Loans to customers	402,146,074	18,600,388,301	-	19,002,534,375
	402,146,074	19,763,083,018	567,884,846	20,733,113,938
Financial liabilities				
Deposits	-	6,348,332,737	-	6,348,332,737
Debt securities issued and borrowings	2,000,000,000	6,000,000	-	2,006,000,000
	2,000,000,000	6,354,332,737	-	8,354,332,737

Interest rate risk sensitivity analysis

The interest rate sensitivity result shows the impact on net loss after tax and equity of financial assets and liabilities bearing floating interest rates and fixed rate financial assets and liabilities:

	Impact to net profit for the period Increase/ (Decrease) Baht	Impact to owner's equity Increase/ (Decrease) Baht
31 December 2020		
+100 basis points (bps)	16,174,034	-
-100 basis points (bps)	(16,174,034)	-

The results above represent the impact of interest rate sensitivity on financial assets and liabilities which affect net loss for the year. The Company uses the sum of risk weighted method for the period of interest rate changes to simulate the effect of changes in interest rates rising /falling at 100 basis points.

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Financial assets and liabilities can be separated by the remaining years to earlier of reprising dates or maturity date, commencing as from the statement of financial position date are as follows:

2020									
Outstanding balance of financial instruments									
	At call Baht	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Non- Performing loan Baht	Non-interest Baht	Total Baht	Interest rates (%)
Financial assets									
Interbank and market money items	181,886,110	4,350,000,000	-	-	-	-	242,701,183	4,774,587,293	0.25 - 1.73
Financial instruments measured at fair value through profit or loss	-	-	-	-	-	-	54,128,349	54,128,349	
Investments	-	-	-	83,078,032	-	37,130,713	-	120,208,745	4.88 - 5.125
Loans to customers	899,030,055	4,129,497,984	5,768,976,005	1,088,497,066	18,252,957	35,656,638	-	11,939,910,705	0.01 - 36
	1,080,916,165	8,479,497,984	5,768,976,005	1,171,575,098	18,252,957	72,787,351	296,829,532	16,888,835,092	
Financial liabilities									
Deposits	199,190,022	1,921,186,615	2,762,901,091	350,817,889	-	-	-	5,234,095,617	0.50 - 3.50
Debt securities issued and borrowings	6,000,000	-	-	-	-	-	-	6,000,000	1.75
Lease liabilities	-	5,293,868	16,004,078	84,458,260	246,142,340	-	-	351,898,546	3.50 - 4.12
	205,190,022	1,926,480,483	2,778,905,169	435,276,149	246,142,340	-	-	5,591,994,163	
2019									
Outstanding balance of financial instruments									
	At call Baht	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Non- Performing loan Baht	Non-interest Baht	Total Baht	Interest rates (%)
Financial assets									
Interbank and market money items	328,774,110	670,000,000	-	-	-	-	550,937,047	1,549,711,157	0.38 - 1.73
Investments	-	-	81,537,933	-	82,382,674	-	16,947,799	180,868,406	4.00 - 6.00
Loans to customers	869,169,040	5,238,987,657	10,644,666,222	2,003,851,742	20,162,583	225,697,131	-	19,002,534,375	0.01 - 36.00
	1,197,943,150	5,908,987,657	10,726,204,155	2,003,851,742	102,545,257	225,697,131	567,884,846	20,733,113,938	
Financial liabilities									
Deposits	94,698,120	1,895,511,025	3,546,427,699	811,695,893	-	-	-	6,348,332,737	0.50 - 3.50
Debt securities issued and borrowings	6,000,000	-	-	2,000,000,000	-	-	-	2,006,000,000	1.75 - 5.25
	100,698,120	1,895,511,025	3,546,427,699	2,811,695,893	-	-	-	8,354,332,737	

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7.3 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.

The Company manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

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

The tables below analyse the maturity of financial assets and liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2020						
	At call Baht	1 year Baht	More than 1 - 5 years Baht	Over 5 years Baht	No Maturity Baht	Total Baht
Financial assets						
Interbank and money market items, net	424,587,293	4,350,395,781	-	-	-	4,774,983,074
Financial instruments measured at fair value through profit or loss	-	-	-	-	54,128,349	54,128,349
Investments, net	37,130,713	-	83,078,032	-	-	120,208,745
Loans to customers and accrued interest receivables	934,687,076	9,899,350,571	1,088,497,066	18,252,957	-	11,940,787,670
	1,396,405,082	14,249,746,352	1,171,575,098	18,252,957	54,128,349	16,890,107,838
Financial liabilities						
Deposits	199,190,022	4,684,087,706	350,817,889	-	-	5,234,095,617
Debt securities issued and borrowings	6,000,000	-	-	-	-	6,000,000
Other liabilities	3,183,382	14,648,023	2,026,980	-	-	19,858,385
Lease liabilities	-	35,193,000	131,387,700	302,250,000	-	468,830,700
	208,373,404	4,733,928,729	484,232,569	302,250,000	-	5,728,784,702
2019						
	At call Baht	1 year Baht	More than 1 - 5 years Baht	Over 5 years Baht	No Maturity Baht	Total Baht
Financial assets						
Interbank and money market items, net	879,711,157	670,125,767	-	-	-	1,549,836,924
Investments, net	-	81,537,933	-	82,382,674	16,947,799	180,868,406
Loans to customers and accrued interest receivables	1,094,869,868	15,885,275,105	2,003,851,742	20,162,583	-	19,004,159,298
	1,974,581,025	16,636,938,805	2,003,851,742	102,545,257	16,947,799	20,734,864,628
Financial liabilities						
Deposits	94,698,120	5,441,938,724	811,695,893	-	-	6,348,332,737
Debt securities issued and borrowings	6,000,000	-	2,000,000,000	-	-	2,006,000,000
Other liabilities	9,463,652	31,532,940	3,250,667	-	-	44,247,259
	110,161,772	5,473,471,664	2,814,946,560	-	-	8,398,579,996

7.4 Fair value estimation

The approximate fair values of financial assets and liabilities with a maturity of less than one year is close to net book value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future cash flows that available to the Company for similar financial instruments at the current market interest rate which is disclosed in Note 11.

8 Critical accounting estimates and judgements

Estimates and judgements 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.

8.1 Impairment

The Company assesses expected credit loss on a forward-looking basis for its financial assets classified as debt instrument carried at FVOCI and financial assets at amortised cost.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A cash shortfall is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive discounted at the original effective interest rate for the financial assets that are not purchased or originated credit-impaired financial assets or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Company uses the remaining contractual term of the financial instrument.

For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit impaired financial asset, the Company measures the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

8.2 Valuation of properties for sale

The Company assesses allowance for impairment of properties for sale by taking into consideration the type and nature of assets based on historical losses on sale of properties foreclosed. When net realised value falls below the book value, the management uses judgement to estimate top up allowance for impairment of properties for sale.

Fair value of properties for sale-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 year.

8.3 Post-employment benefits under defined benefit plans

The present value of the retirement benefit obligations depend 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.

Key financial assumptions for post-employment benefit were disclosed in Note 27 to the financial statements.

8.4 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.

8.5 Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

8.6 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

9 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.

Moreover, the Company is required to manage its capital funds in accordance with the Act on Undertaking of Financial Institution B.E. 2551. The Company's capital fund is presented in Note 33.

10 Segment and revenue 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.

11 Fair value

11.1 Fair value estimation

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Level 1		Level 2		Level 3		Total	
	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht
Assets								
Financial assets at fair value through profit or loss	-	-	150,085	-	53,978,264	-	54,128,349	-
Investments - net	-	-	120,208,745	164,087,292	-	-	120,208,745	164,087,292
Total assets	-	-	120,358,830	164,087,292	53,978,264	-	174,337,094	164,087,292

- 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)

11.2 Transfer between fair value hierarchy

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

11.3 Valuation techniques used to measure fair value level 2

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

11.4 Valuation techniques used to measure fair value level 3

Changes in level 3 financial instruments for the year ended 31 December 2020 is as follows:

	Unquoted equity investments Baht
Beginning balance of the year	16,781,114
Disposal	(23,047,260)
Gains recognised in profit or loss	60,244,410
Ending balance of the year	53,978,264

The Company's valuation processes

Chief Financial Officer (CFO) and valuation teams discuss valuation processes and results every quarter.

Level 3 equity securities are fair valued using pricing from public companies that, are in opinion of the Company, in a comparable financial position with the counterparty in the contract, discounted at 50% by considering the liquidity and the companies' growth.

The change in discount rate increased by 5% or decreased by 5% can affect on profit or loss in the financial statements as follows:

	Impact to profit or loss Increase/ (Decrease) Baht
31 December 2020	
Rate increased 5%	(5,397,826)
Rate decreased 5%	5,397,826

12 Financial assets and liabilities classification

Financial assets and liabilities are classified by measurement as follows:

	2020			Total
	Financial instruments measured at fair value through profit or loss Baht	Financial instruments measured at fair value through other comprehensive income Baht	Financial instruments measured at amortised cost Baht	Baht
Financial assets				
Cash	-	-	20,000	20,000
Interbank and money market items - net	-	-	4,774,983,074	4,774,983,074
Financial assets measured at fair value through profit or loss	54,128,349	-	-	54,128,349
Investment - net	-	120,208,745	-	120,208,745
Loans to customers and accrued interest receivables - net	-	-	11,484,557,800	11,484,557,800
Total	54,128,349	120,208,745	16,259,560,874	16,433,897,968
Financial liabilities				
Deposits	-	-	5,234,095,617	5,234,095,617
Debt securities issued and borrowings	-	-	6,000,000	6,000,000
Lease liabilities	-	-	351,898,546	351,898,546
Total	-	-	5,591,994,163	5,591,994,163

13 Interbank and money market items - net

	2020 Baht	2019 Baht
Domestic		
The Bank of Thailand and Financial Institutions Development Fund	51,008,474	100,759,817
Commercial Banks	333,554,651	763,476,027
Special purpose financial institutions	4,390,024,168	685,475,313
Total	4,774,587,293	1,549,711,157
Add: Accrued interest receivables	395,781	125,767
Total domestic interbank and money market items - net	4,774,983,074	1,549,836,924

The Company has bank deposits amounting to Baht 424.59 million (2019: Baht 879.71 million)

14 Financial assets measured at fair value through profit or loss

	2020
	Fair value
	Baht
Domestic marketable equity securities and unit trusts	150,085
Domestic non-marketable equity securities	53,978,264
Total	54,128,349

15 Investments - net

15.1 Investment in debt instruments measured at fair value through other comprehensive income

	2020
	Fair value
	Baht
Government and state enterprise securities	80,000,000
Private sector debt securities	83,078,032
Total	163,078,032
Less: Allowance for expected credit loss	(42,869,287)
Total	120,208,745

15.2 Available-for-sale securities

	2019
	Fair value
	Baht
Government and state enterprise securities	81,537,933
Private sector debt securities	82,382,674
Domestic marketable equity securities and unit trusts	166,685
Total available-for-sale securities	164,087,292

15.3 General investments

	2019
	Cost
	Baht
Domestic non-marketable equity securities	16,781,114
Total general investments	16,781,114
Total	180,868,406

16 Loans to customers and accrued interest receivables - net

16.1 Classified by product

	2020 Baht	2019 Baht
Loans to customers	13,707,527,499	22,430,690,665
Less: Deferred revenue	(1,767,616,794)	(3,428,156,290)
Total loans to customers net of deferred revenue	11,939,910,705	19,002,534,375
Add: Accrued interest receivables	876,965	1,624,923
Total loans to customers and accrued interest receivables	11,940,787,670	19,004,159,298
Less: Allowance for expected credit loss (Note 17)	(456,229,870)	-
Less: Allowance for doubtful accounts (Note 18)		
1. Minimum allowance per BOT guideline		
- Individual Approach	-	(401,189,776)
2. Surplus reserve	-	(307,361,886)
Less: Allowance for troubled debt restructuring (Note 19)	-	(39,565)
Total loans to customers and accrued interest receivables - net	11,484,557,800	18,295,568,071

16.2 Classified by residence of customers

	2020 Baht	2019 Baht
Domestic	11,939,910,705	19,002,534,375
Total loans to customers net of deferred income	11,939,910,705	19,002,534,375

16.3 Classified by business type and loan classification

	2019					
	Normal Baht	Special Mention Baht	Sub- standard Baht	Doubtful Baht	Doubtful of loss Baht	Baht
Manufacturing and commerce	2,206,887	-	-	-	67,429,573	69,636,460
Real estate and construction	4,016,300	-	-	-	-	4,016,300
Public utilities and services	8,134,288	-	17,307,452	-	135,529,287	160,971,027
Others	14,218,194,080	3,713,222,082	588,525,646	171,658,829	76,309,951	18,767,910,588
Total loans to customers	14,232,551,555	3,713,222,082	605,833,098	171,658,829	279,268,811	19,002,534,375
Accrued interest receivables	1,430,971	193,952	-	-	-	1,624,923
Total	14,233,982,526	3,713,416,034	605,833,098	171,658,829	279,268,811	19,004,159,298

16.4 Classified by loan classification

	2020				
	Loans to customers and accrued interest receivables Baht				
Performing	5,216,376,596				
Under-performing	5,861,047,838				
Non-performing	863,363,236				
Total loans to customers and accrued interest receivables	11,940,787,670				

	2019				
	Loans to customers and accrued interest receivables Baht				
	Allowance for doubtful accounts				
	Loans to customers and accrued interest receivables Baht	Net balance used for allowance Baht	Percent used for allowance %	Minimum allowance per BOT guideline Baht	Amount already set up by the company Baht
Normal	14,233,982,526	4,545,986,003	1	45,459,860	47,743,678
Special mention	3,713,416,034	761,538,612	2	15,230,772	41,694,936
Sub-standard	605,833,098	106,668,940	100	106,668,940	106,668,940
Doubtful	171,658,829	34,678,776	100	34,678,776	34,678,776
Doubtful of loss	279,268,811	199,151,428	100	199,151,428	199,151,428
Total loans to customers and accrued interest receivables	19,004,159,298	5,648,023,759		401,189,776	429,937,758
Surplus reserves					278,613,904
Total					708,551,662

16.5 Non-performing loans

The Company has non-performing loans, defined according to the BOT's Notification as loan classified as credit-impaired (2019: substandard, doubtful, and doubtful loss), including interbank and money market items, but excluding accrued interest receivables are as follows:

	2020 Baht	2019 Baht
Non-performing loans (excluding accrued interest receivables)	863,363,236	1,056,760,738
Percentage of non-performing loans to total loans (including loans to financial institutions)	5.30	5.37

17 Allowance for expected credit loss

	2020				
	Allowance for expected credit loss				
	12-month ECL Baht	Lifetime ECL - not credit impaired Baht	Lifetime ECL - credit impaired Baht	Allowance established in excess Bah	Total Baht
Loans to customers and accrued interest receivables - net					
As at 1 January 2020	90,393,405	265,038,081	261,319,015	91,840,727	708,591,228
Reclassification	12,549,352	(16,657,590)	4,108,238	-	-
Change in value of allowance for expected credit loss/ remeasurement	321,445	11,579,262	48,291,242	-	60,191,949
Purchase or origination of financial assets	31,997,765	143,359,111	35,554,950	-	210,911,826
Derecognition of financial assets	(74,798,626)	(194,043,519)	(37,756,650)	-	(306,598,795)
Write-off of financial assets	-	-	(198,498,192)	-	(198,498,192)
Others	-	-	-	(18,368,146)	(18,368,146)
As at 31 December 2020	60,463,341	209,275,345	113,018,603	73,472,581	456,229,870

18 Allowance for doubtful accounts

	2019						Total Baht
	Normal Baht	Special mention Baht	Sub- standard Baht	Doubtful Baht	Doubtful of loss Baht	Surplus reserves Baht	
As at 1 January 2019	97,939,997	48,562,264	187,931,691	72,882,662	176,593,046	275,195,745	859,105,405
Add : Doubtful accounts (reversal)	(50,196,319)	(6,867,328)	(81,262,751)	(38,203,886)	22,558,382	3,418,159	(150,553,743)
As at 31 December 2019	47,743,678	41,694,936	106,668,940	34,678,776	199,151,428	278,613,904	708,551,662

19 Allowance for troubled debt restructuring

	2019 Baht
Beginning balance of the year	457,812
Decrease during the year	(418,247)
Ending balance of the year	39,565

20 Properties for sale - net

	2020			
	Beginning balance Baht	Addition Baht	Disposal Baht	Ending balance Baht
Type of properties for sale				
Properties for repayment of debt				
Non-movable properties	11,449,250	-	-	11,449,250
Movable properties	173,280,674	145,199,465	(269,207,155)	49,272,984
Total properties for sale	184,729,924	145,199,465	(269,207,155)	60,722,234
Less: Provision for diminution in value	(22,583,037)			(17,316,733)
Total properties for sale - net	162,146,887			43,405,501
	2019			
	Beginning balance Baht	Addition Baht	Disposal Baht	Ending balance Baht
Type of properties for sale				
Properties for repayment of debt				
Non-movable properties	11,449,250	-	-	11,449,250
Movable properties	91,951,982	177,637,567	(96,308,875)	173,280,674
Total properties for sale	103,401,232	177,637,567	(96,308,875)	184,729,924
Less: Provision for diminution in value	(11,449,246)			(22,583,037)
Total properties for sale - net	91,951,986			162,146,887

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21 Property, premises and equipment - net

	Land Baht	Building and building improvement Baht	Office equipment Baht	Vehicles Baht	Right-of-use assets Baht	Total Baht
As at 1 January 2019						
Cost	1,548,000	118,271,248	45,907,000	20,614,890	-	186,341,138
Less: Accumulated depreciation	-	(2,637,775)	(26,996,885)	(3,850,629)	-	(33,485,289)
Closing net book value	1,548,000	115,633,473	18,910,115	16,764,261	-	152,855,849
For the year ended 31 December 2019						
Opening net book value	1,548,000	115,633,473	18,910,115	16,764,261	-	152,855,849
Additions	-	2,658,803	5,444,087	3,050,000	-	11,152,890
Disposals - net	-	-	(25)	(3,800,000)	-	(3,800,025)
Write-off	-	-	(3,141)	-	-	(3,141)
Depreciation charge	-	(6,883,804)	(5,471,250)	(2,012,776)	-	(14,367,830)
Closing net book value	1,548,000	111,408,472	18,879,786	14,001,485	-	145,837,743
At 31 December 2019						
Cost	1,548,000	120,703,129	38,367,902	17,281,400	-	177,900,431
Less: Accumulated depreciation	-	(9,294,657)	(19,488,116)	(3,279,915)	-	(32,062,688)
Closing net book value	1,548,000	111,408,472	18,879,786	14,001,485	-	145,837,743
For the year ended 31 December 2020						
Opening net book value	1,548,000	111,408,472	18,879,786	14,001,485	-	145,837,743
Adjustment for adoption of TFRS 16 on 1 January 2020 (Note 5)	-	(3,697,450)	-	-	344,650,556	340,953,106
Additions	-	222,027	7,045,010	6,500,000	23,060,040	36,827,077
Depreciation charge	-	(6,635,506)	(6,907,392)	(1,830,257)	(27,933,496)	(43,306,651)
Closing net book value	1,548,000	101,297,543	19,017,404	18,671,228	339,777,100	480,311,275
At 31 December 2020						
Cost	1,548,000	116,871,098	45,412,912	23,781,400	363,772,115	551,385,525
Less: Accumulated depreciation	-	(15,573,555)	(26,395,508)	(5,110,172)	(23,995,015)	(71,074,250)
Closing net book value	1,548,000	101,297,543	19,017,404	18,671,228	339,777,100	480,311,275

As at 31 December 2020, right-of-use asset balance are as follows:

	2020 Baht
Properties	319,914,776
Vehicles	19,862,324
Total	339,777,100

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For the year ended 31 December 2020, amounts charged to profit or loss and cash flows relating to leases are as follows:

	2020 Baht
Depreciation charge of right-of-use assets:	
Properties	20,797,299
Vehicles	7,136,197
Total	27,933,496
Total cash outflow for leases	36,794,902
Expense relating to leases of low-value assets	74,825

22 Intangible assets - net

	Computer software Baht	Work in process Baht	Total Baht
As at 1 January 2019			
Cost	6,247,636	2,140,000	8,387,636
Less: Accumulated amortisation	(2,836,566)	-	(2,836,566)
Net book value	3,411,070	2,140,000	5,551,070
For the year ended 31 December 2019			
Opening net book value	3,411,070	2,140,000	5,551,070
Additions	271,673	856,000	1,127,673
Amortisation charge	(993,297)	-	(993,297)
Closing net book value	2,689,446	2,996,000	5,685,446
At 31 December 2019			
Cost	6,519,309	2,996,000	9,515,309
Less: Accumulated amortisation	(3,829,863)	-	(3,829,863)
Net book value	2,689,446	2,996,000	5,685,446
For the year ended 31 December 2020			
Opening net book value	2,689,446	2,996,000	5,685,446
Additions	9,412,640	-	9,412,640
Transfer in (out)	2,996,000	(2,996,000)	-
Amortisation charge	(1,421,091)	-	(1,421,091)
Closing net book value	13,676,995	-	13,676,995
At 31 December 2020			
Cost	18,927,949	-	18,927,949
Less: Accumulated amortisation	(5,250,954)	-	(5,250,954)
Net book value	13,676,995	-	13,676,995

23 Other assets - net

	2020 Baht	2019 Baht
Accrued interest income from investments	2,440,106	1,798,352
Deposits to related party (Note 45 c))	2,493,516	2,493,516
Prepaid expenses	10,884,591	4,166,640
Other receivables	37,932,563	37,932,563
Less Allowance for expected credit loss	(37,932,563)	(37,932,563)
Receivables from related parties (Note 45 c))	2,566,915,440	329,464,371
Others	20,315,349	20,650,886
Total other assets - net	2,603,049,002	358,573,765

24 Deposits

24.1 Classified by type of deposits

	2020 Baht	2019 Baht
At call	199,190,022	94,698,120
At maturity	5,034,905,595	6,253,634,617
Total	5,234,095,617	6,348,332,737

24.2 Classified by currency and residence of customers

	2020 Baht	2019 Baht
Domestic		
Baht	5,234,038,390	6,348,275,754
Foreign		
Baht	57,227	56,983
Total deposits	5,234,095,617	6,348,332,737

25 Debt securities issued and borrowings

	2020 Baht	2019 Baht
Domestic Promissory note		
Promissory note Baht 6 million, due in 2018 interest rate at 1.75% per annum	6,000,000	6,000,000
Borrowings (Note 45 c))		
Long-term borrowings amount of Baht 1,000 million, due in 2021 with interest rate at 3.75% - 4.50% per annum (31 December 2019: interest rate at 4.50%)	-	1,000,000,000
Long-term borrowings amount of Baht 1,000 million, due in 2022 with interest rate at 4.50% - 5.25% per annum (31 December 2019: interest rate at 5.25%)	-	1,000,000,000
Total debt issued and borrowings	6,000,000	2,006,000,000

The Company has the undrawn committed borrowing facilities from the financial institution amount of Baht 100 million (31 December 2019: Baht 200 million).

26 Lease liabilities

	2020 Baht
Lease Liabilities	
Within 1 year	21,297,946
1-5 years	84,458,260
Over 5 years	246,142,340
Total discounted lease liabilities	351,898,546
Interest expense from lease liabilities	14,420,935

27 Provisions

	2020 Baht	2019 Baht
Provisions for employee benefit obligations	40,949,110	20,034,085
Provisions for decommissioning costs	4,758,557	4,309,875
Total	45,707,667	24,343,960

Provisions for employee benefit obligations

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

Srisawad Finance Public Company Limited
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For the year ended 31 December 2020

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plans for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Current service cost	8,638,907	3,682,290
Past service cost	6,784,011	5,218,913
Interest cost	627,360	481,814
Total	16,050,278	9,383,017

Movements of the defined benefit obligations are as follows:

	2020 Baht	2019 Baht
Beginning defined benefit obligation	20,034,085	13,597,650
Current service cost	8,638,907	3,682,290
Past service cost	6,784,011	5,218,913
Interest cost	627,360	481,814
Remeasurement of defined benefit obligation	4,864,747	(2,752,582)
Benefits paid	-	(194,000)
Ending defined benefit obligation	40,949,110	20,034,085

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at 31 December 2020 and 2019 are as follows:

	2020	2019
Financial assumptions		
Discount rate	1.81%	1.98%
Expected rate of salary increase	4.00%	5.00%
Turnover rate	4.00% - 13.00%	4.00% - 15.00%
Retirement age	60 years	60 years

Sensitivity analysis on key assumption changes are as follows:

	2020 Increase/ (Decrease) Percentage	2019 Increase/ (Decrease) Percentage
Discount rate -1.0%	16.34	18.48
Discount rate +1.0%	(13.41)	(15.01)
Expected rate of salary -1.0%	(12.87)	(14.38)
Expected rate of salary +1.0%	15.27	17.20
Mortality rate -1.0%	0.51	0.54
Mortality rate +1.0%	(0.57)	(0.60)
Turnover rate -10.0%	9.31	10.56
Turnover rate +10.0%	(8.22)	(9.26)

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 obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

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

Maturity profile of undiscounted weighted defined benefit obligation

	2020	2019
Maturity duration of the post-employment benefits (years)	18	18
Maturity analysis of benefits expected to be paid (Baht)		
Benefits expected to be paid within 12 months	1,719,321	-
Benefits expected to be paid between 1 and 3 years	3,188,590	2,381,673
Benefits expected to be paid between 3 and 5 years	660,000	2,211,224
Benefits expected to be paid between 5 and 10 years	18,580,179	14,199,644
Benefits expected to be paid in more than 10 years	147,989,550	154,647,312

28 Deferred income tax - net

Deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	-	-
Deferred tax asset to be recovered after more than 12 months	16,378,446	6,356,060
	16,378,446	6,356,060
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	(7,955,751)	(4,974,991)
	(8,675,751)	(5,694,991)
Deferred income tax - net	7,702,695	661,069

Srisawad Finance Public Company Limited
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The movements in deferred tax assets and liabilities are as follows:

	Allowance for expected credit loss Baht	Provisions for impairment in value of properties for sale Baht	Lease liabilities Baht	Provisions for employee benefit obligations Baht	Provisions for decommissioning cost Baht	Total Baht
Deferred tax assets						
At 1 January 2019	-	-	-	2,719,530	66,667	2,786,197
Charged to profit or loss	-	2,226,758	-	1,837,803	55,818	4,120,379
Credited to other comprehensive income	-	-	-	(550,516)	-	(550,516)
At 31 December 2019	-	2,226,758	-	4,006,817	122,485	6,356,060
At 31 December 2019	-	2,226,758	-	4,006,817	122,485	6,356,060
Adjustments from changes in accounting policies (Note 5)	-	-	2,225,580	-	-	2,225,580
At 1 January 2020 - restated	-	2,226,758	2,225,580	4,006,817	122,485	8,581,640
Charged/ (credited) to profit or loss	3,639,126	(1,053,261)	1,150,421	3,210,056	(122,485)	6,823,857
Charged to other comprehensive income	-	-	-	972,949	-	972,949
At 31 December 2020	3,639,126	1,173,497	3,376,001	8,189,822	-	16,378,446

	Allowance for revaluation of investments Baht	Financial instruments measured at fair value through profit or loss Baht	Allowance for expected credit loss Baht	Total Baht
Deferred tax liabilities				
At 1 January 2019	(587,488)	-	(5,622,573)	(6,210,061)
Charged to profit or loss	-	-	160,864	160,864
Credited to other comprehensive income	354,206	-	-	354,206
At 31 December 2019	(233,282)	-	(5,461,709)	(5,694,991)
Adjustments from changes in accounting policies (Note 5)	(66,663)	66,663	-	-
At 1 January 2020 - restated	(299,945)	66,663	(5,461,709)	(5,694,991)
Charged/ (credited) to profit or loss	-	(8,524,751)	5,461,709	(3,063,042)
Charged to other comprehensive income	82,282	-	-	82,282
At 31 December 2020	(217,663)	(8,458,088)	-	(8,675,751)

29 Other liabilities

	2020 Baht	2019 Baht
Accrued interest expenses on deposits	19,858,385	37,031,505
Accrued interest expenses on short-term and long-term borrowings from Parent Company (Note 45 c))	-	7,215,754
Withholding tax payable	1,994,658	1,629,756
Corporate income tax payable	171,305,844	184,447,033
Related companies payable (Note 45 c))	4,051,801,623	2,635,496,327
Others	102,734,869	172,431,195
Total other liabilities	4,347,695,379	3,038,251,570

30 Share capital and premium on share capital

	Number of shares Shares	Share capital Baht	Share premium Baht	Total Baht
Authorised share capital				
At 1 January 2019	220,499,543	1,102,497,715	-	1,102,497,715
Increase of registered shares	330,748,346	1,653,741,730	-	1,653,741,730
Reduction of registered shares	(646)	(3,230)	-	(3,230)
At 31 December 2019	551,247,243	2,756,236,215	-	2,756,236,215
At 1 January 2020	551,247,243	2,756,236,215	-	2,756,236,215
Increase of registered shares	-	-	-	-
Reduction of registered shares	-	-	-	-
At 31 December 2020	551,247,243	2,756,236,215	-	2,756,236,215
Issued and paid-up share capital				
At 1 January 2019	220,498,897	1,102,494,485	-	1,102,494,485
Increase of registered shares	330,748,344	1,653,741,720	4,299,728,472	5,953,470,192
At 31 December 2019	551,247,241	2,756,236,205	4,299,728,472	7,055,964,677
At 1 January 2020	551,247,241	2,756,236,205	4,299,728,472	7,055,964,677
Increase of registered shares	-	-	-	-
At 31 December 2020	551,247,241	2,756,236,205	4,299,728,472	7,055,964,677

On 24 April 2019, the Annual General Meeting of shareholders for the year 2019, the shareholders approved the reduction of the authorised share capital from the previous authorised share capital Baht 1,102,497,715 to Baht 1,102,494,485 by reducing the ordinary shares amounting of 646 shares at par value of Baht 5 per each and approved the increase of authorised share capital amount of Baht 1,653,741,720 from the previous authorised share capital amount of Baht 1,102,494,485 to Baht 2,756,236,205 by issuing 330,748,344 authorised ordinary shares at par value of Baht 5 per each. The Company received subscription of 330,748,344 additional shares at Baht 5 par value which were priced at Baht 18 per share. The paid-up share capital and premium on share capital totalling Baht 1,653,741,720 and Baht 4,299,728,472, respectively. The Company registered the increased share capital with the Ministry of Commerce on 7 June 2019.

31 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.

	2020 Baht	2019 Baht
Beginning balance for the year	163,542,963	123,000,000
Appropriation during the year	78,359,665	40,542,963
Ending balance for the year	241,902,628	163,542,963

32 Dividend paid

On 24 March 2020, the Board of Directors' meeting of Srisawad Finance Public Company Limited no. 3/2020 approved to pay interim dividends from retained earnings and operating profit for 2019 at Baht 2.25 per share, totalling Baht 1,240.31 million. All dividends were taxed at the rate stipulated by law, with the record date on 8 April 2020 and the dividend payment on 23 April 2020. The interim dividends were paid from 2019; therefore, the Board did not re-propose another dividend payment for the 2019 year.

33 Capital funds

As at 31 December 2020 and 2019, the Company maintained the capital funds in accordance with Section 30 of the Financial Institution Business Act as follows:

	2020 Baht	2019 Baht
<u>Tier 1 capital</u>		
Issued and paid-up share capital	2,756,236,205	2,756,236,205
Premium on ordinary shares	4,299,728,472	4,299,728,472
Legal reserve	241,902,628	163,542,963
Retained earnings - Unappropriated	821,522,982	1,289,310,929
Other components of equity	870,651	933,129
Less: Deduction items from common equity Tier 1 capital	(21,379,690)	(6,346,515)
Deduction 50 percent of Tier 1 and Tier 2	-	(36,922,813)
Common equity Tier 1 capital	8,098,881,248	8,466,482,370
Total Tier 1 capital	8,098,881,248	8,466,482,370
<u>Tier 2 capital</u>		
Reserve for assets classified as normal	157,249,184	45,459,860
Less: Deduction items from Tier 2 capital	(66,678,031)	(45,459,860)
Total Tier 2 capital	90,571,153	-
Total capital fund	8,189,497,401	8,466,482,370
Tier 1 capital ratio (%)	45.34	45.16
Common equity Tier 1 capital ratio (%)	45.34	45.16
Total capital ratio (%)	45.84	45.16
Minimum Tier 1 capital ratio requirement (%)	6.00	6.00
Minimum common equity Tier 1 capital ratio requirement (%)	4.50	4.50
Minimum total capital ratio requirement (%)	8.50	8.50

34 Interest income

Net interest income for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Interbank and money market items	9,962,731	15,760,675
Investment in debt securities	6,371,256	7,782,105
Loans to customers	3,406,115,012	3,077,790,472
Total net interest income	3,422,448,999	3,101,333,252

35 Interest expenses

Interest expenses for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Deposits	128,075,664	176,541,250
Contributions to Financial Institution Development Fund and Deposit Protection Agency	17,652,524	56,791,312
Debt issued	105,287	105,000
Borrowings from parent company (Note 45 b))	60,600,000	233,936,165
Lease liabilities and decommissioning costs	14,613,509	-
Total interest expenses	221,046,984	467,373,727

36 Fees and services income

Net fees and services income for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Penalty charge - net	117,938,019	200,914,139
Others	20,287,436	12,858,824
Total net fees and services income	138,225,455	213,772,963

37 Gain on financial instruments measured at fair value through profit or loss

Gain on financial instruments measured at fair value through profit or loss for the year ended 31 December 2020 as follows:

	2020 Baht
Domestic marketable equity securities and unit trusts	
Losses on changes in fair value – net	(16,600)
	(16,600)
Domestic non-marketable equity securities	
Gain on changes in fair value - net	114,977,153
	114,977,153
Total	114,960,553

38 Other operating income

Other operating income for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Dividend income	2,046,890	2,768,918
Bad debt recovery	132,996,691	92,997,634
Gain on sale of non-performing loan	4,977,092	-
Others	389,615	64
Total other operating income	140,410,288	95,766,616

39 Other expenses

Other expenses for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Fee expense	6,351,361	10,200,813
Marketing expense	1,438,432	665,706
Impairment loss (reversal) on properties for sale	(5,266,304)	11,133,791
Loss from sales of properties for sale	58,046,320	21,533,288
Others	45,903,394	40,012,620
Total other expenses	106,473,203	83,546,218

40 Expected credit loss

Expected credit loss for the year ended 31 December 2020 as follows:

	2020 Baht
Loans to customers and accrued interest receivables	39,648,137
Investment in debt instrument measured at fair value through other comprehensive income	42,869,287
Total	82,517,424

41 Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 as follows:

	2020 Baht	2019 Baht
Current tax:		
Current tax on profit for the year	395,069,424	209,215,034
Adjustments in respect of prior year	104,000	287,687
Total current tax	395,173,424	209,502,721
Deferred tax:		
Increase in deferred tax assets (Note 28)	(6,823,857)	(4,120,379)
Increase in deferred tax liabilities (Note 28)	3,063,042	(160,864)
Total deferred tax	(3,760,815)	(4,281,243)
Total income tax	391,412,609	205,221,478

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	2020 Baht	2019 Baht
Profit before income tax expense	1,958,605,907	1,016,080,721
Tax calculated at a tax rate of 20% (2019: 20%)	391,721,181	203,216,144
Tax effect of:		
Income not subject to tax	(409,378)	(553,784)
Expenses not deductible for tax purpose	204,806	2,271,431
Adjustment in respect of prior year	(104,000)	287,687
Total income tax	391,412,609	205,221,478

The weighted average income tax rate in the financial statements for the year ended 31 December 2020 was 19.98% (31 December 2019: 20.20%).

42 Earnings per share

Earnings per share in the financial statements for the years ended 31 December 2020 and 2019 are calculated as follows:

	2020	2019
Net profit for the year to ordinary shareholders of the Company (Baht)	1,567,193,298	810,859,243
Weighted average number of ordinary shares outstanding (shares)	551,247,241	408,980,145
Basic earnings per share (Baht per share)	2.84	1.98

There are no dilutive ordinary shares in issue for the years ended 31 December 2020 and 2019.

43 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2020 and 2019 as follows:

43.1 Investments in securities

The Company has no investments in companies having problems in financial position and operation as at 31 December 2020 and 2019.

43.2 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 expected credit loss as follows:

2020				
	Numbers	Total debts Baht	Collateral Baht	Allowance for expected credit loss Baht
Companies which having problems in debt settlement or have defaulted on debt settlement	1	35,000,000	-	35,000,000
Total	1	35,000,000	-	35,000,000
2019				
	Numbers	Total debts Baht	Collateral Baht	Allowance for doubtful accounts Baht
Companies which having problems in debt settlement or have defaulted on debt settlement	9	220,266,311	35,000,000	185,266,311
Total	9	220,266,311	35,000,000	185,266,311

44 Offsetting of financial assets and liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset. The column 'net amount' shows the impact on the Company's statement of financial position if all set-off rights were exercised.

	2020					
	Effects of offsetting on the financial position			Related amounts not offset		
	Gross amount	Gross amount set off in the financial position	Net amount presented in the financial position	Cash collateral	Non-cash collateral*	Net amount
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets						
Reverse repurchase agreements	4,350	-	4,350	-	(4,350)	-
Total financial assets	4,350	-	4,350	-	(4,350)	-

* Amount of financial instrument collateral is presented at less than or equal to offsetting amount of 'net amount presented in the financial position' and 'amount subject to master netting arrangements'.

45 Related-party transactions

a) Related parties

Related parties comprise of 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:

Related parties	Relationship
Srisawad Corporation PCL.	Parent Company
Srisawad Power 2014 Co., Ltd.	Related party (Common parent company)
Fast Money Co., Ltd.	Related party (Common parent company)
Srisawad Power Co., Ltd.	Common director
Srisawad-Samarn Kaewbootta Foundation	Common director
Sahasamakkee Service Co., Ltd.	Common director
PPGR Co., Ltd.	Common director
I.D. 2007 Co., Ltd.	Common director
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
I Tower Co., Ltd.	A close relative of a director is a director in this company and a common director
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
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 director and a shareholder in this company and a common director
Com-Link Co., Ltd.	A close relative of a director is a director and a shareholder in this company and a common director
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
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
XET Co., Ltd.	A close relative of director is a director in this company
Telserv Co., Ltd.	A close relative of director is a director in this company

b) Transactions with related parties

Transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht	Pricing policy
Other operating income			
Related companies (Common parent company)	4,190,425	-	Agreed rate
Total	4,190,425	-	
Interest expenses			
Parent company (Note 35)	60,600,000	233,936,165	Agreed rate
Related companies (Common director and/or shareholders)	41,657,310	49,232,168	Agreed rate
Directors and management at the position of department head and above including their related persons	4,612,633	4,842,365	Agreed rate
Total	106,869,943	288,010,698	
Loan management fee			
Related companies (Common parent company)	845,341,669	1,214,546,506	Agreed rate
Total	845,341,669	1,214,546,506	
Other expenses			
Related companies (Common director and/or shareholders)	31,191,474	31,186,675	Agreed rate
Total	31,191,474	31,186,675	

c) Outstanding balances

The outstanding balances as at 31 December 2020 and 2019 in relation to transactions with related parties are as follows:

	2020 Baht	2019 Baht
Other assets		
Related companies (Common parent company) (Note 23)	2,566,915,440	329,464,371
Related companies (Common director and/or shareholders) (Note 23)	2,493,516	2,513,516
Total	2,569,408,956	331,977,887
Deposits		
Related companies (Common director and/or shareholders)	2,668,776,530	2,450,153,712
Directors and management at the position of department head and above including their related persons	115,300,000	147,500,000
Total	2,784,076,530	2,597,653,712
Borrowings		
Parent company (Note 25)	-	2,000,000,000
Total	-	2,000,000,000
Lease liabilities		
Related companies (Common director)	331,628,378	-
Total	331,628,378	-
Accrued interest expenses		
Parent company (Note 29)	-	7,215,754
Related companies (Common director and/or shareholders)	8,581,259	15,202,848
Directors and management at the position of department head and above including their related persons	108,466	1,652,819
Total	8,689,725	24,071,421
Other liabilities		
Related companies (Common parent company) (Note 29)	4,051,801,623	2,635,496,327
Total	4,051,801,623	2,635,496,327

The movements of borrowings from related parties for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Beginning balance for the year	2,007,215,754	8,517,205,479
Add: Borrowings received during the year	-	500,000,000
Interest expense during the year	60,600,000	233,936,165
Less: Borrowings repaid during the year	(2,000,000,000)	(7,000,000,000)
Interest paid during the year	(67,815,754)	(243,925,890)
Ending balance for the year	-	2,007,215,754

d) Key management compensation

Key management includes directors and members of the executive committee. The compensation paid or payable to key management for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Salaries and other short-term employee benefits	33,231,131	28,323,136
Post-employment benefits	435,643	1,448,721
Total	33,666,774	29,771,857

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).

e) Service and lease commitments

	2019 Baht
Payment within:	
Not later than 1 year	29,016,000
Later than 1 year but not later than 5 years	12,090,000
Total	41,106,000

46 Service and lease commitments

As at 31 December 2019, the Company has obligation for rental payment and service fees under non-cancellable lease and service agreements as follows:

	2019 Baht
Payment within:	
Not later than 1 year	32,767,300
Later than 1 year but not later than 5 years	12,090,000
Total	44,857,300

47 Subsequent events

On 25 February 2021, the Board of Directors Meeting of the Company approved the resolution regarding the payment of dividend for the year of 2020 at the rate of Baht 1.40 per share which have total amount of Baht 771.75 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for fiscal year 2020.

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Srisawad Finance Public Company Limited

รายงานประจำปี 2563

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