

*Moving Forward
Through Sustainability*

BAM

2020
Annual Report



Bangkok Commercial Asset Management Public Company Limited



BAM

VISION

To be a center of opportunities in creating value as a One-stop Solution Asset Management Company with considerable growth to move forward the economy and society

MISSION

1. Introducing proven technology and innovation for future changes
2. Uplift products and services to best serve our customers and all sectors
3. Build an integrated network of partners and customer base
4. Passing on legacy and values to the newly trained generations
5. Uphold ESG integration into governing principle

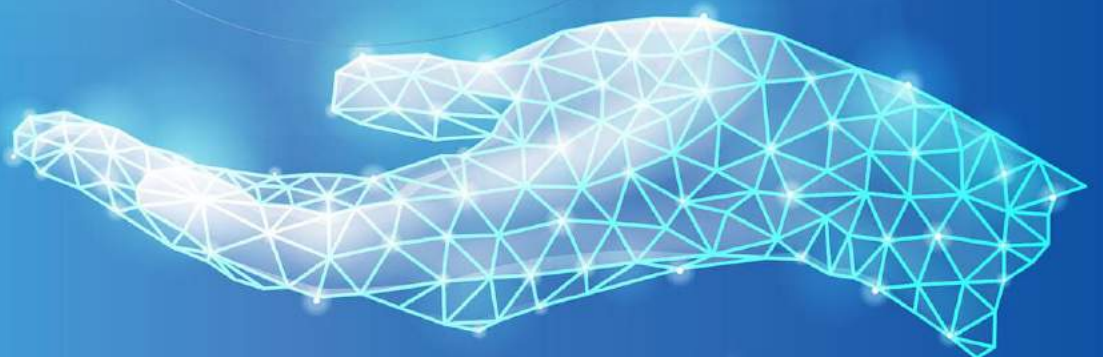
CONTENTS



	Vision and Mission Financial Highlight Message from Chairman Message from President Board of Directors Management Team Organization Chart	8 10 14 18 20 22
	Business Policy and Business Operation Overview Business Operation Particulars Risk Factors Assets Used in Business Operation Legal Disputes General Information Other Important Information	24 38 76 92 105 106
	Management and Corporate Governance Securities and Dividend Policy Management Structure Corporate Governance Internal Control and Risk Management Connected Transactions	110 112 148 174 182
	Financial Status and Performance Important Financial Information Management Discussion and Analysis Financial Statements	198 210 224
	BAM Sustainable Development	334
Summary of Specified Items per Form 56-2 in 2020 Annual Report		386

Good People

Bam



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Good Business



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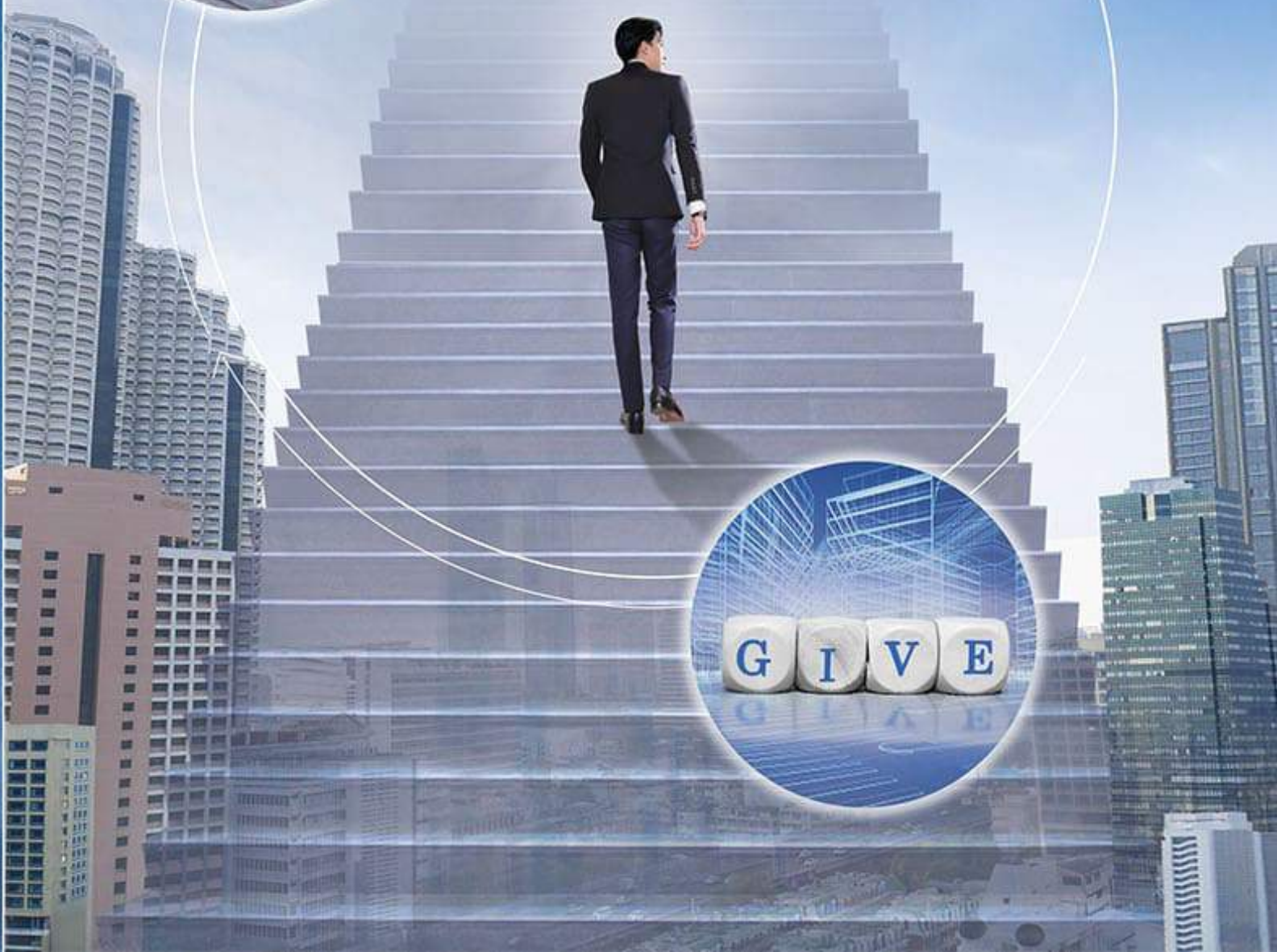


Good Society

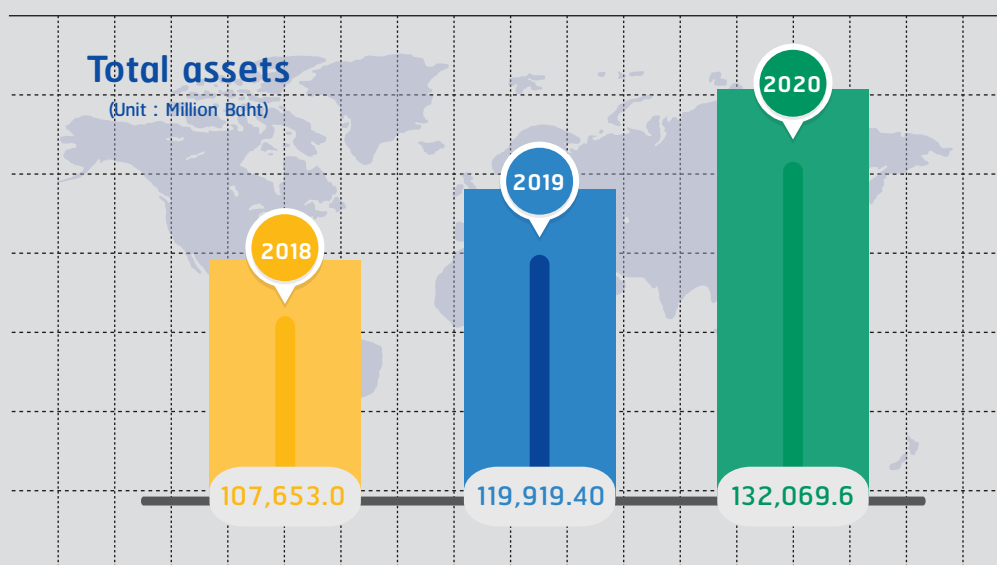
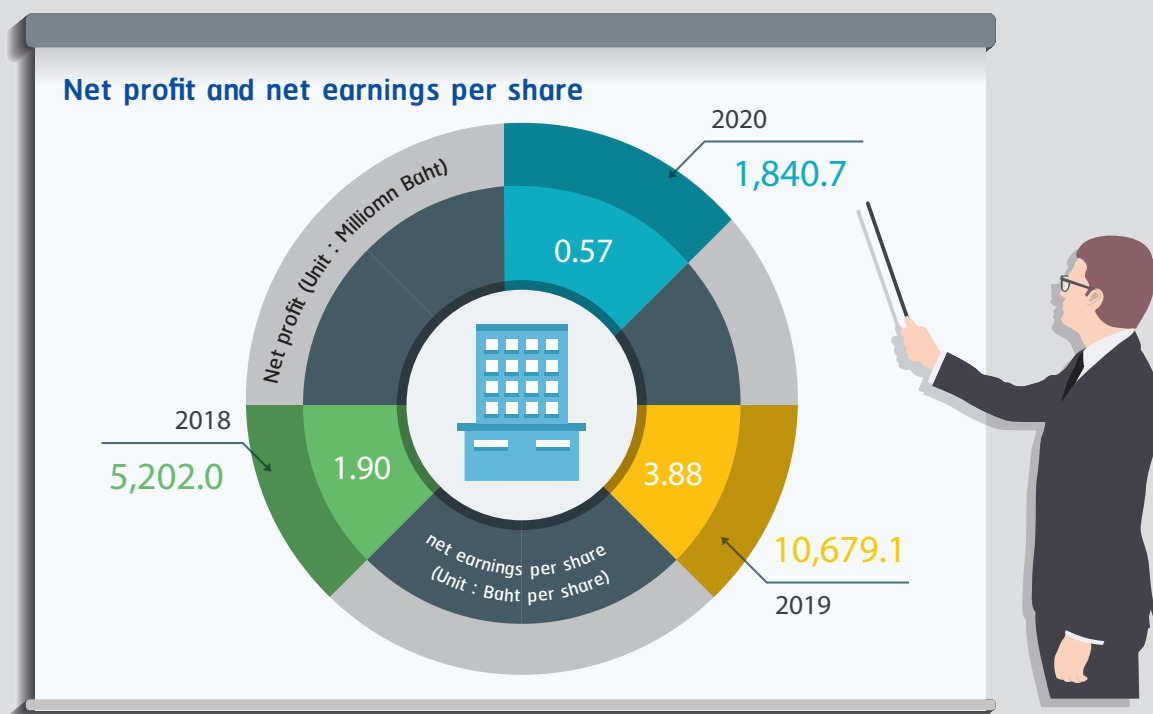


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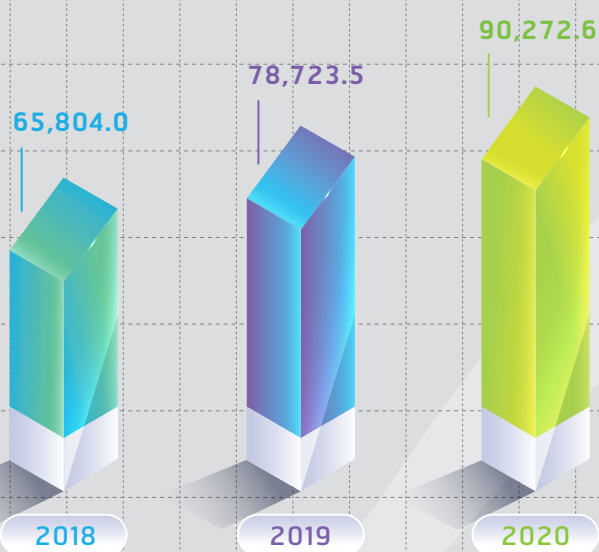
Financial Highlight



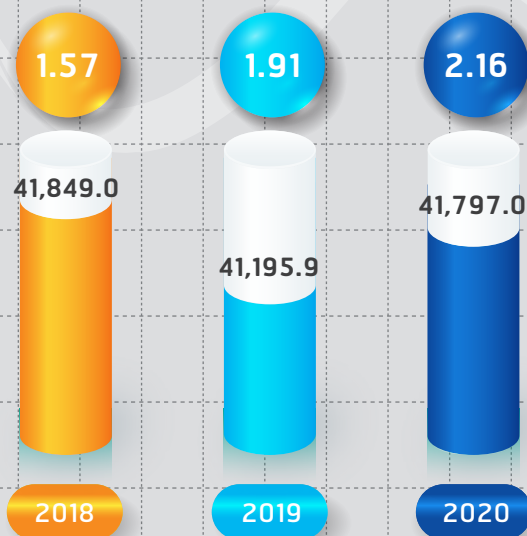
Note : Financial statements for the year ended December 31, 2019 has been adjustment

Total liabilities

(Unit : Million Baht)



Total shareholder's equity



Total liabilities-to-equity ratio
(Unit : times)

Total shareholder's equity
(Unit : Million Baht)





Message from the Chairman

“ Even though the previous year was truly a challenging year for BAM’s operations, we had put a great effort to adapt and adjust our business strategies to deal with the COVID-19 pandemic situation to the fullest extent. Nevertheless, BAM also had some difficulties on its turnover due to less ability to repay of debtors as well as the lower purchasing powers of customers. BAM has consequently implemented the project so-called “Make it Through the COVID-19 Crisis with BAM” to support and alleviate the customers’ constraints in order to emphasize our strong commitment as an organization to stay beside our economy and society and help support the debtors from going into bad debts.

”

The year of 2020 was literally marked as the 21st year of BAM’s operations in managing and solving the problems arising from non-performing assets in the country’s financial institution system. We continued our mission to operate the business with stability, strength and sustainability. It was such a year of success and pride after being listed in the Stock Exchange of Thailand on 16th December 2019 and began trading on the first day. This was clearly the significant step in fully turning into the publicly listed company where business opportunities and crowd funding could be established as well as spreading the reputation towards BAM to both local and international investors including other people. Furthermore, being granted the award of the Business Excellence in ‘Best Deal of the Year Awards’ in the event “SET Awards 2020” held by the Stock Exchange of Thailand and the Journal of Banking and Finance evidently reflected the pride and success with the listing of its shares into the Stock Exchange.

After all these years, BAM has been the country’s key mechanism for non-performing assets management (NPLs) so that the debtors could regain their secured assets i.e., residences, workplaces or business including managing the assets for sales (NPAs) to maintain its good condition and availability to be sold at a fair rate by promoting the project to facilitate low-income people, who are unable to access credit line from financial



institutions, to own their residence with BAM's installment purchase under lenient conditions. Moreover, we are committed to building a good relationship with customers, business partners, and financial institutions in order to create more remuneration to the shareholders in the long run. Even though the previous year was truly a challenging year for BAM's operations, we had put a great effort to adapt and adjust our business strategies to deal with the COVID-19 pandemic situation to the fullest extent. Nevertheless, BAM also had some difficulties on its turnover due to less ability to repay of debtors as well as the lower purchasing powers of customers. BAM has consequently implemented the project so-called "Make it Through the COVID-19 Crisis with BAM" to support and alleviate the customers' constraints in order to emphasize our strong commitment as an organization to stay beside our economy and society and help support the debtors

from going into bad debts. Therefore, when the economy soon recovers, BAM's turnover is believed to be aligned with the targeted goals once again. In the previous year, BAM has adopted the digital transformation into its business in order to improve the work procedure, database system and customer services to enhance the performance and elevate the organization into "Digital Enterprise" to be more well-prepared prior to the real digital age in the future.

In conjunction with the business operations, BAM was also strictly emphasized on good corporate governance and compliance, opposition towards all forms of fraud and corruption, security of customers' confidentiality and information per the international standards, fair treatments to all stakeholders, suitable and safe environment for its employees, developmen

of employees at all levels and good service standards to meet all customers' demands. BAM has been conducting its business with high accountability to create more values among the organizations and the society simultaneously. Over the past years, BAM has continuously implemented several projects and events to provide comprehensive assistance in all possible aspects as a crucial step to develop social and environmental sustainability. BAM, therefore, has received various awards for its good corporate governance and social responsibility in 2020 as follows:

- The Poll Awards at 4-star scale meaning "Excellent" for Corporate Governance Report of Thai Listed Companies (CGR) 2020 from Thai Institute of Directors (IOD).
- Nominated as the listed company with an outstanding performance in environmental, social and good governance aspects (ESG) among the ESG Emerging List from Thaipat Institute.
- Best Strategic CSR and Best Senior Management IR Support from the votes of the institutional investors and analysts throughout Asia, America and Europe regions for the year 2020 held by the Alpha Southeast Asia, leading Financial Magazine in Southeast Asia.

On behalf of the Board of Directors, I would like to thank all shareholders, customers, counterparties and business partners for your trust and support towards BAM after all this time, allowing BAM to continuously succeed in conducting the business. I also would like to thank all of the management teams and employees for your dedication towards working until the main mission of the organization has reached its goal and being recognized among the investors. Last but not least, BAM will continue to operate its business on good corporate governance driving the organization under the "5 Good" principles which are: Good for the country, Good for the Society, Good for Customers or Debtors, Good for the Shareholders and Good for the Employees - to create the highest value for the organization. May all stakeholders believe that BAM shall continue working to its full potential in order to maintain good standards to be the best asset management company in the country and carry on its role as an organization that "Revives assets and drives Thailand's economy with sustainability."



Mrs. Tongurai Limpiti
Chairman

Message from President

BAM continues its mission to assist sincere debtors to regain a good quality debt status in the economy, create opportunities for people with low income to be able to own a home and prepare to participate in solving problems of non-performing assets in the financial institution system. We believe that creating a balance in operations involving our stakeholders, shareholders, customers, business partners, allies, employees, society and environment will be the way that can lead the organization to sustainable growth.

The past year has been unfavorable for the global economic and business environment as it was severely affected by the COVID-19 epidemic impacting economies in all regions of the world. In the midst of a slow economic downturn, BAM had to try to achieve results in line with its goals under the impact of the situation, however, BAM still managed to strengthen and maintain good standards. The company continues to operate under the vision of "Being a center for creating opportunities and adding value from integrated asset management for sustainable growth and driving the economy and society." In the long run, BAM has set a goal for the Company's asset base to grow continuously and sustainably as a result of a long experience in operating the non-performing asset management business and a good relationship with its trading partners.





In 2020, BAM has a program to help debtors in restructuring their debt through a number of projects such as the Happy Home Recover Project, BAM Helps Recovering the Business, and BAM's Discount to the Free Debt Project. At the same time, the Company has also organized a program to help customers with limited budgets to be able to purchase assets more easily by paying installments with BAM at the interest rate of 0% for the first 2 years. There was also an installment promotion for the purchase of residential units for a price not exceeding 500,000 baht, without any down payment and an initial installment of only 700 - 2,800

baht per month, etc. In addition, BAM is ready to issue measures to help debtors who have been affected by the coronavirus outbreak situation by suspending principal and interest payments for a period of time to help and heal clients through this crisis. Not only that, but BAM has also prepared and adapted its business strategy and developed a service system that is in line with the changing behavior of consumers by focusing on developing information technology to support the business in the future with full efficiency. There is a change in the format of promotion activities and in organizing various campaigns through Offline and Online channels, both

on the website and social media, including presenting and promoting properties for sale through other online platforms such as Shopee, DDproperty or Baania to facilitate our customers, including organizing a Virtual Booth or Online Event on the website due to the limitation in organizing promotional activities because of the situation that requires social distancing.

BAM realizes the importance of conducting business in an honest and transparent manner, along with its corporate social responsibility over the years. In 2020, the Private Sector Collective Action Coalition Against Corruption Committee (CAC) has certified the Company's membership in their project from 30 September 2020 to 30 September 2023. BAM adheres to the sustainable development policy and the principle of giving back to society, operate a business by taking into account ESG in all dimensions through regular transactions of organizations that support, care of and solve Thai economic and social issues and also carry out various activities such as donations, medical assistance, educational assistance and environmental care.

BAM continues its mission to assist sincere debtors to regain a good quality debt status in the economy, create opportunities for people with low income to be able to own a home and prepare to participate in solving problems of non-performing assets in the financial institution system. We believe that creating a balance in operations involving our stakeholders, shareholders, customers, business partners, allies, employees, society and environment will be the way that can lead the organization to sustainable growth. I would like to thank all stakeholders and patrons who are our main force and support in driving BAM to thrive and be recognized by investors and the public. 2020 has been a year of changes and learning that everyone has to adapt to keep up with the situation and it is proven that BAM was able to well-handled the situation. I and my management team pledge to continue to work towards achieving high standards with the aim of BAM to grow firmly and strongly and I sincerely hope that all of you will continue to support and be ready to move forward sustainably together with BAM.



Mr. Somporn Moonsrikaew
President

Board of Directors



1 Mrs. Tongurai Limpiti
Chairman

2 Mr. Bunyong Visatemongkolchai
Director

3 Mr. Vasant Thienhom
Director

4 Mr. Bundit Anantamongkol
Director

5 Mr. Songpol Chevapanyaroj
Director





6 Mr. Yos Kimsawatde
Director

7 Mrs. Maneerat Srisaovajati
Director

8 Mr. Satorn Topothai
Director

9 Ms. Wilai Tantinantana*
Director

10 Mr. Somporn Moonsrikaew
Director and President

Note : Please see details of the directors in the Annual Report 2020, page 130-141



Management Team



1 Mr. Somporn Moonsrikaew *
President

2 Mr. Suntis Wattanakul *
Senior Executive Vice President

3 Mr. Choopong Phokhasawadi *
Senior Executive Vice President

4 Mr. Somchai Tanurukpairoj *
Senior Executive Vice President

5 Mr. Phongsathon Maneepim *
Senior Executive Vice President

6 Mr. Weeravej Sirichatchai *
Senior Executive Vice President

7 Mr. Vibulporn Bhandhukravi
Executive Vice President

8 Mr. Poolsak Chansuttikanok
Executive Vice President





9 Mrs. Wasana Chuenklinthoop
Executive Vice President

10 Mrs. Supanee Kitwithee
Executive Vice President

11 Mrs. Wipasiri Sangvacharakul
Executive Vice President

12 Mr. Chanwit Kaveesoonthornsano^{*}
Executive Vice President

13 Mrs. Srisudaporn Khamkitsongsin
Executive Vice President

14 Dr. Wuthipan Tawantiang
Executive Vice President

15 Miss Suchila Srinakkham
Executive Vice President

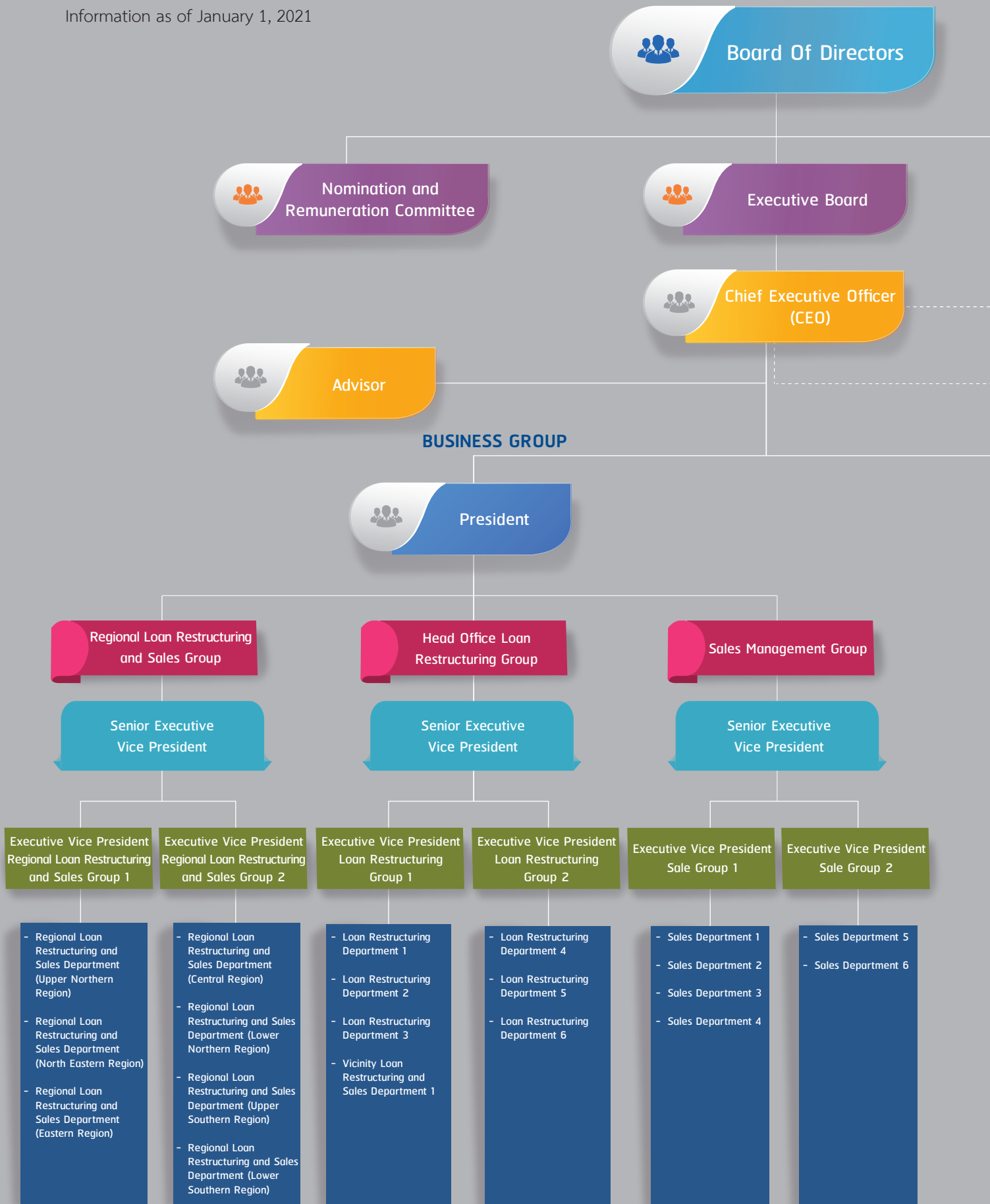
16 Mr. Thongchai Chailohakul
Executive Vice President

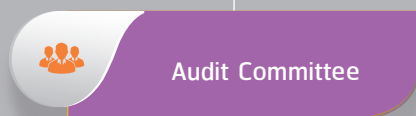
Note: - ^{*} Management according to the definition of the SEC (KorJor. 17/2551) and two additional management according to the definition of the SEC Mrs. Wannee Punkawong and Miss Jatuporn Suwattanangkul
- Please see details of the management and person in charge in the Annual Report 2020, page 142-147



Organization Chart

Information as of January 1, 2021





Audit Committee



Risk Oversight Committee

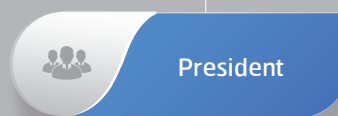


The Corporate Governance & Social Responsibilities Committee



Internal Audit Department

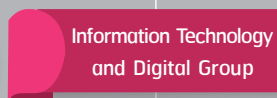
SUPPORTING GROUP



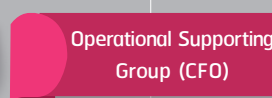
President



Business Supporting Group



Information Technology and Digital Group



Operational Supporting Group (CFO)



Corporate Supporting Group



Corporate Governance and Risk Management Group

Senior Executive Vice President

Senior Executive Vice President or Executive Vice President

Senior Executive Vice President

Senior Executive Vice President

Executive Vice President Business Supporting Group 1

Executive Vice President Business Supporting Group 2

Executive Vice President Operational Supporting Group

Executive Vice President Financial Management and Investment Group

Executive Vice President Corporate Supporting Group

Executive Vice President Corporate Governance and Risk Management Group

- Legal Department
- Litigation Department 1
- Litigation Department 2

- Property Appraisal Department
- Securities and Collateral Operations Department

- Information Technology Strategy Department
- Application Development Department

- General Administration Department
- Human Resources Department

- Investment Management Department
- Accounting Department
- Finance Management and Finance Department
- Loan Accounting And Property Department

- Office of Company Secretary
- Corporate Strategy and Planning Department
- Corporate Communication and Investor Relations Department
- Marketing Department

- Corporate Governance and Compliance Department
- Risk Management Department



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Policy and Business Operation Overview

Vision, objective, goal or strategy of operation of the Company

Vision

To be a center of opportunities in creating value as a One-stop Solution Asset Management Company with considerable growth to move forward the economy and society

Mission Statements

- Introducing proven technology and innovation for future changes
- Uplift products and services to best serve our customers and all sectors
- Build an integrated network of partners and customer base
- Passing on legacy and values to the newly trained generations
- Uphold ESG integration into governing principle

Operational goals and strategies of the Company

(A) Operational goals of the Company

The Company orients to be the largest asset management company in Thailand with excellent work management and promotion of good relationship with the customers and the financial institutions selling non-performing loans and non-performing assets to create long-term returns for the shareholders.

(1) Expanding the asset base of the Company

The Company builds up a network to follow up the asset sale offers of the financial institutions in Thailand having pending non-performing loans and non-performing assets regularly to expand the company's asset base. In the long run, the company aims to make the Company's asset base to sustainable grow; nevertheless, such growth depends on market condition, volume and suitability of the property's price in marketplaces.

Normally, the Company believes that the financial institutions still distribute non-performing loans and non-performing assets continuously in the future as a result of factors including the principles of the Bank of Thailand (BOT) regarding possession of the non-performing loans and

non-performing assets of the financial institutions. Furthermore, in the economic recession, the opportunity to purchase/find the non-performing loans and non-performing assets of the Company will increase.

The Company believes that it can expand the asset base continuously as a result of long experiences in operating the business of managing non-performing loans and good relationship with the trade partners.

(2) Reduce operating time and increase cash collection of the company

The Company emphasizes reducing the operating time from the date the company obtains non-performing loans until the day the company receives return as cash from such non-performing loans. It is performed through the approach management method for the non-performing loans such as negotiating with debtors and enhancing effectiveness of the internal operations to reduce time of the transfer of non-performing loan collateral to be the non-performing assets. The Company sets up a team having knowledge and expertise in the legal processes related to the enforcement of collaterals in Thailand to enhance effectiveness and quicken the internal process pertaining to the enforcement of the non-performing loans. Such method includes following up the status of non-performing loans and preparing relevant documents for proceedings in the courts.

Furthermore, the company organizes the project "Be happy with a home return" with aims to give opportunity to the debtors that have not been ordered for receivership to be able to redeem the collaterals of their houses. The principal amount shall not exceed 10.0 million baht by selecting one-time payment within 90 days or instalments within 20 years at rate of 80.0% of the appraised price according to the company's principles. Such project's principles and conditions shall be applied to have a chance to increase customers being the non-performing loans, entering into a debt restructuring or composition agreement for home loan and/or personal loan with collaterals as a

house. This is to maintain constancy of charges of the company. Furthermore, the Company organizes other projects to help the debtors continuously such as “BAM to Reduce Debt” with objectives to give an opportunity to the debtors who have not been ordered for receivership and do not have other assets to settle debts without collateral provided that the principal amount shall not exceed 3.0 million Baht. The payment can be either one-time payment within 90 days at rate of 10.0% of the outstanding principal or instalments within 3 years at rate of 15.0% of the outstanding principal without interest. The company also organizes a project “BAM to Restore Business” with objectives to give an opportunity to debtors of the company including natural persons and juristic persons that have not been ordered for receivership and do not have other properties to settle debts with principle amount not exceeding 20.0 million Baht. The payment can be one-time payment within 90 days or instalments within 10 years at rate of 80.0% of the appraised price according to the principle of the Company. However, such project is under conditions specified by the Company.

Additionally, the Company focuses on operating works to receive return in cash from the non-performing assets from the date the company obtains such property. The company manages the non-performing assets by doing marketing by property type to meet the needs of the target customer groups. The company has an experienced team to take care of each type of property clearly. Moreover, the Company motivates the employees to accelerate distribution of the non-performing assets by using a key performance indicator (KPI) in assessing the performance of the employee and arranging sales promotion activities nationwide continuously all year long to advertise and publicize the non-performing assets of the company. It includes setting up the physical booths in various real estate fairs and providing the virtual booths on website of BAM to market the non-performing assets of the company. Plus, the target customer groups to purchase the non-performing assets are determined. Moreover, in a necessary case that is worth investment, the company will improve the condition

of the non-performing assets to add values and to help the company to sell the properties faster. The Company believes that such action help decreasing expenses for possessing the non-performing assets.

In the future, the Company will still do marketing activities for non-performing assets of the Company regularly to advertise and publicize the non-performing assets and reduce time for distributing the non-performing assets including providing a special team to manage the non-performing assets with high value or that are difficult to sell.

In addition, the Company has a project of property purchase by instalments for the retail customers who do not access a loan source of the financial institutions in case that property’s approved sale price does not exceed 3.0 million Baht. It may be payment by instalments in some other special cases such as high-valued non-performing assets or the existing debtors who desire to repurchase the non-performing assets.

(3) Train employees and develop the organization’s potentials and determine a succession plan

The Company allows the employees to develop their ability through a training project inside and outside the company. For example, the Company has a project to develop competency of the employees provided that they do a self-assessment and identify new skills that they want to develop. The Company will provide a training course for employees to meet the needs of each person. However, such training courses shall be approved by the human resources department.

The Company has scholarships for master degree education in and out of the country for employees who are eligible and qualified. Furthermore, there are scholarships for master degree education in and out of the country for general people after graduation. The persons who receive the domestic and international scholarships under such project shall return to be an employee working for the

company for double time of the scholarship term. Such project helps the company to set a right proportion of employees graduating in master degree or above, and that the Company can retain competent employees with the company, as they can apply know-how for more effective work operations.

(B) Company's competitive advantages

(1) The Company is the largest asset management company in Thailand with long experience

The company is the largest asset management company in Thailand, considered from total assets, according to data of the Bank of Thailand (BOT). It was found that the total assets in the system of the asset management companies are valued for 236,818 million Baht. Meanwhile, the Company has total assets of 115,790 million Baht accounted for 49% (as of 31 December 2019). the company believes that with total asset value and experience in operating the business of managing non-performing loans and non-performing assets, the company is ready to solve problems of the non-performing loans in Thailand by focusing on managing assets to bring highest satisfaction to every party as much as possible. The Company believes that the fact that the company has several and various non-performing loans and non-performing assets will enable the Company to have revenue and cash flow from different channels.

(2) The Company has a network of asset provision and management all over Thailand

The Company has a headquarter in Bangkok with branch offices in Thailand, totalling 26 offices (as of 31 December 2019). The company is the asset management company having most branches in the country.

The company believes that having branch offices all over the country will help the company (a) to follow up and manage non-performing loans and non-performing assets effectively and (b) to appraise price of the properties in the process of providing the non-performing loans and non-performing assets more precisely.

Such network also enables the Company to reach customers and provide services better. The fact that the Company has branch offices in each region makes the employees of the company to understand market condition in each local area, which is beneficial to the company to anticipate timing and estimate the sale price of the non-performing loans and non-performing assets. Moreover, the company is able to adapt itself by the market condition properly provided that the Company can change locations of its branch offices and adjust the geographic strategies as well as to transfer the skilled and proficient employees to work and use resources by each area, consistent with the volume of transactions.

The Company gains benefits from the flexible business structure. the company believes that it can create business opportunity in every economic condition especially for the rebounding economy. The Company anticipates that the debtors will be more solvent and that the Company has cash flow received from the non-performing loans better. With this, the Company has capital to purchase the non-performing loans and non-performing assets in a timely manner at the right price. Furthermore, the Company generally sells the non-performing assets in such period better with higher price.

On the contrary, in the time of economic recession, most financial institutions have more non-performing loans, and that the supply of non-performing loans increases. This makes the Company have more opportunity to purchase the non-performing loans and non-performing assets through the bidding process for the debtors' properties of the company at price that the Company may receive more returns.

(3) The company has overall operation in providing, managing and creating cash flow from non-performing loans and non-performing assets

The company has more than 20 years of experience in operating the business of managing non-performing loans and non-performing assets in Thailand with strengths of

providing non-performing loans and non-performing assets at reasonable price. It also can manage and create the cash flow from the non-performing loans and non-performing assets effectively.

3.1 Provide non-performing loans and non-performing assets at reasonable price

The Company believes that the network all over the country and the team experienced in real estate, and having knowledge and understanding about collaterals of the non-performing loans and non-performing assets will enable the company to be advantageous over other competitor in providing, appraising and pricing for bidding to purchase such properties. Additionally, the fact that the company has the headquarter and branch offices for 26 locations with more than 380 employees performing duties about providing the non-performing loans nationwide will make the company to send its team to survey the collaterals of the non-performing loans and non-performing assets that the Company will purchase. This will help the company to be able to appraise the price more accurately.

3.2 Experience in managing and creating cash flow from non-performing loans and non-performing assets effectively

The Company believes that it has ability to manage the non-performing loans and non-performing assets to maintain or create cash flow from such properties by applying its knowledge and competency in analysing market needs. With experience in the business of managing the non-performing loans and non-performing assets for more than 20 years and the network to provide and manage the assets nationwide, the Company believes that it has advantages over the competitors that are the non-performing loan management companies or the banks with business units for managing the non-performing loans and non-performing assets without main objectives to manage the non-performing loans and non-performing assets.

Technically, to manage non-performing loans, the Company highlights negotiation for debt restructuring with

the debtors to reach a satisfactory agreement for every party as much as possible. With experience and asset database, the Company can proceed with the debt restructuring for non-performing loans effectively provided that the company will consider selecting a suitable way to restructure debts with each debtor. Mostly, it depends on solvency of the debtors. Meanwhile, the Company can manage relevant risks simultaneously, and the company has a team having knowledge and expertise in related legal processes for enforcement of collaterals in Thailand to enhance effectiveness and rapidity of the internal process regarding the enforcement of the non-performing loans' collateral. Furthermore, the Company believes that it has competency to improve and add values for the non-performing assets provided that the Company has the team specializing in non-performing assets including experts who have good knowledge and understanding about the needs of each type of real estate market.

The fact that the company has network all over the country enables the company to send the team to inspect the non-performing assets of the company regularly to ensure that such properties are properly maintained in a good and available condition for distribution. Furthermore, expertise of 224 staff managing the non-performing assets in the region from having branch network all over the country is utilized to negotiate with the customers for best result.

The Company believes that the non-performing asset management by marketing based on property type and price level instead of marketing by location of the properties can define the target group better and the non-performing assets can be sold faster in a reasonable price.

The Company has a team of non-performing asset management, specializing in each type of property such as the team of horizontal residential buildings, condominiums, lands and property for investment. The marketing by property types also helps the company to develop strategies of marketing and selling non-performing assets in each type, and develop the sale process to be effective. Therefore, the company can distribute it faster with better profitability.

Additionally, the fact that the company has branch networks all over the country contributes to the company to have expertise about real estate marketplaces in different areas, and that the company's non-performing asset sale is effective. The Company cooperates with several financial institutions to consider loans for the buyers of the company's non-performing assets, which helps the company to have increased cash charging and sales of the non-performing assets.

(4) The Company has strong ability to manage risks

The Company's strong ability in managing risks is the main composition of the company's businesses. The Company focuses on being cautious, prepared, or dealing with potential uncertain events and that the company can achieve the goals and objectives at organisational and activity levels. Furthermore, implant risk management is a part of the company's work operations.

The Company reviews, improves and develops the risk management system continuously to be consistent with the company's risk management policy specified by the board of directors. Moreover, the risk management system plays an important role in determining and verifying the risk management policy to be suitable with the businesses and cover major risks of the Company as well as to define the risk management strategies and follow up organizational risks.

The Company realizes that risk management is essential for the business operation, and thus prescribes the principles of risk management to be suitable with the business and effective. The Company needs to study, assess, follow up, and manage risks systematically for the company's executives to understand risks related to the company's businesses and to be able to manage risks under the framework specified by the Company.

(5) The Company has various and sustainable funding sources for expanding the businesses

The Company has loan credits from 11 financial institutions, and the Company believes that having loan credit from various financial institutions will enable the company to negotiate financial conditions, and have negotiating power with these financial institutions. Previously, the company has not been in default of debt settlement, and never been informed about breach of a loan agreement from the financial institutions. The Company thus believes that the Company is reliable and has good relationship with the financial institutions.

Moreover, the Company has a funding source for different operations including issuing a short-term and long-term bill of exchange, requesting for short-term and long-term loan credit from the financial institutions, issuing debentures and operating cash flow.

(6) Directors and the top executives have experience and performance widely accepted.

Director and top executives of the company have experience in the financial business industry for about 25 years on average. These people used to work for large organizations in the country such as BOT, commercial banks and other financial institutions etc. with such experience, the directors and top executives understand and have experience about loan release starting from the loan consideration for approval process, loan management process, and non-performing loan and non-performing asset distribution process.

Furthermore, the company's top executives are well known in the financial business industry in Thailand and a number of executives are experienced in real estate markets also. These factors help the company's executives to construct relationship with leaders in the financial and property businesses and have knowledge and experience

necessary for negotiating and building up network with related organizations.

Meanwhile, the Company has a policy to develop and prepare new-generation executives continuously so that they can work in a position of top executive in the future to support sustainable growth of the company's businesses.

(C) Providing IT Master Plan to support growth of the company's businesses

The Company hires an outsourced consulting company to operate the IT Master Plan (BAM Digital Enterprise) Project for 3 years (2020-2022) with objectives to study, analyse present business processes, design the new business process to reduce mistakes from the operation process, and enhance efficiency and agility in responding needs of the customers rapidly. It includes setting framework for the information technology of the main system of BAM, and designing connection with related work systems according to the master plan

Nevertheless, the Company provides the IT Master Plan for supporting operations and enhancing business growth, which include

1. Adjusting work process and code of practices for NPL, NPA Law and financial account
2. Creating database for business purposes
3. Security and safety of the work system and information

By operating the project to achieve the goals according to such guideline of practices by organizing these projects

1. Structuring the central sector of the Company for supervising the projects
2. Integrating the work system and supporting main transactions
3. Integrating the financial and accounting system
4. Providing the central database management system for data of debtors and customers

5. Providing the central database management system for data of assets and collaterals

6. Supplying tools of big data for enhancing effectiveness of the analysis

7. Managing data in the company in accordance with Personal Data Protection Act

8. Checking potentials and safety to support Cyber Security Act, and Personal Data Protection Act of the government

9. Improving and uplifting safety of the Company to support regulations to meet the universal standards

This will render the Company to gain highest benefits including

1. Agility in expanding the business and customer base
2. Enhancing effectiveness and rapidity in work operation
3. Having correct and easily accessible data for driving the business
4. Skill development for employees to suit the digital age
5. Modern image of the company with security, safety and sustainability in the long run.

Background, change and significant development Background

Bangkok Commercial Asset Management Co., Ltd ("Company" or "BAM") was established according to the financial institutions development plan of the Ministry of Finance according to the resolution of the cabinet on 14 August 1998, to manage non-performing loans of Bangkok Bank of Commerce Public Company Limited (BBC).

BAM was registered as a limited company according to the Civil and Commercial Code on 07 January 1999, with initial registered capital of 54,700 million Baht (547 million shares with par value of 100 Baht), with Bangkok Commerce Public Company Limited (formerly BBC) holding shares for 99.99%. Later, on 28 January 1999, BAM was permitted by the Bank of Thailand to operate the business

as an asset management company according to the Royal Decree on Asset Management B.E. 2541 (1998).

On 08 November 1999, BAM was registered to reduce shares' par value from 100 Baht to 25 Baht/ share to optimize the financial structure, with remaining registered capital of 13,675 million Baht (547 million shares, with par value of 25 baht), according to the unanimous resolution of the 1st annual shareholder's meeting on 07 July 1999. The amount from capital decrease was gradually refunded to the shareholders completely from 31 August 2006.

Apart from missions in managing non-performing loans of BBC, on 29 March 2002, BAM registered increasing scope of non-performing loan management of other financial institutions, and was an agent to collect and repay obligations in accordance with the Royal Decree on Thai Asset Management Company B.E.2544 (2001), as well as taking care of, managing and storing properties, asset transfer documents or other related documents.

Later, on 04 February 2003, the receiver had an order No. 1338/2546 that Bangkok Commerce Public Company Limited (formerly BBCP) shall transfer 546,999,993 BAM shares, with par value of 25 Baht, in total amount of 13,674,999,825 Baht to the Financial Institutions Development Fund (FIDF). As a result, BAM was transformed to be a state enterprise with FIDF directly holding shares for 99.99%. On 20 December 2005, the cabinet had a resolution for Financial Institution Asset Management Corporation (FIAMC) to transfer major assets including investment in the debtors for non-performing assets and investment in the securities to BAM. Additionally, BAM was transferred officers of FIAMC

as they were voluntary. This amalgamation strengthened the organization due to incorporation of potentials of employees and work systems of both organizations.

On 25 December 2015, the company registered transformation as a public company limited under the name of Bangkok Commercial Asset Management Public Company Limited, with the registered office located at No. 99, Surasak Road, Silom Sub-district, Bangrak District, Bangkok. It operates the business of purchasing or accepting transfer of non-performing loans (NPLs), and non-performing assets (NPAs) for management, distribution or transfer, with the Financial Institutions Development Fund (FIDF) holding shares for 99.99%

However, the extraordinary meeting No. 1/2019, on 02 August 2019 had a resolution to approve allocation of the capital-increased ordinary shares which have been registered for approval of the registered capital increase in 2015, for not exceeding 510.0 million shares, with par value of 5.0 Baht. The Company allocated such shares to (A) initial public offering for 280.0 million shares, and (B) support over-allotment for 230.0 million shares.

Meanwhile, the company arranges the initial public offering (IPO) and registers changing paid capital of the Company with the Department of Business Development. Therefore, the total paid capital is 15,075 million Baht. The FIDF decreases the proportion of shareholding from 99.99% to 41.9%. Therefore, the company is fully a private company. Nevertheless, the company's shares were traded under the security abbreviation as "BAM" for the first time on 16 December 2019.

Significant changes and development

Significant events of the company can be summarized as follows

Month/year	Important event
January 2020	<ul style="list-style-type: none"> The company applied the 9th and 15th financial reporting standard and financial reporting standard interpretation with the financial statement having accounting term starting on or after 01 January 2020 After the Company provided initial public offering (IPO) for ordinary shares and BAM share, it started trading in the Stock Exchange of Thailand on 16 December 2019 with the number of shares as follows <ol style="list-style-type: none"> Increased-capital ordinary shares offered by the Company for not over 280,000,000 shares Existing ordinary shares offered by the company's shareholders such as the Financial Institutions Development Fund (FIDF) for not over 1,255,000,000 shares Shares that over-allotment agents may exercise rights to subscribe increase-capital ordinary shares from the company in case of over-allotment for not over 230,000,000 shares. <p>Trinity Securities Co., Ltd ("Trinity") as the over-allotment agent borrowed shares from the FIDF for 230,000,000 shares to deliver to the subscribers and the money obtained from the over-allotment offering was used in the process of share price stabilization. Trinity would reclaim such shares to the FIDF within 30 days (due date on 14 January 2020).</p> <p>On 14 January 2020, Trinity informed the company to exercise right to subscribe the capital-increased ordinary shares from the company for 217,042,300 shares with par value of 17.50 Baht for the shares would be return to the FIDF. Therefore, the company registered changing paid capital with the Department of Business Development. The paid capital was 16,160,211,500 Baht, and 3,232,042,300 shares were issued and offered after the FIDF received the shares from Trinity. The FIDF held 1,480,000,000 BAM Shares accounted for 45.8% of all issued and distributed shares.</p> <ul style="list-style-type: none"> On 27 January 2020, the Company opened a Don Mueang office officially for customers in Bangkok to be more convenient. On 28 January 2020, the company officially opened a Phuket Office. This Phuket Office takes care of real estates and customers in the whole province and nearby provinces including Krabi and Phang Nga

Month/year	Important event
February 2020	<ul style="list-style-type: none"> On 17 February 2020, TRIS Ratings Co., Ltd ranked the organization for the first time on Standalone basis (Credit rank of the company) at “A-” with tendency of “stable” credit rank. On 19 February 2020, Fitch Ratings (Thailand) Co., Ltd decreased the credit rank in the country from AA-(tha) to BBB+(tha), and defined the tendency of credit rank as Rating Watch Negative. March 2020 Due to the outbreak of COVID-19 which was intense and widespread, the board meeting No. 5 on 26 March 2020 had following resolutions. <ol style="list-style-type: none"> Approved adjusting the plan for annual general meeting 2020 by not yet determining date and time of the meeting until the situation was resolved and suitable. The board of directors would consider setting the meeting date as soon as possible and would inform the shareholders later. Nevertheless, not setting the meeting schedule did not affect operations of the company significantly nor affect rights in receiving dividend of the shareholders. Approved interim dividend payment from overall operation of year 2019 according to the financial statement ending as of 31 December 2019, audited by the company’s auditor at rate of 1.05 Baht/share. Total dividend paid was 3,393,644,415 Baht, to shareholders having right to receive dividend as of the record date on 09 April 2020. The dividend payment was made on 24 April 2020 completely.
April 2020	On 24 April 2020, the company paid interim dividend from overall operation from 01 January to 31 December 2019 at rate of 1.05 Baht/ share in cash.
May 2020	BAM shares were calculated in the index of MSCI Global Standard, provided by Morgan Stanley Capital Investment on 29 May 2020
June 2020	<ul style="list-style-type: none"> BAM shares were calculated in the FTSE SET Mid Cap, provided by the Stock Exchange of Thailand together with FTSE Group on 19 June 2020. BAM x Shopee Partnership - The Digital Shopping for The New Normal BAM marketed E-Commerce to respond needs of consumers about accommodations through online platform from 01 June 2020. The Company organized an annual shareholder’s meeting 2020 on 19 June 2020 at the meeting room, 17th floor of the head office building. The company held the meeting by recognizing health and safety of every attendant under the situation of COVID-19 outbreak strictly.

Month/year

Important event

- The Legal Execution Department suspended the auction as per the measure to prevent COVID-19 Crisis from 30 March - 31 May 2020 and the operation was performed normally from 01 June 2020. However, on 05-06 June 2020 at 09.00 hrs., the Legal Execution Department cooperated with BAM to organize an auction fair at the Legal Execution Department for auctioning properties in Bangkok area of the Bangkok Office of Civil Execution 1, 2 and 4-6 including empty lands, land and premises, and condominium units. In this fair, 158 cases could be auctioned including 164 items with total amount of 525,419,000 Baht from the appraised price at 372,138,437.50 Baht. The sale price was 141.19% of the appraised price. In this fair, 200 people were interested in joining the auctions.

September 2020

BAM arranged a big discounted property expo under the promotion “9 of the 9th month, super discount than any campaigns”. The price was discounted on top up to 5 million baht for more than 100 items, with free transfer cost.

October 2020

During 01-30 October 2020, BAM organized “BAM SUPER GRAND SALES” to help people and investors during the economic recession to be able to own real estate easier.

November 2020

On 02-04 November 2020, BAM offered non-subordinated unsecured debentures with holder’s name identification, with representatives of debenture holders for 2 years and 6 months. It was offered to the institute institutional investors and/or cooperative that were large investors only with interest rate at 2.83% per year. Furthermore, there was a 5 - year debenture with interest rate of 3.41% per year and a 10 - year debenture with interest rate of 3.92% per year, offered to the institutional investors and/ or large investors.

December 2020

- On 14 December 2020, BAM arranged an activity in the project “Happy garden home and family earning” which could help people to do activities that generated income for the family in the new normal age. It was to educate participants to apply knowledge with doing some easy careers such as knowledge about cultivating kale which is popular all over the world because of high nutrients and growing cactus. Interested people could join growing other types of vegetables, in different plots such as vertical cultivation based on the area. All of this could make people to earn income for their family. BAM also educated the participants about product distribution on online platforms to promote adaptation for business operation in the new normal era.

Month/year	Important event
	<ul style="list-style-type: none"> On 15 December 2020, BAM was granted an honorary plate in the “Business Excellence” group for Best Deal of the Year Awards in “SET Awards 2020” organized by the stock Exchange of Thailand together with the financial and banking journals, at the Stock Exchange of Thailand’s building, for the decision result from considering information of outstanding deals creating significant changes or innovations to the capital market.

The company’s shareholding structure

The company has no subsidiaries nor joint ventures. However, the company has investment in the equity in the companies listed in the stock exchange and other companies as a result of forced guarantee or debt restructuring between the debtors and the company or existing financial institutions.

Relationship with the business group of the major shareholders

The FIDF was established on 27 November 2015 according to the royal decree on amendment of the Bank of Thailand Act B.E. 2485 (1942) with objectives to provide financial aid, restore and develop Thai financial institutions to be stable and equilibrium under supervision of the BOT and the government.

From the financial crisis of Thailand in 1997, the FIDF held shares in 2 asset management companies including the company and Sukhumvit Asset Management Co., Ltd (“SAM”). In 2019, the FIDF held shares in SAM for 99.9% of all issued and distributed shares.

To prevent conflict of interest that may happen from the same major shareholder and to ensure that the company is free for operating the businesses, the FIDF

approves the code of practice to prevent conflict of interests in any matter according to the letter No.For.Kor.Thor. 252/2558, dated 08 June 2015, with following details

1. Determination of transaction condition between the company and the FIDF, other major shareholders or enterprises or state enterprises that the FIDF or other major shareholders of the company are the shareholders.

To enter into a transaction between the company and the FIDF, other major shareholders or enterprises or state enterprises in which the FIDF or other major shareholders of the Company are a shareholder, it shall be subject to the Competitive, Commercial and Arm’s Length. Additionally, such transactions shall be necessary and reasonable for best interest of the company’s businesses. The directors or executives having direct or indirectly interest with the company’s transaction, shall not engage in considering approval of such transaction to prevent interest transfer.

The Company understands that the FIDF has a clear policy in doing transactions and implementing the company’s policy fairly, as well as complying with the principles of transaction making and the company’s policy in such regard.



2. Independent trading competition promotion

The company shall be independently commercially competitive for best interest of the company's business. For example, the Company shall be independent in defining interest rate, fee, service charges, sale price or property transfer acceptance, marketing policy and non-performing loan bidding etc.

3. Determination of policy for purchasing and distributing properties for the company's business operation.

The company shall have clear and independent policy for considering purchase, transfer accept or distribution of non-performing loans as well as operation of other businesses for the company's normal trade management. Additionally, the Company shall have clear standard about return pricing to have a fair price by recognizing suitability of the investment's return.

4. Determination of the company's transparent management structure causing no conflict of interest.

The Company shall have the transparent management structure with check and balance system to prevent conflict of interest according to the related laws and regulations of SEC Office and Stock Exchange.

5. Determination of mechanism in maintaining rights of shareholders for fairness

The company shall determine a mechanism to maintain rights of the shareholders of the company to gain fairness in the good corporate governance and corporate social responsibility manual. Furthermore, the company's management shall be for best interest of the company's businesses and shareholder in overall.

Generally, the company's policy amendment can be performed under approval from the board of directors. However, to maintain rights of the Company's shareholders to have more fairness, the amendment or alteration of details in the conflict of interest preventive measure for

Furthermore, the FIDF has a letter No. For.KorThor. 203/2561 about conflict of interest because of the company's shares listed in the stock exchange, dated 28 June 2018, to the company to explain the intention, policy and measures of the restoration plan in considering and operating necessary and suitable works to prevent potential conflicts of interest upon the business management and operation of the company and SAM. The FIDF affirms that throughout the time the FIDF remains the sold major shareholder and an authorized person of the Company (as defined in a notice

of the Security and Exchange Commission No. Kor.Jor. 17/2551, dated 15 December 2008 (including amendment), the company has duty to comply with the principles specified in the notice of the Security and Exchange Commission issued pursuant to Section 56 of the Securities and Exchange Act.

5.1 The FIDF will not determine a guideline of business operation for the company to be a tool of operation of the government unless such operation is under the same terms and conditions as the competitive commercial and arm's length for best interest of the company and shareholders according to the company's regulation.

5.2 Throughout the time the FIDF is an authorized person of SAM, the FIDF will proceed with the management policy for SAM to operate the businesses as the state's asset management company to perform duties in resolving, developing and restoring the national economy in need. However, while the country has not encountered the economic crisis, SAM can purchase additional assets for management, and that it enables SAM to utilize potentials of personnel fully and maintain the potentials of management of non-performing loans. This will make SAM to be the mechanism of the government that is ready to manage large non-performing loans in case of the financial institutions' crisis in the future.

5.3 The FIDF as a shareholder will support the Company to have the director's structure according to a policy of the good corporate governance policy of the Company and the related resolution of the board meeting, which includes the case of the committee chairman not being an independent director. The Company will provide an independent director to jointly consider the board meeting's agenda

5.4 The FIDF will not propose and make a vote as a shareholder for the company and SAM to have a director or executive as a representative from the FIDF to be the same person.

5.5 The FIDF will not use internal information of the company's businesses to make the company lose the best interest.

The board of directors and the audit committee have duty to follow up that the policies and measures specified in the letter of the FIDF No. For.Kor.Thor. 252/2558, dated 08 June 2015 and No. For.Kor.Thor. 203/2561, dated 26 June 2018, are implemented.



BAM

*Moving Forward
Through Sustainability*

Business Operation Particulars

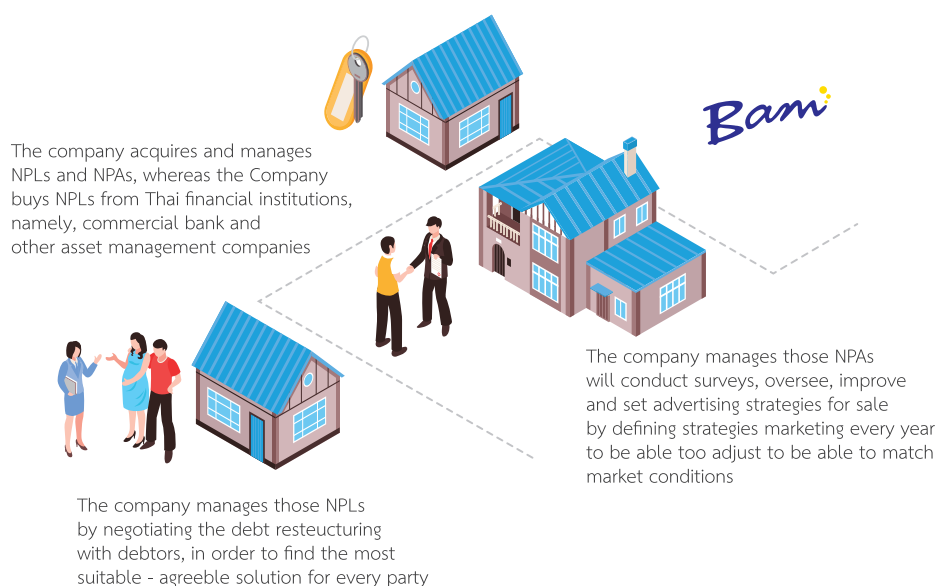
Overview of the business operation and revenue structure

The Company is the largest asset management Company in Thailand, considered from total assets (Data as of 31 December 2020). From the information of the Bank of Thailand, total asset in the system of the asset management companies is 244,799 million baht. Meanwhile, the Company has total asset of 132,070 million Baht or accounted for 54%. The Company operates the business of managing NPLs and NPAs under the emergency Decree on asset management Company B.E. 2541 (1998) and under the supervision of BOT.

The Company has the ability to acquire and manage NPLs and NPAs, whereas the Company purchases the NPLs from the financial institutions in Thailand including banks and other financial institutions and manage the NPLs by negotiation for debt restructuring with the debtors to find the most suitable agreement for every party as much as possible. Most of NPLs purchased by or transferred to the Company mostly contain guarantee as real estate, with the first mortgage registration. The Company records NPLs as loans from receivable purchase at cost price of purchase or transfer acceptance.

Additionally, the Company manages NPAs which are mostly empty lands (including real estate for agricultural purposes), hotels, commercial buildings, and residence in a type of detached house, townhouse and condominium as well as moveable properties and other securities. The Company obtains the NPAs by any methods such as negotiation with the debtors to transfer the guarantee or repayment property, foreclosure for debt settlement, and purchase of NPAs from other financial institutions directly. The Company will record the list of NPAs at price upon transfer (cost of purchase) or cost of purchase with related expenses (if any) from the Legal Execution Department or other financial institutions. Then, the Company will finally distribute the NPAs.

The Company has operating revenues from loan of receivable purchase, and revenue from NPAs, and investment in securities. The net asset mainly includes (A) assets about business of NPLs management (such as net loan from receivable purchase, net receivables, and net pending payment receivable from auction) and (B) assets regarding the business of NPAs management (such as net investment in securities, net debtor by installment, NPAs and advance payment for property purchase fees and others).

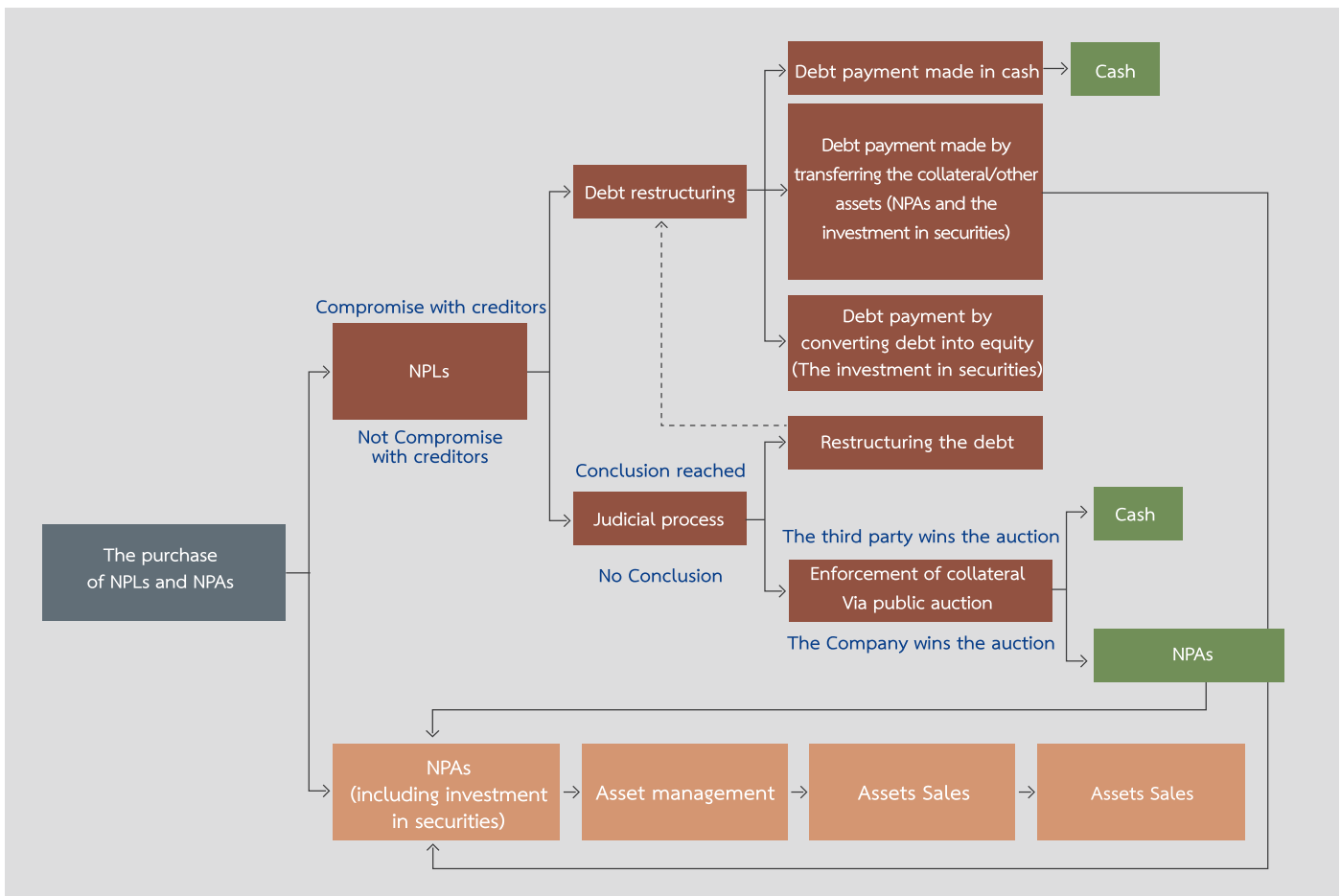


The Company has the head office located in Bangkok, and at present, (as of 31 December 2020), it has 26 branch offices nationwide with about 1,300 employees. These help the Company to (A) provide services to customers nationwide, (B) respond the customer's need in each region. Having its branch offices in every region around the country enables the Company to have knowledge and understanding about environments and market condition and to manage the NPLs and NPAs in each region effectively.

The Company believes that one of competitive advantages of the Company is expertise in negotiation for debt restructuring, distribution of NPAs and property value appraisal because the Company's executives are experienced in the asset management business for long time. Moreover, the Company has branch networks all over the country, which helps the Company to win a bidding for NPLs and NPAs at reasonable price, and to maintain profitability. Normally, the Company engages in the bidding for NPLs and NPAs when they are put on tender. The Company has good relationship with many financial institutions nationwide, which increases the opportunity to purchase the NPLs, especially for NPLs with collateral as real estate and NPAs.

The Company's business operation can be divided into 2 main business groups including (A) NPL management business and (B) NPAs management business.

This chart shows general work procedures about main businesses of the Company



The Company's Income Structure

2020		
	Baht (in millions)	Percent
NPLs management business		
Interest income ¹	9,722.08	78.12
Other operating income ²	119.06	0.96
Total income from NPLs management business	9,841.14	79.08
NPAs management business		
Interest income ³	99.99	0.80
Gain on sale of properties for sale	2,015.23	16.19
Gain (loss) of investment in securities	-	0.00
Gain on installment sales	403.80	3.24
Other income ⁴	50.91	0.41
Total income from NPAs management business	2,569.93	20.65
Other income ⁵	33.26	0.27
Total income	12,444.33	100.00

- Remark
- ¹ In the audited financial statement, for the year ended on December 31, 2019, “the interest income from loans purchased” and “gain on loans purchased” were re-classified and combined, and now depicted as “the interest income from loans purchased”. Therefore, after the reclassification, “the profits from loans purchased” will become an integral part of the interest income, depicted in the audited – interim financial statement.
 - ² Other incomes from NPLs management business are, including, (a) the excessive amount paid by debtors, in which the Company is unable to contact and return the surplus to said debtors, and (b) the amount paid in advance by the Company on the debtor’s behalf, in which the Company thereafter receives from the court, after the debtor pays the debt and closes his account.
 - ³ The interest incomes from NPAs management business are, including, the interest income from NPAs sales made in installment payment and the interest income from the held to maturity securities.
 - ⁴ Other incomes from NPAs management business are, including, (a) the dividend received from investment in securities, (b) rental income, (c) profits from the repossession of NPAs sold under the installment payment, and (d) other incomes from the violation of asset purchase and sales agreement.
 - ⁵ Other incomes are, including, (a) interest income from the deposit in financial institutions, (b) the profits from the selling of the Company’s assets, and (c) other incomes.

Business operation by product line

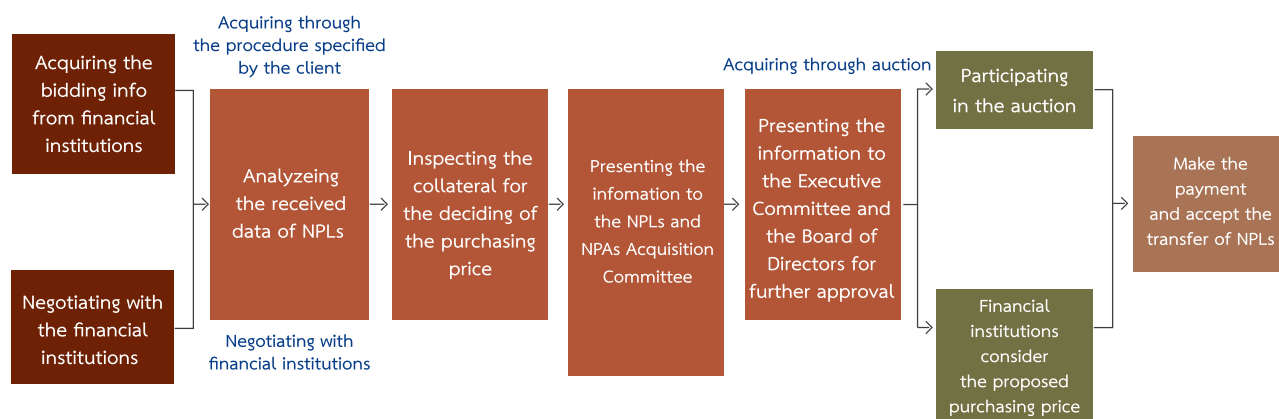
Product or service

NPLs acquisition and management

The Company purchases NPLs from other financial institutions in Thailand and manages, negotiates and restructures debts in any methods with goals to add values to the cost of the NPLs. Once acquired, the Company will record as loan from receivable purchase at cost price of purchase.

(A) Acquisition, inspection management and guarantee enforcement

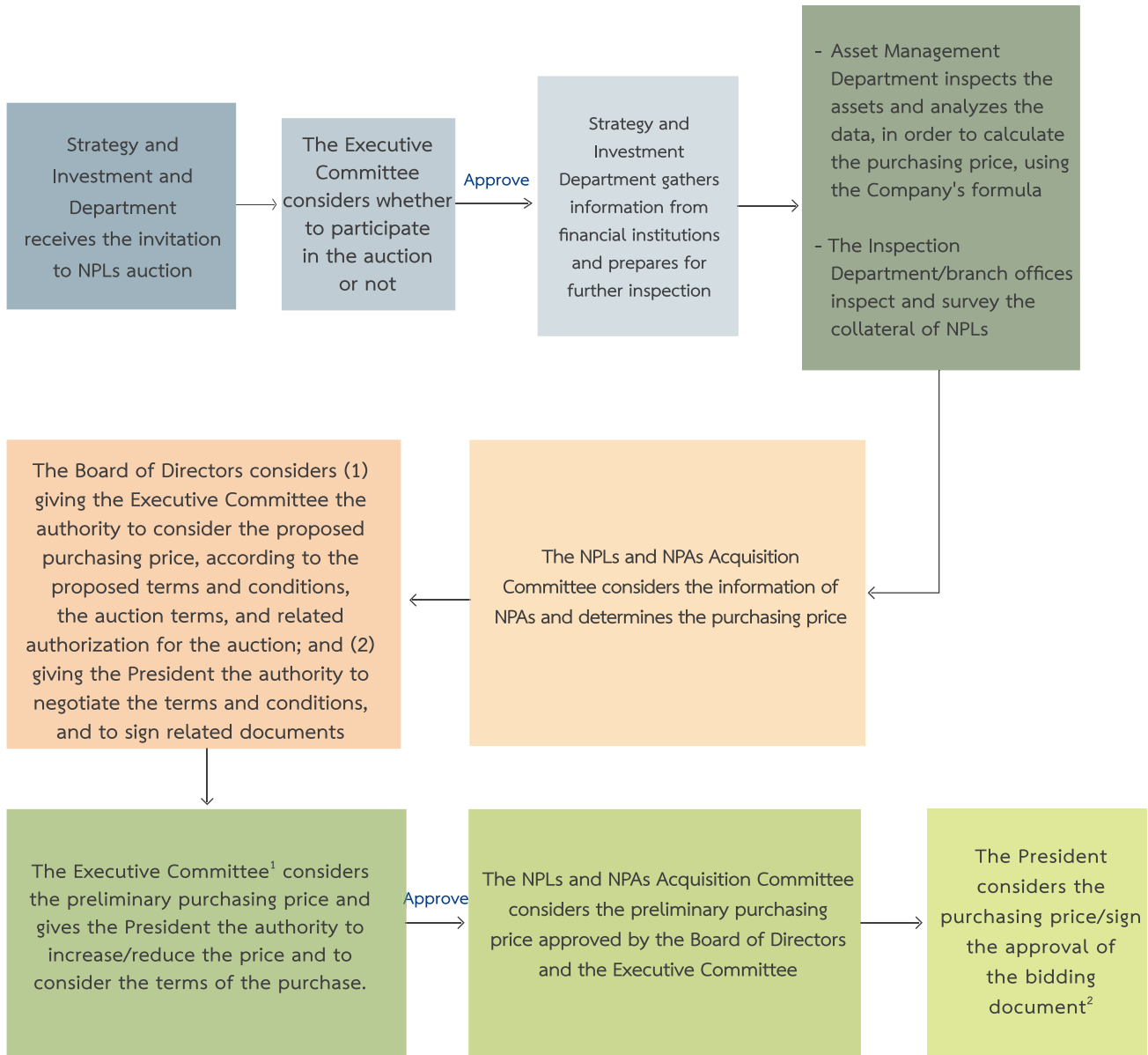
The following flow chart depicts the process of acquiring, inspecting, and evaluating the Company's NPLs and payment.



(1) NPLs acquisition

The Company finds an opportunity to purchase the NPLs from financial institutions in the country regularly. Mostly, the Company will purchase the NPLs through bidding and sometimes through negotiation with the financial institutions directly.

The following flow chart depicts the process of acquiring of NPLs from financial institutions



- Note: ¹ For the case where the auction day is long time away from the meeting date of the Board of Directors, the Board of Directors will give the Executive Committee the authority to consider the purchasing price, as well as the terms and conditions of the auction; in order to improve the overall flexibility of the operation. In such a case, the Executive Committee will give the President the authority to consider the purchasing price/ sign the approval of the bidding document.
- ² The final purchasing price presented to the President must be considered by the NPLs and NPAs Acquisition Committee.

The Company will consider purchasing the NPLs from the financial institutions whether by direct negotiation with the financial institutions or through joining bidding for NPLs distributed by the financial institutions, after receiving information or from registration to join the bidding and receiving the bidding envelope from the financial institutions. Then, the Company will evaluate the NPLs by considering if such NPLs contain collaterals or not. The Company focuses on purchasing secured NPLs with guarantee as real estate. However, in case of purchase of NPLs from the financial institutions, the Company will purchase the NPLs after negotiation with the seller's financial institution.

Furthermore, the Company maintains good relationship with the domestic financial institutions as a channel to keep updated about news and information from the financial institutions closely.

(2) Inspection, property appraisal and payment

When a financial institution distributes NPLs in form of bidding or direct sale negotiation with the Company, the Company will sign in a non-disclosure agreement with the related financial institution before receiving the document with information of the offered NPLs. The Company will use such information to check the status and appraise the collaterals of the NPLs before purchase.

Due diligence process of the Company includes the related loan document examination and additional inquiry from the vendors as well as surveying and verifying the price of collaterals of the NPLs in support of the purchase. The Company utilizes the network of branch offices nationwide, that normally, the officers at a branch office near the collateral of such NPLs will gather information to survey the collateral of the NPLs before presenting the survey result and price to the working group for non-performing loans (NPLs) and non-performing asset (NPAs) purchase from the financial institutions. After the Committee for non-performing loans (NPLs) and non-performing assets (NPAs) purchase from the financial institutions considers information and purchase pricing, it will present to the Executive Committee and Board of Directors to approve the NPLs purchase price.

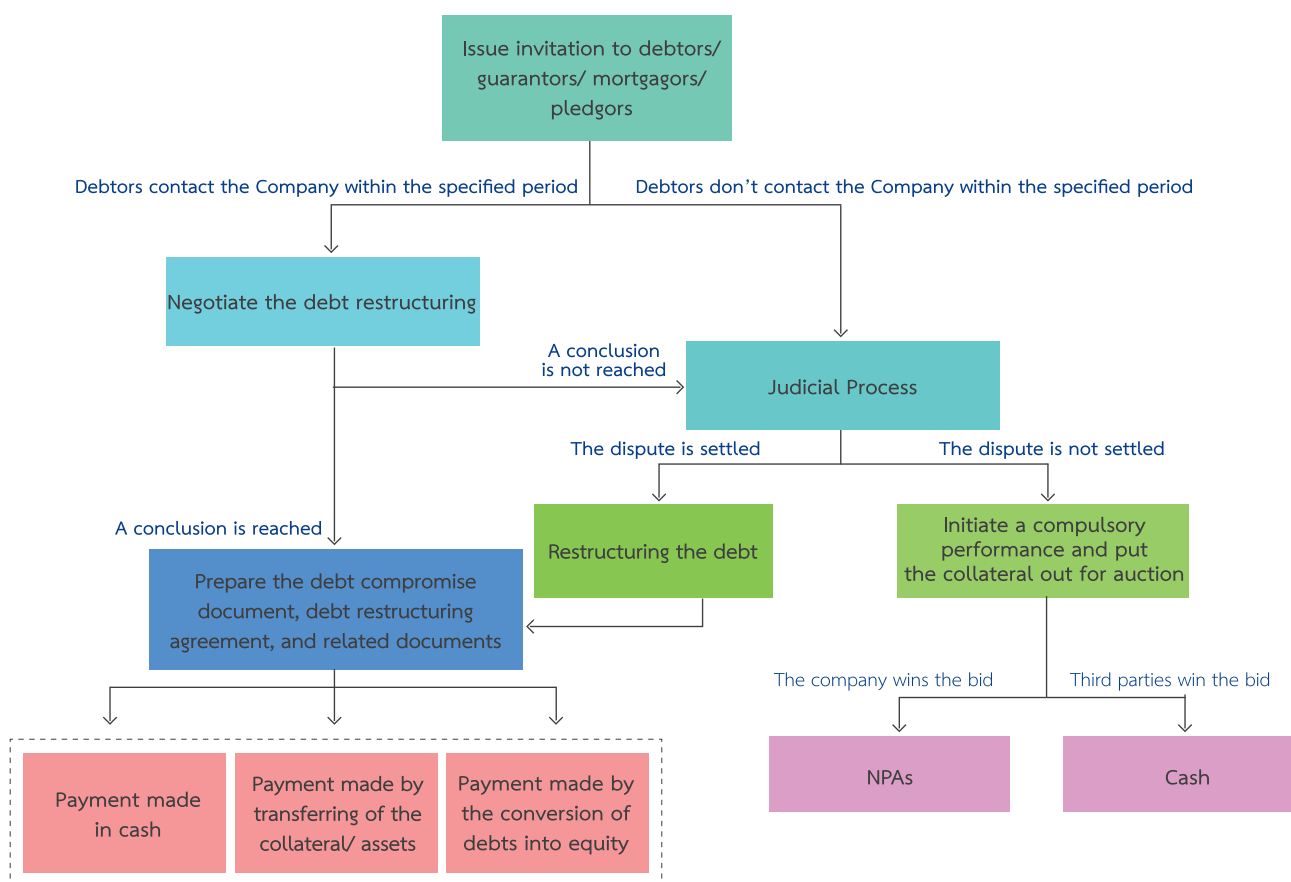
Generally, the Company defines the bidding price or proposed price of NPLs from various factors such as expected cash flow that the Company will receive from the NPLs in the future, collateral value, and record of debtors etc. Furthermore, for suitable pricing, the Company considers the status of legal execution process as well as legal validity, business type, occupation of the debtors, and existence of the collaterals for such debts. When the investment team quotes the purchase price of NPLs and NPAs from the financial institutions, the Committee will present the price to the Executive Committee and the Board of Directors for further approval. Nevertheless, joining the bidding or purchasing NPLs shall be approved by the Executive Committee and Board of Directors by recognizing suitability of the return rate of investment and risk.

The Company pays for NPLs acquired from financial institutions in cash, using the cash generated from its operation, and from issuing the promissory notes, taking out a loan, and issuing debentures. In order to choose its source of funding, the Company will consider the cost of capital and its general liquidity. If the Company considers the choice of issuing the promissory notes, the term of the promissory notes will be subjected to the commercial agreement.

Normally, after signing an agreement for NPLs purchase, the Company will have a period to verify claiming rights and collaterals and has the right to return the NPLs to the seller in case of some incomplete conditions such as not receiving the certificate of ownership required for initiating the legal process against debtors or not delivering the collaterals completely. These conditions may be different for each agreement in the past. The Company used to make an agreement with the NPLs vendors about sharing of profit from NPLs management. However, the Company has no obligation in such manner at present.

(3) Debt restructuring

The following flow chart depicts the Company's process for NPLs management and debt restructuring



When the Company purchases the NPLs from the financial institutions, the Company will contact the debtors, guarantors, pledgers and mortgagors of the Company's ownership of the debts.

When the Company contacts the debtors, it will invite the debtors into negotiation with the Company to enter the debt restructuring process. In case of not being able to reach the debtors, the guarantors, mortgagors, and pledgers, the Company will enter the court proceedings with such debtors. For debtors with incompleting debt restructuring, the debt restructuring process will be carried out together with the court proceedings to create the condition of collateral foreclosure with objectives to reduce the operating time for debt settlement.

For debt restructuring, the Company will evaluate the collaterals and repayment ability of the debtors. The Company considers various factors such as salary, occupation, business type and existence of the such debt guarantee. Furthermore, the Company will consider options in the debt restructuring process which includes A) agreement on debt settlement by adjusting conditions of repayment such as extending term of debt settlement, reducing interest rate and/or principal amount, (B) transferring collateral/ repayment property and (C) the conversion of debts into equity. These are the methods the Company uses in the debt restructuring process depending on repayment ability of each debtor.

In the negotiation for debt restructuring as mentioned, the Company focuses on reducing time of receiving cash flow from the NPLs as soon as possible, whereas that the Company tries to achieve the agreement with the debtors as soon as possible.

If the Company and the debtors can reach an agreement about debt restructuring, the Company will enter into the debt restructuring agreement with the debtors to define debt settlement term, debt values payable, debt repayment methods and agreements about collaterals and guarantees. Such debt restructuring agreement shall be audited and approved according to the regulations in the Company; nevertheless, if the debtors are unable to pay debts despite debt restructuring, the Company may negotiate with the debtors for additional debt restructuring.

Moreover, the Company also initiates a project known as “Sukjai Dai Ban Khuen” (pleased to have your home back), which provide an alternative for compromising with debtors, whereas the Company gives an opportunity to debtors, who haven’t been placed under the final receivership order, to reclaim their homes. For debtors to be eligible to participate in the project, the principal must not exceed Baht 10.0 million. The debtor will be given with the choice of one-time payment, whereas the debtors must pay the entire principal within 90 days, or the choice of installment payment, for a period of 20 years, at the rate of 80.0 percent of the assets’ price, appraised under the Company’s provision. The Company also continuously initiates other projects that aim to help debtors of NPLs, such as the “BAM Chuai Lod Phue Plod Nee” (BAM, Reduce to release debts), a project that aims to give an opportunity to debtors , who haven’t been placed under the final receivership order and do not have any other assets that can be use for the settlement, to pay their nonguaranteed debts, for the case where the principal must not exceed Baht 3.0 million. The debtors will have the choice of one-time payment, to pay the entire principal within 90 days, at the rate of 10.0 percent of the principal; or the choice of installment payment, for a repayment period of 3 years and at the rate of 15.0 percent of the outstanding principal, without any interest. The Company also initiates a project known as “BAM Chuai Fuen Khuen Turakij” (BAM, Revitalize your Business), a project aims to give an opportunity to the Company’s debtors, whether those of natural persons or juristic persons, that haven’t been placed under the final receivership order, who do not have any assets that can be used for the settlement, with the principal debt not exceeding Baht 20.0 million, the choice of one-time payment, within 90 days, or to pay in installments within 10 years, at the rate of 80 percent of the asset’s price appraised under the Company’s provision. Besides helping honest debtors to relieve their debts and reclaim their collaterals, these projects arranged by the Company also allow the Company to gain an additional cash flow from the repayment or the repayment in installment from the debt restructuring. These projects are also subjected to other terms and conditions specified by the Company.

With impacts from COVID-19 outbreak, BAM launches many alternatives to help the customers affected by such situation, which has an effect on the installment ability of the debtors on payment by installment of the

customers with debt restructuring, and some customers purchasing properties by installment with BAM. The customers can select 1 in 3 of the alternatives based on their needs and the repayment ability as follows.

1. Principal and interest payment waiver for 3 months
2. Principal and interest payment waiver for 3 months, then, the principal is waived for 3 months (only interest is paid)
3. Principal payment waiver (only interest is paid) until December 2020

The qualifications of the participants engaging this project are those affected by the situation of COVID-19 who are debtors with debt restructuring with BAM including retailers and SME customers, customers purchasing NPAs by installment with BAM. In light of this, BAM will consider by suitability of each customer.

The Company believes that 20 year experience in NPLs management and debt restructuring along with sufficient potentials of the Company will enable the Company to restructure debts properly and effectively. However, if the negotiation for debt restructuring is not successful, the Company may exercise legal right for guarantee foreclosure from the debtors.

(4) Service channels

Debtors of NPLs of the Company will receive a document with barcode identification of each debtor for payment through different channels of the Company. The Company's debtors can make payment to the Company through various service channels such as (A) payment with counter service at 7-Eleven, (B) Payment at a branch of large commercial banks all over the country and (C) payment at the Company's office or branch offices.

(5) Debt repayment default management

The Company follows up and controls the term of debt repayment under the conditions of debt restructuring agreement and the debtor's repayment history (Aging), in order to allow the Company to manage and ensure the constant cash flow. The Company will negotiate debt restructuring together with maintaining legal rights in such NPLs.

If the debtors are unable to repay their debt according to the conditions of debt restructuring agreement, the Company can choose to readjust the terms and conditions of the debt restructuring agreement or initiate judicial process. However, normally, the Company considers 2 options including making an adjustment the debt restructuring while engaging in the judicial process. As the Company aims to manage debt repayment default that allows the Company to receive the cash flow from NPLs as soon as possible, mostly, the Company tries to readjust the debt restructuring's terms and conditions to have a resolution before litigation because the debt restructuring has (A) faster payment collection process and (B) lower operating expenses compared with the judicial process.

(6) Enforcement

Before deciding to enforce NPLs and foreclose on the collaterals underlying NPLs, the Company normally considers a number of factors before decision to exercise legal rights. These factors are, including, the time required for the collection of the cash flow from NPLs, related expenses involved with the enforcement process, related risks from the judicial process, and the applicable statute of limitations on period of enforcement.

After receiving the NPLs from the financial institutions, in case the financial institutions initiate judicial process, the Company will exercise right as a litigant in the case instead of the financial institution transferring the NPLs to the Company as the plaintiff in the case being under hearing of the court, or as a creditor by judgment in case the court already has the decision. Nevertheless, it is according to the AMC Decree to force by the Company's transferred rights. In this case, the Company files an application to the court to exercise that right, and the court will hear that petition. In case of objection, the Company's right exercising process will be delayed.

After the court issues a ruling, whether for the case where the Company is the original plaintiff or the case where the Company assumes the right as a creditor, under the court's ruling, and after the Company enforces the debt and foreclose on any collateral, the collateral will be put on sale by public auction for repayment of debt in which the Company typically participate.

In case the Company is a plaintiff or the court allows the Company to be subrogated to the right of the judgment creditor, the Company will join the auction as a person to deduct receivables, and if winning the bidding, the legal execution officer will make a report of receivables deduction to the Company to realize whether, as the property buyer with rights to deduct receivables, additional payment shall be made. The legal execution officer will send a warrant to the Company to receive the right document for registration of the purchased property's ownership, and make additional payment (if any) (in case of payment on the agreement date not adequate to payment of expenses). The Company will receive the right document to register accepting the purchased property's ownership transfer. After that, the legal execution officer will make a statement of revenue-expense delivered to stakeholders to show the list of expenses and inform debt cause on the basis of remaining right (remaining debts according to the judgment). Nevertheless, if the auction price is more than remaining debts, the plaintiff or the creditor by judgment has right to receive debt settlement from the legal execution as the court has judgment for winning the case.

However, if the Company is not allowed to be subrogated to the right as the creditor by judgment or mortgagee creditor, the Company needs to join the auction as a third party. If winning the auction, the Company needs to make payment at price as the Company bids along with other expenses, and then receives the right document as well as relevant documents for registration of the ownership transfer acceptance. However, the Legal Execution Department will reimburse amount that the Company makes advance payment when bidding to purchase the properties to the Company after the Company finishes exercising such right.

In case a third party wins the auction, the Company may request payment from the auction provided that the Company shall prepare related documents as well as a copy of court order for right exercising, submitted to the Legal Execution Department to make the statement of revenue-expense ("Revenue-expense statement"). The Legal Execution Department may consider requesting the Company to deliver additional documents before submitting the revenue-expense statement. When the Company receives payment, the particulars of receivable from auctioning will be reversed.

However, the period for submitting the revenue-expense statement of the legal Execution Department depends on various factors. For example, if a request is submitted for the cancellation of the auction, or there is any objection to cash receiving a payment account, the Legal Execution Department shall wait for the final decision of the court in such case before providing the revenue-expense statement to the Company. If a debtor is prosecuted in a bankruptcy case, the payment receipt system of the Company may be delayed as the Legal Execution Department

needs to wait for the Bankruptcy Court to proceed in the bankruptcy case completely according to such case first. The Legal Execution Department thus can start providing revenue-expense statement for the Company. Nevertheless, the Company has a process to follow up the receivables from auctioning continuously by providing the registration of the receivables from auctioning with regular tracking system.

Also, the minimum repayment the Company able to recover from the collateral in an auction side is the lowest of (a) the auction price (less expenses), (b) the original mortgage value that the amount secured by the collateral under the mortgage agreement (that can be higher or lower than the outstanding amount of the debt and/ or the auction price), and (c) the outstanding amount of debt payable regarding the claim.

Moreover, the Company constantly monitors the outcome of its investment, which is a function of the Assets and liabilities Management Committee, who, in turn, report the outcome to the Executive Committee and/ or the Board of Directors, for the result of the Company's investment portfolios. The information provided herein will be used as factors for the consideration of acquiring other investment portfolios in the future.

(B) Types and the quality of NPLs

(1) Types of NPLs can be categorized by the debt restructuring agreement with the debtors. The Company's NPLs, therefore, can be categorized into 2 types, namely (a) NPLs with a debt restructuring agreement or a compromising contract, and (b) NPLs without a debt restructuring agreement or a compromising contract.

Unit: Baht (in millions)

	31 December 2020			
	Debt amounts under original agreements (right obligations)	Loans purchased of receivables (equity obligations)	Collateral value before discount according to the Company's criteria *	Collateral value of the Company portion **
Loans purchased of receivables with debt restructuring				
- 0 - 1 month overdue	12,103	7,203	23,724	11,402
- Overdue 1 – 3 months	2,587	1,821	4,417	2,544
- Overdue 3 – 6 months	1,865	852	4,337	1,824
- Overdue more than 6 months	1,059	518	2,074	798
Total	17,614	10,394	34,552	16,568
Loans purchased of receivables without debt restructuring	467,267	75,528	163,728	123,715
Total	467,267	75,528	163,728	123,715
Grand Total	484,881	85,922	198,280	140,283

- * These numbers are calculated based on the latest appraised price provided by the Appraisal Committee (even for the case where there are more than 3 years of appraised prices available). On the other hand, if the collaterals had been auctioned and bought, the purchased price after the estimated expenses will be used for the calculation instead. The value of the collaterals will be based on the appraised price first, before considering the debt obligation under the accrual basis that the Company has with debtors, and before considering of the underlying collateral.
- ** These numbers are calculated by using the value of collaterals after the discount, specified under BOT's provision. The value of collaterals will not be used for the case where there are more than 3 years of appraised prices available, after the approval date of the appraised prices. On the other hand, if the collaterals had been auctioned and bought, the purchased price after the estimated expenses will be used for the calculation instead. The value of the underlying collateral will be based on the appraised price first, before considering the debt obligation under the accrual basis that the Company has with debtors, and before considering of the underlying collateral.

(2) The following table summarizes the loans purchased of receivables and accrued interest receivables classified by classification were as follows:

Unit: Baht (in millions)

	31 December 2020	
	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses
Purchased or originated credit-impaired financial assets	90,969	13,243
Total	90,969	13,243

Also, in order to ensure the efficiency of the Company's operation, the 12/2019 Board of Directors' Meeting, which was convened on July 23, 2019, approved the approval criterion for the depletion of the loans purchased of debtors as the bad debt from the loans account. The process can be summarized, as follow.

- For the case of nonguaranteed debtors

The Company may deplete bad debt from the loans account only when:

- The Company is unable to exercise its legal claiming right against the debtor, on the credit provided for purchasing of debtors, no matter how much is the total debt under the original agreement (the debt obligation under the accrual basis, including other expenses). The Company will request the approval for depleting the bad debt within the next accounting period after the transferring date of the credit provide for purchasing of such debtors.
- The debtors of credit provided for purchasing of such debtors, with the total debt under the original agreement of fewer than 100,000 Baht, whereas: (1) the Company spends an appropriate amount of effort and time to collect the debt and deems that it is no longer worth the expense to use the judicial process against such debtors; (2) debtors are dead or missing, and there is no other asset that can be

use for the settlement; or (3) the debtors go out of business and there are other preferential creditors, whereas their total debts exceed the total assets of such a debtor. For this case, the Company will request the approval for no further legal proceedings, the termination of debt collection, and deplete the bad debt within the current accounting period.

- The debtors that after the legal proceedings are initiated: (1) in the Civil Court, the court has issued the ruling but the debtors do not have any asset that can be used for the settlement; or for the case of bankruptcy, whereas the court issues a compromising order or the court orders the debtor to be bankrupt and the primary distribution of the debtor's assets is complete. (2) The Company spends an appropriate amount of effort and time to collect the debt and fails to collect the debt. (3) After the investigation for legal execution, no other assets that can be used for the settlement are found. For this case, the Company will request the approval for depleting the bad debt within the current accounting period.

- For the case of guaranteed debtors

The Company may deplete bad debt from the account receivable only when:

- The legal proceedings are complete for debtors, in which: (1) in the Civil Court, the final judgment is issued and the Company submits the request for distributed share of the settlement or request for the preferential settlement, for the case where there are multiple creditors; (2) for the case of bankruptcy, whereas the court issues a compromising order or the court orders the debtor to be bankrupt and the primary distribution of the debtor's assets is complete.
- The Company spends an appropriate amount of effort and time to collect the debt and fails to collect the debt.
- After the investigation for legal execution, no other assets that can be used for the settlement are found.
- The legal execution for collateral enforcement and auction is complete and the debt was partially settled by the cash flow generated herein.

For this case, the Company will request the approval for depleting the bad debt within the current accounting period.

(3) Types of NPLs categorized by collaterals types

Most of NPLs bought by the Company are guaranteed by collaterals most of which are real estate properties of higher appraised prices than the cost of NPLs. In most cases, the Company has the preferential right for the settlement out of the enforcement of those collaterals. However, in the past, the Company also bought nonguaranteed NPLs, for example, credit card debtors. This is because back then, the Company believed that such a type of NPLs would provide a good business opportunity. Anyway, the Company may, from times to times, buy more non guaranteed NPLs in the future. Besides those nonguaranteed NPLs already acquired by the Company, the Company still has some nonguaranteed NPLs left and these nonguaranteed NPLs still have some book values. The remaining book values are the result of several causes, for example, debtors may already transferred all of their available collaterals to the Company, or the Company may already sold the collaterals of those NPLs by auction, at the auction prices that are lower than the book values of those NPLs. In this case, the Company will record the allowance for the doubtful debt of nonguaranteed NPLs at the same value as the remaining book value, after the settlement by the transferring or selling of collaterals of those NPLs. The details of collaterals and types of NPLs categorized by collaterals types are, as follows.

	Loan purchased
	2020
	Baht (in millions)
Types of collaterals	
Credit provided for purchasing of debtors with debts guaranteed by real estate properties	68,871.6
Credit provided for purchasing of debtors with debts guaranteed by real estate properties and other collaterals	12,315.9
Credit provided for purchasing of debtors with debts guaranteed by other collaterals	499.8
Credit provided for purchasing of debtors with non guaranteed debts ¹	4,234.5
Total	85,921.8

Remark ¹ Most of the loans purchased with nonguaranteed debts are the result of: debtors may already transferred all of their available collaterals to the Company; or the Company may already sold the collaterals of those NPLs by auction, at the auction prices that are lower than the book values of the remaining credit provides for purchasing of debtors.

	Amount of outstanding loan or Debt restructuring contracts
	2020
	Baht (in millions)
Size of outstanding amount of loan or. Debt restructuring contracts (Liability on accrual basis on financial statement)	
Less than Baht 1 million	18,919.8
Baht 1-5 million	65,015.7
Baht 5-10 million	31,182.9
Baht 10-50 million	72,817.4
Baht 50-100 million	39,070.2
Baht 100-500 million	115,057.5
More than Baht 500 million	142,817.4
Total	484,880.9

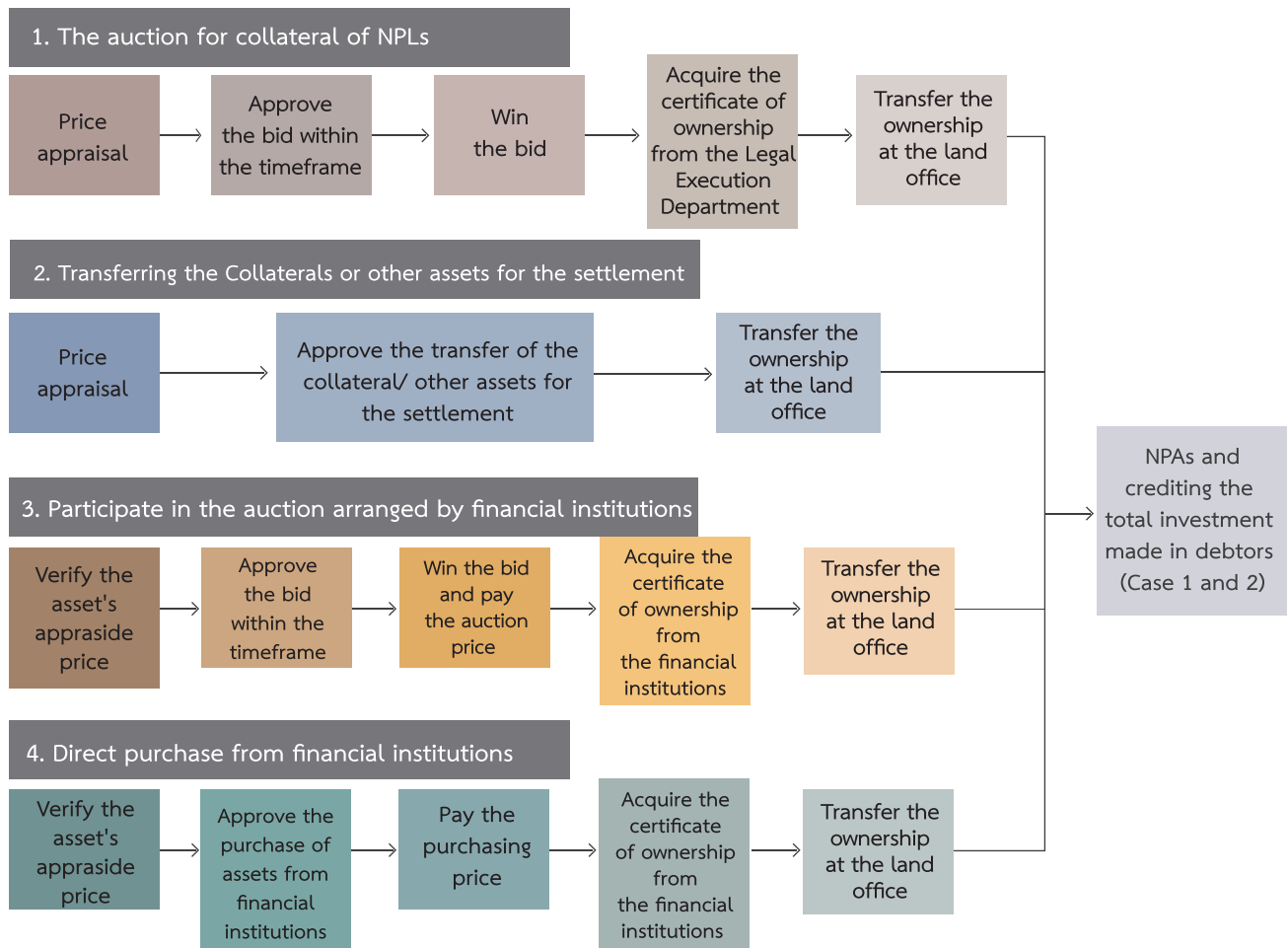
NPAs acquisition and management

(A) NPAs acquisition, management, and sales

(1) NPAs acquisition

The Company acquires NPAs through various channels, for example, by participating in the auction of NPLs that the Company had previously managed before they were put out to auction, transferring of the collaterals or other assets of debtors with NPLs for the settlement, and the purchasing of NPAs from financial institutions, whether through the auction or through a direct negotiation with financial institutions.

The following flow chart depicts the procedure for NPAs acquisition through various channels.



The following flow chart depicts the procedure for the auction of NPAs from financial institutions



- Note:
- ¹ For the case where the auction day is too far away from the meeting date of the Board of Directors, the Board of Directors will give the Executive Committee the authority to consider the purchasing price, as well as the terms and conditions of the auction; in order to improve the overall flexibility of the operation. In such a case, the Executive Unit: Baht (in millions) will give the President the authority to consider the purchasing price/sign the approval of the bidding document.
 - ² The final purchasing price presented to the President must be considered by the NPLs and NPAs Acquisition Committee.

In order to determine the price for bidding of NPAs, the Company will consider several factors, for example, obligation of NPAs (if any), the assets' value as determined by the Legal Execution Department, the Company's internally appraised price, etc.

The following table depicts the sources of NPAs.

Baht (in millions)

	2020			
	Auction from financial institution	Transferring of collaterals/ other assets for the settlement	Unused branches	Total
Real estate property				
At the beginning of the year	5,388	26,808	40	32,236
Increase	1,148	7,005	1	8,154
Decrease	(490)	(3,618)	-	(4,108)
At the end of the year	6,046	30,195	41	36,282
Movable property				
At the beginning of the year	4	348	-	352
Increase	-	9	-	9
Decrease	-	(4)	-	(4)
At the end of the year	4	353	-	357
Total year-end balance	6,050	30,548	41	36,639
Less Adjusting of NPAs' values				(8,073)
Less Allowance for impairment loss				(488)
NPAs - net				28,078

The Company has many NPAs around the country, for example, vacant land (including the real estate properties used for agriculture), hotels, commercial properties, residential properties such as single-houses, townhouses, and condominiums, etc.

(2) NPAs management (including maintenance and renovation)

The Company will inspect all NPAs that it acquires, in order to determine the necessity for renovation or maintenance of said assets. The Company relies on its expertise in NPAs management business for this task. Also, the decision for investing money in the renovation of NPAs depends on the general condition of such assets and the worthiness of the investment.

After acquiring NPAs, the Company will send a team to evaluate the value of such NPAs one more time. This is because during this period, the Company has the legal right to more thoroughly inspect NPAs.

If the after the evaluation the Company deems that no maintenance or renovation is required, the Company will initiate the sales process of those NPAs immediately. On the other hand, if maintenance or renovation is required, the Company will renovate or repair such NPAs before initiating the sales process.

For the evaluation of the appropriate renovation or maintenance of NPAs, the Company will consider the potential return on investment of such NPAs, the general condition of the market, and the expected expense for the renovation or maintenance. The Company may decide to conduct the maintenance or renovation if it deems that the increased value of NPAs will exceed the required cost of renovation or maintenance, or if the renovation or maintenance will allow the Company to sell those NPAs faster. Moreover, the Company may complete the unfinished real property project (the Company will not be able to develop or to initiate a new construction project on the vacant land, in accordance with the prohibitions of the AMC Decree. Also, for some NPAs, the Company may put them out for a short-term lease (for a lease term of under 1 year) while the Company is unable to sell those assets.

Moreover, the Company may also initiate other operations that are related to the asset management, in order to maintain those assets. For example, hiring security guards and renovating the assets appropriately, etc. The Company's Sales Management Department and Regional Loan Restructuring and Sales Department will inspect these NPAs every 3 months, in order to determine the necessity of maintenance or development and to maintain the property right of the Company's in the NPAs, according to the law.

(3) NPAs sales

The Company has many NPAs around the country, for example, vacant land (including the real estate properties used for agriculture), hotels, commercial properties, residential properties such as single-houses, townhouses, and condominiums, etc. And for this, the Company appoints teams of experts in various types of assets located around the country. The Company believes that such categorization of NPAs will allow the Company to precisely determine its targeted customers and to sell those NPAs faster, at more appropriate prices. Moreover, doing so benefits the Company from their employees' expertise in the management of specific types of assets.

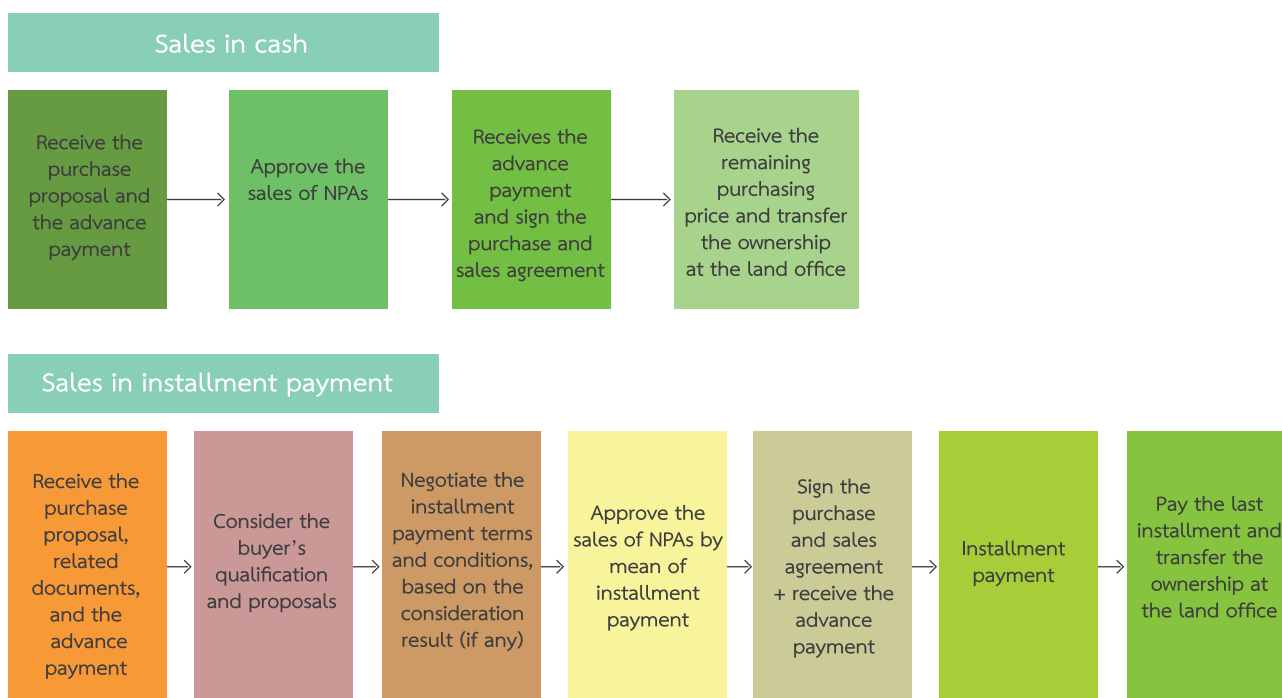
After the Company receives the transfer of ownership in NPAs, the Company will survey those NPAs and determines the appropriate advertising strategies for those NPAs. The Company markets its products through various methods, for example, (1) sales promotional activities, (2) arranging Assets Expos in Bangkok and other regions around the country, and (3) promoting through domestic media, as well as setting up the advertisement billboard at the location of the assets. Moreover, implements mobile phone applications and social media in its NPAs marketing, whereas the Company readjusts its marketing strategy on a yearly basis, in order to adapt its effort with the market's condition. Moreover, having its head office and branch offices, in a total of 26 offices around the country allows the Company to access the information about the market and customers' demands and, as a result, allows the Company to sell NPAs at appropriate prices.

The Company categorizes its NPAs and aims to sell those NPAs to the targeted customers for each specific type of NPAs, namely, real estate developers, investors, and other customers. In the event where there is more than 1 buyer for any piece of NPAs, the Company will arrange an auction, in order to get the best price and to ensure the transparency. Moreover, the Company arranges promotional activities and booths in various expos around the country, for over 100 times a year, in order to ensure maximum reach to its targeted customers.

Most of the time, the Company sells NPAs in cash, whereas the Company and buyer will enter into a purchase and sales agreement. The buyer will pay partial advances to the Company and then pays the remaining purchasing price specified in the agreement on the ownership transferring date, at the land office.

Moreover, the Company also provides an asset purchase in installment payment program. The program gives opportunity to smaller customers, who don't have the access to the credit provided by financial institutions, for purchasing of assets with the price lower than Baht 3.0 million. Customers may purchase the asset with the installment payment for a total amount lower than Baht 2.0 million. Also, for other special cases, for example, for the case of expensive NPAs or the original debtors want to buy back NPAs; the Company may approve them to buy NPAs under the installment payment program. For this case, the ownership in the NPAs will be transferred to the buyers after the final installment is paid and all the related operations with the land office are complete.

The following flow chart depicts the process for NPAs sales



Furthermore, the Company has a plan to follow up overall return on investment regularly by the working group for asset and liability management, and present the result to the executive committee and/ or board of directors to acknowledge the performance of each investment port of the Company to be a factor of consideration for further port purchase in the future.

(B) Type of NPAs

The Company has NPAs all over the country. As of 31 December 2020, the Company has NPAs in Bangkok and vicinity accounted for 43.6% of the book value of all NPAs of the Company. It has real estate in a residential type for 50.1% of the net NPAs account of the Company.

The Company's NPAs, categorized by locations

	Net book value
	Baht (in millions)
Value of NPAs, categorized by locations	
Real estate properties	
Bangkok and vicinity	12,254.9
Central and The east	6,582.6
The North	3,742.0
The Northeast	2,697.6
The South	2,587.2
Moveable properties	213.8
Total	28,078.2

The Company's NPAs, categorized by types

	Net book value
	Baht (in millions)
Value of NPAs, categorized by types	
Real estate properties	
Vacant land	
Hotels	6,022.8
Commercial properties	590.8
Residential properties	7,186.0
Others	14,064.9
Moveable assets	213.8
Total	28,078.2



Marketing and Competition

The Company encounters the competition in NPLs and NPAs acquisition with the main competitors including other asset management companies in Thailand that are the state enterprises such as SAM (FIDF is the major shareholder of the Company and SAM), and asset management companies of the commercial banks in Thailand e.g. NFS Asset Management Limited Company, Ayudhya Asset Management Co., Ltd., Thonburi Asset Management Co., Ltd., Rutchayothin Assets Management Co., Ltd., and Sinnsuptawee Asset Management Co., Ltd. Nevertheless, most asset management companies of commercial banks do not purchase NPLs or NPAs from other financial institutions, but manage the NPLs and NPAs transferred from such commercial banks. Moreover, the Company competes with other asset management companies though at the lesser level of competition that those aforementioned competitors this is because at present, most of these companies focus on purchasing asset related to personal loan and credit card debts, which are not the main targeted NPLs of the Company such as J Asset Management Co., Ltd., Thanapatr Asset Management Co., Ltd., Alpha Capital Asset Management Co., Ltd., Chayo Asset Management Co., Ltd., Srisawad Group, and Knight Club Capital Asset Management Co., Ltd. However, it is possible that these companies will compete to purchase NPLs and NPAs which are the main target of the Company. Furthermore, the Company faces competition with foreign corporations having strong financial status, that set up an asset management Company in Thailand such as Loan Star Funds and Accretive Company Limited, and the competition in the NPLs and NPAs industry may be more competitive in the future.

The Company competes with other asset management companies by relying on strong financial status, ability to access fund sources, rapidity in acknowledging news and information to track an opportunity to purchase NPLs and NPAs, ability of suitably pricing non- performing loans and NPAs, reputation and credibility of the Company as well as the networks in operation and experienced teams (determining ability of NPLs and NPAs management). Nevertheless, such management ability may affect the Company's action plan.

Furthermore, to sell the NPAs, the Company has to compete with other real estate companies, and financial institutions selling the NPAs, as well as other entrepreneurs in the real estate market.

Target customer group

The target group of the Company's asset management business includes debtors that the Company purchases NPLs from the financial institutions.

The target group of the NPAs management business includes real estate developers, investors and other customers. Furthermore, the Company organizes an asset expo and arranges a booth in many events all over the nation for more than 100 times a year so that the Company can access the target group as much as possible.

Marketing and sale promotion policy

The Company arrange an activity to promote debt restructuring for customers being NPLs under the project "Sukjai Dai Ban Khuen" (Happy to get home return) with aims to give an opportunity to the debtors not ordered for receivership to be able to redeem collaterals as an accommodation, with principal amount not exceeding 10.0 million Baht. Payment can be made one time within 90 days, or made by installment within 20 years at rate of 80.0% of the appraised price according to the principles of the Company. Furthermore, arranges other projects to help the customers being the NPLs continuously such as Project "BAM Chuai Lod Phue Plod Nee" (BAM to reduce debts) with objectives to give an opportunity to debtors not ordered for receivership, not having other properties for debt settlement without collateral, and not having principal amount exceeding 3.0 Million Baht. Debt repayment can be made one time within 90 days at rate of 10.0% of outstanding principal amount, or by installment within 3 years at rate of 15.0% of outstanding principal amount without interest. Furthermore, the Company has a project "BAM Chuai Fuen Khuen Turakij" (BAM to restore the business), with aims to give an opportunity to debtors of the Company, including natural persons and juristic persons, not ordered for receivership, not having other properties for debt settlement, to settle debts with principal amount not exceeding 20.0 million Baht. Debt repayment can be made one time within 90 days or by installments within 10 years at rate of 80.0% of the appraised price according to the Company's principles. However, such project is under other conditions of the Company.

Furthermore, the Company arranges other projects to help the customers purchasing NPAs such as "Property installment sale with the Company" Project with objectives to help the low-income persons with limited budget to have an accommodation. The customers that purchase properties of BAM of all kinds to pay by installments to the Company for not over 3.0 million Baht as well as units at special price for low-income persons to consider purchasing at reasonable price. The project "Condo Don Jai Sabai Krapao" (Good condominium, goods price) is provided for condominium units with price not exceeding 500,000 Baht without down payment. Additionally, the Company arranges the project "Thi Din Phue Karn Aom" (land for saving), provided that the Company distributes the empty lands on good location nationwide with price not exceeding 3.0 million Baht without ownership transfer fee during the promotion period. The customers may make installment payment to the Company with special interest rate under the conditions specified by the Company.

The Company has marketing teams to take care each type of NPAs to develop a suitable marketing strategy for each type of the NPAs and the customer group. The Company's marketing instruments are a signboard at the property's location, advertisement and public relation on website as well as social media of the Company including Facebook, Line and mobile application, publications, TV media, booths in any events, bidding for general people, and direct contact with the investors and real estate developers.

Distribution channel

The distribution channel is divided into 2 parts by the Company's business operation including (A) channels for debt composition and payment channel of the debtors for NPLs management business and (B) distribution channels for NPAs management business.

The distribution channels in case of NPLs mean the debt composition and payment channels of the debtors. After the debt composition finishes, the Company's debtors can make payment through different channels such as Counter Service at 7-Eleven or large commercial banks nationwide such as Bank of Ayudhya Public Company Limited, Kasikorn Bank Public Company Limited, Krungthai Bank Public Company Limited, Bangkok Bank Public Company Limited, CIMB Thai Public Company Limited, TMB Public Company Limited, Siam Commercial Bank Public Company Limited and Land and Houses Bank Public Company Limited. The payment by Counter Service helps the debtors to make payment through a branch of a commercial bank, and payment at the head office or the Company's branch. If a debtor cannot make payment according to the debt restructuring agreement's conditions, the Company will consider restructuring debts under the new conditions or enter a litigation to courts. However, generally, the Company will consider choosing 2 options, which are debt restructuring together with court proceedings.

In case of NPAs, the Company has various distribution channels for NPAs such as Assets Expos in Bangkok and other regions all over the country, advertisement and public relation through media in the country, Company's website, Social Media and BAM Application on a mobile device, online booking of assets on BAM website, and giving news and information about NPAs of the Company. Mostly the customers will purchase the property in cash or request loan from a financial institution. Sometimes, it is installment sale. In case of installment, the customers can select the same distribution channel as the customers buying NPLs as above mentioned.

Overview of economic condition and asset management business

Economic condition

The Office of the National Economic and Social Development Council revealed the economic figures of Thailand in 2020 that the economic expansion rate shrank to 6.1% per year compared with expansion at 2.3% in 2019 with following details.

Expenditure

The export value and private consumption as well as total investment decreased for 6.6%, 1.0% and 4.8%, respectively, while the government consumption and public investment expanded for 0.8% and 5.7%, respectively.

Production

Production in field of agriculture, forestry, and fishery sector, manufacturing sector, accommodation and food services sector, and transportation and storage services sector reduced for 3.4%, 5.7%, 36.6% and 21.0%, respectively. In 2020, the gross domestic product (GDP) was 15.7 trillion Baht (502 billion USD), and GDP per capita of Thai people was 225,913.8 Baht/ person/ year (7,219.2 USD/ person/ year)

Economic stability

The headline inflation rate was at -0.8% in average, with current account surplus at 3.3% of GDP.

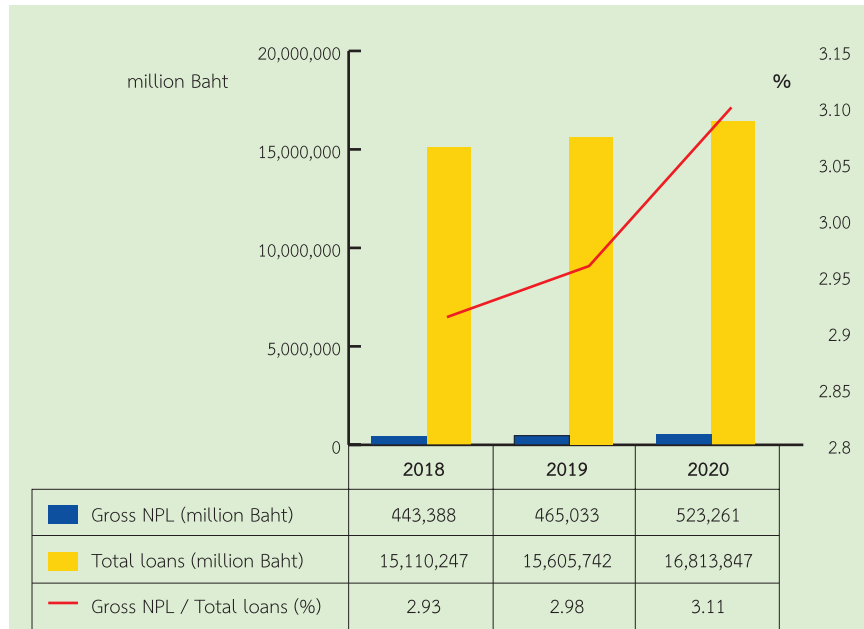
Description	2018	2019	2020
1. GDP (at yearly rate: billion Baht) GDP per capita income (Baht per year)	16,368.7 236,861.1	16,898.1 243,787.1	15,703.0 225,913.8
2. GDP (at yearly rate: billion USD) GDP per capita income (USD per year)	506.4 7,328.2	544.3 7,852.7	501.8 7,219.2
3. GDP Growth Rate (%)	4.2	2.3	-6.1
4. Investment			
4.1 Total Investment (%)	3.8	2.0	-4.8
4.2 Private (%)	4.1	2.7	-8.4
4.3 Public (%)	2.8	0.1	5.7
5. Consumption			
5.1 Private Consumption (%)	4.6	4.0	-1.0
5.2 Government Consumption (%)	2.6	1.7	0.8
6. Inflation rate	1.1	0.7	-0.8
7. International Trade			
7.1 Export value, growth rate (%)	7.5	-3.3	-6.6
7.2 Import value, growth rate (%)	13.7	-5.6	-13.5
7.3 Trade balance (billion USD)	22.4	26.7	39.8
7.4 Current account balance (billion USD)	28.4	38.2	16.5
Proportion to GDP (%)	5.6	7.0	3.3

Source: Office of the National Economic and Social Development Council

Remark: Data as of 15 February 2021

Asset management Company's business

From the overview of shrinking economic condition as above mentioned, it affects the NPLs in the financial institutions to get higher. According to the information of the Bank of Thailand as of 2020, the NPLs in the financial institutions were valued for 523,261 million Baht, with increasing expansion for 12.52% compared with 2019 at 465,033 million Baht. This indicated the tendency of higher NPLs in the financial institutions as shown in below diagram.



Source: Bank of Thailand

The continuously increasing NPLs of the financial institutions are a good opportunity for asset management business, because the financial institutions tend to rush selling NPLs to maintain overall performance of the financial institutions to be at constant level, without decreasing by the economic regression.

Nevertheless, from such direction, the business overview of the asset management companies, when considered from information of the Bank of Thailand, is as follows.

Description	2018	2019	Change rate
Total asset (million Baht)	236,818	244,799	3.37%
Total liability (million Baht)	367,437	172,392	-53.08%
Total equity (million Baht)	-130,619	72,407	155.43%
Net profit (loss) (million Baht)	10,400	17,287	66.22%

Source: Bank of Thailand and Calculation

From above information, total assets of the asset management companies had growth rate at 3.37% which was consistent with the economic condition that shrank, leading to higher NPLs in the financial institutions up to 3.11% in 2020. As a result, the financial institutions rushed putting the NPLs on auction to reduce the reserve setting of the financial institutions. This would make overall performance of the financial institutions to be better amidst fluctuation of the economic condition, that still demonstrated unclear recovery. From such reason, the number of NPLs distributed in marketplaces was relatively high, and that

the asset management companies see this opportunity to expand their businesses to be more stable because of reasonable price of such distributed NPLs. This would make the businesses to have good overall operation in the future. Therefore, the asset management companies joined the bidding for these NPLs to manage until the total assets of this business grew. Furthermore, the overall operation of the asset management companies grew well provided that in 2020, the net profit was 17,287 million Baht, which increased for 66.22% compared with 2019, having net profit for 10,400 million Baht. Nevertheless, it may be caused by the overview of this business accelerating process of debt restructuring and debt settlement into cash with a measure of debt restructuring as well as sales promotion for NPAs. This would rush the property sale to meet the buyers' need, and lead to growth of the overall operation despite economic fluctuation.

Product or service supply

The Company seeks opportunity to purchase the NPLs and NPAs from the domestic financial institutions regularly. Mostly, the Company purchases NPLs through bidding, and sometimes, the Company acquires NPLs from the financial institutions directly. The Company also acquire NPAs through bidding the collaterals of NPLs managed by the Company from the debtors transferring the collaterals/ repayment properties, and purchasing NPAs from the financial institutions in form of bidding or direct purchase from the financial institutions.

Non-delivered work

- None -

Main regulations about business operation

The Company is under supervision of BOT, established in 1942 according to BOT Act. BOT is the central bank performing duties to carry out the national financial policy. Previously, BOT supervised the financial and banking businesses in Thailand under supervision of the Ministry of Finance, and by virtue of BOT Act.

Furthermore, the Emergency decree on Asset Management Companies authorize BOT and the Ministry of Finance to supervise the asset management businesses. The details of regulations related to the asset management companies in Thailand can be summarized as follows.

Asset management Company

The Emergency decree on asset management Company is regulated to resolve the NPLs, which are an obstacle to the financial institutions in raising fund and approving loans for business sector. Furthermore, such law also grants certain rights to the asset management companies to operate the business easier, and helps the financial institutions to focus on operating main businesses which are money deposit and credit facility. This allows the financial institutions to transfer the NPLs to the asset management companies.

The Company was established according to the Emergency decree on asset management Company, stipulating that the asset management companies must be registered for founding with the Ministry of Commerce with minimum registered capital at 25.0 million Baht. It aims to manage assets of the financial institutions or financial business operators, and then it can apply for registration as an asset management Company with BOT.

Furthermore, the asset management companies can raise funds by (A) loan from domestic and foreign sources, (2) issuing shares and debentures according to the securities and exchange laws or other bonds as permitted by BOT.

Business of the asset management Company

The businesses of the asset management companies are as follows.

- (A) Purchasing or accepting transfer of NPLs of the financial institutions or assets of the financial institutions, that are suspended for operation, canceled, or withdrawn a license for operation of a commercial bank, capital business, credit foncier business, as well as collaterals of such assets for management and distribution.
- (B) Providing NPLs management services to financial institutions or assets of the financial institutions that are suspended for operation, canceled or withdrawn a license for operating the business of a commercial bank, capital business or credit foncier business as well as collaterals of that asset.
- (C) Purchasing or accepting transfer of NPLs of the financial business operators, as well as collaterals of such asset for further management or distribution.
- (D) Providing NPLs management services to financial business operators and collaterals of such assets.
- (E) Giving advice to debtors, financial institutions or financial business operators in debt restructuring and operations related to such counseling.
- (F) Other businesses related to or involved with the similar businesses to (A), (B), (C), (D) or (E), in accordance with the notification of the Minister of Finance approved by the cabinet.

According to the notice of BOT, the asset management companies may operate any necessary works for managing NPLs to restore the debtors purchasing or accepting transfer from the financial institutions such as debt restructuring, a compromise agreement or debt composition agreement making, or shareholding in a Company from the debtors settling debts.

Limitation of charged interest rate

The asset management companies may charge interest from the debtors according to the existing agreement, not exceeding the interest rate as of the date of transfer acceptance (under a condition that if the existing agreement determines interest at floating rate, with no basis for calculation of the existing financial institution, such rate shall not exceed the interest rate specified by BOT). However, in case the asset management Company allows the debtors according to the existing agreement to borrow additional money for adding values to the transferred property, the asset management Company can charge interest at rate agreed with the debtor, such rate is not subject to maximum interest rate at 15.0% per annum, and it shall not exceed the rate specified by BOT.

Tax effect

Exemption of fee and tax from NPLs transfer acceptance from the financial institution

The emergency decree on asset management Company defines the asset management companies to be exempted for fees and taxes arising from asset transfer acceptance from the financial institutions as announced by the cabinet in the government gazette, and it may be general or specific.

Land and building tax collection

The Land and Building Tax Act B.E. 2562 (2019) regulates provisions about tax collection from the land and building owners, and sets the maximum tax rate to be calculated from appraised price. The maximum tax rate depends on property type, and it will be collected at rate specified in the Land and Building Tax Act from 01 January 2020.

Later, the “Royal Decree on land and building tax reduction B.E. 2563 (2020) (Decree), issued pursuant to Section 55 on 20 January 2020, valid from 01 January 2020 and hereafter, stipulates the land or building that is NPAs that the asset management companies according to the laws on asset management Company (including BAM), obtained not over 5 years, from the date that real estate belongs to the sector, will be reduced tax at rate of 90% of payable taxes.

At present, it is unclear that the Ministry of Finance will consider extending the term of land and building tax mitigation in 2021.

The risk management

The Company emphasizes the risk management, which is one of the main components of good corporate governance; whereas the Company focuses on preparing and preventing any situations and uncertainties that may occur and affect its ability to successfully achieve its goals and objectives. The risk management is implemented both at the organization-level and at the activity-level. The Company also cultivates the concept of risk management as part of its operation.

The Company integrates a risk management system into its business operation, whether at the organization-level, department-level, and operative-level. The management information system allows executives to monitor the risk status at each level; and to connect the risk management system with the Company’s database. The Company also appoints directors and outside experts to the Risk Management committee, in accordance with the Company’s policy, and in order to improve the overall efficiency of the Company’s risk management. The Company develops and disseminates knowledge and understanding about the risk management to its employees of every level continuously, in order to limit the risk to a level that is acceptable for the organization. Moreover, the Company’s risk management aims at the business continuity management, in order to allow the Company to conduct its business operation continuously.

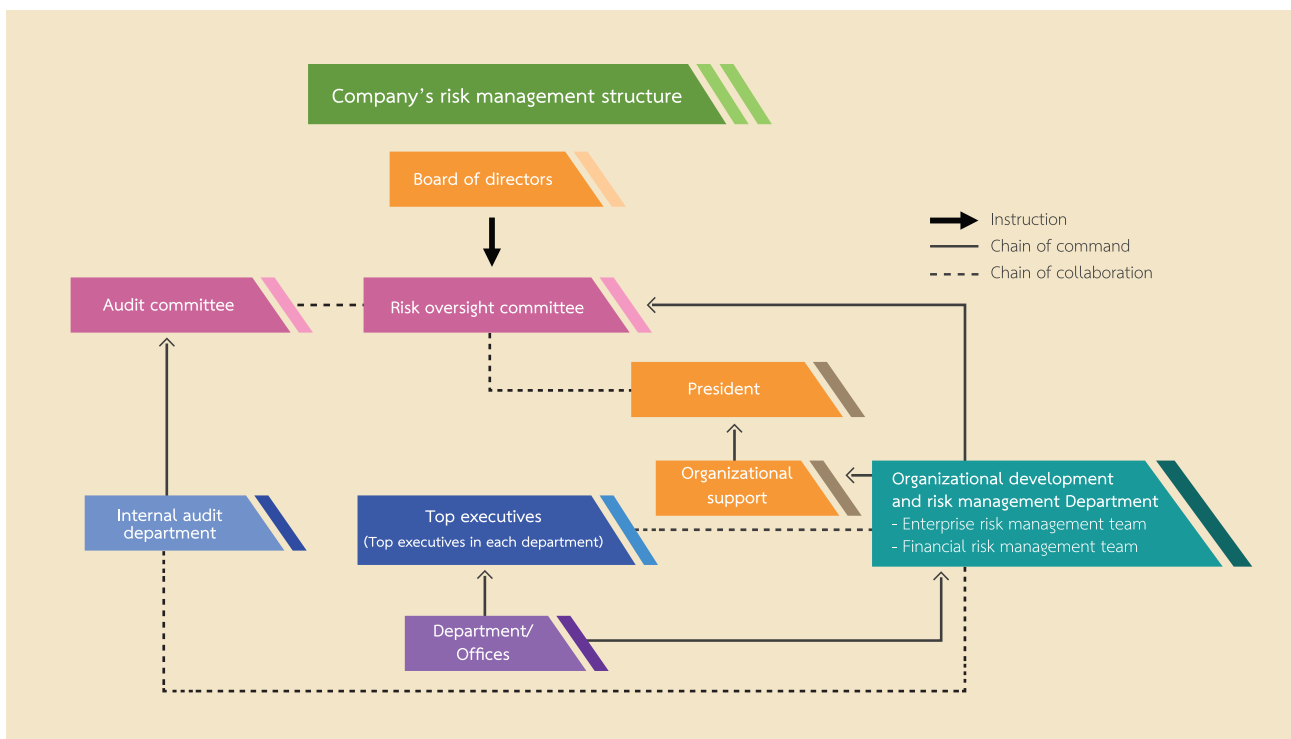
The Company reviews, adjusts, and improves its risk management system continuously, in accordance with the Company’s risk management policy/ guideline specified by the Board of Directors. Moreover, the risk management system also plays an important role in determining and reviewing the Company’s risk management policy/ guideline, as per the characteristics of the business operation that covers all the important risks of the Company. The risk management system also specifies the strategies for managing, monitoring, and controlling the organization’s risks at an acceptable level for the Company.

The Company realizes that risk management is a very important component of its business operation. Therefore, the Company specifies the risk management guidelines that are appropriate and efficient, in accordance with the characteristic of its business operation. And for this, the Company must study, evaluate, monitor, and manage the risks systemically and continuously, in order to make sure that the Company’s executives will understand all the related risks of the Company’s business operation, and will be able to manage those risks under the framework specified by the Company.

The enterprise risk management structure

The Company continuously specifies its enterprise risk management, while considering various risks that may prevent the Company from achieving its goals. The Board of Directors instructs all executives to manage the risks involved with the departments that they are responsible for, under the discretion of top executives of such departments and under the supervision of the Risk Oversight Committee. The risk management activities are reviewed by the Internal Audit Department, who present the auditing result to the Audit Committee regularly.

The Company appoints the Enterprise Risk Management Team and the Financial Risk Management Team, under the Organization Development and Risk Management Department, in order to determine the guideline for managing various risks, to analyze those risks, to collaborate, to monitor the result, and to provide their recommendations on the risk management guideline to the organization's employees, and to present the performance report to the Risk Oversight Committee.



The Company specifies the scope of risk management by classifying its risks into 3 levels, as follows.

- (1) **Corporate Risk:** corporate risks may prevent the Company to fail to achieve its organization-level objectives and goals. Corporate risks are evaluated by top executive of each departments and the Board of Directors, and are under the supervision of the Risk Oversight Committee.
- (2) **Business Group Risk:** business group risks may prevent the Company to fail to achieve its department-level objectives and goals. Business group risks are evaluated by top executives of each department and the Board of Directors, and are under the supervision of the Risk Oversight Committee. However, each department will be responsible for their own business group risks.
- (3) **Functional Risk:** functional risks may are risks that normally occur with the day-to-day operations. Such risks are evaluated by each department and branch, according to the important processes, as well as any processes, in which the department involved may not be able to achieve its plans and goals.

The Company reviews its internal control and risk management regularly, on a yearly basis, through the review and approval of each chain of command (Bottom-up approach) and the review and approval of the top executives (Top-down approach); in order to monitor and review the important risks that may affect the Company's business operation.

Roles, duties and responsibilities of related persons in risk management of the Company

(A) Board of Directors

1. Defining the risk management policy, give advice, and consider approving the annual corporate risk management plan
2. Promoting and encouraging operation suitable for corporate risk management

(B) The Risk Oversight Committee

1. Reviewing and approving the risk management criterion/methods.
2. Determining the operational risk management guideline for the organization-, department-, unit-, and office-level; and providing recommendation and consultation on the subjects of risk management.
3. Monitoring the development of risk management guideline and supervising the creation of a risk management system that corresponds with the Company's strategies.
4. Monitoring the risk identification process and evaluating the important corporate risk appropriately, in accordance to the situation.
5. Reviewing and approving the risk management plan.
6. Reporting to the Company's Board of Directors, regarding the progress of the risk Oversight and the corporate risk status.
7. Communicating and coordinating with the Audit Committee, on the subject regarding important risks.
8. Monitoring and promoting further development of employees' ability, the change of the organizational culture, and the continuous improvement of the risk management; in order to make every employee recognize the risks and the risk management of every department.
9. Appointing responsible employees or working groups, in order to ensure the appropriateness and the efficiency of the risk management.

(C) The Audit Committee

1. Independently monitoring the risk management.
2. Coordinating with the Risk Oversight Committee on the subjects regarding significant risks; and linking said risks with the internal control system, in order to allow the Company to manage such risks appropriately and efficiently, on an organization-wide scale.

(D) The top executives

1. Implementing the risk management on an organization-wide scale.
2. Promoting the risk management policy and specifying the risk management process on an organization-wide scale.
3. Monitoring the corporate risk and implement the appropriate risk management plan.

4. Supporting the development of employees' ability, as well as the required tools and systems for the operation.

(E) The Organizational Development and Risk Management Department, including the Enterprise Risk Management Team and the Financial Risk Management Team

1. Preparing and reviewing the risk management policy; specifying the risk management guideline and process for departments/ units/ offices, in order to propose them for the Risk Oversight Committee's approval.
2. Communicating, supporting, and providing recommendation on the risk management process to departments/ units/ offices of the organization.
3. Monitoring and reporting the risk situation to the executives of each department, the top executives, the Risk Oversight Committee, the Audit Committee, and the Company's Board of Directors.

(F) The Internal Audit Department

1. Supporting top executives and Audit Committee in the monitoring of the internal control system and the risk management.
2. Preparing the audit plan for each department, in accordance with the risk-based approach.
3. Reviewing the risk management.
4. Communicating with the risk management groups, in order to reach an understanding about the risks and the internal audit operation.

Moreover, every employee is responsible for following the risk management policy and guideline specified by the Company. They are also responsible for risk management operation, in accordance with the scope of their responsibility. And for this, the Company communicates and educates its executives and employees about the risk management guideline and policy, as well as about the internal control, risk management, good corporate governance, etc.

The Company's systemic risk management processes and procedures

The Company specifies the risk management processes, which comprise of the following procedures.

(A) Objective setting

The Company variably specifies the objectives and goals for each level, from the organization-level, the department-level, and the unit-level. These objectives and goals are consistent to one another and they are made under the Company's vision, mission, strategic plans, and operational plans. The Company also determines the key performance indicators for each level of those goals.

Setting up objectives is the primary criterion that allows the Company's to identify the situations, evaluate the risks, and respond to such risks efficiently. Also, the objectives must be consistent with the level of risk that is acceptable to the organization (Risk Appetite), which determines the deviation interval of the risk tolerance.



(B) Event identification

The Company analyzes, searches, or identifies situations of risks that may originate from internal or external factors and may affect the organization's achievement of its objectives and goals.

(C) Risk assessment

The Company analyzes the likelihood of risks and impact criteria of said risks, for both before and after the implementation of the current risk control measure. The Company implements both quantitative and qualitative risk assessment tools and after the assessment it deems that the risks are still over the acceptable level, the Company will initiate additional risk management procedures, in order to reduce the level of risk to the level that is acceptable to the Company.

(D) Risk response

After identifying significant risks, and the underlying causes and the acceptable level of such risks, the Company will specify and create the risk management guideline, measures, and policies, as necessary.

The Company respond to or manage risks by choosing:

1. Risk acceptance; this means the acceptance of the potential risks of its operation, under the acceptable level of risks for the organization.
2. Risk reduction; this means additional operations for reducing the possibility or the effects of those risks to the acceptable level.
3. Risk avoidance; this means additional operations for canceling or avoiding activities that create risks.
4. Risk transfer; this means collaborative risk management where risks are partially divided with other individuals or organizations.

(E) Monitoring

The Company monitors, improves, and reviews its risk management operation, whereas the responsible departments will monitor, improve, and review the Company's risks, in accordance with a clearly defined timeframe. Then the Company will evaluate, respond, and manage the risks found from the monitoring system.

Managing the Company's primary risks

The Company manages its risks by classifying them into 4 types, as follows.

(A) Strategic risks

Risks that occur from the inappropriately defined strategic plans or the adjustment of the strategic plan that is inconsistent with the organization's internal and external environment. As a result, those risks may affect the Company's ability to achieve its goals, in accordance with its strategic plans and operation plans. Strategic risks may also affect the Company's revenue, financial position, competitive capability, and survivability.

The tool for managing strategic risks

The Company reviews and makes sure that its annual operation plan is consistent with its internal and external environment. The strategic risk management starts from the Company's Board of Directors and executives, as they determine the Company's direction, create the strategic plans while considering the annual risk analysis data, regarding risks that may affect the Company. In this regard, the Risk Map will be used for analyzing the organization's risks, as well as determining the key risk indicators, the acceptable level of risks (Risk Appetite), and the deviation interval of the risk tolerance.

(B) Operational risks

The risks of potential damages that are results of the good corporate governance-related measures and the internal control measures that have been poorly defined. Operational risks involve internal operational procedures, employees, work systems, or external situations that may affect the Company's income and financial position.

The tool for managing operational risks

The Company uses the following tools for managing the operational risks:

- Control Self Assessment (CSA): this is a technique that requires every department to regularly assess and control their risks, on a yearly basis, as well as to determine the correction plan and monitoring plan.
- Key Risk Indicators: this is a technique that must requires every unit to internally monitor the risks of their units. It is a primarily monitoring technique that prevents risks from evolving into corporate risks in the future.
- Logging the loss data: every department will be responsible for logging the damage report of specific risk-related incidents, as well as any other damages that may present operational risks. The data record herein allows each department to develop the risk assessment process and risk management process of their own, in order to implement an appropriate internal control system, and to prevent such damages or losses from ever happening again in the future. Keeping the data record also allows the Company to maintain a database of losses, where it can use for determining the guideline for preventing and mitigating the risks in the future, or for minimizing the effects to its business operation.

(C) Financial risks

1. Liquidity risks: risks that originate from the Company's inability to pay its debts and obligations on time, as the Company is unable to convert its assets into cash, in order to pay the matured debts, or the Company is unable to sufficiently raise fund for such purpose, or the Company have to acquire cash to pay its debts at the financial cost that is higher than the acceptable level. Liquidity risks may affect the Company's revenue and financial positions.

The tool for managing the liquidity risks

The Company determines its risk management policies/guidelines, in terms of liquidity risks and other related risks; and specifies the tools that will be used for monitoring and controlling the liquidity risks by related committees, namely, the Assets and Liabilities Management Committee and the Risk Oversight Committee, as follows.

- Estimating the cash inflows and cash outflows, in order to assess the Company's liquidity, at different intervals, namely, at every 1, 3, 6, and 12 months in advance.
- Analyzing the financial ratios, using:
 - Financial ratios, namely, the debt-to-equity ratio (D/E) and the operating cash flow to debt payment ratio.
 - Analyzing the projected current ratio, in order to determine or estimate the Company's repayment ability for payable debts, for example, at every 3, 6, 9, and 12 months in advance.
- Performing the stress test of the Company's liquidity.

Moreover, the Company also plans the contingency funding plan for any liquidity-related emergency, whether for the normal situation or during crisis, in order to prepare the access to the source of funding that will be able to provide the Company with sufficient amount of cash flow on time, under the appropriate financial cost, in an event of liquidity-related emergency.

The Company specifies the liquidity risk indicators, namely, the estimated cash inflows and cash outflows from estimation of liquidity of each period (Liquidity Gap), the debt to equity ratio of shareholders, and the stress test. The Company regularly monitors and reports its liquidity, in order to provide the information to the Assets and Liabilities Management Committee, so they may manage the short-term, medium-term, and long-term liquidity appropriately. This information is also an instrument that allows top executives and related departments to learn about the Company's position and the level of existing risks, in order to acquire sufficient amount of funding or to reduce the risks that may occur during the period where the Company experiences negative liquidity or tends to lack of liquidity.

2. Credit risk: credit risks mainly involve the asset quality risk, and involve the business operation of asset management companies, whose revenue does not come from giving credit to their customers but from the management and sales of NPLs and NPAs.

The tool for managing the asset quality risk

- The Company determines the purchasing prices of NPLs and NPAs using related factors of those NPLs and NPAs, for example, debtors' history, debt obligation, the quality of collaterals, the quality of the

NPAs, as well as the external environment, such as the competition and the economy, etc; in order to determine the expected revenue from debt collection and assets sales.

- The Company manages its debtors under the debt restructuring agreement, whereas the Company reviews debtors' repayment ability through the Aging system. The system notifies debtors to pay their debt in advance, in order to prevent the default on payment. Debtors who fail to make the repayment will be managed with legal proceedings, in order to reduce the risk from debtors that are unable to follow the debt restructuring agreement.

3. Market risk: market risks come from changes of the market price of collaterals of NPLs and NPAs. The changes of market prices present the risk to the value of assets, as the market prices fluctuate by the market's condition. Market risk causes the Company's revenue to increase or decrease.

The tool for managing the market risk

The Company reviews the appraisal prices, by applying the BOT Regulation's for financial institutions, whereas the Company will review the appraisal price of collaterals of NPLs at every 3 years; and review the appraisal prices of NPAs at every 1 year, or at any other interval if the situation has significantly changed. The Company also sets aside the sufficient reserves and the allowance for impairment of assets, in order to cover the potential damages from the depreciation and the impairment of collaterals of NPLs and NPAs.

(D) Compliance risk

Compliance risks comes from the Company's failure to follow the laws, rules, regulations, standards, provisions, orders, and guidelines that are enforceable over any business transactions. The compliance risks may lead to financial loss, prosecution, or damages to the Company's reputation or image.

The tool for managing the compliance risk

The Company specifies the operational methods and procedures for managing the compliance risk, based on the standards specified by supervising organizations, professional standards, and the laws. The Company also seeks the opinions from BOT on its annual operation inspection, in order to stimulate constant improvement of its operation.

And for this, the Company creates the Compliance Department, with the primary role and responsibility of reviewing the operation of every department, and making sure that they are complying with the rules, regulations, orders, articles of association, as well the regulations of the government or supervising authorities. The Compliance Department collaborate with the supervising authorities, government organizations, external organizations, as well as internal organization; in order to define the measures, regulations, orders, and operational guidelines that are complying with the rules and regulations of the government or the supervising authorities, in terms of the anti-money laundering regulation, anti-terrorism funding regulation, and anti-weapon of mass destruction spreading regulation, the guideline of the anti-Money Laundering Office (AMLO), the rules and regulations on information technology supervising, the Personal Data Protection Act, the Cyber Security Act.

Besides those 4 types of the aforementioned risks, the Company also manages other risks, including, the risk of its reputation. The Company has many tools to manage its reputation-related risks, including, the customer satisfaction survey, the complaint handling system that accepts and manages complaints from insiders and outsiders, through various channel, such as, personal submission of complaints through the customer relations department, executives, or directors, submission of written complaints directly to the Company or through the Company's website, as well as other channels provided by the government organizations. The Company also appoints a team that continuously monitors any information that is related to the Company, in order to prevent or reduce the risk on its reputation or image.

The Company also emphasizes the business continuity management and the management of external risks that are beyond the Company's ability to control, such as, natural disasters, flood, fire, terrorism, riot, strike, epidemic, etc. And for this, the Company appoints the Business Continuity Management Committee, with the responsibility of preparing the business continuity management policies and plans. The Company also creates the backup data center, in case of disasters and the secondary operation center, whereas it tests its business continuity plan (BCP) regularly, at least once a year.

Organizational development to uplift risk management of the Company

The Company realizes importance of effective and efficient risk management for the Company to manage risks subject to current situations. Therefore, it develops, reviews the policy, tool and process for risk management continuously in order to support risks that tend to increase by risk factors, and to have a suitable management method according to the regulations of the government sectors that may change as follows.

- **Providing a measure and business continuity plan (BCP) to support COVID-19 crisis**

From the situation of COVID-19 all over the world in the beginning of year 2020, Thailand started to be impacted from March until present. The Company has followed up the situation continuously and assigned the working group for Business Continuity Management (BCM) consisting of top executives of the Company, to define a measure and develop Business Continuity Plan (BCP) to support COVID-19 crisis urgently as follows.

- Announcing the code of practice for employees to prevent COVID-19 outbreak
- Making a BCP to define important work types under the outbreak phase 1: before outbreak, phase 2: warning about the outbreak, phase 3: outbreak period, and phase 4: after outbreak
- Setting a screening point for entering-exiting the office building
- Spray sanitizer at the headquarter and branch offices nationwide.
- Set up a temporary work station to divide key person not to be in the same area with other employee
- Specify the preparation in support of Work from Home for employees that may be affected by the outbreak of COVID-19
- Arrange a shareholder's meeting 2020, the Company provided a preventive measure by screening and measuring temperature of attendants, as well as social distancing.

Furthermore, the Board of Directors determines the study for analysis and providing "lesson learned from COVID-19 of BAM" with impacts on employees and operations of the Company during COVID-19. The study result will be used for preparation in various aspects and improving work operations of the employees to be ready for

Work from Home, or developing Work from Anywhere in the future to support any crisis situations. Furthermore, the work strategies may be adjusted to be consistent with the Company's business operation

- **Annual shareholder's meeting year 2020**

In 2020, the Company realizes and care about health and safety of every meeting attendant under the outbreak of COVID-19. The Company then provides a measure and code of practices for the general shareholder's meeting attending provided that the shareholders can give a proxy to an independent director of the Company to attend the meeting and make a vote on behalf of the shareholders. The Company provides the screening point and measures body temperature of every meeting attendant strictly as well as sets social distancing for the attendants.

- **Organizational restructuring to support GRC integration**

The Board of Directors emphasizes the integration of good corporate governance, risk management and compliance with rules and regulations, that is called Governance Risk and Compliance (GRC) by restructuring the organization which includes corporate governance and risk management for the operation works of the related sectors oversight departments to cover GRC and meet the global standard.

- **Hiring outsourced advisor for GRC development**

The Company hires an outsourced advisor which is Pricewaterhouse Coopers ABAS Co., Ltd. (PWC) which is the consultant Company having experience in developing GRC Works for financial institutions, being an advisor for the Company, in building up the knowledge and understanding for executives and employees. This will develop the integration of GRC, and improve internal process of governance, risk management, and compliance of the Company in order to meet the global standards. Nevertheless, the advisor has scope of services according to the Term of Reference: TOR in 2020 as follows.

- Arrange a training to build up knowledge and understanding
- Assess work under the integration of GRC of the organization so as to evaluate, analyze and identify the points that should be improved
- Provide GRC Framework and Action Plan

- **Hiring outsourced advisor for Information Technology (IT) Risk management**

At present, information technology plays an important role in business operation of the Company especially when used to enhance effectiveness of services provided to customers so that they will receive services that better meet their need. Therefore, the Company improves the risk overseeing process on information technology to support business patterns, and be consistent with the technology that rapidly changes, which may cause risks to safety of services, customer's data, and service continuity. To uplift the information technology risk oversight, the Company hires an outsourced advisor, namely ACIS Professional Center Co., Ltd, to manage information technology risks to meet the global standards and be in line with the oversight according to the notice of the Bank of Thailand associated with information technology risk oversight (Sor.Nor.Sor.21/2562). The consulting Company proceeds with GAP analysis and provides the policy about important information technology risk oversight as follows

- IT Risk Management Policy
- IT Outsourcing Policy
- Training to build up knowledge and understanding



BAM

*Moving Forward
Through Sustainability*

Risk Factors

Risks Related to the Company's Business

Liquidity risk

Since its business is capital intensive, the Company needs to always have adequate liquidity. A plunge into liquidity crunch might erode the confidence of its counterparties and stakeholders such as lenders and financial institutions that sell their NPLs and NPAs to the Company. Factors which could adversely affect its liquidity include, among others, changes in macro economy, money market and public sector policies that are unfavorable to its business operation and ability to procure loans with commercially acceptable terms and conditions, stricter supervision by the concerned regulatory bodies, and failure to collect payments from its NPL and NPA management business sufficiently or according to the established strategy or goal.

The Company usually issues promissory notes to pay for the purchased NPLs or NPAs. Any payment with a high value for such issued debt instruments and loans that become due may sometimes affect its liquidity and also limit and reduce its ability to additionally purchase a large amount of NPLs and NPAs.

Furthermore, under some of the Company's loan agreements, the lenders are entitled to adjust the interest rates in the case where FIDF's shareholding is lower than 40.0 percent. Currently, FIDF holds 45.8 percent of the total issued and paid-up shares of the Company (data as of May 29, 2020 which was the latest register book closing date of the Company). As at December 31, 2020, the total amount of the outstanding loans under such loan agreements was approximately Baht 22,644.4 million. An upward adjustment of the interest rates under those loan agreements is likely to have a significant adverse impact on the Company's liquidity, financial position, and performance.

Failure to efficiently manage its cash flow could affect its ability to acquire NPLs and NPAs and allocate funds for loan repayment. In this case, the Company may have to seek, or may be unable to seek, other funding sources with non-commercially acceptable terms and conditions, thus negatively affecting its business, financial position, and performance.



Risks Related to
the Company's Business



Risks Related to
Financial Industry
in Thailand



Risks Related to
Shareholding
in the Company

Risk
Factors

Risk from failure by the Company to procure and acquire NPLs and NPAs in a sufficient amount and at reasonable prices, which will materially impact its growth, competitiveness, financial position, and performance

The Company's ability in revenue and cash flow generation and sustainable business expansion hinges on its ability to procure and acquire a sufficient amount of NPLs and NPAs at reasonable prices. However, a success in the procurement and acquisition of NPLs and NPAs depends on an array of uncontrollable factors such as changes in Thai economy and real estate market condition, competition in bidding for NPLs and NPAs among financial institutions, value, quality and type of NPLs and NPAs to be offered for sales by financial institutions, and the Company's ability to access funding sources. At the same time, the Company's business also relies on (a) changes to the laws, regulations or public sector policies that are applicable to the Company and (b) policy, financial position and business operation plan of each financial institution with respect to their credit, NPL and NPA management. Due to the complexity and correlation of such factors, most of which are beyond the Company's control, the Company may be unable to procure NPLs and NPAs in a sufficient amount and at reasonable prices, which will have a significant adverse impact on its growth, competitiveness, financial position, and performance.

Failure by the Company to collect payments from debtors and generate revenue and cash flow from NPL management as targeted, whereas its performance depends mainly on its ability in collection of payments from debtors and effective NPL management and also on debtors' ability to pay their debts, whether in whole or in part

The generation of revenue and cash flow from NPLs depends on numerous factors, including the Company's ability to effectively manage NPLs within an appropriate period of time and other factors, which mostly are beyond the Company's control, such as debtors' ability to pay their debts, whether partly or wholly. This is because customers that are NPLs of the

Company often have an insecure financial standing and poor operating performance with a tremendous need for financial assistance or have negative net assets, while some debtors are in the bankruptcy or debt restructuring process. If it is unable to restructure such debts and enforce the debt repayment, the Company may have to resort to other methods to generate revenue from its NPLs such as litigation, transfer and disposal of assets through sale and enforcement of collateral. These methods are time-consuming, costly and less effective or may require compliance with the laws, regulations or public sector policies then in force, whereas the outcome thereof might not be as expected by the Company. In some cases, moreover, the Company may not have a first-ranking right of enforcement over the collateral, while other creditors may have a higher-ranking preferential right over such collateral.

In addition, the Company may be unable to collect a sufficient amount from the enforcement of collateral to cover its investment cost or may even fail to collect any payment at all. In the business reorganization process by a court order under the bankruptcy law, if the court issues an order approving the business reorganization plan, which is approved by a majority of the creditors who have the rights of claims against the debtors, the Company may have to agree to such plan that may not be beneficial to it. Furthermore, the court may rule that the collateral be void or reject the petition for collateral enforcement whereby the Company may receive a limited amount of return or suffer a loss from such process and may be unable to collect the debts from its debtors and to recognize revenue from those NPLs as projected, which may have a significant adverse impact on its financial position and performance.

Fluctuations in Thai real estate market that could affect the Company's ability to generate revenue and cash flow from collateral underlying NPLs and NPAs

The Company is prone to risk involved with Thai real estate market condition, considering that all of the collateral underlying its NPLs and NPAs is located in Thailand. Its ability to generate revenue and cash flow

from those assets hinges on the liquidity and condition of Thai real estate market. Given that such market condition does not turn out as predicted by the Company, sales and prices of its properties may decrease accordingly and it may take a long time for those assets to fully generate revenue. As such, the Company may have to sell them out under the terms and conditions of the sale and purchase agreements that will cause the Company to obtain lower benefits or to sell the assets at less-than-expected prices. Besides, a slowdown in Thai real estate business may make it more difficult for the Company to market and sell its properties and may result in a higher cost of holding those assets. A decline in value of collateral underlying NPLs or NPAs may also cause the Company to record a higher amount of allowance for doubtful accounts of loans purchase and allowance for impairment of properties for sale.

Thai real estate market is influenced by a number of factors that are beyond the Company's control such as macro-economic condition, interest rate, inflation rate, household debts, city expansion rate, net personal income, demand and supply situation, and so on. Moreover, the government's adoption of any new laws, rules, regulations or policies that may directly or indirectly affect growth in the real estate market will likely have a significant adverse impact not only on the Company's ability to generate revenue and cash flow from collateral underlying NPLs and NPAs but also on its revenue, profitability, financial position, and performance.

Risk of a due diligence review on the Company's NPLs and NPAs being conducted based on information that is incomplete or not totally correct, thus likely leading to an error in determination of purchase prices of NPLs and NPAs

Since most of the NPLs and NPAs acquired by the Company do not have definite market prices, the Company has to determine purchase prices of those NPLs and NPAs based on several factors. For NPLs, the factors include competition, forecasting of debt collection from NPLs, collateral value, and debtors' history. In the case of NPAs, the factors consist of asset appraisal carried out based on

the data on those assets obtained by the Company and the due diligence review conducted by the Company itself, estimated expenses relating to management and sale of those assets, and market and competition situation in a given period. Therefore, failure to conduct the due diligence review and/or select NPLs and NPAs effectively may result in the Company not receiving a good return on investment or suffering a loss.

Before purchasing any NPLs and NPAs, the Company will conduct a due diligence review as deemed appropriate based on facts and environmental factors relevant to the purchase of any such NPLs and NPAs. Through all past years and in the future, the Company conducts the due diligence review using information obtained from the financial institution that sells NPLs and NPAs to the Company. It is likely that such information may be incomplete or not totally correct and the relevant facts that are essential or useful for evaluating the purchase may not be completely disclosed. Although the Company normally assigns its staff to make an onsite survey of the assets, the Company cannot access the collateralized assets when appraising such NPLs. Therefore, the Company may be unable to identify the encumbrances on or actual condition of those assets and may accordingly appraise the NPLs and NPAs at a price higher than a commercially reasonable price due to a lack of complete or accurate information. These factors could affect the Company's profitability, financial position, and performance. For instance, the Company may not be aware of the encumbrances on the collateral or cannot ensure that it will obtain title to the collateralized assets without any shortcomings. Previously, the Company used to receive incomplete and inaccurate information on certain properties, which caused it to make a mistake in determining the purchase prices of those properties. Despite the fact that financial institutions generally give the Company a right to return the purchased NPLs and NPAs within a period of time specified in each agreement in the event that the information on such NPLs and NPAs provided by the financial institutions which are the sellers is incomplete or incorrect, the Company may be unable to recognize the deficiency or error of such

information within the period specified, thus likely affecting the return obtainable by the Company from NPLs and NPAs.

The Company's staff who have duty to make a due diligence review determine the asset prices using their own discretion, assumptions, experience and personal view, which may neither ensure the accuracy nor reflect the true value of the assets. In general, the Company conducts the due diligence review, based on information received from financial institutions that sell NPLs and NPAs, in order to appraise the assets and set prices. In this respect, the projection on debt collection and asset selling is used as a basis for determination of purchase prices, which is a step that enables the due diligence process to be complete. If the information on such debt collection and asset selling projection is inaccurate or incomplete or leads to a misunderstanding, any decision made based on the said information may cause a risk of failing to purchase NPLs and NPAs as targeted. Moreover, making each due diligence review on a large volume of assets may result in greater errors in the appraisal or failure to complete the appraisal due to time constraints. Although these are trivial errors, a combination of such errors may impact the Company's overall profitability. Besides, the Company may decide to buy NPLs and NPAs at a price higher than a commercially reasonable price of those assets, which could adversely affect its financial position and performance.

Risk from the Company's asset appraisal being made based on various assumptions, which may cause the appraised value of collateral underlying NPLs and NPAs to fail to reflect the true value of those assets that the Company will recognize after selling such assets

The appraisal of collateral underlying NPLs and NPAs, which are presented in the Company's financial statements, is conducted by applying the regulations set forth by the BOT for financial institutions to adhere to. The Company arranges for the appraisal to be carried out by the SEC-approved independent appraisers and also by its internal appraisal team. Each appraiser may need to use his/her own judgment about some factors such as historical reference prices and may establish a set of

assumptions that are subject to change and may be inaccurate or incomplete or not mirror the true value. In addition, the appraised value of collateral underlying NPLs and NPAs of the Company neither is a determinant of the sale and purchase price of those assets nor guarantees that the Company will be able to sell the assets at such price, whether at present or in the future. Besides, the price at which the Company can sell the assets may be lower than the appraised value of such assets. As a result, the inaccuracy of the appraisal conducted either by the independent appraisers or by the Company's internal appraisal team or the pricing method used by the Company may have an impact on the Company's decision-making on determination of the targeted return on investment from NPLs, debt restructuring, and determination of selling prices of NPAs, which could adversely affect the Company's business, financial position, and performance.

Risk of the allowance for doubtful accounts of loans purchased and allowance for impairment of properties for sale failing to truly reflect the impairment loss

The Company continuously estimates the allowance for doubtful accounts of loans purchased and allowance for impairment of properties for sale and recognizes the impairment loss in accordance with such estimated allowance for impairment.

The Company sets aside the allowance for doubtful accounts based on the regulations set forth by the BOT for financial institutions to adhere to, which have been adjusted to align with its transactions. The estimation of the said impairment depends on several factors. For NPLs, the factors include the appraisal of underlying collateral, which is subject to price adjustment under the BOT's regulations, within a specified timeframe, mortgage value, overdue debt, and cash flow expected from debt restructuring. In the case of NPAs, the factors consist of the appraisal of assets within a specified timeframe, the latest value of assets, and types and characteristics of NPAs. Any changes in these factors could lead to fluctuations in the allowance for doubtful accounts, which may affect the Company's financial

position and performance. Moreover, after the adoption of TFRS9, the Company will likely record a greater amount of the overall allowance for impairment when compared with the amount recorded in the financial statements prepared under the current accounting standards, thus potentially affecting the Company's financial position and performance.

Nonetheless, the amount obtainable by the Company from NPLs and NPAs may vary with a number of other factors that are beyond the Company's control such as debtors' financial status, ability and willingness to repay their debts, the ability of the debtors' guarantors to fulfil their obligations, the ability to recognize revenue from underlying collateral, the economic condition, laws and supervision of the concerned regulatory bodies in Thailand, the estimation, evaluation and forecasting of these factors by the Company which could be uncertain or different from the actual status or outcome, and the aforementioned allowance for doubtful accounts or allowance for impairment which may not reflect the actual impairment. These factors may adversely affect the Company's financial position and performance.

Potential impacts of the enforcement of TFRS9 on financial reporting that is related to the Company's business

The Thai Federation of Accounting Professions ("FAP") issued the FAP Notification No. 22/2018 Re: Thai Financial Reporting Standard No. 9, Financial Instruments ("TFRS9") to prescribe the accounting method for recognition and measurement of value of financial assets and financial liabilities. Under TFRS9, which was published in the Government Gazette on September 21, 2018, all businesses are required to comply with such new financial reporting standard in the preparation of their respective financial statements for the accounting period beginning on January 1, 2020 onwards. After TFRS9 has taken effect, the Company expects that the accounting policies that are relevant to its business will likely be affected as follows:

1. Income from loans purchased will be recognized using the effective interest rate adjusted by credit risk on an accrual basis. Such effective interest rate

adjusted by credit risk will be calculated as from the date of acquisition of debtors and will be used as a discount rate for projecting future cash flow the Company expects to receive from each non-performing debtor throughout the term of that debtor so that such value would be equal to the cost of investment in the debtor acquired. At the end of each accounting period, the Company will review the appropriateness of the said projection of cash flow expected from such non-performing debtor. Then, the Company will recalculate the book value of financial assets based on the newly projected cash flow, discounted by the original effective interest rate of such non-performing debtor, and will record the difference as gain or loss on impairment in its statements of comprehensive income.

2. In setting aside the allowance for doubtful accounts, the Company will recognize credit loss expected to be incurred throughout the term of loans purchased as from the date of acquisition of debtors, irrespective of whether the credit risk of such debtors has significantly increased from the date the debtors were acquired.

3. Investment in equity securities may be classified either as a financial asset which is stated at fair value through profit or loss or as a financial asset stated at fair value through other comprehensive income item. At the end of each accounting period, investment in equity securities, both on and outside the SET, will be stated at fair value. When the equity securities that are classified as financial assets and stated at fair value through other comprehensive income item have been sold, the accumulated result of change in the fair value earlier recognized in other comprehensive income will no longer be charged to profit and loss.

The adoption of TFRS9 may negatively impact financial position of the entities, including the Company, which have prepared their financial statements under Thai financial reporting standards. Such impact, however, depends on various factors such as components of the statements of financial position of any such entities on the effective date of TFRS9 and forecasting of future macro economy.

Risk associated with the Company's operation of NPL and NPA management business and possession of a massive amount of assets that are under strict supervision of the concerned authorities and changes in the applicable laws and regulations that may adversely affect the Company's business, financial position, and performance

The Company's NPL and NPA management business is subject to strict supervision whereby the Company must comply with all requirements under the related regulations, practice guidelines and policies with respect to debt restructuring, appraisal and sale of underlying collateral and NPAs, rules and procedures for NPA management, debt collection from debtors, debt write-off, tax-related regulations, and accounting standards. Moreover, as the owner of a large number of properties, the Company must abide by all requirements under the related regulations, practice guidelines and policies such as the land and building tax law, the environmental law, the town planning law, and other rules and regulations.

In this regard, the Land and Building Tax Act B.E. 2562 ("the Act") was already published in the Government Gazette on March 12, 2019 to replace the Building and Land Tax Act B.E. 2475 and the Local Development Tax Act B.E. 2508. Under the Act, the land and building taxes are to be collected at the newly imposed rates, with effect as from January 1, 2020 onwards. As such, the Company may incur incremental tax expenses on the land and properties it possesses, which may have a significant adverse impact on its profitability, financial position, and performance.

The Company's business operation could be affected by changes in the rules and regulations related to financial business or real estate business in Thailand. Failure by the Company to adjust to all those changes in a timely manner may have a significant adverse impact on its business, financial position, and performance. Besides, there still are uncertainties in the interpretation and enforcement of the new policies, laws, regulations or accounting standards. Given that the Company is unable to conform to those changes, it could be subject

to the legal punishment or there could be negative effects on its business, financial position, and performance.

Risk involved with the enforcement of debt against the guarantor and the mortgagor that is not the principal debtor

It is prescribed by law that the guarantor shall not be made liable as if it were the principal debtor (for example, the provision that requires the guarantor to be jointly and severally liable with the principal debtor). Any provision of the guarantee agreement that breaches the said legal provision shall become void whereby the guarantor may exercise its right to refuse to pay the debt. The said legal provision shall not apply to the case where the guarantor is a juristic person and can be made liable as if it were the principal debtor.

Failure by the creditor to comply with the provisions set forth in the Civil and Commercial Code may result in the guarantor or the mortgagor that is not the principal debtor being discharged from their liability specified by law. For instance, when the debtor is in default and the creditor fails to send a notice thereof to the guarantor or the mortgagor that is not the principal debtor within the period specified by law, the guarantor and the mortgagor that is not the principal debtor (as the case may be) shall be discharged from their liability only for the interest, compensation and accessories of obligations after a lapse of the period specified by law for the creditor to send a notice to the guarantor or the mortgagor. Moreover, in the case of guarantee or mortgage of property for the debt that other person must pay and where the debt has a definite payment period, if the creditor agrees to extend the payment period for the principal debtor without the consent of the guarantor or the mortgagor that is not the principal debtor, this shall result in the guarantor or the mortgagor that is not the principal debtor being discharged from their liability. Therefore, to restructure any debt that has a guarantor or mortgagor that is not the principal debtor, the Company may have to obtain the consent from the guarantor or the mortgagor in order to make sure that the guarantee provided by that guarantor or the collateral provided by the mortgagor will remain effective after the

debt restructuring. This process, however, will limit the flexibility in debt restructuring by the Company such that if the Company fails to obtain the consent from the guarantor or the mortgagor that is not the principal debtor, the Company may have fewer alternatives for debt restructuring or compromising and, hence, may have to resort to mortgage enforcement, which usually is costly and time-consuming.

In addition, the liability of the mortgagor that is not the principal debtor is limited to only the value of the mortgaged property, and any provision that requires the mortgagor to be liable for value exceeding that of the mortgaged property shall become void. Nonetheless, in the case where the debtor is a juristic person and a person with power to manage or control the operation of that juristic person, who has mortgaged his property as collateral for the debt of that juristic person, such person will then be able to enter into a debt guarantee agreement for the same juristic person and can assume the liability that exceeds the value of the mortgaged property.

Although the Company has devised measures to comply with the provisions prescribed by law so as to reduce the impact of the amendment to such law, it believes that the amendment to such law will still have a significant effect on the Company, especially on its right under the guarantee agreement or the mortgage agreement for its NPLs in the event that such agreement has not been made in accordance with the aforementioned legal provisions. Furthermore, though the Company's process of debt enforcement against the debtor and mortgage enforcement against the collateral that belongs to the debtor may not be materially affected, the debt enforcement against the guarantor and the mortgagor that is not the principal debtor will be more difficult and time-consuming because the Company will have to follow the additional procedures specified by the law, which may negatively affect its financial position and performance.

Risk of the Company possibly being held liable due to legal disputes and other disputes in which the Company is occasionally involved

In the operation of its usual course of business, the Company has to be involved in legal disputes and other disputes. Generally, those disputes arise when (a) the Company seeks to collect outstanding debts from debtors, seize or sell the underlying collateral or enforce guarantees, pledges or mortgages, or (b) the Company and the counterparties in the purchase or sale of collateral underlying NPLs or NPAs of the Company request the court to issue an order certifying the legal right of each party. Also, the Company may face a lawsuit or be involved in other disputes from its normal course of business operation. For instance, the debtors that fail to pay the debt may resist having their properties seized by the Company and accordingly bring the disputes to the court. Moreover, in the case where the Company already took a legal action against a debtor and the said debtor made a counterclaim, if the Company anticipates that it may face damages from the lawsuit, whether already filed or prepared to be filed, or damages from any other disputes against the Company, the Company will record provisions for litigation in accordance with the related accounting policy or the Company's internal policy, which conforms to the Thai Financial Reporting Standards (TFRS) and the Thai Accounting Standards (TAS). In this respect, the court's ruling or decision on the legal disputes in which the Company is involved may not be in the Company's favor, and the provisions for litigation may be inadequate to fully cover the actual damages arising from the court proceedings or other disputes. Nevertheless, if there is a change in the Company's risk assessment, this may cause a relative change in the provisions for litigation.

In addition, such lawsuits and disputes may lead to further investigation, inquiry and consideration process of the concerned authorities, which may tarnish the Company's reputation and increase its cost and expense in relation to such disputes. The Company may have to reallocate the resources used for its core business operation to such process. In its normal course of business operation in the future, the Company may remain involved



in legal disputes and other disputes. As such, discontinuities in the Company's business operation as a result of the court proceedings or ruling against the Company, its directors or key executives may have a significant adverse impact on the Company's business, reputation, financial position, performance, and business opportunity.

Risk from competition that may affect the Company's business and growth strategy

The Company possesses a number of large-sized NPLs. As of December 31, 2020, the largest NPL of the Company accounted for 3.9 percent of its net loans purchased, and the top 10 largest NPLs made up an aggregate of approximately 8.1 percent of its net loans purchased. Therefore, if any of these major debtors fail to pay their debts within the specified period or default on their payment for whatever reasons, or if the Company fails to receive the full payment from the underlying collateral or fails to receive any payment from collateral enforcement, this will have a significant adverse impact on the Company's financial position and performance.

Moreover, since a large number of the Company's NPAs are located in Bangkok and its vicinities, the Company is accordingly prone to risk from a decline in prices of land in the country and prices of land in Bangkok and its vicinities. Any factors that lead to such land price

decline may have a significant adverse impact on the Company's business, cash flow, financial position, and performance.

Risk associated with the dissatisfied debtors and protestors that may undermine the Company's reputation

The Company's business is concerned with debt restructuring negotiation, debt collection and/or collateral enforcement, which could arouse dissatisfaction among its debtors. It once appeared that a group of debtors staged a protest at the Company's headquarters and also at some of its branch offices, calling for the Company to reduce their debts. Although its business was unaffected by such event, the Company's operation and its relationship with and reputation among debtors might be ruined, given a repetition of similar incident in the future. A damage to the Company's reputation may affect its business and relationship with its customers, debtors and other contracted parties. Previously, the Company used to be sued by the dissatisfied debtors, which may occur again in the future and, if so, will incur litigation expenses together with potential liability from the lawsuit. Moreover, any criticism and dissemination of negative information against the Company may lead to a complaint or protest, which could obstruct or hinder the Company's business operation. These incidents may have a significant adverse impact on the Company's business, reputation, financial position, and performance.

Risk incidental to errors or mistakes in employees' performing of their duties or outsiders' actions

The Company has in place a risk management system and an internal control system covering its entire operation, including preventive measures and policies for monitoring business operation and regulatory compliance, with the objective to manage all potential risks associated with its business such as money laundering, fraud, misconduct or any other illegal acts. In this respect, the Company set up three committees, comprising the Audit Committee, the Corporate Governance and Social Responsibilities Committee, and the Risk Oversight Committee, with duty to oversee the Company's risk management. The Company also provides risk management tools which are used by all work units for assessing the adequacy of their respective internal control system on a yearly basis. Still, the Company may be exposed to risk from errors or mistakes in its employees' performing of their duties that may fail to conform with the established policy, as well as risk incidental to the acts of outsiders such as agents or customers that are beyond the Company's control. Such failure to comply with the established policies may have a significant adverse impact on the Company's financial position and performance.

Risk concerned with dependency on key executives and skilled employees

The Company's success hinges on its ability to attract and retain the key executives and employees who have in-depth knowledge and understanding of and long-time work experience in the financial and real estate businesses, including senior executives and employees with expertise in asset appraisal, marketing and sale and employees in other fields of operation. Due to the nature of its business, the Company requires personnel who have specialized knowledge and talent and, thus, provides regular staff training. Nonetheless, the Company may be unable to retain the talented executives and employees and recruit qualified personnel to replace those high-ranking executives and employees with specialized knowledge and ability within an appropriate period of time, or may even fail to find any replacements at all, or may incur cost of recruitment and training of new employees, all of which may negatively affect the Company's business,

financial position, and performance.

Risk from information technology system malfunctions

The Company needs to use information technology (IT) system and data processing system in its business operation. As such, system malfunctions will likely result in financial loss, business interruption or reputational damage to the Company.

Smooth and uninterrupted business operation, accounting and financial control, risk management and customer servicing totally depend on the IT system. IT malfunctions could be caused by either human errors or uncontrollable incidents such as software or hardware problems, network failures, computer infections, natural disasters, lack of up-to-date IT systems, equipment problems, power outages, and others. The Company has streamlined its IT system, mapped out a business continuity plan (BCP), and set up a disaster recovery center (DRC) to promptly recover the system within 24 hours and also to prevent and minimize the impacts of an interruption to its major transactions. However, a long duration of the interruption to the Company's IT system could limit its ability to follow up on, examine and manage the information and also affect its risk management, accurate record keeping, quality customer servicing, financial control, and business operation. Despite a regular inspection of its IT system according to the related regulations, the Company cannot ensure that such inspection could prevent any IT system malfunctions in the future. Moreover, although the Company has allocated a large amount of resources for cyber security, electronic data encryption, and other security measures, cyber security-related incidents may still occur to the Company's IT system and data processing system such as violation, intrusion, theft, infringement of the Company's know-how and personal information, data leak, or general fraud. Therefore, failure by the Company to completely and promptly resolve the problems in its IT system may cause a delay in or interruption to the Company's significant business operation and may cause liability or tarnish its reputation. This could have a significant adverse impact on the Company's business, financial position, and performance.

Risk of the insurance taken out by the Company not fully covering the risk of loss to the Company

The Company generally takes out three types of insurance against risks: (a) directors and officers liability insurance, (b) all risks insurance for its office buildings, including third party liability insurance, and (c) fire insurance for constructions located on the collateral underlying NPLs and NPAs. Although the Company believes that the said insurance could cover any potential damage and plans to continue such insurance coverage, it is likely that the said insurance may not adequately cover the damage and loss that may arise in the future (e.g. damage to the collateral underlying NPLs or NPAs that is not caused by fire). If the insurance does not cover such damage and loss, there could be a significant adverse impact on the Company's financial position and performance. However, if the Company chooses to expand the insurance coverage, it will have to pay the premium at a higher rate. Besides, it may not be able to acquire insurance policy that provides the coverage and economic benefits as desired or may even be unable to acquire any insurance policy at all.

Risk from accident or intrusion into the Company's properties

The Company may encounter various situations in relation to the properties in its possession such as in the case where an injury from accident occurs on the Company's property or nearby area or there is an intruder illegally utilizing its property, which mostly occurs before a transfer of such property to the Company. Its property inspection and prevention measures may not efficiently protect against all potential accidents, intrusion, hostile possession or illegal use of its properties. As such, it is likely that the Company may face claims for damages from those injured in any such accident, or those who have illegally used its properties may cause damages for which the Company is made jointly liable, or the intruders may occupy or use its properties in a wrongful manner. Then, the Company may have to take some actions and relatively incur a great amount of expenses in order to restore its possessory rights over those properties or may even fail to acquire the possession of those properties, thereby likely resulting in a decline in value of such properties. Previously, the Company encountered a situation where it was unable to enter the properties

transferred or acquired from collateral enforcement because there were intruders on the properties, which led to a delay in recognition of revenue from value of such properties and may accordingly have a negative impact on its financial position and performance.

Risk from impacts of Thailand's new trade competition law

The Trade Competition Act B.E. 2560 ("Trade Competition Act"), which took effect in October 2017, and the subordinate legislation issued under this act stipulate four main provisions to promote free and fair trade competition and provide a level playing field for all players, consisting of (a) prohibition of business operators with a market control power from the abuse of a dominant power in the market, (b) supervision of a merger or acquisition that restricts trade competition or a merger or acquisition by or between business operators that have a market control power, (c) prohibition of restrictive agreements, and (d) prohibition of unfair trade practices.

In this regard, the Company risks being considered as "a business operator having market dominance" pursuant to the Trade Competition Act under the criteria set forth by the Trade Competition Commission. As a result, the Company may have to abide by the provision that prohibits the use of a dominant power in the market in an unfair manner or without a reasonable ground, thus likely posing a negative effect on its business.

Risk from access to or use of information that may tarnish the Company's reputation and adversely affect its business

Since the Company has to process abundance of customer data in its business operation, it is therefore prone to risk concerned with the access to and management of such information, including:

(a) The protection of data compiled and stored in the Company's IT system, as well as the protection against the intrusion of the IT system by outsiders or against the error or offence committed by the Company's employees;

(b) The importance given to data privacy, disclosure and protection; and

(c) The compliance with laws governing the use and disclosure of personal information.

Thailand begins to attach greater importance to laws and regulations on cyber security and personal information protection, as evident from the promulgation of the Personal Data Protection Act B.E. 2562, which was published in the Government Gazette on May 27, 2019 and is the first information protection legislation in Thailand. After this Act has come into full force and effect and the subordinate legislation of this Act is issued within one year after the effective date of the Act, all individuals and business operators, including the Company, must collect, use or disclose personal information in accordance with the procedures and provisions of such Act. This includes the transfer of personal information to other countries. At present, the Company has set up a working group on preparedness for compliance with the Personal Data Protection Act B.E. 2562 and the Cyber Security Act B.E. 2562 in order to promote and support the Company's preparedness for conducting the relevant activities correctly and in conformity with those two acts.

In the preparation for compliance with the changing legislations, the Company may require additional resources and costs and may have to change its business operation and policy related to privacy issue, which may negatively affect its business. Failure by the Company to comply with the laws and regulations governing cyber security and personal information protection, both the existing laws and those to be enacted in the future, may result in legal disputes, penalties, legal punishment, and damage to its reputation.

Moreover, changes in customers' expectations and requirements with respect to personal data protection may limit the Company's ability to gather and use the data derived from its operation. This may negatively affect its ability to provide its services, thereby resulting in a significant adverse impact on the Company's business, reputation and financial performance.

Risk concerned with property expropriation by the government

Pursuant to the Expropriation of Immovable Property Act B.E. 2530 (as amended), the government has the authority to expropriate any immovable property for various objectives, including activities necessary for public utilities, national defence, agricultural development, town and country planning or for other public interests. Under the said law, the government has the authority to publish in the Government Gazette the expropriation of any immovable property as a case of emergency in order to allow the government to use the said property before the expropriation process is complete. Previously, the Company was affected by the expropriation of properties that were its NPAs and collateral underlying NPLs. Despite compensation provided by the government, the amount thereof may not fully cover the costs and expenses incurred by the Company from the acquisition of those expropriated properties. This may negatively affect the Company's financial position and performance.

Risk of the Company likely having to secure alternative funding sources at a higher cost

The Company has been procuring funds in the form of promissory notes, debt instruments, and loans from commercial banks. Under the existing regulations of the BOT, commercial banks that buy the Company's promissory notes or invest in its debt instruments or become its creditors through lending can treat these instruments as liquid assets and are not required to maintain capital funds against such credit risk. However, after completion of the IPO and listing of the Company on the SET on December 16, 2019, commercial banks are no longer able to treat the Company's promissory notes or debt instruments as liquid assets and must maintain capital funds against the credit risk as the Company's creditors. As a result, commercial banks may reduce the amount of promissory notes purchased or the amount of their investment in the Company's debt instruments or the amount of lending to the Company with the same rate of return on investment; and the Company may have to seek alternative sources of funds at a higher cost.



Risk from a downgrade of the Company's credit rating

As of December 31, 2020, the Company's credit rating, as assigned by TRIS Rating Co., Ltd. ("TRIS"), stood at A-. If its credit rating is downgraded in the future, this may negatively affect the Company's ability to mobilize funds under the terms and conditions and/or at the interest rates that will provide commercial benefits to the Company, which may have a significant adverse impact on its business, cash flow, financial position, performance and business opportunity.

Risk concerned with a protest or strike by the Company's employees

Despite the prohibition of the Company's employees from participating in a strike, as stipulated in the Labor Relations Act B.E. 2538, the Company may not guarantee that its employees will not stage a protest or strike which, if held, may disrupt its business operation and consequently have a significant adverse impact on its business, financial position, and performance.

Although there are currently none of the Company's employees joining any labor union, this fact may change in the future. Given that the Company's employees have participated in a labor union and the Company fails to reach agreements with the labor union under terms that are beneficial to the Company, or the Company encounters an interruption to its business operation or labor-related issues at any of its branch

offices, this may have a significant adverse impact on its business, performance and financial position.

Risks Related to Financial Industry in Thailand

Risk involved with changes in the macro economy and market condition that could materially affect the Company's business

The Company's performance relates to the general macro-economic condition, the relevant policies and fluctuations in the money market and capital market, including, but not limited to, the financial cost, interest rate volatility, inflation rate, the Company's ability to acquire short-term and long-term financing, trend of the financial business sector, the government's monetary and fiscal policy and foreign exchange policy, fluctuations in currency value, tax policy, and laws and regulations that affect the financial industry.

The financial or economic downturn, uncertainties in the global financial situation, international trade wars, and public debt crisis plaguing some countries may erode confidence among investors and the global financial market. Moreover, concerns about inflation, energy cost, geopolitics issues, sources and cost of borrowing, unemployment rate, consumers' confidence, shrinking asset value, capital market fluctuations, stock price movement on the SET, and liquidity could all negatively affect the market.

A slowdown in the macro economy and the market condition will adversely impact the quality of the Company's NPLs, the value of collateral underlying NPLs and NPAs, the Company's business and business opportunity, as well as its liquidity and ability to secure funding sources under terms that are beneficial to the Company. These factors may negatively affect the Company's business, cash flow, financial position, and performance.

Moreover, risk has been incurred from the global spread of COVID-19 which broke out in early 2020. Such pandemic has dampened debt serviceability, which led to a decrease in interest income for the portion already received by the Company. Some customers have sought to join the debt moratorium scheme under the debtor assistance measures, while several customers have failed to pay either interest or principal and negotiated for deferment of their installment payments. Thus, the Company may be unable to purchase debts by auction from commercial banks since most of the debtors are still in the loan payment holiday period and banks still need not classify them as NPL. Besides, the Company expects that financial institutions will offer the bad debts arising due to COVID-19 for sales from late 2020 to early 2021. Such pandemic may accordingly have an adverse impact on the Company's performance in 2020. Nonetheless, the Company implements measures to minimize the effects and risks from this situation to a certain extent by laying down assistance measures for NPL debtors and NPA customers. The measures include (1) suspension of principal and interest payments for three months; (2) suspension of principal and interest payments for three months and, after that, suspension of principal repayments for another three months (payment of interest only); (3) suspension of principal repayments (payment of interest only) until the December 2020 installment; and 4) others (according to the conditions in (1), (2) and (3), deferral of installment payments, etc.). The Company also adopts a guideline on prevention of the spread of COVID-19 to ensure the employee caring measures are efficient and fit with the situation, comprising 1) measure for overseas traveling, 2) measure for entry of outsiders to work

on the Company's premises, 3) measure for control of screening points at the head office and regional offices, and 4) measure for head office entry/exit of employees and general public. In addition, the Company requires that some staff members prepare a work from home (WFH) plan and a business continuity plan (BCP) to ensure the important transactions can be carried on uninterruptedly. A number of employees are allowed to work from home while the key persons are dispatched to work at a temporary operation center designated by the Company in order to be well prepared for continuous business operation by giving priority to the employees' safety.

Risk incidental to hikes in interest rates that may adversely affect the Company

The increasing interest rates may negatively affect the Company's business in various aspects. In general, a hike in interest rates (or the market's forecast of a rising trend of interest rates) will lead the Company's financial cost to go up. This may also cause a drop in buyers' demand for NPAs, which could further pose an adverse impact on the Company's ability to sell its NPAs under terms that are beneficial to the Company.

Moreover, the increasing interest rates may negatively affect the financial stability of debtors with floating rates. This may cause the debtors' ability to pay their debts to decrease, whether directly or indirectly, thus potentially resulting in an increase in the default rate and a decrease in the average debt payment rate. All these factors may adversely affect the Company's ability to generate cash flow, return on investment, and estimated collection of outstanding debts and will relatively worsen its financial position and performance.

Risk of the Company's major shareholders taking any act that adversely affects the Company

FIDF holds 45.8 percent (data as of May 29, 2020 which was the latest register book closing date of the Company) of the Company's total issued and paid-up shares and still is the Company's major shareholder. As long as the Company's major shareholders retain the

proportion of shareholding that gives them the majority of the voting rights, they will maintain a crucial part in the decision-making process for any matters that require the approval of the shareholders' meeting, including the appointment of the Board of Directors. Moreover, such major shareholders may exercise their voting rights at the shareholders' meeting to acquire the resolution they desire, though such resolution may conflict with the interest of the Company and other shareholders.

Risks Related to Shareholding in the Company

Risk associated with share price fluctuations that may lead to a substantial loss to investors who buy the Company's shares

The fluctuations in the Company's share price hinge upon a myriad of factors that are beyond its control, including:

- (a) Political situation;
- (b) Viewpoints on business opportunity for the Company's operation and the industry as a whole;
- (c) The difference between the Company's actual financial performance and business performance and the financial performance and business performance expected by investors and analysts;
- (d) Analysts' recommendations or viewpoints on the Company's securities;
- (e) Liquidity of the Company's shares;
- (f) Changes in various factors that affect the financial industry, the economy in general, or the stock market atmosphere, and other incidents or factors;
- (g) The disclosure of information of other entities in the same industry as the Company;
- (h) Changes in the valuation of market capitalization and share price of SET-listed entities operating business similar to the Company; and
- (i) The general share price volatility on the SET.

As a result of the factors mentioned above and any other factors, the Company's shares may be traded at a price considerably lower than the offering price.

Risk from the sale of shares by the Company or its major shareholders and the sale of shares in a big lot which may cause a decline in the share price

Under the SET's Regulation Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558, as amended, and referring to the waiver granted to the Company with respect to the prohibition of the Company's executives or shareholders and their related persons from selling the Company's shares and securities during the specified period; in this regard, a total of 1,480,000,000 shares of the Company, representing 45.8 percent of its registered capital, are prohibited from trading for a period of 1 year and 6 months from the first trading date of the Company's shares. As such, after the end of such lock-up period, investors may face a negative effect from a decrease in market price due to the sale of those shares which are originally under the lock-up period.

The Company is unable to predict the potential effect that the sale of shares or the amount of shares expected to be sold will have on market price of the Company's shares at a given period in the future. The trading of a substantial amount of shares on the SET or the anticipation of possibility of such trading may negatively affect the market price of the Company's shares.

Risk concerned with the Company's ability to pay dividend

The Company's ability to pay dividend depends on its future financial performance, which is based on the success in its business operation in accordance with its strategic plans and also on financial factor, competition, supervision of the concerned authorities, overall economic condition, demand for and selling prices of the Company's assets, and other factors that are related to the industry in which the Company is engaged or some specific projects of the Company, all of which are beyond the Company's control. Moreover, the Board of Directors may recommend a reduction or omission of dividend payment for any period as it deems fit, or the Company may be unable to generate a profit in the future, or the Board of Directors may not approve the dividend payment even though the Company can earn a profit.

In addition, as prescribed in the Public Limited Companies Act, if the Company still sustains an accumulated loss, no dividend shall be paid even in the accounting year that it records a net profit. In the year that a net profit is earned, the Company also has duty under the Public Limited Companies Act and its Articles of Association to allocate part of such annual net profit as reserve fund in an amount not less than 5.0 percent of the annual net profit less the sum of accumulated loss brought forward until the reserve fund amounts to not less than 10.0 percent of its registered capital. If the Company is unable to sufficiently earn the profit or if the Company deems it appropriate, it may not pay the dividend in the future.

Possible limitation on the shareholders' rights to subscribe for newly issued shares of the Company in the future

Although a public limited company does not have to allocate the subscription rights to its existing shareholders when issuing its new shares, it may issue the new shares from time to time by way of rights offering to its existing shareholders. In case the Company offers or gives rights to the shareholders of its ordinary shares to subscribe for its newly issued shares or any other rights in any other forms, the Company has the right to exercise its discretion as to whether to offer those new shares to

its shareholders, or the Company may not allocate the subscription rights to the shareholders who do not reside in Thailand. Moreover, under the applicable laws, the Company may be prohibited from offering those new shares to the shareholders in some countries unless it has already followed the related procedures. For example, the Company may not allocate the subscription rights to the shareholders who are American nationals unless (a) there is a registration statement for securities offering that is in effect under the Securities Act of the United States of America; or (b) it is an offering of subscription rights for the new shares or an offering for sale of the new shares to shareholders under the exception prescribed in the Securities Act of the United States of America. The compliance with securities laws or provisions under other regulations of some countries may limit the investors' rights to buy the new shares in proportion to their shareholding, which may accordingly reduce the shareholding proportion of those investors. However, the Company is not obligated to apply for registration of its shares in any countries in order to allow foreign investors to exercise their subscription rights to buy the new shares in proportion to their shareholding in the future.

Assets Used in Business Operation

Fixed Assets

The details of the fixed assets recorded as of December 31, 2020 are as follows:

Assets	Nature of ownership	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. Land	As owner and lessee	789.5	None
2. Buildings	As owner and lessee	150.9	None
3. Building improvements	As owner and lessee	97.7	None
4. Equipment	As owner	125.7	None
5. Work in process	As owner	9.7	None
Total		1,173.5	

Land

(a) The table below shows the details of land owned by the Company:

Location and size of land (expressed in rai-ngan-square wah)	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. 99 Surasak Road, Silom Sub-district, Bang Rak District, Bangkok (4-0-47)	Location of the Head Office	535.5	None
2. 330/1-3 Moo 5, Phai Khwang - Lat Tan Road, Tha Rahat Sub-district, Mueang Suphan Buri District, Suphan Buri Province (0-1-51)	Location of the branch office	1.7	None
3. 127 Phahon Yothin Road, Pak Phrileo Sub-district, Mueang Saraburi District, Saraburi Province (0-1-99)	Location of the branch office	5.4	None
4. 603 Phet Kasem Road, Huai Chorakhe Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province (0-0-74.8)	Location of the branch office	1.8	None
5. 194/2 Song Phon Road, Ban Pong Sub-district, Ban Pong District, Ratchaburi Province (0-1-31.1)	Location of the branch office	10.6	None
6. 227/27 Borommatrailokkanat Road, Nai Mueang Sub-district, Mueang Phitsanulok District, Phitsanulok Province (0-3-93)	Location of the branch office	4.3	None

Location and size of land (expressed in rai-ngan-square wah)	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
7. 1250/9-10 Moo 10, Phahon Yothin Road, Nakhon Sawan Tok Sub-district, Mueang Nakhon Sawan District, Nakhon Sawan Province (0-0-52.6)	Location of the branch office	2.1	Part of the land is under servitude and is used as underground drainage
8. 246 Thanalai Road, Wiang Sub-district, Mueang Chiang Rai District, Chiang Rai Province (0-1-1.6)	Location of the branch office	13.6	None
9. 207/11 Kaeo Nawarat Road, Wat Ket Sub-district, Mueang Chiang Mai District, Chiang Mai Province (0-1-40)	Location of the branch office	9.8	None
10. 115 Charoen Mueang Road, Wat Ket Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province (0-0-74.8)	Location of the branch office	18.5	None
11. 399/7-8 Highway-Lampang-Ngao Road, Suan Dok Sub-district, Mueang Lampang District, Lampang Province (0-0-38)	Location of the branch office	3.0	None
12. 235 Charoen Mueang Road, Nai Wiang Sub-district, Mueang Phrae District, Phrae Province (0-1-78.05)	Location of the branch office	8.9	None
13. 30 Pho Klang Road, Nai Mueang Sub-district, Mueang Nakhon Ratchasima District, Nakhon Ratchasima Province (0-2-44)	Location of the branch office	20.6	None
14. 165, 167 Pho Si Road, Mak Khaeng Sub-district, Mueang Udon Thani District, Udon Thani Province (0-1-80.3)	Location of the branch office	24.7	None
15. 292 Na Mueang Road, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen Province (0-1-53.1)	Location of the branch office	19.0	None
16. 7 Kantharalak Road, Warin Chamrap Sub-district, Warin Chamrap District, Ubon Ratchathani Province (0-1-10.7)	Location of the branch office	2.7	None
17. 83/5-7 Moo 2, Sukhumvit Road, Samet Sub-district, Mueang Chon Buri District, Chon Buri Province (0-0-96)	Location of the branch office	9.7	None
18. 79 Sukhumvit Road, Tha Pradu Sub-district, Mueang Rayong District, Rayong Province (0-1-43.2)	Location of the branch office	21.0	None
19. 41 Moo 2, Phet Kasem Road, Khao Noi Sub-district, Pran Buri District, Prachuap Khiri Khan Province (0-2-34.8)	Location of the branch office	11.0	None

Location and size of land (expressed in rai-ngan-square wah)	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
20. 14-14/1-2 Talat Mai Road, Talat Sub-district, Mueang Surat Thani District, Surat Thani Province (0-0-75.6)	Location of the branch office	2.1	None
21. 257 Phet Kasem Road, Hat Yai Sub-district, Hat Yai District, Songkhla Province (0-0-82.8)	Location of the branch office	24.9	None
22. 79, 81 Phiphit Phakdi Road, Sateng Sub-district, Mueang Yala District, Yala Province (0-0-59.6)	Location of the branch office	6.0	None
23. 5/5, 5/11 Chaofa Nok Road (Highway 402), Chalong Sub-district, Mueang Phuket District, Phuket Province (0-0-63.8)	Location of the branch office	2.0	None
24. Pak Nakhon Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province (0-1-69.7)	Location of the branch office ¹	18.8	None
25. 242/8-9 Soi Wiphawadi Rangsit 82, Sanam Bin Sub-district, Don Mueang District, Bangkok (0-0-72)	Location of the branch office	9.0	None
26. 74/43-74/44 Bang Tin Pet Sub-district, Mueang District, Chachoengsao Province (0-1-08)	Location of the branch office	3.0	None
Total		789.5	

Note: ¹ The Company entered into a sales and purchase agreement for land to be used as the location of its new Nakhon Si Thammarat branch office and registered the transfer of ownership of such land on August 21, 2018 at a price of Baht 18.8 million. As at the date hereof, the location of this office has not yet been assigned with the house number and it was still in the designing phase for further construction of the branch office.

(b) The table below shows the details of land leased to the Company:

Location and size of land (expressed in rai-ngan-square wah)	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. 108/16-17 Maha Chakkraphat Road, Na Mueang Sub-district, Mueang Chachoengsao District, Chachoengsao Province (0-0-50)	Location of the branch office	-	None
2. 101/8 Phatthanakan Khu Khwang Road, Khlang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province (0-0-65.6)	Location of the branch office ¹	-	None
Total		-	

Note: ¹ The Company entered into a sales and purchase agreement for land to be used as the location of its new Nakhon Si Thammarat branch office and registered the transfer of ownership of such land on August 21, 2018 at a price of Baht 18.8 million.

Buildings

(a) The table below shows the details of buildings owned by the Company:

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. A 19-storied reinforced concrete building (including basement and roof-deck), 99 Surasak Road, Silom Sub-district, Bang Rak District, Bangkok	Location of the Head Office	91.0	None
2. A 3.5-storied reinforced concrete building (including mezzanine and garage), 330/1-3 Moo 5, Phai Khwang - Lat Tan Road, Tha Rahat Sub-district, Mueang Suphan Buri District, Suphan Buri Province	Location of the branch office	0.7	None
3. A reinforced concrete building, 127 Phahon Yothin Road, Pak Phrileo Sub-district, Mueang Saraburi District, Saraburi Province	Location of the branch office	15.0	None
4. A 3-storied commercial building (excluding roof-deck and mezzanine), 603 Phet Kasem Road, Huai Chorakhe Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province	Location of the branch office	1.4	None
5. A 3-storied reinforced concrete building (including mezzanine), 194/2 Song Phon Road, Ban Pong Sub-district, Ban Pong District, Ratchaburi Province	Location of the branch office	1.3	None
6. A 1-storied reinforced concrete building (including mezzanine), 227/27 Borommatrailokkanat Road, Nai Mueang Sub-district, Mueang Phitsanulok District, Phitsanulok Province	Location of the branch office	0.1	None
7. A 3-storied reinforced concrete building (including roof-deck), 1250/9-10 Moo 10, Phahon Yothin Road, Nakhon Sawan Tok Sub-district, Mueang Nakhon Sawan District, Nakhon Sawan Province	Location of the branch office	0.7	None
8. A 3-storied reinforced concrete building (including basement garage and roof-deck), 246 Thanalai Road, Wiang Sub-district, Mueang Chiang Rai District, Chiang Rai Province	Location of the branch office	1.9	None

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
9. A 5-storied reinforced concrete building (including roof-deck), 207/11 Kaeo Nawarat Road, Wat Ket Sub-district, Mueang Chiang Mai District, Chiang Mai Province	Location of the branch office	2.6	None
10. A 3-storied reinforced concrete building, 15 Charoen Mueang Road, Wat Ket Sub-district, Mueang Chiang Mai District, Chiang Mai Province	Location of the branch office	1.8	None
11. A 4-storied reinforced concrete building, 399/7-8 Highway-Lampang-Ngao Road, Suan Dok Sub-district, Mueang Lampang District, Lampang Province	Location of the branch office	1.0	None
12. A 3-storied reinforced concrete building, 235 Charoen Mueang Road, Nai Wiang Sub-district, Mueang Phrae District, Phrae Province	Location of the branch office	0.9	None
13. A 3-storied reinforced concrete building (including mezzanine and garage), 30 Pho Klang Road, Nai Mueang Sub-district, Mueang Nakhon Ratchasima District, Nakhon Ratchasima Province	Location of the branch office	1.8	None
14. A 2-storied reinforced concrete building (including mezzanine and a 1-storied garage building) 165, 167 Pho Si Road, Mak Khaeng Sub-district, Mueang Udon Thani District, Udon Thani Province	Location of the branch office	2.1	None
15. A 3-storied reinforced concrete building (including mezzanine, roof-deck and garage), 292 Na Mueang Road, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen Province	Location of the branch office	2.0	None
16. A 3-storied reinforced concrete building (including roof-deck), 7 Kantharalak Road, Warin Chamrap Sub-district, Warin Chamrap District, Ubon Ratchathani Province	Location of the branch office	0.6	None
17. A 3.5-storied reinforced concrete building, 83/5-7 Moo 2, Sukhumvit Road, Samet Sub-district, Mueang Chon Buri District, Chon Buri Province	Location of the branch office	0.9	None
18. A 4.5-storied reinforced concrete building, 79 Sukhumvit Road, Tha Pradu Sub-district, Mueang Rayong District, Rayong Province	Location of the branch office	4.2	None

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
19. A 3-storied reinforced concrete building (including a 1-storied garage building), 41 Moo 2, Phet Kasem Road, Khao Noi Sub-district, Pran Buri District, Prachuap Khiri Khan Province	Location of the branch office	1.1	None
20. A 4-storied reinforced concrete building, 14-14/1-2 Talat Mai Road, Talat Sub-district, Mueang Surat Thani District, Surat Thani Province	Location of the branch office	1.4	None
21. A 4-storied reinforced concrete building, 257 Phet Kasem Road, Hat Yai Sub-district, Hat Yai District, Songkhla Province	Location of the branch office	5.4	None
22. A 3-storied reinforced concrete building, 79, 81 Phiphit Phakdi Road, Sateng Sub-district, Mueang Yala District, Yala Province	Location of the branch office	1.3	None
23. A 3-storied reinforced concrete building, 5/5, 5/11 Chaofa Nok Road (Highway 402), Chalong Sub-district, Mueang Phuket District, Phuket Province	Location of the branch office	3.8	None
24. Two units of 4-storied reinforced concrete building (including mezzanine and roof-deck), 242/8-9 Soi Wiphawadi Rangsit 82, Sanam Bin Sub-district, Don Mueang District, Bangkok	Location of the branch office	4.6	None
Total		150.9	

(b) The table below shows the details of buildings leased to the Company:

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. A 3.5-storied commercial building, 108/16-17 Maha Chakraphat Road, Na Mueang Sub-district, Mueang Chachoengsao District, Chachoengsao Province	Location of the branch office	-	None
2. A 2-storied commercial building, 101/8 Phatthanakan Khu Khwang Road, Khlang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province	Location of the branch office	-	None
Total		-	

Building improvements

(a) The table below shows the details of improvement of buildings owned by the Company:

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. 99 Surasak Road, Silom Sub-district, Bang Rak District, Bangkok	Office	36.0	None
2. 330/1-3 Moo 5, Phai Khwang-Lat Tan Road, Tha Rahat Sub-district, Mueang Suphan Buri District, Suphan Buri Province	Office	0.2	None
3. 127 Phahon Yothin Road, Pak Phrileo Sub-district, Mueang Saraburi District, Saraburi Province	Office	-	None
4. 603 Phet Kasem Road, Huai Chorakhe Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province	Office	3.4	None
5. 194/2 Song Phon Road, Ban Pong Sub-district, Ban Pong District, Ratchaburi Province	Office	4.3	None
6. 227/27 Borommatrailokkanat Road, Nai Mueang Sub-district, Mueang Phitsanulok District, Phitsanulok Province	Office	6.9	None
7. 1250/9-10 Moo 10, Phahon Yothin Road, Nakhon Sawan Tok Sub-district, Mueang Nakhon Sawan District, Nakhon Sawan Province	Office	4.1	None
8. 246 Thanalai Road, Wiang Sub-district, Mueang Chiang Rai District, Chiang Rai Province	Office	1.6	None
9. 207/11 Kaeo Nawarat Road, Wat Ket Sub-district, Mueang Chiang Mai District, Chiang Mai Province	Office	0.7	None
10. 115 Charoen Mueang Road, Wat Ket Sub-district, Mueang Chiang Mai District, Chiang Mai Province	Office	4.2	None
11. 399/7-8 Highway-Lampang-Ngao Road, Suan Dok Sub-district, Mueang Lampang District, Lampang Province	Office	2.5	None
12. 235 Charoen Mueang Road, Nai Wiang Sub-district, Mueang Phrae District, Phrae Province	Office	1.8	None
13. 30 Pho Klang Road, Nai Mueang Sub-district, Mueang Nakhon Ratchasima District, Nakhon Ratchasima Province	Office	0.3	None
14. 165, 167 Pho Si Road, Mak Khaeng Sub-district, Mueang Udon Thani District, Udon Thani Province	Office	0.6	None
15. 292 Na Mueang Road, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen Province	Office	0.0	None

Characteristics and location	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
16. 7 Kantharalak Road, Warin Chamrap Sub-district, Warin Chamrap District, Ubon Ratchathani Province	Office	0.9	None
17. 83/5-7 Moo 2, Sukhumvit Road, Samet Sub-district, Mueang Chon Buri District, Chon Buri Province	Office	0.0	None
18. 79 Sukhumvit Road, Tha Pradu Sub-district, Mueang Rayong District, Rayong Province	Office	0.0	None
19. 41 Moo 2, Phet Kasem Road, Khao Noi Sub-district, Pran Buri District, Prachuap Khiri Khan Province	Office	4.9	None
20. 14-14/1-2 Talat Mai Road, Talat Sub-district, Mueang Surat Thani District, Surat Thani Province	Office	4.6	None
21. 257 Phet Kasem Road, Hat Yai Sub-district, Hat Yai District, Songkhla Province	Office	7.5	None
22. 79, 81 Phiphit Phakdi Road, Sateng Sub-district, Mueang Yala District, Yala Province	Office	2.7	None
23. 5/5, 5/11 Chaofa Nok Road (Highway 402), Chalong Sub-district, Mueang Phuket District, Phuket Province	Office	7.1	None
24. Pak Nakhon Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province	Office	-	None
25. 242/8-9 Soi Wiphawadi Rangsit 82, Sanam Bin Sub-district, Don Mueang District, Bangkok	Office	3.4	None
Total		97.7	

(b) The table below shows the details of improvement of buildings leased to the Company:

Location and size of land (expressed in rai-ngan-square wah)	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. 108/16-17 Maha Chakkraphat Road, Na Mueang Sub-district, Mueang Chachoengsao District, Chachoengsao Province	Office	0.0	None
2. 101/8 Phatthanakan Khu Khwang Road, Khlang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province	Office	0.0	None
Total		None	

Equipment

The table below shows the details of equipment owned by the Company:

Type	Objective of possession	Net book value as of December 31, 2020 (Baht million)	Encumbrance
1. Furniture	Supporting the Company's business operation	30.2	None
2. Office equipment	Supporting the Company's business operation	12.8	None
3. Vehicles	Supporting the Company's business operation	51.8	None
4. Computers	Supporting the Company's business operation	30.9	None
Total		125.7	

Intangible Assets

Assets	Objective	Net book value as of December 31, 2020 (Baht million)
Computer software	Supporting the Company's business operation	20.2
Total		20.2

Moreover, on January 29, 2016, the Company registered its trademarks, service marks and logo with the Department of Intellectual Property, Ministry of Commerce, in order to prevent outsiders from registering the Company's trademarks and wrangling over the right to use such trademarks in the future. Nonetheless, under the terms and conditions of such trademark registration, the Company expressed its intention to not reserve as its sole and exclusive right to use the Thai characters “บสค” (“BorSorKor” - the abbreviation of the Company's Thai name) because they are ordinary letters not created with distinctive characteristics in accordance with Section 17 of the Trademark Act B.E. 2534 (as amended). The said trademark registration is valid for a period of 10 years after the registration date and can be renewed for subsequent terms of 10 years each.

Insurance Agreements

The Company has a policy to take out fire insurance for buildings which are collateral underlying its NPLs and NPAs and to appoint itself as the beneficiary of the insurance policy, with the insured amount covering the appraised value of the buildings.

Moreover, the Company has executed a property insurance agreement for its Head Office and branch offices and an auto insurance agreement for its vehicles, the details of which are as follows:

1. Property Insurance Agreement for principal office and branch offices

Insurer	Thai Insurance Public Company Limited
Insured	The Company
Beneficiary	The Company
Insured properties	Structures and buildings (excluding the foundation); decoration and renovation thereof; advertisement boards, equipment, components or any parts of the advertisement boards that bear the Company's name (but not commercially used boards); furniture, fixtures and fittings, computers (excluding notebooks) and computer equipment of the principal office and all branch offices
Insurance period	From December 31, 2019 (4:30 p.m.) to December 31, 2020 (4:30 p.m.)
Sum insured	Baht 1,276,535,165.09 in total
Policy type	Property risk insurance
Coverage/Limited liability	<p>1. Insurance against all types of risks for physical damage or loss of the insured properties as a result of any accidents arising from all types of external causes under the terms, conditions and exceptions of the standard property insurance form (OIC Standard Form), with limited liability applied to the following perils that occur to the principal office and branch offices of the Company:</p> <ul style="list-style-type: none"> 1.1 Windstorm, flood, earthquake, volcanic eruption, underwater wave or Tsunami, and hail; 1.2 Damage or loss from theft, with clear signs of intrusion of the insured properties, plunder and robbery; 1.3 Damage or loss against electrical appliances; 1.4 Damage or loss against permanently installed glass panels and/or glass panels that are integral parts of the structure; and 1.5 Damage or loss against machinery. <p>2. Third party liability</p> <p>The insurer agrees to be responsible for paying the indemnity on the Company's behalf for the damage or loss incurred to the third party that the Company is liable to, in accordance with the law, as a result of or caused by accidents arising from its business operation or in relation to the insured business under the sum insured of the limited liability for the following losses:</p> <ul style="list-style-type: none"> 2.1 Loss of life and body, injury, illness or health of the third party; and 2.2 Loss of or damage to the third party's property.

2. Property Insurance Agreement for Don Mueang Branch Office

Insurer	Thai Insurance Public Company Limited
Insured	The Company
Beneficiary	The Company
Insured properties	Structure and building (excluding the foundation), including additional improvement thereof
Insurance period	From September 30, 2019 (4:30 p.m.) to December 31, 2020 (4:30 p.m.)

Sum insured	Baht 9,749,987.99 in total
Policy type	Fire insurance
Coverage/Limited liability	<p>Insurance against damage to the insured properties as a result of:</p> <ol style="list-style-type: none"> 1. Fire, but excluding the damage arising from: <ol style="list-style-type: none"> 1.1 Explosion that is a result of fire, except for the explosion of gas used for illumination or living-related purpose; 1.2 Direct or indirect damage from the earthquake; 1.3 Damage to the insured properties arising from: <ol style="list-style-type: none"> 1.3.1 Natural fermentation or eruption or spontaneous combustion occurring to the properties only; or 1.3.2 Reaction occurring to the properties that are undergoing any process which involves heat or drying; 2. Lightning; 3. Explosion of gas used for illumination or living-related purpose, but excluding damage from gas explosion caused by earthquake; 4. Damage from additional special perils specified in the policy

This policy does not cover:

1. Damage from war, civil war, rebellion, insurgency, riot, strike, disturbance, terrorism, revolution, coup, declaration of martial law or any situations that are probable causes for the declaration or continuation of martial law;
2. Direct or indirect damage from the following causes:
 - 2.1 Radiation or diffusion of radioactive fuel or radioactive waste as a result of the combustion of nuclear fuel;
 - 2.2 Radioactive explosion or nuclear explosion or other hazardous materials that may explode during the nuclear reaction;
3. Damage to properties for which the insured has the right to claim the damage or receive the indemnity under the marine insurance policy or transportation insurance policy, except for the amount of damage that exceeds the sum insured under those policies;
4. The following assets:
 - 4.1 Products that are under the protection of the insured that acts as a custodian;
 - 4.2 Silver bars or silver ornaments or gold bars or gold ornaments or jewelry;
 - 4.3 Antiques or art objects for the total damage that exceeds Baht 10,000;
 - 4.4 Original or duplicate manuscripts, plans, schematic diagrams, drawings, designs, patterns, models, molds, or printing blocks;
 - 4.5 Collateral, securities, important documents, postage stamps, duty stamps, currencies, banknotes, checks, account books, or any business-related books;
 - 4.6 Explosives;

- 4.7 Dynamos, transformers, generators, electric motors, control panels, electronic equipment, or other electrical appliances that have been damaged from overload, over-current, short circuit, including the short circuit from lightning, with respect to only the equipment damaged from such cases;
5. Any continuous damage, except for the loss of revenue from rent which is specified to be covered under this insurance policy; and
6. Damage from the burning of assets by order of the government officers or legal authorities.

3. Auto Insurance Agreements

The Company has the policy to enter into auto insurance agreements for all vehicles used for supporting its business operation with various insurance companies on a yearly basis, with the Company endorsed as the beneficiary in accordance with the terms and conditions of those policies, with the insurance term of about one year. As of December 31, 2020, the Company took out the insurance for 344 vehicles, with the total sum insured of Baht 192.56 million.

Business Operation Registration

The Company was approved for registration as an asset management company, the details of which are as follows:

Registration Certificate	Approver	Registration term
Asset Management Company Registration Certificate No. 001/2542, for the purpose of operating as an asset management company under the Emergency Decree on Asset Management Company	Bank of Thailand	Indefinite term

Lease Agreements

As of December 31, 2020, the Company has the leasehold right under the sub-lease agreement for a 3.5-storied commercial building located in Chachoengsao Province, and has also registered the leasehold right under the lease agreement for land and construction located in Nakhon Si Thammarat Province, the details of which are as follows:

1. The leasehold right under the sub-lease agreement for a 3.5-storied commercial building in Chachoengsao Province

Contract parties	Mrs. Jeeranan Siangthanawat (“the Sub-lessor”) and the Company (“the Sub-lessee”)
Agreement date	September 20, 2011
Sub-leased property	Two units of 3.5-storied commercial building, located at 108/16-17 Maha Chakkraphat Road, Na Mueang Sub-district, Mueang Chachoengsao District, Chachoengsao Province
Characteristics of the agreement	The Sub-lessor agrees to give the Sub-lessee the leasehold right to the property with the objective of using it as an office for conducting the Sub-lessee’s business

	operation only, whereas the Sub-lessor is a lessee under the Lease Agreement dated February 14, 2005 between the State Railway of Thailand and the Sub-lessor.
Lease term	The leasehold right under this Sub-Lease Agreement is valid for a period of 10 years, from October 1, 2011 to September 30, 2021.

2. The lease agreement for land and construction in Nakhon Si Thammarat Province

Contract parties	Mrs. Sawinee Sinthu (“the Lessor”) and the Company (“the Lessee”)
Agreement date	August 20, 2014
Leased property	Land under title deed No. 66238 at Khlang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province, with construction on the land comprising two units of 2-storied commercial building located at 101/8 Phatthanakan Khu Khwang Road, Khlang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat Province
Characteristics of the agreement	The Lessor is the owner of the property. The Lessor agrees to lease to the Lessee and the Lessee agrees to lease from the Lessor the property for the purpose of using it as a branch office of the Lessee. The two parties registered the lease agreement on September 7, 2016.
Lease term	The term of this Lease Agreement is six years and six months, from September 15, 2014 to March 14, 2021.

Policy on investment in subsidiaries or associated companies

As of December 31, 2020, the Company does not have any subsidiary and/or associated companies. However, if in the future the Company conducts any investment that will thereby create a subsidiary and/or associated companies, the Company will formulate an operational framework in accordance with its investment policy whereby the investment must be made in the entities that contribute to business operation of the group and help to achieve synergy or deliver benefit or return on investment in such companies.

In this regard, the Company will mainly invest in the entities that have the same objectives of business operation as those of the Company’s core business or the entities that are similar in nature to the Company or whose business will support the Company’s business, which will enable the Company to achieve better performance or higher profit. The Company will also invest in the entities that can create synergy, which will lead to a more comprehensive operation of its core business and, thus, enhance its competitiveness.

Nevertheless, the acceptance of transfer of securities (shares) from the debt restructuring process and the purchase of NPAs, which are securities, from financial institutions under the Emergency Decree on Asset Management Company, which are parts of the Company’s business operations, will not be considered as a form of investment made in the subsidiaries and/or associated companies under this policy as the Company will further sell out those securities in due course.

Legal Disputes

As of December 31, 2020, there were a total of 31 ongoing lawsuits against the Company, with an aggregate claim amount of approximately Baht 498.9 million. Most of them are civil cases concerning revocation of juristic acts or tort cases with claims for damages arising from the Company's ordinary course of business.

The Company may have liabilities incurred from the claims for damages in various cases and the management must exercise their discretion to evaluate the outcome of these cases. In the event where the management is confident that no damage will be incurred from any cases, the Company will not record provisions for any such cases in accordance with its accounting policy. As of December 31, 2020, the Company set aside an allowance for provisions for litigation in a total amount of Baht 26 million. Such allowance is provided for legal disputes that arise from the Company's ordinary course of business and are considered insignificant.

General Information



Bangkok Commercial Asset Management Public Company Limited (Company or BAM) has an essential target to drive the economy by correcting non-performing loans (NPLs) of the financial institutions to add values of the non-performing loans with better quality and higher values that they can be circulated in the economic system. The Company's main operations are as follows

- Attend the bidding for non-performing loans "NPLs" by engaging in the management and restructuring debts based on the negotiation for composition.
- Arrange a guideline for managing the number of non-performing assets "NPAs" to be effective and comprehensive with a strategy of improving the assets to be in good an available condition that they are more needed in market places and can be distributed to third parties.

After the Company accepts the purchase and transfer of NPLs from different financial institutions, the company will make a letter of invitation to debtors to negotiate for debt restructuring based on cooperation. It is considered from solvency of the debtors to find the best solution for highest benefits of both parties. Nevertheless, the Company also gives an opportunity to debtors to negotiate for composition although they are in the middle of a lawsuit so that the debtors can return to the economic system as normal.



The Company has various kinds of NPAs dissipated nationwide such as empty lands, hotels, factories, commercial buildings, residential units, detached houses, townhouses etc. that the company accepts the transfer from 1) debtors transferring property for debt settlement, 2) auction of the Legal Execution Department and 3) the financial institutions. When the company receives the transfer of NPAs ownership, it will hurriedly proceed with provision of details and registration of NPAs control as well as survey and inspect the property's condition to collect data. After that, the company will raise awareness to public by attaching a notice at the property's location, a booth, or advertise the information through both online and offline media such as publications, TV, radio, billboard as well as website www.bam.co.th, and communication through social media of BAM.

Nevertheless, the Company manages and improves NPAs such as maintaining and repairing them to be in a sellable condition with no depreciation, paying other expenses related to the properties, as well as hiring a security guard as it sees fit. The company determines a guideline for managing NPAs by type of the properties including plain area, highland, empty land, and property for investment such as unfinished projects and properties with high value, suitable for major investors for further development. Such code of management can enhance expertise and management of each property type. For NPAs that cannot be sold, the company will manage them by considering the lease of some properties as it sees fit to earn revenue and decrease the opportunity cost and expenses upon possession. Meanwhile, it is to prevent degeneration of the properties and hostile possession or trespassing.

Other Important Information

Head Office Information

Head Office : 99 Surasak Rd., Silom, Bang Rak,
Bangkok 10500

Company registration: 0107558000482
number

Home Page : <http://www.bam.co.th>

Telephone : 02-267-1900

Fax. : 02-266-3377

Information about branches

The company has a total of 25 branch offices.

Branches in Bangkok and Metropolitan

Branch Don Mueang Office

Address 242/8-9 Soi Vibhavadi Rangsit 82 Sanam Bin,
Don Mueang, Bangkok 10210

Telephone 02-533-6511-13

Fax. 02-533-6514

Central Region

Branch Suphan Buri Office

Address 330/1-3 Moo 5, Phaiwang-Ladtan Rd., Tha Rahat
Sub-district, Mueang District, Suphan Buri 72000

Telephone (035) 524-183-5, (035) 522-993

Fax. (035) 524-186

Branch Saraburi Office

Address 127 Phahon Yothin Rd., Pak Phrao Sub-district,
Mueang District, Saraburi 18000

Telephone (036) 221-871, (036) 223-989

Fax. (036) 223-733

Branch Nakhon Pathom Office

Address 603 Phet Kasem Rd., Huai Chorakhe Sub-district,
Mueang District, Nakhon Pathom 73000

Telephone (034) 243-381-3

Fax. (034) 243-384

Branch Ratchaburi Office

Address 194/2 Songphol Rd., Ban Pong Sub-district,
Ban Pong District, Ratchaburi 70110

Telephone (032) 211-045, (032) 211-934, (032) 301-021

Fax. (032) 221-892

Northern Region

Branch Phitsanulok Office

Address 227/27 Borommatrailokkanat Rd., Nai Mueang
Sub-district, Mueang District, Phitsanulok 65000

Telephone (055) 247-488-9

Fax. (055) 247-487

Branch Nakhon Sawan Office

Address 1250/9-10 Moo 10, Phahonyothin Rd., Nakhon
Sawan Tok Sub-district, Muang Nakhon Sawan
District, Nakhon Sawan, 60000

Telephone (056) 372-107-8

Fax. (056) 372-109

Branch Chiang Rai Office

Address 246 Thanalai Rd., Wiang Sub-district,
Mueang District, Chiang Rai 57000

Telephone (053) 711-763, (053) 711-003, (053) 711-146,
(053) 711-773

Fax. (053) 711-503

Branch Chiang Mai Office (Kaeo Nawarat)

Address 207/11 Kaeo Nawarat Rd., Wat Ket Sub-district,
Mueang District, Chiang Mai 50000

Telephone (053) 266-472-5

Fax. (053) 266-476

Branch Chiang Mai Office (Charoen Mueang)

Address 115 Charoen Mueang Rd., Wat Ket Sub-district,
Mueang District, Chiang Mai 50000

Telephone (053) 244-075-6

Fax. (053) 244-077

Branch Lampang Office

Address 399/7-8 Lampang-Ngao Highway Rd., Suan Dok
Sub-district, Mueang District, Lampang 52100

Telephone (054) 217-127, (054) 217-321, (054) 228-344,
(054) 228-380

Fax. (054) 226-641

Branch Phrae Office

Address 235 Charoen Mueang Rd., Nai Wiang Sub-district,
Mueang District, Phrae 54000

Telephone (054) 511-049, (054) 511-546, (054) 621-121

Fax. (054) 511-782

Northeastern Region

Branch Nakhon Ratchasima Office

Address 30 Pho Klang Rd., Nai Mueang Sub-district,
Mueang District, Nakhon Ratchasima 30000

Telephone (044) 244-388, (044) 255-726, (044) 244-288

Fax. (044) 241-594, (044) 259-386

Branch Udon Thani Office

Address 165, 167 Pho Si Rd., Mak Kaeng Sub-district,
Mueang District, Udon Thani 41000

Telephone (042) 240-538-40

Fax. (042) 221-158

Branch Khon Kaen Office

Address 292 Na Mueang Rd., Nai Mueang Sub-district,
Mueang District, Khon Kaen 40000

Telephone (043) 225-226-8

Fax. (043) 226-219

Branch Ubon Ratchathani Office

Address 7 Kantharaluk Rd., Warin Chamrap Sub-district,
Warin Chamrap District, Ubon Ratchathani 34190

Telephone (045) 321-382, (045) 321-161, (045) 269-422

Fax. (045) 321-062

Eastern Region**Branch Chon Buri Office**

Address 83/5-7 Moo 2, Sukhumvit Rd., Samet Sub-district,
Mueang District, Chon Buri 20000

Telephone (038) 144-130-2

Fax. (038) 144-135

Branch Chachoengsao Office

Address 108/16-17 Mahachakaphat Rd., Na Mueang
Sub-district, Mueang District, Chachoengsao 24000

Telephone (038) 512-900-1

Fax. (038) 512-902

Branch Rayong Office

Address 79 Sukhumvit Rd., Tha Pradu Sub-district,
Mueang District, Rayong 21000

Telephone (038) 611-591, (038) 612-836, (038) 611-028

Fax. (038) 612-837

Southern Region**Branch Prachuap Khiri Khan Office**

Address 41 Moo 2, Phet Kasem Rd., Khao Noi Sub-district,
Pran Buri District, Prachuap Khiri Khan 77120

Telephone (032) 621-499, (032) 622-039, (032) 622-050

Fax. (032) 622-051

Branch Surat Thani Office

Address 14-14/1-2 Talat Mai Rd., Talat Sub-district,
Mueang District, Surat Thani 84000

Telephone (077) 284-961-3, (077) 288-962

Fax. (077) 281-287

Branch Phuket Office

Address 5/5,5/11 Moo 8, Chalong Sub-district,
Muang Phuket District, Phuket 83130

Telephone (076) 384-461-3

Fax. (076) 384-464

Branch Nakhon Si Thammarat Office

Address 101/8 Phattanakan Khu Kwang Rd.,
Khlung Sub-district, Mueang District,
Nakhon Si Thammarat 80000

Telephone (075) 344-770-2

Fax. (075) 344-773

Branch Hat Yai Office

Address 257 Phet Kasem Rd., Hat Yai Sub-district,
Hat Yai District, Songkhla 90110

Telephone (074) 261-501-4

Fax. (074) 262-572

Branch Yala Office

Address 79, 81 Phiphit Phakdi Rd., Sateng Sub-district,
Mueang District, Yala 95000

Telephone (073) 223-740-2

Fax. (073) 223-743

Auditor**2019**

Name State Audit Office of the Kingdom of Thailand
Address State Audit Office of the Kingdom of Thailand
Rama VI Road, Phayathai, Bangkok 10400

Telephone 02 271-8000

Fax. 02 618-5769

2020

Name EY Company Limited
Address 33rd Floor, Lake Rajada Office Complex,
193/136-137 Rajadapisek Road, Klongtoey,
Bangkok 10110

Telephone 02 264-9090

Fax. 02 264-0789-90

Securities Registrar

Name Thailand Securities Depository Co., Ltd.
Address 93, 14th Floor, Ratchadaphisek Road, Din Daeng,
Din Daeng, Bangkok 10400

Telephone 02 009-9999

Fax. None

Securities and Dividend Policy

Registered and Paid-up Capital

As of December 31, 2020, the Company has a total registered and paid-up capital of Baht 16,160.2 million, divided into 3,232.0 million ordinary shares with a par value of Baht 5.0 per share.

Shareholders

Here is a list of major shareholders of the Company as at May 29, 2020, the latest closing date of its register book:

No.	Name	No. of shares (shares)	%
1.	Financial Institutions Development Fund	1,480,000,000	45.79
2.	Thai NVDR Co., Ltd.	119,175,692	3.69
3.	GIC Pte Ltd.	50,676,400	1.57
4.	Krungsri Dividend Stock LTF	37,557,400	1.16
5.	K20 Select Long-Term Equity Fund	35,081,300	1.09
6.	SCB Dividend Stock 70/30 Long-Term Equity Fund	27,603,600	0.85
7.	K Equity Dividend Long-Term Equity Fund	23,258,700	0.72
8.	Muang Thai Life Assurance PCL.	22,077,700	0.68
9.	Mr. Suwat Niyomsathian	21,820,000	0.68
10.	The Bank of New York (Nominees) Ltd.	18,582,200	0.57
11.	Krungsri Dividend Stock Fund	18,242,800	0.56
12.	K Equity 70:30 LTF	18,195,900	0.56
	Total major shareholders	1,872,271,692	57.93
	Other shareholders	1,359,770,608	42.07
	Total shareholders	3,232,042,300	100.00

Shareholders Agreement

- None -

Restrictions on Share Transfer

The Company's shares can be transferred without any restrictions, except for the case where the outcome of the share transfer will cause foreign shareholders to hold more than 49.0 percent of the total issued and paid-up ordinary shares of the Company. The Company has the right to reject any share transfer that will cause the proportion of foreign shareholding to exceed such ratio.

In the event where a foreign shareholder holds more than 49.0 percent of the total issued and paid-up ordinary shares of the Company and that person is (a) a U.S. Person¹ and (b) Qualified Institutional Buyer¹ and Qualified Purchaser,² who wish to sell or transfer his/her shares to other persons, that foreign shareholder shall be obligated to:

- (a) Sell those shares or the right to use or receive benefits out of those shares to other investors in an Offshore Transaction,¹ or
- (b) Sell those shares or the right to use or receive benefits out of those shares to other investors who are Qualified Institutional Buyer or Qualified Purchaser.

In the case where the transfer of shares held by a foreign shareholder does not conform to the aforementioned method, the shareholder who has received the transferred shares from that foreign shareholder shall transfer those shares in accordance with the method specified above after receiving a written request from the Company.

- Note:
- ¹ U.S. Person, Qualified Institutional Buyer, and Offshore Transaction shall have the meanings as specified in the definitions given to those terms under the United States Securities Act of 1933, as amended.
 - ² Qualified Purchaser shall have the meaning as specified in the definition given to that term under the United States Investment Company Act of 1940, as amended.

Dividend Policy

The Company has the policy to pay dividends at the rate of not less than 40.0 percent of net profit after income tax according to the separate financial statements of the Company and after legal reserves. Payment of dividends is subject to the Company's investment plans, conditions and restrictions set forth in its loan agreements or other related contracts (if any), financial condition and operating results including other relevant factors of the Company. The Board of Directors may, from time to time, review and revise the dividend policy to be in line with the future business growth strategies of the Company and its subsidiaries, the requirements for investment and working capital, and any other factors as deemed appropriate. The said dividend payment shall not exceed the retained earnings as appearing on the separate financial statements of the Company and shall comply with the applicable laws.

Management Structure

Committees

The Company has committees that perform duties in determining policies of the Company. Such committees are fully qualified according to Section 68 of Public Company Limited Act and a notice of the Capital Market Supervisory Board on asking permission for newly issued share offering and they do not have prohibited characteristics as per Section 4/2 of the royal decree on asset management company.

Board of Directors

As of 31 December 2020, the board of directors consist of 10 directors as follows

Name	Position
1. Mrs. Tongurai Limpiti	Chairman
2. Mr. Bunyong Visatemongkolchai	Director and Chairman of the Executive Committee
3. Miss Wilai Tantinantana	Director, Chairman of the Corporate Governance and Social Responsibilities Committee, and Member of the Nomination and Remuneration Committee
4. Mr. Bundit Anantamongkol	Director and Member of the Executive Committee, Member of the Corporate Governance and Social Responsibilities Committee
5. Mr. Somporn Moonsrikaew	Director, President, and Member of the Executive Committee, Member of the Risk Oversight Committee
6. Mr. Vasant Thienhom	Independent Director, Chairman of the Audit Committee and chairman of the Nomination and Remuneration Committee
7. Mr. Yos Kimsawatde	Independent Director, Member of the Audit Committee and the Risk Oversight Committee
8. Mrs. Maneerat Srisaovajati	Independent Director, Member of the Audit Committee and the Corporate Governance and Social Responsibilities Committee
9. Mr. Songpol Chevapanyaroj	Independent Director, Member of the Audit Committee and the Risk Oversight Committee
10. Mr. Satorn Topothai	Director, Member of the Executive Committee, and Member of the Nomination and Remuneration Committee

Mr. Weeravej Sirichatchai is the company's secretary, appointed according to the resolution of the board meeting No. 11/2020 on 03 July 2020.

Scope of authority and duty of the board of directors

The board of directors have duty and responsibility to supervise the business and operate works according to the laws, objectives, articles of association and resolution of the shareholder's meeting as follows

- (A) Perform duty as per the laws, objectives and articles of the association as well as resolution of the shareholder's meeting with integrity, honesty and cautiousness with interest of the company.
- (B) Be responsible for shareholders constantly and maintain interest of the shareholders, disclose information to the investors correctly, completely and transparently as per the standard.
- (C) Define a policy, target, strategy for business operation of the company and consider approving the business and budget plan in accordance with the company's business operation
- (D) Supervise and control the management as per the policy, target, strategy and business plan of the Company to achieve the result under approved budgets.
- (E) Determine regulations about human resource, finance, accounting, procurement as well as audit and internal audit and other businesses of the company.

- (F) Supervise the accounting system, financial reporting and auditing to be reliable and meet the universal standard to assure every stakeholder.
- (G) Supervise the nomination of managing director, top executives of the company and define return according to overall operations effectively.
- (H) Supervise the internal control system to be efficient with suitable risk management.
- (I) Supervise corporate governance according to the governance and social responsibility
- (J) Consider appointing and setting scope of duties of the sub-committees
- (K) Supervise the system to prevent conflict of interest among stakeholders.
- (L) Supervise the information communication and disclosure to stakeholders correctly, completely, suitably and punctually
- (M) Consider a succession plan of top executives
- (N) Promote top executive to participate in giving opinions under changing factors with effects on the organization's goal

Authorized directors of the Company

“(1) Mr. Bunyong Visatamongkolchai, (2) Miss Rasa Kanchanasai, (3) Mr. Somporn Moonsrikaew, (4) Miss Wilai Tantinantana, and (5) Mr. Bundit Anantamongkol; , two out of these five directors co-sign and affix the company's seal”

Duties and Responsibilities of the Company Secretary

The Company Secretary shall perform his/her duties within the scope of authorities and responsibilities specified in Section 89/15 and Section 89/16 of The Securities and Exchange Act including high accountability, carefulness and integrity in order to comply with the law, objectives, Company' regulations, Committee resolutions as well as the resolution in the Shareholder's Company Meeting. The duties of the Company Secretary subject to the Law are as follows:

Prepare and retain the documents as follows:

- Directors Register
- Invitation Letters to Attend the Board of Directors' Meeting, Board Meeting Minutes and Company's Annual Report
- Invitation Letters to the Annual General Meeting of Shareholders and Minutes of the Shareholder Meeting

Retain all stakeholder reports reported by the Directors or the Executives and deliver a copy of the stakeholder report per Section 89/14, to the Chairman of the Board of Directors and the Chairman of Audit Committee to acknowledge within 7 days from the day such report has been sent to the Company

Perform other duties as announced and specified by the Capital Market Supervisory Board

In addition, the Company Secretary shall perform other duties as assigned by the Company as follows:

- Organize the Board of Directors' and Shareholders Meetings.
- Coordinate with other internal agencies to comply with the Board of Directors and Shareholders' resolutions.
- Coordinate with other regulatory agencies for example, SEC, SET and supervise the disclosure of the information reported to the regulatory agencies and public with accuracy and in accordance with the Law.
- Arrange an orientation as well as provide suggestions to the newly appointed Directors.
- Perform other duties as appointed by the Board of Directors.

The Board and Committees' Meetings

The number of participations in the meetings of the Company's Board of Directors and other committees, between January 1, 2019 and December 31, 2019, are, as follows.

Name	Position	Time in Position
1. Mrs. Tongurai Limpiti	Chairman	17 April 2017 - as of the date in this document
2. Mr. Bunyong Visatemongkolchai	Director	6 July 2012 - as of the date in this document
	Chairman of the Executive Committee	6 July 2012 - as of the date in this document
3. Miss Wilai Tantinantana ¹	Director	7 December 2018 - as of the date in this document
	Member of the Nomination and Remuneration Committee	4 January 2019 - as of the date in this document
	Chairman of the Corporate Governance and Social Responsibilities Committee	4 January 2019 - as of the date in this document
4. Mr. Bundit Anantamongkol ²	Director	5 April 2019 - as of the date in this document
	Member of the Executive Committee	5 April 2019 - as of the date in this document
	Member of the Corporate Governance and Social Responsibilities Committee	7 August 2020 - as of the date in this document
5. Mr. Somporn Moonsrikaew ³	Director	6 June 2018 - as of the date in this document
	President	1 June 2018 - as of the date in this document
	Member of the Executive Committee	1 June 2018 - as of the date in this document
	Member of the Risk Oversight Committee	1 June 2018 - 3 May 2019
		7 February 2020 - as of the date in this document
6. Mr. Vasant Thienhom	Independent Director	1 December 2017 - as of the date in this document
	Chairman of the Audit Committee	1 December 2017 - as of the date in this document
	Chairman of the Nomination and Remuneration Committee	1 December 2017 - as of the date in this document
7. Mr. Yos Kimsawatde ⁴	Independent Director	14 November 2017 - as of the date in this document
	Member of the Audit Committee	14 November 2017 - as of the date in this document
	Member of the Risk Oversight Committee	3 May 2019 - as of the date in this document
8. Mrs. Maneerat Srisaovajati	Independent Director	27 June 2018 - as of the date in this document
	Member of the Audit Committee	6 July 2018 - as of the date in this document
	Member of the Corporate Governance and Social Responsibilities Committee	3 May 2019 - 6 August 2020
	Member of the Nomination and Remuneration Committee	7 August 2020 - as of the date in this document

	1 January 2020 - 31 December 2020					
	Board of Directors	Audit Committee	Executive Boards	Nomination And Remuneration Committee	Risk Oversight Committee	Corporate Governance and Social Responsibilities Committee
	19/19	-	-	-	-	-
	19/19	-	47/50	-	-	-
	-	-	-	-	-	-
	19/19	-	-	17/17	-	5/5
	18/19	-	48/50	-	-	-
	18/19	-	50/50	-	11/11	-
	19/19	16/16	-	17/17	-	-
	19/19	16/16	-	-	12/12	-
	19/19	16/16	-	7/7	-	4/4

Name	Position	Time in Position
9. Mr. Songpol Chevapanyaroj ⁶	Independent Director Member of the Audit Committee Member of the Risk oversight Committee Chairman of the Risk oversight committee	1 November 2019 - as of the date in this document 1 November 2019 - as of the date in this document 7 February 2020 - as of the date in this document
10. Mr. Satorn Topothai ⁷	Director Member of the Executive Committee Member of the Nomination and Remuneration Committee	3 April 2020 - as of the date in this document 7 August 2020 - as of the date in this document 7 August 2020 - as of the date in this document
11. Miss Siriporn Eamrungraj ⁸	Director Chairman of the Corporate Governance and Social Responsibilities Committee Member of the Corporate Governance and Social Responsibilities Committee	29 April 2016 - 5 April 2019 8 August 2016 - 5 April 2019 3 May 2019 - as of the date in this document
12. Miss Rasa Kanchanasai ⁹	Director Chairman of the Risk Oversight Committee Member of the Nomination and Remuneration Committee	27 April 2018 - 31 January 2020 4 May 2018 - 31 January 2020 3 May 2019 - 31 January 2020
13. Mr. Somphan Eamrungraj	Member of the Risk Oversight Committee	4 May 2018 - as of the date in this document
14. Miss Kornpranom Wongmongkol ¹⁰	Member of the Executive Committee Member of the Risk Oversight Committee	1 March 2006 - 6 August 2020 4 July 2015 - 3 May 2019 7 August 2020 - as of the date in this document
15. Mr. Sumate Maneewattana ¹¹	Member of the Risk Oversight Committee Member of the Nomination and Remuneration Committee Member of the Corporate Governance and Social Responsibilities Committee	7 August 2015 - 3 May 2019 7 May 2015 - as of the date in this document 3 May 2019 - as of the date in this document
16. Mr. Vichan Amornrojanavong	Member of the Executive Committee	7 August 2015 - as of the date in this document
17. Mr. Manus Suksawadi	Member of the Corporate Governance and Social Responsibilities Committee	8 August 2016 - as of the date in this document

	1 January 2020 - 31 December 2020					
	Board of Directors	Audit Committee	Executive Boards	Nomination And Remuneration Committee	Risk Oversight Committee	Corporate Governance and Social Responsibilities Committee
	17/19	15/16	-	-	12/12	-
	13/13	-	19/21	7/7	-	-
	-	-	-	-	-	5/5
	1/1	-	-	1/1	1/1	-
	-	-	-	-	12/12	-
	-	-	28/29	-	5/5	-
	-	-	-	15/17	-	5/5
	-	-	49/50	-	-	-
	-	-	-	-	-	5/5

Remark	1	Miss Wilai Tantinantana was appointed to be a corporate governance and social responsibility director and the nomination and remuneration director according to the resolution of the board meeting No. 1/2019 on 04 January 2019, substituting for Mr. Amnuay Preemonwong and appointed as the corporate governance and social responsibility committee chairman as per the resolution of the board meeting No. 7/2019 on 03 May 2019 as a replacement of Miss Siriporn Eamrungrroj
	2	Mr. Bundit Anantamongkol was appointed as a director as per the resolution of the annual shareholder's meeting year 2019 on 05 April 2019, as a replacement of Mr. Somphan Eamrungrroj, and appointed as an executive director according to the resolution of the board meeting No. 06/2019 on 05 April 2019, as a replacement of Mr. Somphan Eamrungrroj, and appointed as the corporate governance and social responsibility director pursuant to the resolution of the board of directors No. 12/2020 on 07 August 2020
	3	Mr. Somporn Moonsrikaew was discharged from the position of risk oversight director as per the resolution of the board meeting No. 7/2019 on 03 May 2019, and returned to take the position of a risk oversight director according to the resolution of the board of directors No. 2/2020 on 7 February 2020.
	4	Mr. Yos Kimsawatdi was appointed as an independent director as per the resolution of an extraordinary shareholder's meeting No. 2/2017 on 14 November 2017 as a replacement of Mr. Chim Tantoyasawasdikul, and was appointed as an audit director according to the resolution of the board meeting No. 13/2017 on 14 November 2017, substituting for Professor Dr. Pornchai Chunchachinda, and was appointed as a risk oversight director as per the resolution of the board meeting No. 7/2019 on 03 May 2019.
	5	Mrs. Maneerat Srisaovajati was appointed as an independent director according to resolution of the extraordinary shareholder's meeting No. 01/2018 on 27 June 2018 and appointed as an audit director as per the resolution of the board meeting No. 12/2018 on 06 July 2018, as a replacement of professor Dr. Pornchai Chunchachinda, and was appointed as a corporate governance and social responsibility director pursuant to the resolution of the board meeting No. 7/2019 on 03 May 2019, and was transferred from the corporate governance director to the nomination and remuneration director on 07 August 2020 subject to the resolution of the board meeting No. 12/2020 on 07 August 2020.
	6	Mr. Songpol Chevapanyaroj was discharged from being an independent director and audit director from 06 May 2019, and returned to be a company's director (independent director) from 01 November 2019 as per the resolution of the board meeting No. 18/2019 on 25 October 2019. He was appointed as an audit director and risk oversight director pursuant to the resolution of the board meeting No. 19/2019 on 01 November 2019. Furthermore, Mr. Songpol Chevapanyaroj was appointed as the risk oversight committee chairman as a replacement of Miss Rasa Kanchanasai according to the resolution of the board meeting No. 2/2020 on 07 February 2020, which was effective from 7 February 2020.
	7	Mr. Satorn Topothai was appointed as a director according to the resolution of the board meeting No. 6/2020 on 03 April 2020, and appointed as an executive director, and a nomination and remuneration director as per the resolution of the board meeting No. 12/2020 on 07 August 2020

- 8 Miss Siriporn Eamrungraj was discharged from being a director and the corporate governance and social responsibility committee chairman due to retirement by rotation in the annual shareholder's meeting 2019 from 05 April 2019. She was also a corporate governance and social responsibility director as per the resolution of the board meeting No. 7/2019 on 03 May 2019 because Miss Wilai Tantinantana was appointed as the corporate governance and social responsibility committee chairman from 03 May 2019.
- 9 Miss Rasa Kanchanasai was appointed as a director as per the resolution of the annual shareholder's meeting 2018 on 27 April 2018, and was appointed as the risk oversight committee chairman according to the resolution of the board meeting No. 08/2018 on 04 May 2018, as a replacement of Mr. Somphan Eamrungraj, and appointed as the nomination and remuneration director pursuant to the board meeting No. 07/2019 on 03 May 2019. Nevertheless, Miss Rasa Kanchanasai resigned from the position of the director, the risk oversight committee chairman, and the nomination and remuneration director, effective from 01 February 2020 as per the notice No. Bor.Sor.Kor.050/2563.
- 10 Miss Kornpranom Wongmongkol was discharged from being the risk oversight director as the board meeting No. 07/2019 on 03 May 2019 restructured the subcommittees for suitable and effective management and operation of the Company, from 03 May 2019. She was transferred from being an executive director to be a risk oversight director from 07 August 2020 according to the resolution of the board meeting No. 12/2020.
- 11 Mr. Sumate Maneewattana was dismissed from being a risk oversight director from 22 May 2019 as the board meeting No. 07/2019 on 03 May 2019 restructured the subcommittees for suitable and effective management and operation of the Company. However, Mr. Sumate Maneewattana was appointed as the corporate governance and social responsibility director pursuant to the resolution of the board meeting No. 07/2019 on 03 May 2019
- 7 Mr. Satorn Topothai was appointed as a director according to the resolution of the board meeting No. 6/2020 on 03 April 2020, and appointed as an executive director, and a nomination and remuneration director as per the resolution of the board meeting No. 12/2020 on 07 August 2020

Executives

As of 31 December 2020, the Company had executives as defined in the notice of the Securities and Exchange Commission No. Kor. Jor. 17/2551 on determination of definitions about securities issuance and offering 9 (including amendments) as follows

Name	Position
1. Mr. Somporn Moonsrikaew	President and Acting Senior Executive vice president, Sale management group
2. Mr. Choopong Phokhasawadi	Senior Executive Vice President, head office loan restructuring group
3. Mr. Somchai Tanurukpairoj	Senior Executive Vice President, business supporting group
4. Mr. Suntis Wattanakul	Senior Executive Vice President, operational supporting group, and chief financial officer: CFO
5. Mr. Phongsathon Maneepim	Senior Executive Vice President, regional loan restructuring and sale group
6. Mr. Weeravej Sirichatchai	Senior Executive Vice President, organizational supporting group
7. Mr. Chanwit Kaveesoonthornsanh	Executive vice president, financial management and investment group
8. Mrs. Wannee Pankawong	Vice President, Accounting Department and assignee to be directly responsible for accounting supervision (account book)
9. Miss Jatuporn Suwattanangkul	Vice President, Financial Management and Finance Department

Company's Secretary

The board meeting No. 11/2020 on 3 July 2020 had a resolution to appoint Mr. Weeravej Sirichatchai to be the secretary of the board of directors from 01 August 2020

Remuneration of directors and executives

Remuneration of the board of directors

Monetary return of the board

The general shareholder's meeting year 2020 had a resolution to determine the remuneration of directors and sub-committees of the company as proposed by the board of directors (equal to year 2019) as follows

Position	Meeting allowance
Chairman	60,000 Baht/ month ^{1,2}
Vice Chairman	45,000 Baht/ month ^{1,2}
Director	30,000 Baht/ month ^{1,2}
Chairman of the Audit Committee	37,500 Baht/ month ²
Member of the Audit Committee	30,000 Baht/ month ²
Chairman of the Executive Committee	30,000 Baht/ time, but not over 60,000 Baht/ month ^{1,3}
Member of the Executive Committee	15,000 Baht/ time, but not over 30,000 Baht/ month ^{1,3}
Chairman of the Nomination and Remuneration Committee	12,500 Baht/ time ^{1,2,3}
Member of the Nomination and Remuneration Committee	10,000 Baht/ time ^{1,2,3}

Chairman of the Risk Oversight Committee	12,500 Baht/ time ^{1,2,3}
Member of the Risk Oversight Committee	10,000 Baht/ time ^{1,2,3}
Chairman of the Corporate Governance and Corporate Social Responsibilities Committee	12,500 Baht/ time ^{1,2,3}
Member of the Corporate Governance and Corporate Responsibilities Committee	10,000 Baht/ time ^{1,2,3}

- Remark :
- ¹ Meeting allowance is received when attending a meeting only
 - ² In case of more than a meeting/ month, only one payment is made
 - ³ For non-executive directors of the company, with monthly salary.

According to the resolution of the general shareholder's meeting of the company in 2020 on 19 June 2020, the directors received director's allowance for the overall operation of the company in 2019 for not exceeding 6.0 million Baht.

Director's remuneration from 01 January 2020 to 31 December 2020¹ is as follows

Name	Position
1. Mrs. Tongurai Limpiti	Chairman
2. Mr. Bunyong Visatemongkolchai	Director and Chairman of the Executive Committee
3. Miss Wilai Tantinantana	Director, Chairman of the Corporate Governance and Social Responsibilities Committee, and Member of the Nomination and Remuneration Committee
4. Mr. Bundit Anantamongkol	Director and Member of the Executive Committee and Member of the Corporate Governance and Social Responsibilities Committee
5. Mr. Somporn Moonsrikaew	Director, President, Member of the Risk Oversight Committee and Member of the Executive Committee
6. Mr. Vasant Thienhom	Independent Director, Chairman of the Audit Committee, and Chairman of the Nomination and Remuneration Committee
7. Mr. Yos Kimsawatde	Independent Director, Member of the Audit Committee, and Member of the Risk Oversight Committee
8. Mrs. Maneerat Srisaovajati	Independent Director, Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Member of the Corporate Governance and Social Responsibilities Committee
9. Mr. Songpol Chevapanyaroj	Independent Director and Member of the Audit Committee and Member of the Risk Oversight
10. Mr. Satorn Topothai	Director, executive director and nomination and remuneration director
11. Miss Siriporn Eamrunroj	Member of the Corporate Governance and Social Responsibilities Committee
12. Miss Rasa Kanchanasai	Director and Chairman of the Risk Oversight Committee and Member of the Nomination and Remuneration Committee
13. Mr. Somphan Eamrunroj	Member of the Risk Oversight Committee
14. Miss Kompranom Wongmongkol	Member of the Executive Committee and Member of the Risk Oversight Committee
15. Mr. Sumate Maneewattana	Member of the Risk Oversight Committee, Member of the Nomination and Remuneration Committee, and Member of the Corporate Governance and Social Responsibilities Committee
16. Mr. Vichan Amornrojanavong	Member of the Executive Committee
17. Mr. Manus Suksawadi	Member of the Corporate Governance and Social Responsibilities Committee
Total	

	1 January 2020 - 31 December 2020						
	Board of directors (Baht)	Audit committee (Baht)	Executive committee (Baht)	Nomination and remuneration committee (Baht)	Risk Oversight committee (Baht)	Corporate governance and social responsibility committee (Baht)	Total (Baht)
	720,000	-	-	-	-	-	720,000
	360,000	-	720,000	-	-	-	1,080,000
	360,000	-	-	120,000	-	62,500	542,500
	360,000	-	360,000	-	-	10,000	730,000
	360,000	-	-	-	-	-	360,000
	360,000	450,000	-	150,000	-	-	960,000
	360,000	360,000	-	-	110,000	-	830,000
	360,000	360,000	-	50,000	-	40,000	810,000
	360,000	360,000	-	-	135,000	-	855,000
	240,000	-	150,000	50,000	-	-	440,000
	-	-	-	-	-	50,000	50,000
	30,000	-	-	10,000	12,500	-	52,500
	-	-	-	-	110,000	-	110,000
	-	-	225,000	-	50,000	-	275,000
	-	-	-	120,000	-	50,000	170,000
	-	-	360,000	-	-	-	360,000
	-	-	-	-	-	50,000	50,000
	3,870,000	1,530,000	1,815,000	500,000	417,500	262,500	8,395,000

Other remunerations

Two directors including Mrs. Tongurai Limpiti and Mr. Bunyong Visatemongkolchai, receives other remunerations than meeting allowance and director's allowance including fuel cost, and a car with a driver

Executive's remuneration

Monetary return

Monetary return includes salary, bonus, provident fund contribution and other returns of the executive as the president and the Executive vice president, regional loan restructuring and sale group, head office loan restructuring group, sale management, business support, operation support, totaling 6 persons and for the accounting year ending as of 31 December 2020, in amount of 49.81 million Baht.

Remark : ¹ Monetary return of the executives for the year ending as of 31 December 2020 for 49.8 million Baht excludes bonus for the overall operation of year 2020, payable in 2021.

Other remunerations

Every executive receives other remunerations than salary, bonus, and provident fund contribution such as fuel cost, and a car with a driver

Personal

Number of employees

As of 31 December 2020, the Company had 5 Senior Executive Vice Presidents and 1,286 employees by departments, totalling 1,291 persons

Department	As of 31 December 2020	
	Executive officers ¹ (person)	General employees (person)
1. Regional loan restructuring and sale	59	319
2. Sale management	45	111
3. Head office loan restructuring	51	169
4. Business supporting	63	189
5. Operational support	43	132
6. Organizational support	22	59
7. Internal audit	8	16
Total	291	995

Remark : ¹ Executive officers mean employees at level of Executive Vice President, Vice President, manager and deputy manager.

Employee's remuneration

Monetary return

Employee's monetary return includes salary, bonus, provident fund contribution and other remunerations of the company's employees (excluding returns of employees at level of Executive vice president for 6 persons) for the accounting year ending as of 31 December 2020, in amount of 1,620.51 million Baht.

The Company established a provident fund according to the Provident Fund Act B.E. 2530 (1987) (including amendments). From 01 February 2017, the company has contributed money for 6.0-10.0% of the employee's salary to the provident fund, and the employees contribute cumulative amount for at least 3.0% of their salary. In the accounting year ending as of 31 December 2020, the Company had expenses about the provident fund for 96.0 million Baht, respectively

Remark : ¹ The monetary returns of the employees for the year ending as of 31 December 2020 were totally 1,620.5 million Baht, excluding bonus for the performance in 2020, payable in 2021.

Social Security Fund

The Company registered the employer with the Social Security Fund according to the Social Security Act B.E. 2533 (1990) (including amendments). From 12th December 2019, the company has paid contribution for employees at rate of 5% of their salary with base salary not exceeding 15,000 Baht. The employees would pay contribution to the social security fund at rate of 5% too. In 2020, the Social Security Fund decreased the contribution from March to May 2020. The Company paid contribution for 4%, and the employees paid 1%. Additionally, the contribution was decreased in September to November 2020 provided that the Company paid contribution for 2% and the employees paid 2% as the same. For the accounting year ending as of 31 December 2020, the Company had expenses related to the social security fund for 9.4 million baht.

Other remunerations

- None -

Liability agreement of directors and officers¹

Insurer	ThaiSri Insurance Public Company Limited
Insured	Directors and officers of the Company
Insurance term	01 April 2020 (00.01 hrs.) to 01 April 2021 (00.01 hrs.)
Sum insured	200.0 million Baht/ time throughout the insurance time including expenses and fees that the Company makes payment, with written consent from the insurer (Defense Costs)
Policy type	Liability insurance of directors and officers
Coverage	The insured will pay indemnity that the insured and/or the Company has to pay as per the laws instead of the insured or the company due to offence of the insured as the insured is a director or officer of the Company.

Remark : ¹ Directors and officers mean person appointed or elected to be directors, officers and secretary of the Company in the past, at present, and in the future, including legal spouse of those people.

Personnel development

The Company has a policy to take care of employees nationwide fairly by considering competency and work experience to give an opportunity to employees to be advanced in their career path equally. Furthermore, the remuneration and welfare are improved to be suitable with the economic condition and needs of living to enhance morale and motivation in work operation of the employees.

For personnel development, the Company regards it essential because it is to enhance knowledge and skills to work effectively by making a plan to promote the organization to have potentials in all aspects such a training, and scholarship. This will uplift the company to have standard equivalent to general leading companies.

The Company defines a strategy and plan about personnel development by making HR Master Plan which includes

(A) Organization's competency system

The company provides the competency system including core competency, managerial competency and functional competency.

- (1) Core competency is the competency that employees at all levels are transmitted from vision, mission and strategy of the organization for the Company to operate works successfully and achieve the set goals, before conveyed to every employee.
- (2) Managerial competency is for executives at all level, and it is different in terms of roles and duties (role-based) to operate works successfully in accordance with the strategic plan, vision, and mission of the company.
- (3) Functional competency is competency for specific positions to support the employees to behave suitably with the job descriptions, and to enable the sectors and organization to achieve goals successfully.

The Company assesses competency under the framework that can contribute to creation of the conceptual, behavioural and attitudinal framework of employees to be in the same way with vision, mission and strategy of the company. It is a variable to make the Company to achieve the set goals successfully.

Furthermore, such assessment is also an instrument to help the Company to work human resources more effectively such as nomination of employees, transfer or promotion, personnel development etc.

(B) Performance Assessment based on KPI

The Company implements the performance assessment system by employing the Key Performance Indicator: KPI, starting from setting a Business Model, transforming to the organizational indicator, and obtaining concrete outcomes in an effective and efficient manner, transmitted to the department-level indicators up to all employees in the entire

organization. Therefore, the Company's performance assessment is consistent with the direction of the business operation, which is an important factor of success of work operations according to the code of practices of general leading companies.

At present, the Company exercise the indicator system with every employee to respond the strategy and goals in each year. It is also a tool to follow up and assess the performance with the related executives to consider screening the assessment result, and determining returns and other benefits for employees fairly and suitably.

(C) Providing individual development plan for employees at all level

Personnel are valuable resources to be maintained and developed capacity the best. The Company believes that personnel are the important drive, and thus emphasize the development for employees at all levels including executives and employees, systematically and continuously. This will be consistent with current business operation, which leads to that the Company has good turnover, and develop the competitiveness, as well as support future business operation. The company defines the training roadmap and the Individual Development Plan: IDP under the Competency Based Management with aims to enhance employees at all levels to have knowledge, capacity, skill and to increase potentials to be ready for work operations to achieve the company's goals effectively.

Additionally, the Company has a campaign for employees to realize bringing satisfaction to customers in accordance with the customer focused strategy by implanting consciousness and value to be open-minded, accept changes and work together well (Openness). This will result in good thoughts and attitude, with broader perspectives in working more extensively.

Furthermore, the board of director gives precedence to human resource management under the principle of 3R (Recruit, Retain, Retire) to construct moral and encouragement to employees as same as several leading organizations, taking care of employees in that way. This also is the knowledge management provided that the retired employees who are knowledgeable and experienced are invited to share knowledge to current employees in favour of work operations.

Labor's dispute

The Company has no major labor disputes, which significantly affect the businesses, financial institutions and overall operations of the company in past 3 years. The Company does not realize any event that may cause a labor-related dispute, that may significant affect the businesses, financial status and overview operation of the Company.

Labor relation

The company's employees do not set up or join a labor union, but the Company establishes the welfare committee in the establishments according to Labor Protection Act B.E. 2541 (1998) (and amendment) consisting of 18 representatives of the employee. Nevertheless, from the founding, the company never had a strike by the company's employees. According to the Labor Protection Act B.E. 1998, Section 7: welfare, it regulates that the establishments having at least 50 employees should have an employer to set up the welfare committee in the establishment with following details.

(A) Scope of duty and responsibility

According to Section 23, the relation affair committee has following duties and authorities

- (1) Discuss with employers for the compensation of employees.
- (2) Advise and suggest employers about the compensation of employees.
- (3) Monitor, control and supervise the compensation of employee policy.
- (4) Give an opinion and the allocation method of employee compensation which advantage employers.
- (5) Others related to the compensation of employees.

(B) Background of appointment of the welfare committee at a place of business

Section 96 stipulates that for an establishment having at least 50 employees, the employer shall set up the welfare committee at a place of business, comprising at least 5 representatives of the employees. The welfare directors shall be elected according to the principles and method specified by the director-general in the notice of the Department of Labor Protection and Welfare regarding principles and methods of election of the welfare committee at a place of business.

(C) Remuneration payment

As the 4/2020 Board of Directors' Meeting, which was convened on March 6, 2020, approved the resolution which determines the meeting allowance of the Welfare Committee, as follows.

- 3,000 Baht a meeting for the chairman of the board
- 2,000 Baht a meeting for each member

Nevertheless, the meeting allowance will be paid for 1 meeting a month per person and members may receive the meeting allowance upon their presence at the meeting.

Bami



Board of Directors



Mrs. Tongurai Limpiti

Chairman

Age 64 years

Date of Appointment 17 April 2017

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Business Administration (Finance, Investment and Accountancy)
University of Wisconsin, Madison, USA
- Bachelor's Degree, Faculty of Commerce and Accountancy,
Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business
School, USA
- The National Defense Course, Class 52, National Defense
College of Thailand (NDC)
- Capital Market Academy Course - Class 12, Capital
Market Academy (CMA)
- The Executive Program in Energy Literacy for a Sustainable
Future, Class 1, Thailand Energy Academy
- Macroeconomic Challenges of Global Imbalances
Programme, London School of Economics and Political
Science, the United Kingdom

- Certificate Course: Corporate Governance for Director
and Senior Executive of State Enterprises and Public
Organization (PDI), Class 12, King Prajadhipok's Institute
- Director Certification Program (DCP), Class 8/2001, Thai
Institute of Directors
- Director Certification Program Update (DCPU) Class
5/2015, Thai Institute of Directors
- "Boards that Make a Difference" Program (BMD) Class
3/2016, Thai Institute of Directors (IOD)
- Advance Audit Committee Program (AACP) Class
33/2019, Thai Institute of Directors (IOD)
- Role of the Chairman Program Class 46/2020, Thai
Institute of Directors (IOD)
- IT Governance and Cyber Resilience Program Class
14/2020, Thai Institute of Directors (IOD)

Work Experience

2020 - the date of this Document	Independent Director, Audit Committee Member and Risk and Compliance Committee Member Bank of Ayudhaya Public Company Limited	2016 - the date of this Document	Advisor Electronic Transactions Development Agency/ Government Agency
2018 - the date of this Document	Independent Director Thai President Foods Public Company Limited/ The Manufacturer and Distributor of Instant Noodle Products	2017 - 2019	Senior Expert Advisory Committee in the Executive Committee of Technology and Innovation-Based Enterprise Development Fund Ministry of Science and Technology / Government Agency
2018 - 2019	Committee / Chairman of the Audit Committee / Corporate Governance and Social Responsibility Committee Thai Credit Guarantee Cooperation	2016 - 2018	Chairman/ Independent Director Aira Factoring Co., Ltd. / Factoring Business
2017 - the date of this Document	Chairman of the Board of Directors Bangkok Commercial Asset Management PLC	2016 - 2018	President, Bank of Thailand Employee's Thrift and Credit Cooperative Ltd. Bank of Thailand / Government Agency
2017 - the date of this Document	Member of the Financial Policy and Asset Committee Srinakharinwirot University / Educational Institute	2016 - 2017	Director / Vice President Bangkok Commercial Asset Management PLC / Asset Management Business
2017 - the date of this Document	Subcommittee on Civil System Development for Promotion of Good Public Management Office of the Public Sector Development Commission / Government Agency	2014 - 2016	Deputy Governor, Financial Institutions Stability Bank of Thailand / Government Agency



Mr. Bunyong Visatemongkolchai*

Director

Chairman of the Executive Board

Age 63 years

Date of Appointment

- Director (6 July 2012)
- Chairman of the Executive Board (6 July 2012)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Laws, Temple University, School of Law, USA
- Bachelor of Laws, Thammasat University
- Mini MBA, Chulalongkorn University
- Deputy District Chief Training Course Class 48, Institute of Administration Development
- Capital Market Academy Program Class 5, Capital Market Academy (CMA)
- Director Accreditation Program (DAP) Class 119/2015, Thai Institute of Directors
- Advance Audit Committee Program (AACP) Class 30/2018, Thai Institute of Directors

Work Experience

2019 - the date of this Document	Chairman of the Boards of Directors Thai Credit Guarantee Corporation / Credit Guarantee Service for all types of SMEs entrepreneurs
2018 - the date of this Document	Director Thai Credit Guarantee Corporation/ Credit Guarantee Service for all types of SMEs entrepreneurs
2018 - the date of this Document	Director / Managing Director TFD Real Estate Management Co., Ltd. / Trust Management Business
2017 - 2020	Independent Director / Audit Committee / Latex Systems Public Company Limited / Manufacturer and Distributor of Mattresses and other Products made from Natural Latex
2017 - 2019	Director Able Asset Group Co., Ltd. / Real Estate Business

Work Experience (continuous)

2018	Risk Oversight Committee / Acting President Bangkok Commercial Asset Management PLC / Asset Management Business	2014 - 2016	Director JCK International Public Company Limited/ Real Estate Business
2016 - 2018	Director / Managing Director TFD Real Estate Management Co., Ltd. / Trust Management Business	2014 - 2016	Director Total Industrial Services Co., Ltd. / Real Estate Business
2015 - 2017	Bank Director / Chairman of the Risk Management Committee / Executive Director / Corporate Governance and Social and Environmental Responsibility Committee / Nomination and Remuneration Committee Government Housing Bank / Financial Institution		



Mr. Vasant Thienhom

Independent Director

Chairman of the Audit Committee

Chairman of the Nomination and
Remuneration Committee

Age 65 years

Date of Appointment

- Independent Director
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration Committee

(1 December 2017)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Laws (International Banking Laws), Boston University, USA
- Bachelor of Laws (Honours), Chulalongkorn University
- Barrister-at-Law. Institute of Legal Education (Thai Bar Association)
- Audit Committee Program (ACP) Class 39/2012, Thai Institute of Directors
- Director Certification Program (DCP) Class 3/2000, Thai Institute of Directors

Work Experience

2017 - the date of this Document	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee
2019 - 2020	Bangkok Commercial Asset Management PLC / Asset Management Business
2017 - 2020	Chairman of the Audit Committee Thai Credit Guarantee Corporation / Credit Guarantee Service for all types of SMEs Entrepreneurs
2016 - the date of this Document	Audit Committee / Chairman of the Corporate Governance and Social Responsibility Committee Thai Credit Guarantee Corporation / Credit Guarantee Service for all types of SMEs Entrepreneurs
2011 - 2015	Consultant and Specialist Securities and Exchange Commission / Agency governing and developing Thai Capital Market
	Deputy Secretary - General Securities and Exchange Commission / Agency governing and developing Thai Capital Market

Mr. Yos Kimsawatde
Independent Director
Audit Committee
Risk Oversight Committee
Age 65 years



Date of Appointment

- Independent Director (14 November 2017)
- Audit Committee (14 November 2017)
- Risk Oversight Committee (3 May 2019)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Management Information Systems, University of Louisville, Kentucky, USA
- Bachelor of Science in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University
- Directors' Accreditation Program (DAP) Class 148/2018, Thai Institute of Directors

Work Experience

2019 - the date of this Document	Risk Oversight Committee Bangkok Commercial Asset Management PLC / Asset Management Business
2019 - the date of this Document	Chairman of the Nomination and Remuneration Committee / Audit Committee/ Company Director (Independent Director) I&I Consulting Group Co., Ltd./ Consulting Business in setting up information system
2017 - the date of this Document	Independent Director / Audit Committee Bangkok Commercial Asset Management PLC / Asset Management Business
The date of this Document	Chairman of the Payment Systems Office The Thai Bankers' Association / Association Director
The date of this Document	National Digital ID Co., Ltd. / Data Processing Business

Mrs. Maneerat Srisaovajati

Independent Director

Audit Committee

Nomination and Remuneration
Committee

Age 62 years



- Date of Appointment**
- Independent Director (27 June 2018)
 - Audit Committee (6 July 2018)
 - Nomination and Remuneration Committee (7 August 2020)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- MBA (Accounting), Illinois Institute of Technology, Chicago, Illinois, USA
- Bachelor's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University
- Director Accreditation Program (DAP) Class 150/2018, Thai Institute of Directors
- Directors Certification Program (DCP) Class 272/2018, Thai Institute of Directors
- Advance Audit Committee Program (AACP) Class 33/2019, Thai Institute of Directors
- Board Nomination and Compensation Program (BNCP) Class 10/2020

Work Experience

- Aug 2020 - the date of this Document
- 2019 – Aug 2020
- 2018 - the date of this Document
- 2015 - 2017
- 2012 - 2016
- Nomination and Remuneration Committee
Bangkok Commercial Asset Management PLC / Asset Management Business
Corporate Governance and Social Responsibility Committee
Bangkok Commercial Asset Management PLC / Asset Management Business
Independent Director/ Audit Committee
Bangkok Commercial Asset Management PLC / Asset Management Business
Director of Federation of Accounting Professional Council
FAP The Royal Patronage sites / Professional Council
Secretary
Alumni Association of the Faculty of Commerce and Accountancy, Chulalongkorn University / Association



Ms. Wilai Tantinantana*

Director

**Nomination and Remuneration Committee
Chairman of the Corporate Governance
and Social Responsibility Committee**

Age 59 years

Date of Appointment

- Director (7 December 2018)
- Nomination and Remuneration Committee (4 January 2019)
- Chairman of the Corporate Governance and Social Responsibility Committee (3 May 2019)
- Thai Information Technology Group (ITG) Class 11/2019, Thai Institute of Directors

Work Experience

- | | |
|----------------------------------|--|
| 2019 - the date of this Document | Nomination and Remuneration Committee / Chairman of the Corporate Governance and Social Responsibility Committee Bangkok Commercial Asset Management PLC / Asset Management Business |
| 2018 - the date of this Document | Committee Bangkok Commercial Asset Management PLC / Asset Management Business |
| 2018 - the date of this Document | Inspector - General of the Ministry of Finance Ministry of Finance / Government Agency |
| 2015 - 2018 | Principal Advisor on Excise Tax Strategy Excise Department / Government Agency |
| 2013 - 2015 | Deputy Director General of the Excise Department Excise Department / Government Agency |
| 2009 - 2013 | Director of Tax Planning Bureau Excise Department / Government Agency |

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master's Degree in Economics (M.A), Tufts University, USA
- Bachelor of Science, Srinakharinwirot University
- Bachelor of Laws, Thammasat University
- Graduate Certificate (Master's Degree equivalent) in International Tax Program, Harvard University, USA
- Certificate of the National Defense Course Class 57, the National Defense College of Thailand
- Directors' Certification Program (DCP) Class 238/2017, Thai Institute of Directors
- Risk Management Program for Corporate Leaders (RCL) Class 2017, Thai Institute of Directors
- Board Nomination and Compensation Program (BNCP) Class 7/2019, Thai Institute of Directors



Mr. Bundit Anantamongkol*

Chief Executive Director

Director

Executive Director

Age 58 years

Date of Appointment

- Chief Executive Director (1 January 2021)
- Director / Executive Director (5 April 2019)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Business Administration (Finance), Stirling University, UK
- Bachelor of Science (Chemistry), Chulalongkorn University
- Directors Certification Program (DCP) Class 75/2006, Thai Institute of Directors
- Advance Audit Committee Program (AACP) Class 30/2018, Thai Institute of Directors
- IT Governance and Cyber Resilience Program (ITG) Class 15/2020
- Risk Management Program for Corporate Leaders (RCL) Class 15/2019, Thai Institute of Directors

Work Experience

- | | |
|----------------------------------|---|
| 2019 - the date of this Document | Committee / Executive Committee Bangkok Commercial Asset Management PLC / Asset Management Business |
| 2018 - the date of this Document | Independent Committee / Investment Committee Vayupak Fund 1 / Mutual Fund |
| 2017 – 1 Jan 2021 | Independent Committee / Audit Committee/ Chairman of the Risk Management Committee Latex Systems Public Company Limited / Manufacturer and Distributor of Mattresses and other Products made from Natural Latex |
| 2017 - the date of this Document | Independent Committee / Risk Management Committee / Chairman of the Investment Committee / Nomination Committee Thai Credit Guarantee Corporation/Financial Institution (Ad Hoc) |
| 2017 - the date of this Document | Innovation Investment Committee Bangchak Initiative and Innovation Center |
| 1996 - 2017 | Deputy Director / Investment Director American International Assurance Co., Ltd. / Trustee and Property Management |

Mr. Songpol Chevapanyaroj
Chairman of Risk Oversight Committee
Independent Director
Audit Committee
Age 48 years



Date of Appointment

- Chairman of Risk Oversight Committee (7 February 2020)
- Independent Director / Audit Committee (1 November 2019)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- MBA Finance, Case Western Reserve University, Ohio, USA
- B.S. Finance, University of Findlay, USA
- Senior Finance and Finance Executive Course, Class 3, Public Fiscal and Accounting Personnel Development Institute
- Director Certification Program (DCP) Class 231/2016, Thai Institute of Directors
- Corporate Governance for Capital Market Intermediaries (CGI) Class 7/2015, Thai Institute of Directors
- IT Governance and Cyber Resilience Program (ITG) Class 15/2020, Thai Institute of Directors

Work Experience

2020 - the date of this Document	Chairman of the Risk Oversight Committee Bangkok Commercial Asset Management PLC / Asset Management Business
2019 - the date of this Document	President/ Director Deposit Protection Agency / Government Agency which is not either a state agency or enterprise
2019 - the date of this Document	Independent Director / Audit Committee / Risk Oversight Committee Bangkok Commercial Asset Management PLC / Asset Management Business
2017 - the date of this Document	Director Sabuy Technology Public Company Limited/ Financial transactions services through automatic machines and Distributor
2017 - 2019	Independent Director / Audit Committee Bangkok Commercial Asset Management PLC / Asset Management Business
2017 - 2019	Director Dhanarak Asset Development Co., Ltd. / State Enterprise



Mr. Satorn Topothai*

Director

Executive Director

Executive Director and
Remuneration Committee

Age 62 years

Date of Appointment

- Director (3 April 2020)
- Executive Director / Executive Director and Remuneration Committee (7 August 2020)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master's Degree (Banking Law Studies), Boston University, USA
- Master of Business Administration, Thammasat University
- Barrister-at-Law, Institute of Legal Education Thai Bar Association
- Bachelor of Law, Thammasat University

Work Experience

2019 - the date of this Document	Director / Executive Director Bangkok Commercial Asset Management PLC / Asset Management Business
21 Oct 2020 - the date of this Document	Chairman of the Audit Committee Financial Institutions Development Fund
15 Oct 2020 - the date of this Document	Director Financial Institutions Development Fund
2016 - Mar 2019	President Deposit Protection Agency / Government Agency which is not either a state agency or enterprise
2014 - Aug 2016	Assistant Governor, Corporate Services Group Bank of Thailand / Financial Institution

Mr. Somporn Moonsrikaew*

Director

President

Age 60 years



Date of Appointment

- Director (6 July 2018)
- President (1 June 2018)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Public and Private Management, Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Education, Kasetsart University
- Director Accreditation Program (DAP) Class 150/2018, Thai Institute of Directors
- IT Governance Cyber Resilience Program (ITG) Class 15/2020, Thai Institute of Directors

Work Experience

2018 - 31 Dec 2020	Director / President / Executive Director
	Bangkok Commercial Asset Management PLC / Asset Management Business
2019 - 2019	Acting Senior Executive Vice President
	Regional Loan Restructuring and Sales Group
	Bangkok Commercial Asset Management PLC / Asset Management Business
2018 - 2019	Risk Oversight Committee
	Bangkok Commercial Asset Management PLC / Asset Management Business
2013 - 2018	Executive Vice President of Sales Group
	Bangkok Commercial Asset Management PLC / Asset Management Business
2011 - 2013	Executive Vice President of Regional Loan Restructuring Group
	Bangkok Commercial Asset Management PLC / Asset Management Business
2010	Executive Vice President of Regional Loan Restructuring Group 1
	Bangkok Commercial Asset Management PLC/ Asset Management Business

Note:

- * The Authorized Company's Representatives are: (1) Mr. Bunyong Visatamongkolchai (2) Mr. Somporn Moonsrikaew (3) Ms. Wilai Tantinantana (4) Mr. Bundit Anantamongkol and (5) Mr. Satorn Topothai, 2 of the 5 Directors are to affix their signatures together with the Company's official stamp.

Management Team

Mr. Choopong Phokhasawadi

Senior Executive Vice President, Head Office
Loan Restructuring Group

Age 55 years

Date of Appointment 1 October 2016
Shareholding Ratio in the Company (Percent) None
Family Relationship between Directors and Executives None
Education / Training Experience

- Bachelor of Economics, (International Economics), Ramkhamhaeng University
- Special Lecture Course - Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization & Data Management Course
- OKR Course (Objectives and Key Results)

Work Experience

2016 - the date of this Document Senior Executive Vice President, Head Office Loan Restructuring Group
Bangkok Commercial Asset Management PLC / Asset Management Business

2011 - 2016 Executive Vice President, Loan Restructuring Group 2
Bangkok Commercial Asset Management PLC / Asset Management Business

Mr. Somchai Tanurukpairoj

Senior Executive Vice President, Business
Supporting Group

Age 60 years

Date of Appointment 1 October 2016
Shareholding Ratio in the Company (Percent) None
Family Relationship between Directors and Executives None
Education / Training Experience

- Master's Degree in Public and Business Administration, Faculty of Political Sciences, Ramkhamhaeng University
- Bachelor of Laws, Thammasat University
- Special Lecture Course - Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization & Data Management Course
- Understanding of AMLO Law Training Course
- OKR Course (Objectives and Key Results)

Work Experience

2016 - the date of this Document Senior Executive Vice President Business Supporting Group
Bangkok Commercial Asset Management PLC / Asset Management Business

2014 - 2016 Executive Vice President Business Supporting Group Authorized Company
Bangkok Commercial Asset Management PLC/ Asset Management Business

2013 - 2017 Representative
T.S.N. Modern Trade Co., Ltd. / Retail Business

Mr. Suntis Wattanakul

Senior Executive Vice President, Operational Supporting Group

Chief Financial Officer (CFO)

Age 53 years

Date of Appointment

- Senior Executive Vice President, Operational Supporting Group (1 October 2015)
- Chief Financial Officer (CFO) (16 December 2011)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Science Program in Applied Statistics, National Institute of Development Administration (NIDA)
- Master of Engineering (Computer and Engineering Management), Assumption University
- Bachelor's Degree, Thammasat Business School, Thammasat University
- Orientation for CFOs focusing on Financial Reporting Class 2018/1, FAP under The Royal Patronage
- Strategic CFO Course for Registered Company, Thailand Securities Institute (TSI), The Stock Exchange of Thailand
- New Financial Reporting Standards to be adopted in 2019 and 2020 Class 1/2019, FAP under The Royal Patronage
- Special Lecture Course – Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization and Data Management Course
- Understanding of AMLO Law Training Course

- OKR Course (Objectives and Key Results)
- Financial Risk Management for Asset Management Course
- E-learning CFO's Refresh Course

Work Experience

2019 - the date of this Document	Authorized Company Representative Pattanathorn Co., Ltd. / Real Estate Business
2019 - the date of this Document	Authorized Company Representative Saha Panit Kitjaphan Co., Ltd. / Real Estate Business
2015 - the date of this Document	Senior Executive Vice President Operational Supporting Group Bangkok Commercial Asset Management PLC / Asset Management Business
2013 - the date of this Document	Authorized Company Representative Sahathorn Co., Ltd. / Real Estate Business
2011 - the date of this Document	Chief Financial Officer (CFO) Bangkok Commercial Asset Management PLC / Asset Management Business
2011 - 2015	Executive Vice President Financial Management and Investment Group Bangkok Commercial Asset Management PLC / Asset Management Business
2009 - 2011	Executive Vice President, Loan Restructuring Group 1 Bangkok Commercial Asset Management PLC / Asset Management Business

Mr. Phongsathon Maneepim

Senior Executive Vice President, Regional Loan Restructuring and Sales Group

Company Secretary

Age 51 years

Date of Appointment

- Senior Executive Vice President, Regional Loan Restructuring and Sales Group (1 October 2019)
- Company Secretary (5 June 2015)

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Bachelor of Laws, Thammasat University
- Barrister-at-Law. Institute of Legal Education (Thai Bar Association)
- Company Secretary Program (CSP), Thai Institute of Directors
- Company Reporting Program (CRP), Thai Institute of Directors
- Effective Minute Taking Program(EMT), Thai Institute of Directors
- Board Reporting Program (BRP), Thai Institute of Directors
- Special Lecture Course – Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization and Data Management Course
- OKR Course (Objectives and Key Results)

Work Experience

2019 - the date of this Document	Senior Executive Vice President Regional Loan Restructuring and Sales Group Bangkok Commercial Asset Management PLC / Asset Management Business
2015 – 31 Jul 2020	Company Secretary Bangkok Commercial Asset Management PLC / Asset Management Business
2017 - 2019	Executive Vice President, Loan Restructuring Group 1 Bangkok Commercial Asset Management PLC / Asset Management Business
2014 – 2017	Executive Vice President Operational Supporting Group Bangkok Commercial Asset Management PLC / Asset Management Business
2009 – 2014	Executive Vice President Operational Supporting Group 1 Bangkok Commercial Asset Management PLC / Asset Management Business
2008	Vice President, Special Project Department Bangkok Commercial Asset Management PLC / Asset Management Business
2004 – 2007	Vice President, Legal Department Bangkok Commercial Asset Management PLC / Asset Management Business

Mr. Weeravej Sirichatchai
Senior Executive Vice President,
Organizational Supporting Group
Age 48 years

Date of Appointment 1 March 2020
 Shareholding Ratio in the Company (Percent) None
 Family Relationship between Directors and Executives None
 Education / Training Experience

- Bachelor of Laws, Thammasat University
- Master of Laws, UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN
- Board Reporting Program (BRP)
- Company Reporting Program (CRP)
- Digital Organization and Data Management Course
- Understanding of AMLO Law Training Course
- OKR Course (Objectives and Key Results)
- Financial Risk Management for Asset Management Course
- Company Secretary Program (CSP)
- Effective Minutes Taking Program (EMT)

Work Experience

2020 – the date of this Document Senior Executive Vice President,
 Organizational Supporting Group
 Bangkok Commercial Asset Management
 PLC/ Asset Management Business

Mr. Chanwit Kaveesoonthornsano
Executive Vice President, Financial Management
and Investment Group
Age 48 years

Date of Appointment 16 October 2017
 Shareholding Ratio in the Company (Percent) None
 Family Relationship between Directors and Executives None
 Education / Training Experience

- Master of Science in Project Management, Drexel University, USA
- Bachelor's Degree in Business Administration, Thammasat Business School, Thammasat University
- Bachelor of Accountancy, School of Accountancy, University of Thai Chamber of Commerce
- Orientation for CFO Focusing on Financial Reporting Class 2018/1, FAP under The Royal Patronage
- Special Lecture Course – Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization and Data Management Course
- Understanding of AMLO Law Training Course
- The Leadership Grid Program (High Level)
- OKR Course (Objectives and Key Results)
- Financial Risk Management for Asset Management Course

Work Experience

2017 – the date of this Document Executive Vice President, Financial
 Management and Investment Group
 Bangkok Commercial Asset Management
 PLC/ Asset Management Business

2013 – 2017 Vice President, Financial Management
 and Investment Group
 Bangkok Commercial Asset Management
 PLC/ Asset Management Business

2008 – 2013 Manager, Loan Restructuring Group 3-2
 Bangkok Commercial Asset Management
 PLC/ Asset Management Business

2007– 2008 Deputy Manager, Loan Restructuring
 Group 3-2
 Bangkok Commercial Asset Management
 PLC/ Asset Management Business

Mrs. Wannee Punkawong

Vice President Accounting Department

Age 51 years

Date of Appointment 1 October 2018

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master's Degree in Accounting, Faculty of Business Administration, University of Thai Chamber of Commerce
- Bachelor's Degree in Accounting, Faculty of Accounting, Bangkok University
- Training Course on the Preparation for the Issuance of Financial Statements and Tax Issues, Department of Business Development
- Training Courses on Financial Reporting Standards concerning Asset Management Business, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.:
 - 1) Basic Principles and Accounting Processes for Accountants to Conclude Daily and Monthly Accounts as per the Financial Reporting Standards
 - 2) Significant Changes in Thai Financial Reporting Standards, International Financial Reporting Standards and Financial Reporting Standards for Asset Management Business
 - 3) Adjustment of Asset Management Business to Keep Up with Changes in Draft Financial Reporting Standards regarding Financial Instruments
 - 4) Basic Accounting on Asset Management Business for Strategic Management for Directors
 - 5) Advanced Study on Thai Financial Reporting Standards, International Financial Reporting Standards, and Financial Reporting Standards for Asset Management Business (Summary of the Key Principles and Operational Guidelines)

- Training Course on Accounting concerning Financial Instruments, FAP under the Royal Patronage
- New Financial Reporting Standards to be adopted in 2019 and 2020 Class, FAP under the Royal Patronage
- Special Lecture Course – Operational Guidelines for Companies registered in the Stock Exchange
- Digital Organization and Data Management Course
- The Leadership Grid Program (High Level)
- Workshop under the Personal Data Protection Act B.E.2562
- Understanding of Governance, Risk and Compliance for Operation
- Financial Risk Management for Asset Management, TFRS, 2020
- Calculation of Employee's Benefits and Obligations using Actuarial Science.

Work Experience

2018 - the date of this Document	Director of Accounting and Accountant Bangkok Commercial Asset Management PLC/ Asset Management Business
2010 - 2018	Manager, Financial Management and Data Processing Group, Accounting and Finance Department Bangkok Commercial Asset Management PLC/ Asset Management Business
2017	Acting Manager, Data Processing Group, Accounting and Finance Department Bangkok Commercial Asset Management PLC/ Asset Management Business
2009 - 2010	Accounting System Development Group, Accounting and Finance Department Bangkok Commercial Asset Management PLC/ Asset Management Business

Ms. Jatuporn Suwattanangkul
Vice President Financial Management
and Finance Department
Age 54 years

Date of Appointment 1 October 2020

Shareholding Ratio in the Company (Percent) None

Family Relationship between Directors and Executives None

Education / Training Experience

- Master of Business Administration (Executive Program), Faculty of Business Administration, Chiang Mai University
- Bachelor's Degree in Finance and Banking, Faculty of Business Administration, Ramkhamhaeng University
- Training Courses on Financial Reporting Standards concerning Asset Management Business: Basic Principles and Accounting Processes for Accountants to Conclude Daily and Monthly Accounts as per the Financial Reporting Standards
- BAM : MINI MBA Program Class 1-2561
- Financial Risk Management Course for Asset Management Business
- Training Course - Understanding Governance, Risk and Compliance
- Course on the Guidelines to Comply with the Ministry of Finance's Regulations on Public Procurement and Supplies Administration Act B.E. 2560
- Reflection Workshop – Sharing Experiences and Reflecting Behaviors
- Training Course on Turning Strategies into Success
- Manager as a Coach Program
- Risk Management and Internal Control Course
- Training Course on Public Company Limited Law

Work Experience

2020 - the date of this Document	Director of Financial Management and Finance Bangkok Commercial Asset Management PLC/ Asset Management Business
2009 – 2020	Manager, Sales/Rental Support, Accounts Receivable and NPA Department Bangkok Commercial Asset Management PLC/ Asset Management Business
2007 -2009	Deputy Manager, Sales/Rental Support, Accounts Receivable and NPA Department Bangkok Commercial Asset Management PLC/ Asset Management Business

Corporate Governance

Report of the Executive Committee

The Executive Committee was established by the resolution of the Board of Directors to support the operation of the Board of Directors and to consider and approve various matters within the scope of authority delegated by the Board of Directors. The Executive Committee is composed of four directors of the Company and one outsider, with the President serving as the ex officio committee member and secretary, as follows:

1.	Mr. Bunyong Visatemongkolchai	The Chairman of the Executive Committee
2.	Mr. Bundit Anantamongkol	Executive Director
3.	Mr. Satorn Topothai	Executive Director
4.	Mr. Vichan Amornrojjanawong	Executive Director (outsider)
5.	Mr. Somporn Moonsrikaew	Executive Director and Secretary

In 2020, the Executive Committee arranged a total of 50 meetings to perform duties as specified in the Executive Committee Charter, with significant operations as follows:

- Considered, screened and gave opinion preliminarily on the Company's targets, operational plans and budgets before proposing for the Board of Directors' consideration, and monitored the progress of operation against the plans on a quarterly basis, as well as provided useful advice on management and operation under the strategic plan.
- Considered, screened and gave opinion preliminarily on the guideline on reorganization to support the long-term strategic plan before proposing for the Board of Directors' consideration.
- Considered and approved the debt restructuring and sales of NPAs within its scope of authority, and screened the cases that are under the authority of the Board of Directors before proposing for the Board of Directors' consideration.
- Considered and approved the auction prices for assets (NPLs and NPAs) to be purchased from financial institutions as authorized by the Board of Directors, and gave advice to the management regarding guidelines on portfolio management, market analysis and strategy adjustment to increase the opportunity for competition.
- Considered and approved the issue of quarterly financial statements.
- Considered and approved the amount, interest rate, period, terms and conditions, and others as deemed appropriate for the issue and sale of debentures as authorized by the Board of Directors.
- Considered and approved the budget for main projects under the IT Master Plan as authorized by the Board of Directors, and gave advice and policy on IT management to enhance operational efficiency and competitiveness in the digital transformation era.
- Considered and approved the sales promotions/campaigns/projects to support sales of NPAs and debt restructuring.
- Considered and gave advice on the liquidity management, and continuously monitored the Company's liquidity position.

The Executive Committee is committed to managing the business in order to achieve the Company's vision, mission, goal and business strategy under the corporate governance principles and in the transparent and examinable manner, while paying regard to benefits of the Company, shareholders and all groups of stakeholders and operating business with social and environmental responsibility to ensure the Company could grow firmly and sustainably.



(Mr. Bunyong Visatemongkolchai)
Chairman of the Executive Committee

Report of the Corporate Governance and Social Responsibilities Committee

The Corporate Governance and Social Responsibilities Committee is composed of two directors of the Company and three outsiders. Currently, Miss Wilai Tantinantana serves as the Committee Chairperson and Mr. Bundit Anantamongkol, Mr. Manus Suksawasdi, Miss Siriporn Eamrungrroj and Mr. Sumate Maneewattana as the Committee Members. The Committee has the duties and responsibilities as specified in the Corporate Governance and Social Responsibilities Committee Charter to support the Company's operation by laying down the Company's policies, regulations and operational guidelines in accordance with the principles of corporate governance and social responsibility so as to lead the Company to success and sustainability.

In 2020, the Corporate Governance and Social Responsibilities Committee arranged a total of five meetings and already reported the Board of Directors on the results of its operation, which can be summarized as follows:

1. Reviewed the yearly report on conflict of interest under the corporate governance principles of the top executives, executives and employees.
2. Considered the corporate governance-related projects to uplift quality in line with the corporate governance principles.
3. Provided suggestions for the operations in sustainable development and CSR activities and followed up on the results of such operations.
4. Considered the plan for implementation of corporate governance promotion activities to create a perception and awareness of the importance of good corporate governance and encourage the employees to behave themselves on the basis of righteousness.
5. Reviewed the anti-corruption policy to ensure the directors and employees at all levels follow their conscience to perform duties with integrity and primarily in the best interest of the Company without seeking benefits from the Company for themselves or their related persons.
6. Reviewed the Corporate Governance and Social Responsibilities Committee Charter with respect to the appointment and term of office of the Committee Members who are outsiders.
7. Considered the corporate governance report and sustainability development report for further disclosure in the annual report.
8. Considered the control self-assessment to ensure it is in line with the CGR project according to the assessment criteria of the Thai Institute of Directors (IOD).
9. Considered the progress on renewal of the Company's membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) of the IOD. The Company was certified for such renewed CAC membership on September 30, 2020.

From its ongoing commitment to operate business on the basis of good corporate governance and sustainable development, the Company was recertified as a CAC member by the IOD and received awards from numerous leading institutions as follows:

- 1) Being selected as one the 20 companies on the “ESG Emerging List and ESG 100 Universe for 2020” by Thaipat Institute
- 2) Awards from Alpha Southeast Asia (Alpha) Magazine:
 - First rank for the Best Strategic Corporate Social Responsibility Award
 - Second rank for the Best Senior Management IR Support Award
- 3) Business Excellence in the category of Best Deal of the Year Awards at the “SET Awards 2020” organized by the Stock Exchange of Thailand in association with Money & Banking Magazine
- 4) Best IPO Deal of the Year, Thailand, at the 14th Deal & Solution Awards organized by Alpha Southeast Asia Magazine
- 5) Best Privatization at The Asset Country Awards 2020 organized by The Asset

In addition, the Company was rated “Excellent” in the Corporate Governance Report of Thai Listed Companies 2020 (CGR) by the IOD.



(Miss Wilai Tantinantana)

Chairman of the Corporate Governance and Social Responsibilities Committee

Report of the Risk Oversight Committee

The Risk Oversight Committee is composed of four directors of the Company and the President, making up a total of five committee members. Vice President of the Organization Development and Risk Management Department serves as the secretary to the Risk Oversight Committee.

The Risk Oversight Committee performs duties within the scope of responsibilities specified in the Risk Oversight Committee Charter, as assigned by the Board of Directors. In 2020, the Risk Oversight Committee held a total of 12 meetings and reported the results of its operation to the Board of Directors on a quarterly basis.

The Risk Oversight Committee gives importance to the task of monitoring according to guidelines of the supervising authorities and the international best practices (COSO ERM) so that the overall risk management will be at an acceptable level. Importance is also given to managing the Company's liquidity at the level that is appropriate and adequate for business operation in both normal and critical situations. Particularly in 2020 when the Company was hit by the COVID-19 crisis, the results of the Risk Oversight Committee's operation can be summarized as follows:

1. Monitored and ensured that an enterprise risk analysis was conducted according to the yearly strategic plan; prepared a risk map to identify the key enterprise risks and determine the key risk indicators; and reported the risk status to other committees on a monthly/quarterly basis.
2. Determined the enterprise risk management framework, comprising key risk indicators, risk appetite and risk tolerance, based on the Company's strategic objectives.
3. Monitored and ensured that risk management was carried out in line with the established policy; followed up on reports on risk status such as enterprise risk status/watchlist and liquidity risk status, including loss data reports; closely monitored risk situations with respect to economic and financial condition, competition, technology, cyber threats, and changes in rules, regulations and requirements of the authorities; and conducted a stress test on the Company's stability.
4. During the COVID-19 situation, provided advice regarding the key risks that may affect the Company in order for the management to use such advice as a guideline on business operation to be as close as possible to business operation in the normal condition, including advice on, for instance, establishing measures for operation through the Business Continuity Management Working Group in preparation for the work from home and work in office to cope with the pandemic, preparing the buildings, premises, human resources, IT system for both hardware and software, data access, information security, as well as measures for taking care of the Company's employees, outsiders, customers and visitors by strictly complying with the measures to prevent the spread of the virus, preparing for the Company's liquidity management to be least affected by the uncertain situation; and closely monitored the Company's liquidity management.
5. Ensured that there was preparation for IT risk; and approved the employment of an IT risk consultant in order for the Company to lay down the policy on IT risk management and the practice guideline that is in line with the best practice.

6. Provided advice on managing cyber threats to the Company to align with the direction of its business operation that focuses on digital financial services, by coordinating with the Department of Information Technology in making preparations to prevent cyber attacks such as phishing, ransomware, etc.

The Risk Oversight Committee has performed duties, as specified in the Risk Oversight Committee Charter, prudently and carefully and has used the knowledge and experience of all members of the Committee with full capability by paying regard to the utmost benefit of the Company.



(Mr. Songpol Chevapanyaroj)
Chairman of the Risk Oversight Committee

Recruitment and Remuneration Committee Report 2020

The recruitment and remuneration committee of BAM consists of 4 company's directors that 2 out of which are independent directors and an external director, totaling 5 persons with Mr. Vasant Thienhom as the committee chairman, and Miss Wilai Tantinantana, Mrs. Maneerat Srisaovajati, Mr. Satorn Topothai, and Mr. Sumate Maneewattana, as the directors.

In 2020, the recruitment and remuneration committee performed its duties as assigned by the company's board of directors cautiously, transparently and morally, and it improved the code of practices to cover and be consistent with the company's business operation strategy. The recruitment and remuneration committee arranged 17 meetings by considering important matters as follows:

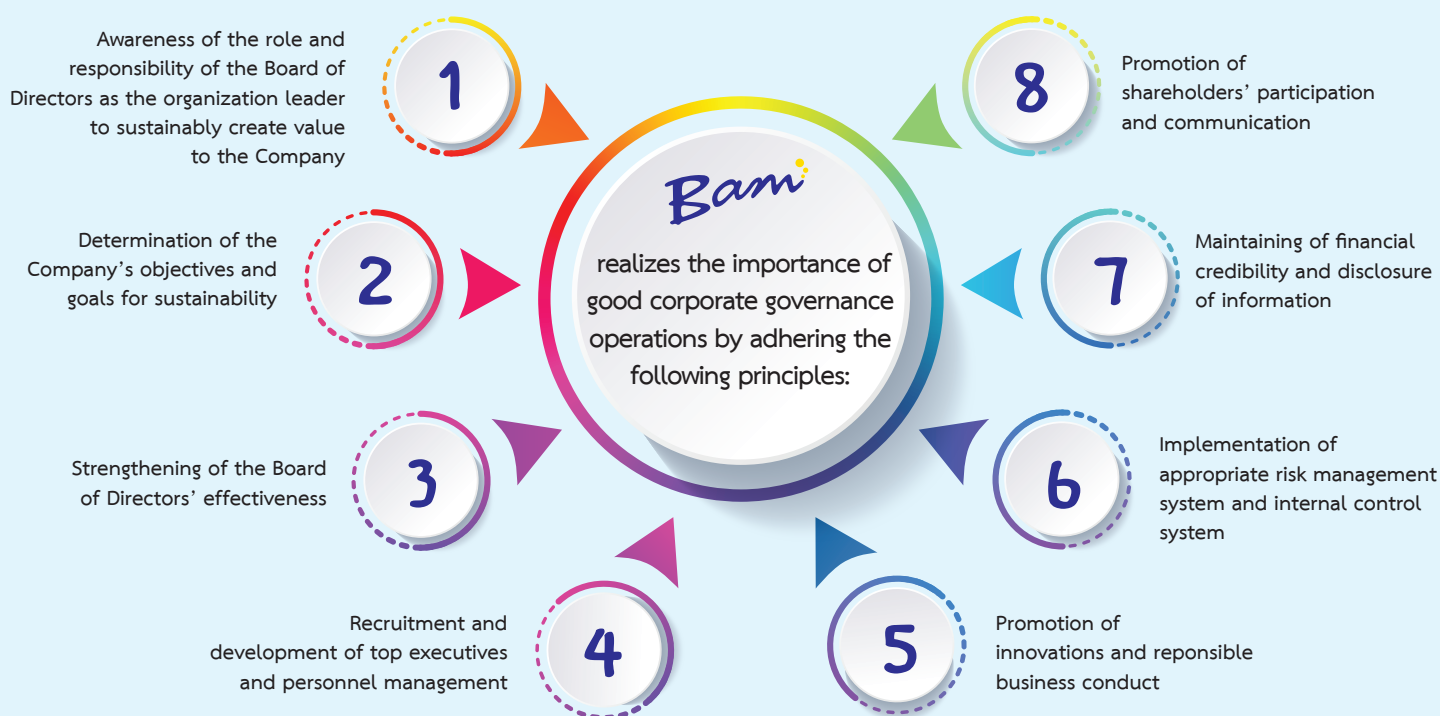
1. Consider reviewing and determining a policy and principle of recruiting the company's directors and top executives as information and a guideline for recruiting qualified personnel in accordance with the vision and the strategic objectives of the Company.
2. Consider selecting qualified persons and/or appointing a substitute director to a person who resigns before rotation due to take a position as the company's director, proposed to the board of directors for approval. Then, it is presented to the shareholders for approval and to the board of directors to appoint a substitute director to a person with early retirement.
3. Consider reviewing the position taking of the sub-committees as well as service term of outsiders to be suitable with roles and duties of each sub-committee, before proposed to the board of directors for approval.
4. Consider reviewing the charter of the recruitment and remuneration committee before presented to the board of directors for approval.
5. Consider the board skill matrix to be suitable and consistent with the principle of corporate good governance before presented to the board of directors for approval.
6. Select and nominate a person to be appointed and take a position as a top executive to get prepared for effective management before presented to the board of directors for approval.
7. Consider reviewing and screening the succession plan to be presented to the board of directors for approval.
8. Consider and define a guideline for assessing performance of the managing director and deputy managing director to be in accordance with the indicators approved by the board of directors, and the corporate good governance, which can be traced back and reflects duty performance clearly.
9. Prescribe the principles and considers remuneration as well as review the remuneration and welfare structure of the directors and sub-committee based on overall economic condition, before presented to the board of directors and shareholders in the annual general meeting for approval.
10. Consider determining the structure of remuneration, rights and other benefits as well as the conditions of employment contract, scope of duties and responsibilities as well as the contract of the managing director and the chief executive officer, before presented to the board of directors for approval



(Mr. Vasant Thienhom)

Chairman of the recruitment and remuneration committee

Corporate Governance



Corporate Governance Policy

The Company recognizes the importance of corporate governance, which is the key factor that allows an organization to have good management standards and business ethics, to assure its customers and the public that the Company's operational processes are independent, transparent, efficient, and fair to all concerned parties. To achieve this, the Company must disclose information under the Corporate Governance Code (CG Code), as follows:

Guideline 1 Awareness of the role and responsibility of the Board of Directors as the organization leader to sustainably create value to the Company

The Board of Directors emphasizes and recognizes its role and responsibility as the organization leader that must protect and preserve the benefits of shareholders and stakeholders. Therefore, the Board of Directors determines the Company's strategy and direction of business operation, both at present and for the long term, establishes the audit process and supervises the Company's business operation,

making sure that the Company conducts its business transparently in order to sustainably create value to the organization.

Guideline 1.1 Creation of the Company's vision and mission

The Board of Directors determines the Company's vision and mission in order for the directors, top executives, executives, and employees to head towards the same direction, and reviews the vision and mission on a yearly basis. In this regard, the Board of Directors' Meeting No. 18/2020, held on Friday, December 4, 2020, resolved to approve the vision, "To be the center of opportunities and value adding through fully-integrated asset management to drive growth and sustainability of the economy and society," and the following mission:

- To adapt technologies and innovations to accommodate changes.
- To upgrade products and services for customers and all parties.
- To build alliance network for integrated business and customer base expansion.

- To enhance personnel expertise for organization development with initiatives.
- To uphold the corporate governance, social and environmental principles so as to drive the sustainable economy and society.

Guideline 1.2 Sustainable value creation

The Board of Directors entrusts the Corporate Governance and Social Responsibilities Committee with the duty to support the Company's operation, by formulating policies, regulations and guidelines on various business operations of the Company in conformity with the principles of good corporate governance and corporate social responsibility, in order to bring sustainable success to the Company. In this respect, the Company sets up the Corporate Social Responsibility (CSR) Working Group to be responsible for considering the CSR-related plans and activities and the provision of aids to society in various dimensions. The Company has consistently arranged CSR activities by concentrating on four main activities and the CSV project as follows:

- Educational support: Granting of 1,000 scholarships to primary school students nationwide, renovation of school buildings and libraries, and donation of textbooks;
- Help to the troubled members of society: The 'Toem Fan Pan Namjai with BAM' Project (money donation to the needy) and donation of medical equipment to 10 hospitals in all parts of the country;
- Help to the less fortunate: Donation of items for the National Children's Day activities and donation of sports equipment and educational equipment to needy schools;
- Support for other activities: Public charity and public interest, music, sports, arts and culture, and environment; and
- CSV Project: A Green Community Project.

In the wake of the COVID-19 pandemic which has spread globally in early 2020 and has had persistent and far-reaching effects, the Company is concerned about its debt restructuring customers and customers purchasing NPAs

with installment payments who have been hit by this crisis such that they have become less able, or even unable, to repay their debts for the time being. Therefore, the Company has issued three relief measures to assist its debt restructuring customers and customers purchasing NPAs with installment payments, thereby allowing them to choose one of the three measures that best matches their debt servicing capability, as follows: (1) suspension of principal and interest payments for three months; (2) suspension of principal and interest payments for three months and, after that, payment of interest only for another three months (suspension of principal repayments); and (3) suspension of principal repayments (payment of interest only) until the December 2020 installment. Customers eligible for such debt moratorium programs must be those affected by the COVID-19 pandemic, including customers undergoing debt restructuring with the Company, both retail and SME customers; and customers purchasing NPAs with installment payments to the Company. A request for debt moratorium must be submitted to the Company no later than May 31, 2020.

Guideline 1.3 Authority and duty of the Board of Directors

The Board of Directors has the authority and duty to supervise the Company and its business operation in conformity with the laws, the Company's objectives and Articles of Association, and resolution of the shareholders' meeting.

Guideline 1.4 Authority and duty of board-level committees

The Board of Directors appoints five board-level committees, consisting of the Executive Committee, the Audit Committee, the Risk Oversight Committee, the Corporate Governance and Social Responsibilities Committee, and the Nomination and Remuneration Committee, to be responsible for the tasks assigned by the Board of Directors.

Guideline 2 Determination of the Company's objectives and goals for sustainability

Guideline 2.1 Formulation of policies, goals and strategies

The Board of Directors determines the policies, goals and strategies for the Company's business operation, and considers and approves the business plans and annual budgets that align with the Company's business operation.

Guideline 2.2 Business operation under the strategic plan and vision

To ensure that the business is operated in line with the strategic plan and vision, the Board of Directors therefore determines the business goals as a guideline for the operation. The results of operation under the plan are to be reported to the Board of Directors on a quarterly basis. The plan is divided into four perspectives:

- Finance perspective;
- Customer perspective;
- Business process/internal operation perspective; and
- Learning and growth perspective.

Guideline 3 Strengthening of the Board of Directors' effectiveness

Guideline 3.1 Structure and composition of the Board of Directors

In terms of its structure, the Board of Directors consists of the Board of Directors and board-level committees which are the Executive Committee, the Audit Committee, the Risk Oversight Committee, the Corporate Governance and Social Responsibilities Committee, and the Nomination and Remuneration Committee.

3.1.1 The Board of Directors

The Board of Directors is composed of chairman and directors. At present, there are a total of 10 members of the Board of Directors, four of whom are independent directors, representing 40 percent of the total number of directors.

3.1.2 Independent directors

The Company instructs its independent directors to verify and certify their independence on their own. All of them meet the qualifications specified in the Corporate Governance Code.

Guideline 3.2 Term of office of the Board of Directors

For the term of office of the Board of Directors, at every annual general meeting of shareholders, one-third (1/3) of the directors shall retire from office, or in the case where the number of directors is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office.

The directors to retire from office in the first year and the second year after registration of the Company shall be decided by drawing lots. In subsequent years, the directors who have been the longest in office shall retire first. The directors retiring by rotation are eligible for re-election.

Apart from retiring from office by rotation, the directors shall vacate office upon:

- (1) death;
- (2) resignation;
- (3) disqualification or possession of prohibited characteristics as prescribed by laws;
- (4) removal by resolution of a shareholders' meeting; or
- (5) removal by a court order.

Guideline 3.3 Nomination and appointment of members and chairman of the Board of Directors

For the nomination and appointment of directors, the Company appoints the Nomination and Remuneration Committee which to be responsible for considering, selecting and nominating candidates for appointment as directors. The Nomination and Remuneration Committee recruits and nominates the candidates based on their knowledge, capabilities and qualifications. The candidates must neither possess any prohibited characteristics in accordance with the applicable laws nor have any conflict of interest with or interest in the Company's business.

The Board Chairman is to be appointed by the Board of Directors. The Board Chairman has the main duty of formulating and supervising the Company's policies and monitoring and evaluating the Company's performance. The duty of the Board Chairman is segregated from the management function. The Board Chairman also plays the

main role in supervising and ensuring that the Board of Directors performs its duties efficiently and independently from the management, and supervising and ensuring that the Board of Directors, top executives, executives and employees at all levels abide by the corporate governance principles and business ethics in their operation until these principles have become part of the organization culture.

Guideline 3.4 Directors' remuneration

The Board of Directors assigns the Nomination and Remuneration Committee to consider and determine yearly remuneration of the directors based on comparable information of other similar businesses, and to propose the directors' remuneration for the shareholders' approval.

Guideline 3.5 The Board of Directors' meetings

A yearly schedule of the Board of Directors' meetings is determined in advance. In the meeting, the Board Chairman shall encourage the directors to exercise their judgment with due care and ensure that the time used for the meeting is properly managed. All directors are duty-bound to attend every meeting of the Board of Directors, except in case of necessary absence.

Guideline 3.6 The Company's investment policy in the case of subsidiaries and/or associated companies

At present, the Company does not have any subsidiary and/or associated company. However, if, in the future, the Company makes investment to the extent that the investee companies become its subsidiaries and/or associated companies, the Company will devise an operational framework in accordance with its investment policy and will focus its investment on the business that supports the business operation of its group and creates a synergy or generates benefit or return on investment from such business.

Guideline 3.7 Evaluation of directors' performance

The Board of Directors conducts a performance evaluation on both the individual directors and the whole Board of Directors on a yearly basis so that the evaluation results could be used for further development of the directors in performing of their duties.

Guideline 3.8 Development of the Board of Directors and the new directors

3.8.1 Plan for development of the Board of Directors

The Board of Directors monitors and ensures that the individual directors possess the knowledge and understanding about their roles and duties, the nature of the Company's business operation, and the relevant laws. The Board of Directors also encourages all directors to regularly develop their skills and knowledge required for performing of their duties. In the past year, the Company developed the directors' knowledge by providing them with training courses such as Role of the Chairman Program Class, Board Nomination and Compensation Program (BNCP), IT Governance and Cyber Resilience Program (ITG), etc.

3.8.2 New director orientation

The Company Secretary is assigned to meet the newly appointed directors and provide them with the following information:

- (1) duties of directors;
- (2) business direction;
- (3) board structure, remuneration and meeting plan; and
- (4) key policies and relevant laws.

Guideline 3.9 Reporting to the Board of Directors

The Board of Directors appoints a Company Secretary to perform duties in accordance with Section 89/15 of the Securities and Exchange Act B.E. 2535, as amended, prescribing the role and duties of a company secretary. In this regard, the Company Secretary shall be responsible for the the following matters on behalf of the Company or the Board of Directors:

- (1) preparing and keeping the following documents: a register of directors, a notice calling the Board of Directors' meeting, minutes of the Board of Directors' meeting, an annual report of the Company, a notice calling a shareholders' meeting, and minutes of the shareholders' meeting;
- (2) keeping a report on interest filed by the directors and top executives; and

- (3) performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In 2020, the Company encouraged training to enhance the Company Secretary's knowledge by assigning him to attend training courses organized by IOD, namely "Company Secretary Program (CSP)," "Effective Minutes Taking (EMT)," "Board Reporting Program," "Company Reporting Program," etc.

Guideline 4 Recruitment and development of top executives and personnel management

Guideline 4.1 Nomination and performance evaluation of the President

Nomination of the President

The Nomination and Remuneration Committee has duty to select and nominate a person who has the required knowledge, capability and experience to assume the post of the President for consideration by the Board of Directors in accordance with the laws and regulations applicable to the Company.

Guideline 4.2 Nomination and development of top executives

Nomination of top executives

The Board of Directors assigns the Nomination and Remuneration Committee to supervise the nomination of the top executives and their remuneration in accordance with the efficiency of their performance.

Top executive development plan

In order for the Company to uninterruptedly operate its business and achieve its goals, the Board of Directors is aware of the importance of succession plan preparation to ensure availability of top executives who have sufficient knowledge and capabilities to fill any vacant management positions or assume any new positions in the future.

Guideline 4.3 Structure of relationship with shareholders

The Board of Directors understands the structure of the Company's relationship with its shareholders, and holds

a meeting with the shareholders at least once a year to discuss any doubtful issues or any essential issues that may have an effect on the Company's business.

Guideline 5 Promotion of innovations and responsible business conduct

Guideline 5.1 Promotion of innovations

Today, technology has advanced rapidly and become more important in the business operation and the daily life, as evident from the online financial transactions, the online transportation pick-up services, and the online shopping which can be done from anywhere without visiting a physical store and even with door-to-door same-day delivery services for the purchased products. In view of such changing consumer behaviour and the need to adapt the business operation to the digital transformation, the Board of Directors therefore lays down the BAM Digital Enterprise Master Plan by applying the digital technology to the Company's business operation, ranging from the business foundation to the process of delivery to customers. This technology-driven organizational transformation will lead to the enhancement of business process standard and efficiency. Moreover, the Board of Directors gives importance to cultivating among the Company's employees the open-mindedness for changes and creative innovations that can be used for linking the Company's goals and its ability to answer the demands of its customers and society evenly, by giving the employees at all levels the opportunity to express their opinion.

Guideline 5.2 Resource allocation and management

The Board of Directors monitors and supervises the Company's resource management to ensure that the Company will manage its resources efficiently and effectively, taking into account the potential effects and the resource development, which includes its employees, business partners, customers, and stakeholders.

Guideline 5.3 Information system security policy

The Board of Directors defines the Company's information system security policy in order to safeguard the Company's information system and ensure that the Company's information system will be well managed and supervised with great efficiency in accordance with the

provisions of the law and the Notification of the Electronic Transactions Commission on Policy and Practice Guideline on Maintenance of Information Security of Government Agencies B.E. 2553, based on the ISO/IEC 27001 Standard.

Guideline 6 Implementation of appropriate risk management system and internal control system

Guideline 6.1 Risk management and internal control

The Company recognizes the importance of efficient and effective risk management that will enable it to manage risks in a timely manner. As such, the Company continuously develops and reviews the policy, tools and procedures for risk management in order to cushion against risks which tend to increase in line with various risk factors, as well as aligns its risk management with the changing regulations of the authorities and the supervising agency.

Amid the global COVID-19 crisis that erupted in early 2020 and started to affect Thailand in March, the Company continuously keeps abreast of the situation and assigns the Business Continuity Management (BCM) Working Group, which consists of its top executives, to urgently devise measures and prepare a business continuity plan (BCP) to cope with the COVID-19 crisis. In this respect, the Company adopts the guideline for COVID-19 infection prevention established by the Department of Disease Control, Ministry of Public Health, for use in the organization, as follows:

- Announce the guideline to the employees to prevent the spreading of the COVID-19;
- Prepare the BCP to prioritize the significant types of work in four phases of the pandemic: Phase 1 Pre-Pandemic; Phase 2 Alert; Phase 3 Pandemic; and Phase 4 Post-Pandemic;
- Designate the screening points at the entrance/exit of the office buildings;
- Spray disinfectants in all areas of the Head Office and branch offices throughout the country;
- Set up a makeshift workplace to separate the key persons from other employees;
- Prepare for the work from home for employees who may be affected by the COVID-19; and

- Establish the preventive measures for the 2020 Annual General Meeting, including screening and temperature check on all attendees and maintaining of social distancing.

In addition, the Board of Directors instructs that a study be made to analyze and prepare the “Lessons Learned from the COVID-19 Crisis of BAM” that has impacted the Company’s employees and operational performance. The study results will be used for preparing and adjusting the working methods of the employees so that they will be ready for the work from home or work from anywhere in the future when any critical situation arises and the working strategies will likely be changed to fit with the nature of business of the Company in the future.

Guideline 6.2 Internal audit and internal control

The Board of Directors appoints the Audit Committee, which consists of the chairman and at least two but not more than four committee members. All of them must have the qualifications and perform duties in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the relevant laws and the principles of corporate governance, in order to bring sustainable success to the Company.

Guideline 6.3 Management of conflict of interest

Recognizing the significance of conflict of interest prevention, the Board of Directors maps out the policy and practice guidelines on prevention of a conflict of interest, thereby prohibiting the directors, top executives, executives and employees from operating any business in competition with the Company and from conducting any related party transaction that may create a conflict of interest.

Guideline 6.4 Anti-corruption policy

The Board of Directors reviews the “anti-corruption policy,” which took effect on April 4, 2020, and instructs all directors, top executives, executives and employees to use it as a practice guideline in accordance with the principles of corporate governance in order to ensure efficiency in

management and comply with the standard of SET-listed companies. The Board of Directors gives priority to the fight against corruption in all forms and promotes the employees at all levels of the Company to cultivate the anti-corruption mindset and recognize the harmful effects of corruption. The Company creates the right value among its employees and enhances confidence of the stakeholders by developing and cultivating a good conscience among its employees at all levels. The Company makes sure that they recognize the importance of this issue and perform their duties with integrity and without seeking benefits from their positions or unethically offering any favors to other persons, and also keeps them informed of the punishment and the harmful effects and damages caused by corruption. Therefore, the Company establishes a practice guide that its employees at all levels must acknowledge and abide by.

Guideline 7 Maintaining of financial credibility and disclosure of information

Guideline 7.1 Accounting policy

The Board of Directors supervises and ensures that the accounting system, financial reports and auditing are reliable and meet the international standards, as well as the accounting standards and financial reporting standards that are applicable to the Company, so as to enhance stakeholder confidence.

Guideline 7.2 Financial liquidity and debt servicing ability

The Board of Directors assigns the Working Committee for Assets and Liabilities Management to formulate an investment policy for purchase of NPLs/NPAs from financial institutions and to prepare financial liquidity and establish a guideline on financing to support the Company's operation plan.

Guideline 7.3 Sustainability reporting

The Board of Directors entrusts the Corporate Governance and Social Responsibilities Committee with the duty to monitor and ensure that the Company's business operation is carried out in line with the principles of corporate governance by enhancing the Company's credibility and delivering benefits for its related parties and

stakeholders in a bid to elevate the plan for corporate governance development to sustainable development, as follows:

7.3.1 Anti-corruption

The Company was certified as a "member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)," and its three-year CAC membership will expire on February 12, 2021. To demonstrate its determination to combat corruption, the Company submitted an application for renewal of its "membership of Thailand's Private Sector Collective Action Coalition Against Corruption" on June 16, 2020 and was certified by the Certification Committee on September 30, 2020. Moreover, the Company improved the knowledge and understanding of its business partners about the participation in anti-corruption with the Company by organizing a seminar on "Expansion of the Collective Action Coalition Against Corruption" for its business partners on Friday, August 7, 2020. Then, there were a total of 32 business partners joining the anti-corruption coalition and declaring their intention to participate in the fight against corruption.

7.3.2 Fair business conduct

The Board of Directors formulates the business operation framework and guideline that demonstrates fair competition and stimulates the creation of innovations and efficient servicing and operation, which will help to reduce the Company's cost in the long term. The Board of Directors also fosters corporate social responsibility and respect for both physical and intellectual property rights.

7.3.3 Respect for human rights

The Board of Directors gives importance to, and adopts as the Company's primary policy to achieve sustainability in its business operation, the respect for human rights and dignity of all employees, which is the foundation for business operation with high quality and value. Recognizing that employees are a crucial factor for the development of quality products, the Board of Directors therefore emphasizes fair treatment of employees by providing them with opportunities, compensation, promotion, rotation and development of both capability and morality so that they would be the knowledgeable,

competent and good members of society. For instance, employees are provided with fair employment and compensation that is commensurate with their capabilities, together with workplace environment and working system that ensure the safety of their lives, properties and health, development of their skills and capabilities, and regular communication of the Company's information to them.

7.3.4 Fair labor treatment

The Board of Directors gives importance to fair treatment of employees and respect for their individuality and human dignity under the principles of international human rights and morality so as to cultivate peace in society and promote sustainable growth for the organization.

7.3.5 Responsibility towards customers*

The Board of Directors upholds and implements a policy to respond to the satisfaction of customers, who purchase assets and use services directly from the Company, so as to ensure that, apart from offering products and services of the best quality at fair prices, the Company is aware of the safety-related issues that may have social and environmental impacts and shall not perform any act in such a way that violates or deprives customers of their rights.

* Note Customers refer to customers of the Company's core business transactions, including

- Purchasers/lessees of NPAs; and
- Debtors of NPLs purchased by/transferred to the Company.

7.3.6 Development of community and society

The Board of Directors formulates the framework and guideline on development of community and society by focusing on creation of a strong and happy society and provision of opportunities for education, arts and culture that are in tandem with both the government sector's development direction and the community's way of life in a bid to improve the community's quality of life and economy on a sustainable basis.

7.3.7 Management of resources, environment and energy

The Board of Directors makes certain that

employees at all levels participate in maintaining workplace environment, including (1) prevention of pollution, (2) sustainable use of resources, (3) reduction of and adaptation to global warming, and (4) protection of environment through development of environmental conservation activities. Importance is also attached to a good use of resources and adoption of measures for controlling, treating and inspecting environmental quality both within the organization and in the community areas to ensure that the Company's activities are environmentally friendly.

7.3.8 Innovations and innovation distribution

The Company promotes innovation development that can enhance the business process standard and efficiency, and cultivates awareness among employees to embrace changes and create new innovations so as to be able to link the Company's goals and its ability to answer the demands of its customers and society evenly.

7.3.9 Corporate social responsibility report preparation

The Board of Directors is committed to developing the organization towards sustainability, and accordingly requires that a corporate social responsibility report be prepared and published in the annual report for dissemination to the public and stakeholders.

Guideline 7.4 Investor Relations Division

The Board of Directors supervises and ensures that an Investor Relations Division is set up under the Corporate Communication Department to be responsible for communicating with shareholders, stakeholders, investors, analysts or members of the media in a proper, equitable and timely manner; conducting studies and analyses on the Company's shares and shares trading to enhance the shares' stability and value added and build confidence and a positive image and attitude among investors, analysts and financial institutions; and serving as a center for exchange of news and information on investor relations activities with investors both at home and overseas.

Guideline 7.5 Information disclosure and transparency

The Board of Directors requires that the Company

must disclose its material information, both financial and non-financial, in an accurate, complete, timely and transparent manner through the easily accessible, equal and reliable channels.

The Board of Directors establishes the Corporate Communication Department to be responsible for public relations and disclosure of financial and non-financial information to ensure that the shareholders, customers and stakeholders equally receive the information as prescribed by laws. The crucial information of the Company shall be accurately and completely disclosed by the specified period of time through the Company's communication and public relations channels (annual report and/or website).

The Company gives importance to the participation of all groups of stakeholders and provides equal opportunities for the stakeholders such as shareholders/investors of all types to communicate with the Company and give their opinions and/or advice through various channels, both online and offline, including company visit, conference call, one-on-one meeting, and one-on-group meeting. In 2020, the Company took remedial actions according to such advice and adopted the following practices:

1. The Company set a guideline to announce its dividend payment in the same period as the announcement

of its yearly performance, starting with the 2020 performance announcement, as suggested by the shareholders.

2. The Company changed the method for presenting its second-quarter performance to conform with the general practices of listed companies by changing from an audited report to a reviewed report for the second-quarter period, which must be prepared and submitted to the SET and other related agencies as well as disclosed to the public within 45 days from the end of the quarter. This will allow all groups of stakeholders to more rapidly obtain information on the Company's second-quarter performance.

3. The Company disclosed its portfolio management performance for Q3/2020 in addition to the earlier disclosure of a vintage analysis on loans purchased and properties for sale.

4. The analyst meeting was rescheduled to be arranged earlier and closer to the date of performance announcement for each quarter in order to rapidly communicate with the analysts and obtain the updated information.

The percentage of acceptance of requests from the shareholders/investors of all types who wished to communicate with the Company through the aforementioned channels, classified by types, was as follows:

Types of shareholders/investors	Communication channels	No. of requests submitted	No. of requests accepted	Percentage of acceptance (%)
Institutional investors (Thai)	Conference call	26 companies	26 companies	100%
Institutional investors (foreign)	Conference call	18 companies	18 companies	100%
Analysts/securities companies	Conference call/ company visit	2 companies	2 companies	100%
Small investors	Company visit	2 groups (31 persons)	2 groups (31 persons)	100%



Guideline 8 Promotion of shareholders' participation and communication

Guideline 8.1 Giving of opportunity for shareholders to participate in the decision-making process

The Board of Directors gives all shareholders the opportunity and right as the Company's owners. The Company ensures that all shareholders will receive the fundamental right on a fair and equitable basis as prescribed by laws, and provides an opportunity for the shareholders to send their questions about items on the meeting agenda prior to the date of the annual general meeting. The Company notifies such process to the shareholders via the Stock Exchange of Thailand's information disclosure system together with the notice of the annual general meeting.

Guideline 8.2 Guideline on arrangement of a shareholders' meeting

For the 2020 Annual General Meeting of Shareholders held on June 19, 2020, the Company employed a specialized external company to undertake the arrangement of such meeting, and supported and encouraged all groups of shareholders, including the institutional investors, to attend the meeting, by taking the actions as follows:

8.2.1 Actions taken prior to the meeting date

- Publicize the notice of the annual general meeting and all meeting documents, in both Thai and English, prior to the meeting date on the Company's website.
- Submit the notice of the annual general meeting, specifying therein the date, time, venue and agenda of the meeting clearly, completely and adequately and enclosing therewith the proxy form and documents for each agenda item, to the shareholders for their consideration ahead of the meeting date.
- Announce the notice of the annual general meeting in a daily newspaper for three consecutive days and at least three days prior to the meeting date.
- Provide details of the required documents and evidence that the shareholders or their proxies must present completely to preserve their rights to attend the meeting, with the attached proxy form which must comply with the form specified by the Ministry of Commerce.

8.2.2 Actions taken on the meeting date

- Arrange the meeting at the Company's Head Office to which the shareholders can conveniently travel.
- Allow for the shareholders to register for attending the meeting more than two hours in advance and provide convenience for the shareholders ahead of the meeting date, including, for example, preparation of the meeting venue with an appropriate number of staffs.
- Clearly inform the number and percentage of the shareholders present at the meeting and the methods for voting and vote counting and openly conduct the voting and vote counting.
- Conduct the meeting according to the agenda set forth and not add any new agenda items without notifying the shareholders in advance.
- Allocate sufficient time for the meeting and give the shareholders the opportunity to express their opinions and raise questions, which are clarified by the concerned directors with information completely provided to the shareholders.

In addition, the Company establishes measures and guidelines for the 2020 Annual General Meeting attendees to prevent and mitigate risk of the COVID-19 spreading, as follows:

- Set up a screening point, according to the Department of Disease Control's practice guidelines, in front of the meeting room, and not allow any shareholders or proxies found to be at risk of infection or have a respiratory symptom to enter the meeting room.
- Invite the shareholders to sit with appropriate social distancing at the minimum of 1.5 meters from each other.

- Sterilize and clean up the meeting venue with alcohol solution before the start of the meeting, and seek cooperation from all attendees in bringing their facemask and wearing it at all times while in the meeting.
- Provide no microphone; the attendees who have any question are required to write down their question and submit it at the registration desk or in the meeting room.
- The attendees must fill in the questionnaire for screening the pneumonia infected from COVID-19.

8.2.3 Actions taken after the meeting date

- Notify resolutions of the meeting and voting results for each agenda item via the Stock Exchange of Thailand's information disclosure system and on the Company's website.
- Record the complete minutes of the meeting, which contain important information such as list of the directors and executives who are present at the meeting, percentage of the shareholders who attend the meeting, resolutions of the meeting, and voting results for each agenda item, and submit the minutes to the authorities within 14 days after the meeting date as well as publicize the minutes on the Company's website.

Guideline 8.3 Channel for submitting information on the shareholders' meeting

The Board of Directors monitors and ensures that the resolutions of the shareholders' meeting are disclosed and the minutes of the meeting are prepared in a correct and complete manner, with all important and essential information being provided to the shareholders. The important news and information must be disclosed on the Company's website and via the Stock Exchange of Thailand's information disclosure system to ensure that all shareholders will receive such news and information.

Board-Level Committees

The Company has five board-level committees, namely (1) the Audit Committee, (2) the Executive Committee, (3) the Risk Oversight Committee, (4) the Nomination and Remuneration Committee, and (5) the Corporate Governance and Social Responsibilities Committee. The details and scope of authority and duties of these committees are as follows:

The Audit Committee

As of November 19, 2019, the Audit Committee was composed of four members, as follows:

Name	Position
1. Mr. Vasant Thienhom	The chairman of the Audit Committee
2. Mr. Yos Kimsawatde	Member
3. Mrs. Maneerat Srisaovajati	Member
4. Mr. Songpol Chevapanyaroj	Member

Vice President of the Internal Audit Department serves as the secretary to the Audit Committee.

Mrs. Maneerat Srisaovajati is a member of the Audit Committee who has extensive and sufficient knowledge and experience to perform her duty in reviewing the reliability of the Company's financial statements.

The scope of the Audit Committee's authority and duties is subject to the Company's Notification on the Audit Committee Charter, dated February 25, 2020, and the SET's Notification Re: Qualifications and Scope of Work of the Audit Committee, as follows:

- (a) Review the Company's quarterly and yearly financial reports to ensure that they are correctly and completely prepared in accordance with the generally accepted accounting principles.
- (b) Review and ensure that the Company's internal control system, corporate governance process, risk management process and internal audit

system are appropriate and effective, ensure the independence of the Internal Audit Department, and approve the appointment, rotation, termination of employment, and performance evaluation of the top executive of the Internal Audit Department and/or the employment of an audit firm or any other agency to provide the internal audit service to the Company.

- (c) Review and ensure that the Company complies with the Securities and Exchange Act, the SET's regulations, and any other laws, rules and regulations applicable to the Company.
- (d) Review and ensure that the Company complies adequately and appropriately with the anti-corruption policy and measures.
- (e) Consider, select and nominate an independent person to act as the Company's auditor and propose remuneration for such auditor, as well as attend a non-management meeting with the auditor at least once a year.
- (f) Review the related party transactions or the transactions that may create a conflict of interest to ensure that such transactions conform to the laws and the SET's regulations and are reasonable and beneficial to the Company.
- (g) Prepare, and disclose in the Company's annual report, the Audit Committee's report which must be signed by the Audit Committee Chairman and must contain at least the following information:
 - (1) opinion on the accuracy, completeness and reliability of the Company's financial reports;
 - (2) opinion on the adequacy of the Company's internal control system;
 - (3) opinion on the Company's compliance with the Securities and Exchange Act, the SET's regulations or the laws that are related to the Company's business;

- (4) opinion on the suitability of the auditor;
 - (5) opinion on the transactions that may create a conflict of interest;
 - (6) number of the Audit Committee's meetings and meeting attendances by each committee member;
 - (7) overall opinion or observation of the Audit Committee from performing their duties in accordance with the Audit Committee Charter; and
 - (8) other information that the shareholders and general investors should be aware of under the scope of duties and responsibilities of the Audit Committee assigned by the Board of Directors.
- (h) In performing its duties, if the Audit Committee discovers or suspects that any of the following transactions or actions may materially affect the Company's financial position and performance, the Audit Committee shall report such issue to the Board of Directors for rectification within a period of time the Audit Committee deems fit:
- (1) Transactions which create a conflict of interest;
 - (2) Frauds or irregularities or crucial defective issues in the internal control system; or
 - (3) Breaches of the Securities and Exchange Act, the SET's regulations or the laws that are related to the Company's business.
- If the Board of Directors fails to cause the issue to be rectified within the said time period, any of the Audit Committee members may report such transactions or acts to the SET or the SET.
- (i) Approve the Internal Audit Department's charter and yearly auditing plan and budget.
 - (j) Establish the Auditor Committee Charter that aligns with the scope of responsibilities of the Audit Committee over the Company's

operation, which must be approved by the Board of Directors, and review the appropriateness of such charter at least once a year.

- (k) Perform any other duties as prescribed by the laws, rules and/or regulations applicable to the Company or as assigned by the Board of Directors under the scope of duties and responsibilities of the Audit Committee.
- (l) In performing its duties under the Charter, the Audit Committee is directly accountable to the Board of Directors, and the Board of Directors remains accountable to the third parties for the Company's operation.

The Executive Committee

As of November 6, 2020, the Executive Committee was composed of five members, as follows:

Name	Position
1. Mr. Bunyong Visatemongkolchai	The Chairman of the Executive Committee
2. Mr. Bundit Anantamongkol	Executive Director
3. Mr. Satorn Topothai	Executive Director
4. Mr. Vichan Amornrojjanawong	Executive Director
5. The President	Executive Director and Secretary

The President serves as the secretary to the Executive Committee.

The scope of the Executive Committee's authority and duties is subject to the Company's Notification on the Executive Committee Charter, dated November 6, 2020, as follows:

- (a) Determine the main goals and policies for the Company's operation.
- (b) Consider and approve the Company's policies, strategies, and guidelines for fund raising, investment, joint venture, risk management, asset development and resolution, and disposal of and procurement

of benefits from NPAs in accordance with the economic condition and competition.

- (c) Consider and evaluate the appropriateness of the Company's liquidity management plan, monitor the Company's liquidity condition, review the liquidity management plan, and evaluate the severity of the problems and give the instruction for solving those problems in accordance with the guideline for liquidity management during crisis.
- (d) Consider the Company's budget plan and supervise and ensure that the Company's operation is efficient and creates the maximum benefits.
- (e) Engage external individuals or agencies to undertake any specific projects.
- (f) Appoint other working committees and working groups.

Risk Oversight Committee

As of August 7, 2020, the Risk Oversight Committee was composed of four members, as follows:

Name	Position
1. Mr. Songpol Chevapanyaroj	The Chairman of the Risk Oversight Committee
2. Mr. Yos Kimsawatde	Member
3. Mr. Somphan Eamrungraj	Member
4. Miss Kornpranom Wongmongkol	Member

Vice President of the Organization Development and Risk Management Department serves as the secretary to the Risk Oversight Committee.

The scope of the Risk Oversight Committee's authority and duties is subject to the Company's Notification on the Risk Oversight Committee Charter, dated May 20, 2020, as follows:

- (a) Formulate the guideline on risk oversight at the corporate/department/office/branch levels and give advice on risk management.

- (b) Consider and approve the rules and methods for risk management.
- (c) Monitor the development of risk management guideline and supervise the creation of risk management system that links with the corporate strategies.
- (d) Monitor the key risk identification and evaluation process and ensure that such process is appropriate and is adjusted to the situation.
- (e) Consider and approve the risk management plan.
- (f) Report the Board of Directors on the progress of risk oversight and the organization's risk status.
- (g) Communicate and collaborate with the Audit Committee regarding the key risks.
- (h) Monitor and push for the development of employees' capabilities, the change of the organizational culture, and the continuous improvement of risk management in order to ensure that the employees at all levels are aware of the risks and risk containment of all departments.
- (i) Appoint the responsible officials or sub-working groups to ensure the risk oversight will be conducted appropriately and efficiently.
- (j) Perform any other tasks assigned.

The Nomination and Remuneration Committee

As of August 7, 2020, the Nomination and Remuneration Committee was composed of five members, as follows:

Name	Position
1. Mr. Vasant Thienhom	The Chairman of the Nomination and Remuneration Committee
2. Miss Wilai Tantinantana	Member
3. Mrs. Maneerat Srisaovajati	Member
4. Mr. Satorn Topothai	Member
5. Mr. Sumate Maneewattana	Member

Vice President of the Human Resources Department serves as the secretary to the Nomination and Remuneration Committee.

The scope of the Nomination and Remuneration Committee's authority and duties is subject to the Company's Notification on the Nomination and Remuneration Committee Charter, dated November 2, 2020, as follows:

- (a) Determine the guideline and rules for recruiting and screening qualified candidates to be proposed for the Board of Directors' consideration and appointment to assume the following positions:
 - (1) Directors;
 - (2) Directors to replace those who vacated their offices;
 - (3) Members of the board-level committees that are entrusted with the authority, duties and responsibilities by the Board of Directors;
 - (4) Top executives; and
 - (5) Executives.
- (b) Consider and determine the annual remuneration of the directors, as well as the rules or methods for payment of such remuneration that is fair and reasonable, and propose this issue to the Board of Directors for further submission to the shareholders' meeting for consideration.
- (c) Propose the rules and methods for performance evaluation, consider the performance evaluation, and determine the remuneration of the president under the terms and conditions of the employment agreement, as well as consider the rules and methods for performance evaluation and evaluate the performance of senior executive vice presidents, and propose such evaluation results for the Board of Directors' consideration.
- (d) Consider the terms and conditions to be used when the Company offers new securities (or warrants) to its directors and employees.
- (e) Review the succession plan and the top executive capability development plan in order to prepare for a continuity plan for succession, and propose the plan for the Board of Directors' consideration and approval.
- (f) Consider and/or perform any other tasks assigned by the Board of Directors.

The Corporate Governance and Social Responsibilities Committee

As of August 7, 2020, the Corporate Governance and Social Responsibilities Committee was composed of five members, as follows:

Name	Positions
1. Miss Wilai Tantinantana	The Chairman of the Corporate Governance and Social Responsibilities Committee
2. Mr. Bundit Anantamongkol	Member
3. Mr. Manus Suksawasdi	Member
4. Miss Siriporn Eamrungraj	Member
5. Mr. Sumate Maneewattana	Member

The Executive Vice President of the Operational Supporting Group serves as the secretary to the Corporate Governance and Social Responsibilities Committee.

The scope of the Corporate Governance and Social Responsibilities Committee's authority and duties is subject to the Company's Notification on the Corporate Governance and Social Responsibilities Committee Charter, dated January 15, 2019, as follows:

- (a) Consider and determine the Companies' policies, plans and rules regarding the principles of corporate governance, the good corporate governance, the corporate social and environmental responsibility, and the conflict of interest in accordance with the Company's business operation, and propose the issue to the Board of Directors.

- (b) Supervise, monitor and ensure that the Company's performance is in line with the policies and operation plans, as well as the principles of corporate governance, the good corporate governance, and the corporate social and environmental responsibility in order to efficiently achieve its goals.
- (c) Propose the regulations on the Company's business ethics and the code of conduct of the Company's directors, executives, and employees.
- (d) Encourage the Company's directors, executives, and employees to continuously participate in the corporate governance activities and corporate social and environmental responsibility activities.
- (e) Consider and appoint, as deemed appropriate, other working committees and sub-working groups to support the Company's operations related to corporate governance, good governance, and corporate social and environmental responsibility.
- (f) Encourage and provide the opportunities or channels for stakeholders to provide their feedbacks, facts, or observations to the Company for the improvement of the Company's corporate governance.
- (g) Consider and/or perform any other tasks assigned by the Board of Directors.

- (b) Determine the Company's policies, goals, and strategies for business operation jointly with the Board of Directors.
- (c) Supervise the Company's asset management, finance, human resources, and other operations in accordance with its policies and business operation plans that are approved by the Board of Directors and/or the shareholders' meeting.
- (d) Instruct that all regulations, orders, rules, announcements, and internal memos for the Company's operation be adhered to in accordance with the policies, regulations, and the laws.
- (e) Monitor, examine, and control the Company's performance to ensure that the Company could achieve satisfactory operating results according to its goals, and report this to the Board of Directors every six months.
- (f) Improve the organization's performance and operating results and continuously improve and develop the organization to ensure it could achieve the sustainable growth.
- (g) Study and propose the investment opportunity in new attractive projects and the financial viability of such projects to be a basis for investment decision.
- (h) Perform any other tasks assigned or authorized by the Executive Committee and the Board of Directors.

The President

The scope of authority and duties of the President as per the resolution of the Board of Directors' Meeting No. 13/2015, dated November 6, 2015, is as follows:

- (a) Consider and approve the Company's normal business transactions in the amount not exceeding the budget previously approved by the Board of Directors or the budget that the Board of Directors previously approved in principle, and in line with the Table of Authority designated by the Board of Directors.

Nomination of Directors and Top Executives

Nomination of Independent Directors

The Nomination and Remuneration Committee is responsible for screening and selecting qualified candidates to be nominated as the independent directors. The Nomination and Remuneration Committee will consider such candidates' knowledge, ability, and qualifications, under which they must neither possess any prohibited characteristics in accordance with the applicable laws nor have any conflict of interest with or any interest in the Company. The Nomination and

Remuneration Committee will nominate such candidates for consideration and approval by the Board of Directors (in the case of vacancy of a board member for any reason other than retirement by rotation) or the shareholders for appointment as an independent director. The Company requires that the independent directors verify and certify their independence on their own. The independent directors, according to the Company's definition, must possess the qualifications specified in Guideline 3.1.2 of the Company's Corporate Governance Code.

Nomination of Directors and Top Executives

(a) Nomination and appointment of directors and Chairman

The Company appoints the Nomination and Remuneration Committee to be responsible for screening and nominating candidates for appointment as directors. In the recruitment and nomination process, the Nomination and Remuneration Committee will consider such candidates' knowledge, capabilities and qualifications, under which they must neither possess any prohibited characteristics in accordance with the applicable laws nor have any conflict of interest with or any interest in the Company.

The Board Chairman will be appointed by the Board of Directors. In the case where the Chairman and the President are not distinctively separated, the Chairman of the Audit Committee or any of the independent directors shall participate in the determination of the meeting agenda with the Board of Directors in order to ensure checks and balances between the Board of Directors and the management.

The Board Chairman has the main duty of determining and supervising the Company's policies and monitoring and evaluating the Company's performance. The duty of the Board Chairman is segregated from the management function. The Board Chairman also plays the main role in supervising and ensuring that the Board

of Directors performs its duties efficiently and independently from the management and supervising and ensuring that the Board of Directors, top executives, executives and employees at all levels abide by the corporate governance principles and business ethics in their operation until these principles have become part of the organization culture.

Pursuant to the Company's Articles of Association, the shareholders have the right to appoint the directors, as follows:

- (1) Each shareholder shall have one vote per one share.
- (2) The shareholders may exercise their right to nominate one or more candidates as directors; however, the number of candidates must not exceed the number of directors that will be appointed in that particular election.
- (3) In the case where the shareholders nominate more than one candidate as directors, each shareholder shall have the right to vote for each candidate in an amount equal to the number of shares he/she holds. The shareholder may not allot his/her votes to any candidate in any number.
- (4) The candidates who receive the highest number of votes shall be appointed in descending order as directors for the same number as the number of directors that will be appointed in that particular election. In the case where there is an equality of votes cast for the candidates in descending order, causing the number of eligible candidates to exceed the number of directors that will be appointed in that particular election, the chairman of the meeting shall have the casting vote so as to obtain the complete number of directors that will be appointed in that particular election.

(b) Nomination of the President

The Nomination and Remuneration Committee will select and nominate candidates who have the appropriate knowledge, ability, and experience for the Board of Directors' consideration in accordance with the laws and regulations applicable to the Company.

Supervision of the Operation of Subsidiaries and Associated Companies

At present, the Company does not have any subsidiary and/or associated company. However, if, in the future, the Company makes investment to the extent that the investee companies become its subsidiaries and/or associated companies, the Company will devise an operational framework in accordance with its policy on investment in subsidiaries and/or associated companies in accordance with Guideline 3.6 of the Company's Corporate Governance Code.

Supervision of the Use of Inside Information

The Company announces and adopts the policy on prevention of the use of inside information for securities trading or entering into derivatives contracts (inside information refers to any information that has not yet been made public and is material to changes in price or value of securities) in accordance with the following objectives:

1. To provide the rules and guidelines for prevention of the use of inside information for securities trading or entering into derivatives contracts.
2. To notify the Company's directors, members of the board-level committees, executives, employees, and staffs so that they will acknowledge and abide by the Company's prohibition on the use of inside information for securities trading or entering into derivatives contracts.
3. To notify the Company's directors, members of the board-level committees, executives, employees, and staffs so that they will abide by the Securities and Exchange Act B.E. 2535,

as amended, regarding prevention of the use of inside information for securities trading or entering into derivatives contracts (Insider Trading).

4. To build confidence among the shareholders, stakeholders, and general investors.

The Company determines the guidelines on the use of inside information for securities trading or entering into an obligation under derivatives contracts that involve the Company's securities, as follows:

1. Not to use the Company's inside information for securities trading or for entering into derivatives contracts that involve the Company's securities.

The persons designated by the Company (those whose positions or duties allow them to have access to the Company's inside information) must follow the laws on prohibition of the use of inside information for securities trading or for entering into derivatives contracts that involve securities, as prescribed in Section 242 of the Securities and Exchange Act B.E. 2535, as amended, which prohibit any persons who know or possess the inside information of securities-issuing companies from conducting the following actions:

- 1.1) Not to engage in securities trading or enter into derivatives contracts, whether for oneself or for other person, except for one of the following transactions:
 - a) Transactions performed to comply with the laws, court orders, or orders of the agencies that have the legal authority;
 - b) Transactions performed to honor the obligation under the derivatives contracts that were entered into before one knows or possesses the inside information of securities-issuing companies;
 - c) Transactions performed without one's knowledge or decision as he/she has appointed a legitimate licensed or registered person to manage the fund or

the investment and decide on the securities trading or the entering into derivatives contracts that involve those securities;

- d) Transactions performed in such a way that does not take advantage of other persons or performed in accordance with the SEC's notification.

1.2) Not to disclose inside information to other persons, whether directly or indirectly and by whatever method, if one knows or should know that the recipients of such information may use the information for the benefit of their securities trading or entering into derivatives contracts, whether for their own or other person's benefit, except for the transactions performed in such a way that does not take advantage of other persons or performed in accordance with the SEC's notification.

2. In the case of outsiders, the Company will enter into a confidentiality agreement or contract with outsiders, such as consultants or other service providers, before allowing them to access the Company's inside information. The Company will require the outsiders to sign for their acknowledgment and obligation under the confidentiality agreement/contract.

3. Abstaining period

3.1) The persons designated by the Company must abstain from trading the securities or entering into derivatives contracts that involve those securities, or from disclosing the inside information to other persons. In the case where they know the inside information that has not yet been made public and may significantly affect price of the Company's securities, they must abstain from performing the aforementioned actions until the end of the next business day immediately after such inside information has been entirely disclosed to the public, except for the actions performed under the exception specified by the laws and after consultation with the Compliance Department.

3.2) Moreover, during the period of 30 days before the disclosure of the Company's quarterly and yearly financial information, the persons designated by the Company must abstain from trading the securities or entering into derivatives contracts that involve those securities, or from disclosing the inside information to other persons until the end of the next business day after such financial information has been entirely disclosed to the public.

For the punishment, if there is any violation of the Company's policy on prevention of the use of inside information, the persons designated by the Company who have violated or failed to abide by this policy shall be subject to the legal punishment, for both the criminal offence and the civil offence in accordance with the Securities and Exchange Act B.E. 2535, and may also be subject to the disciplinary actions in accordance with the Company's regulations.

Remuneration of the Auditor

Audit Fee

The Extraordinary General Meeting of Shareholders No. 2/2019, convened on October 15, 2019, passed the resolution to appoint EY Office Limited as the Company's auditor for the year 2020, and determine the audit fee in an amount of Baht 13 million. Such decision was considered and approved by the Audit Committee and the Board of Directors and will become effective after the Company's state enterprise status is terminated and, therefore, the State Audit Office of the Kingdom of Thailand can no longer serve as the Company's auditor in 2020.

Non-Audit Fee

There was no other fee related to the auditing process for the accounting period ended December 31, 2020.



BAM

*Moving Forward
Through Sustainability*

Internal Control and Risk Management



Internal Control

The Company supervises its internal control under the internal control framework specified by COSO ERM 2017 (the Committee of Sponsoring Organizations of the Treadway Commission), and evaluates the sufficiency of its internal control system, using the internal control sufficiency evaluation form developed by the Office of the Securities and Exchange Commission (SEC), before proposing for consideration and approval by the Audit Committee and then the Board of Directors.

COSO's internal control framework includes five key components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. The Company's internal control activities, under each of the aforementioned components, are as follows:

1. Control Environment

The Company is determined to promote among all of its departments an awareness of the importance of internal control system management, by creating an efficient and effective control environment where all employees must uphold righteousness,

fairness and transparency. Also, they must be well aware that a good internal control system is a vital factor that enables the Company to sustainably operate its business and achieve the established objectives in terms of operational efficiency and effectiveness, financial reporting reliability, and applicable laws and regulations compliance. The overview of the Company's performance in this regard is as follows:

- 1.1 Determination of the Company's organizational structure, policies, and organization-level and overall operation procedures, while making employees recognize and cultivate a good sense of completing the tasks under their responsibility. The Board of Directors has approved an organization restructuring to accommodate the long-term strategic plan by reorganizing the back office group and additionally setting up the "Corporate Governance and Risk Management Group" to elevate the governance, risk and compliance (GRC) operations, with effect on January 1, 2021.

- 1.2 Determination of the scope of authority, duties and responsibilities of the Board of Directors, the Audit Committee, and the President, and determination of the approval authority for the Company's operations and transactions.
- 1.3 Determination of annual goals and operation plans of the Company and each department in order to provide operational guidelines for executives and employees.
- 1.4 Creation of handbooks for good corporate governance and corporate social responsibility, business ethics, and corporate governance practices, such as provision of complaint channels, reporting of conflict of interest, and the Company being approved of the renewal of its membership of Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC").
- 1.5 Creation of tools for the Company's human resource development reporting.
- 1.6 Establishment of outsourcing guidelines for all departments to abide by.
- 1.7 Formulation and adoption of the personal information protection policy and the cyber security policy.
- 1.8 Integration of GRC operations of all departments.

2. Risk Assessment

The Company recognizes the importance of risk management under changes that affect its business operation, whether from internal or external factors. The Company deems that risk management is an important part of all of its business processes and must be inter-connected at all levels. Therefore, the Board of Directors establishes the risk management policy, which all employees must adhere to and where risk assessment must be conducted at all levels. The overview of the Company's performance in this regard is as follows:

2.1 Implementation of systemic risk assessment at all levels of the organization and communication with all employees in order for them to realize the related risks and risk control of the organization and departments.

2.2 Appointment of the Risk Oversight Committee with duty to consider and provide opinion on the Company's risk management.

2.3 Creation of tools for monitoring the enterprise risk management plan, formulation of the risk management plan, and determination of the key risk indicators ("KRIs") for regular risk monitoring.

3. Control Activities

The Company establishes the operational control policy, operational procedures, and operational handbook in writing, all of which are reviewed and updated regularly or when there are significant changes. The overview of the Company's performance in this regard is as follows:

- 3.1 Determination of the internal control process, both at the organizational level and the important sub-process level, in accordance with the Company's business operation and control environment.
- 3.2 Creation of documented workflows of all business transactions.
- 3.3 Segregation of duties and responsibilities, including approval duty, account and information recording duty, etc.

Moreover, the Company defines the scope of power, duties and approval authority of executives at each level in the operational regulations, with the aim to clearly segregate the duties in different processes. This is an important control activity that ensures the adequate and appropriate control of operation at all levels of the organization and the checks and balances between departments, especially for the activities with potential interest or conflict of interest.

4. Information and Communication

The Company puts in place the information and communication systems both inside and outside of the organization in order to improve the efficiency and effectiveness of its business operation. The overview of the Company's performance in this regard is as follows:

- 4.1 Formulation of action plans for the BAM D Project in order to incorporate the information system into the Company's key strategic plan, which supports the improvement of operational efficiency and effectiveness, consisting of three main strategies:
 - Streamline the main business processes and procedures for NPLs, NPAs, law, accounting and finance;
 - Establish a database for use in the business; and
 - Ensure database security.
- 4.2 Elevation of the Information Technology Department to the Information Technology and Digital Group, with effect on January 1, 2021, consisting of the Information Technology Strategy Department and the Application Development Department, to support the organization's growth.
- 4.3 Provision of information to support the appropriate communication both inside and outside of the organization and, thus, enable the organization to operate and achieve its objectives.
- 4.4 Implementation of the appropriate and efficient communication processes and channels; for example, the use of Intranet, e-mail, etc.
- 4.5 Implementation of risk management with the KRIs-based early warning system, which is set up in the Company's MIS in

order to allow the executives to monitor the organization's risk status.

5. Monitoring Activities

The Company puts in place the system that monitors and evaluates its internal control in order to ensure that its internal control system remains efficient and effective and is capable of performing the monitoring and evaluation tasks completely and appropriately as it is designed for, as well as managing the ever-changing risks in each time period, as follows:

- 5.1 Implementation of the process for regular performance monitoring and internal control assessment in order to ensure the appropriateness of the internal control system.
- 5.2 Assignment of all departments to perform the mid-year moderate risk assessment in order to prevent those moderate risks from evolving into high-level risks.
- 5.3 Assignment of all departments to prepare and present their reports in order to review their operation.
- 5.4 Arrangement of the Internal Audit Department to directly report to the Audit Committee.
- 5.5 Monitoring and reporting of all risk-related issues to the Risk Oversight Committee, the Audit Committee, and the Board of Directors on a regular basis.

The Company's Risk Oversight Committee, Audit Committee, and Board of Directors review the sufficiency evaluation of the Company's internal control system, and deems that the Company's internal control system and risk management system are appropriate and sufficient for its business operation and conform with the guidelines set forth by the SEC.

Audit Committee Report 2020

The Audit Committee of Bangkok Commercial Asset Management Public Company Limited is appointed by the resolution of the Board of Directors' meeting. The Audit Committee is composed of four independent directors, who are experts from various fields and have sufficient knowledge and experience to perform the duty of reviewing the reliability of the Company's financial statements. They include Mr. Vasant Thienhom as the Committee Chairman, and Mr. Yos Kimsawatde, Mrs. Maneerat Srisaovajati, and Mr. Songpol Chevapanyaroj as the Committee Members.

In performing their duties, the Audit Committee arranged a total of 16 meetings, as follows:

		Number of attendances
1. Mr. Vasant Thienhom	Chairman of the Audit Committee	16/16
2. Mrs. Maneerat Srisaovajati	Member of the Audit Committee	16/16
3. Mr. Yos Kimsawatde	Member of the Audit Committee	16/16
4. Mr. Songpol Chevapanyaroj	Member of the Audit Committee	15/16

Senior Vice President of the Internal Audit Department serves as the secretary to the Audit Committee.

In 2020, the Audit Committee performed the tasks entrusted by the Board of Directors and adhered to the Audit Committee Charter in their operation. In those meetings, the Audit Committee discussed with the Company's management, internal auditors, and the auditor on related matters and reported the results of its operation to the Board of Directors on a quarterly basis. The details of the Audit Committee's operation can be summarized as follows:

1. Review of financial reports

The Audit Committee reviewed the Company's financial reports on a quarterly basis, semi-annual basis, and annual basis, with the financial statements being audited or reviewed by the auditor. The Audit Committee then considered the auditor's opinion on the financial reports, the accounting policies and significant estimations, the disclosure of financial statements' information, the compliance with financial reporting standards, and the analysis of important financial ratios in order to ensure that the Company's financial reports are prepared correctly, completely and reliably and comply with the generally accepted accounting principles.

Moreover, the Audit Committee considered and recommended the appointment of the Company's auditor for 2020. The Audit Committee also held meetings with the auditor, without presence of the management, to discuss important matters for the preparation of financial reports, the internal control system, as well as any problems and obstacles in their operation for further improvement and modification, including matters such as changes of the accounting policy and impacts of the Wirecard issue on EY Office Limited.

2. Review of the efficiency and effectiveness of the Company's internal control system, corporate governance system, and risk management system, and review of the Company's operation and compliance with the laws, regulations, provisions, operational procedures, the Cabinet's resolution, notification, or orders that are related to the Company's business operation

The Audit Committee reviewed the Company's yearly internal control assessment and the audit report on the Company's management and operations, and followed up the progress of corrective actions. The Audit Committee also provided its opinions or recommendations for prudent internal control and risk and damage prevention in order to ensure that the Company will have the internal control system, corporate governance system, and risk management system that are appropriate and sufficient and can support the Company's important operations so that the Company can efficiently achieve its objectives and goals. The overview of the Audit Committee's operation is as follows:

2.1 Emphasizing problem-solving and management of the observations derived from the auditing result, and evaluating the operation control process and the internal control system, while also holding meetings with the management in order to consider preventive measures that control and improve the operation's effectiveness and reduce errors in the operation.

2.2 Emphasizing the plan for development of the corporate income tax/specific business tax operation system and the plan for tax system auditing.

2.3 Emphasizing the development and use of information technology system to reduce the errors and increase the efficiency in management.

2.4 Considering and giving opinion on the related party transactions between the Company and the persons with possible conflict of interest, while taking into account the reasonability and the interest of the Company's stakeholders, as well as sufficient disclosure of information, in order to make sure that the Company's operation conforms with the regulations, procedures and policy for related party transactions.

2.5 Considering and reviewing the compliance report prepared by the Compliance Department to ensure that the internal control and corporate governance comply with the related regulations.

2.6 Reviewing the Company's risk management system, by monitoring the quarterly progress report on the enterprise risk management and the risk management implementation plan in order to evaluate the Company's risk management process that covers the key risk factors and ensure that the Company has sufficient risk management guidelines, as well as provide beneficial recommendation for the development of the Company's risk management system.

2.7 Reviewing the audit report on the Company's management and operation processes in accordance with the operation plan for 2020, such as the debt purchase process, the debt restructuring process management, the NPA management, the prosecution and execution process, etc., as well as reviewing important processes, in order to make sure that the Company has a good internal control system with appropriate risk management and efficient operation in line with its goals and strategies.

3. Monitoring and review of the internal control sufficiency the details of which can be summarized as follows:

- 3.1 Reviewing the Internal Audit Department's Charter.
- 3.2 Considering and approving the annual audit plan, long-term audit plan, and annual budget of the Internal Audit Department with the aim to cover all key risks of each operation process (risk-based approach).
- 3.3 Considering the hiring of an auditing expert to conduct a quality assurance review.
- 3.4 Considering the creation of an audit management system to support the audit operation.
- 3.5 Considering the successors for the Internal Audit Department for the preparation of a successor plan.
- 3.6 Reviewing the criteria for audit rating.
- 3.7 Promoting the development of employees' knowledge and competence and encouraging them to acquire the professional license for various fields of internal audit in order to ensure that the Company's internal audit complies with the international standard and is more efficient, by dispatching employees to attend the Certified Professional Internal Audit of Thailand (CPIAT) and encouraging them to take the examination for the professional license.

4. Maintaining of the operational standard of the Audit Committee: The Company reviewed and updated the Audit Committee Charter and evaluated the Audit Committee's performance by means of self-assessment, through both a whole committee assessment and an individual assessment in order to ensure that the Audit Committee could perform their tasks efficiently and achieve the objectives specified in the Audit Committee Charter and that they had attended training courses that are beneficial to the internal audit operation in order to improve the quality of the Audit Committee.

5. Review of important processes: This is to gain confidence in the related operation processes specified by the Company. The Audit Committee reviewed the application for renewal of the Company's membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) of the Thai Institute of Directors (IOD).

The Audit Committee performed its duty with due care, independence, fairness and transparency in accordance with the principles of corporate governance and the Audit Committee Charter approved by the Board of Directors. The Audit Committee was of the opinion that the Company has an appropriate and reliable process for preparing and disclosing the information of its financial reports and also has sound internal control, corporate governance, and risk management systems, and that the Company, in general, conducts its business in compliance with the laws, rules and regulations that are related to its business operation. The Audit Committee also provided some important opinions and recommendations in order to further improve the efficiency of the Company's operation.



(Mr. Vasant Tienhom)
Audit committee chairman

The Auditor's Remark

EY Office Limited ("the Auditor"), which served as the Company's auditor with respect to the interim financial information for the period ended on September 30, 2020, gave a remark on the Notes to the Interim Financial Statements, Note 2.2 (a) regarding the Company's adoption of the new accounting policy for financial instruments, according to the financial reporting standard for financial instruments, in the preparation of its financial statements for the current period; and the Notes to the Interim Financial Statements, Note 1.2 regarding the coronavirus 2019 pandemic which has affected many sectors of business and industry, whether directly or indirectly, and may lead to uncertainties and impacts on the Company's business activities that pertain to the debt servicing ability of its debtors, which could impact the Company's future performance and cash flow. However, the Auditor did not provide any qualified opinion on the aforementioned issues.

Head of Internal Audit and Head of Compliance

Head of internal audit is Miss Phansri Diawanan, who was appointed as Vice President of the Internal Audit Department by the Audit Committee's Meeting No. 12/2018 on October 2, 2018.

The Audit Committee deemed that the person serving as head of internal audit has the educational qualification, experience, and training that are suitable and sufficient for performing such duty. The Audit Committee is responsible for appointing, removing, or rotating the person serving as head of internal audit, based on the consideration of his/her qualification, knowledge, ability, and experience, as well as the evaluation of his/her yearly performance.

Head of compliance is Miss Warin Chanthasatrassami, who was appointed as Vice President of the Compliance Department by the Board of Directors' Meeting No. 2/2019 on February 1, 2019.

Connected Transactions

The Company's transactions with related persons in the accounting year ending as of 31 December 2019 and the accounting year ending as of 31 December 2020, as approved by the audit committee meeting No. 3/2020 on 27 February 2020, and No. 04/2021 on 25 February 2021, respectively, can be summarized as follows

Related person/ juristic person	Relationship	Transaction
1. Financial Institution Development Fund	<ul style="list-style-type: none"> The Company has the Financial Institution Development Fund (Development Fund) as a major shareholder. The Development Fund holds 45.8% shares in the company for as of 30 September 2020 	1.1 Fee-related transaction <ul style="list-style-type: none"> The fee for Application regarding an Offer for Sale of Newly Issued Securities
2. Krungthai Bank Public Company Limited	<ul style="list-style-type: none"> The company and Krungthai Bank Public Company Limited have a common major shareholder which is the Financial Institution Development Fund (Development Fund). As of 31 December 2020, the Development Fund holds 45.8%, shares in the Company and holds shares of Krungthai Bank Public company Limited at 55.1% 	2.1 Short term loans-related transaction <ul style="list-style-type: none"> Issued bond and loan <ul style="list-style-type: none"> - Beginning - Increase - Decrease - End Interest payable 2.2 Debenture-related transaction <ul style="list-style-type: none"> Debenture <ul style="list-style-type: none"> - Beginning - Increase - Decrease - End Interest payable Accrued interest

Transaction value (million baht)

Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
14.1	-	It is subject to conditions identified in the financial advisor and securities distributor contract with best efforts for issuing and offering securities to public, and registering the company's securities in the Stock Exchange of Thailand on 4 July 2013 ("Advisor contract"). The Company agrees to be responsible for fees showing information of securities offerings, payable to the Office of Securities and Exchange Commission for information presentation form in the Development Fund. The payment was made on 22 November 2019 for 14,067,825.00 Baht	<ul style="list-style-type: none"> ● Such transaction is subject to conditions identified in the advisor service contract in the past (2013) ● The audit committee considered seeing that such transaction was suitable and reasonable.
-	-	<ul style="list-style-type: none"> ● As of 31 December 2020, the company had short-term loans with Krungthai Bank Public Company Limited for 500.0 million Baht to manage the liquidity of the Company. Such loan's interest is at the money market rate ● The company offered debentures to institutional investors and/or High Net Worth Investors to manage liquidity of the company. They were non-subordinated debentures with identification of the holders' name, without security, an agent for the debenture holders. The debenture issuer had rights to redeem the debentures before due (depending on type of debenture) 	<ul style="list-style-type: none"> ● Such transaction was financially aided by the Company with interest rate and general loan conditions as if it was borrowing from another financial institution, which is not a related person. ● The audit committee considered it and realized that such transaction was suitable and reasonable. ● Such a transaction was a financial aid program of the Company. The offer price and interest rate of debentures were the same offer price and interest rate as the Company offered to other subscribers who were third parties. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
5,500.0	3,750.0		
(5,500.0)	(3,750.0)		
-	-		
4.5	4.6		
546.0	229.6		
244.6	1,725.0		
(561.0)	(861.6)		
229.6	1,093.0		
11.4	22.2		
1.6	0.3		

Related person/
juristic person

Relationship

Transaction

Transaction value (million baht)			
Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
		<ul style="list-style-type: none"> ● As of 31 December 2020, Krungthai Bank Public Company Limited held debentures for 1,093,000 units, with a par value of 1,000 Baht as follows <ul style="list-style-type: none"> ▪ No.1/2017 on 23 June 2017 <ul style="list-style-type: none"> - Serie (According to Financial Statement) No. 3, 5-year term with Maturity Date on 23 June 2022, and fixed interest rate at 3.41% per year, for 8,000 units. - 4th serie: 7-year term, with Maturity Date on 23 June 2024, and fixed interest rate at 3.64% per year, for 50,000 units ▪ No. 2/2017 on 08 September 2017 <ul style="list-style-type: none"> - Serie No. 3, 6-year term, with Maturity Date on 8 September 2023 and fixed interest rate at 3.44% per year, for 165,000 units ▪ No. 1/2018, on 21 June 2018 <ul style="list-style-type: none"> - 2nd serie, 3-year term, with Maturity Date on 21 June 2021, and fixed interest rate at 2.50% per year for 225,000 units ▪ No. 1/2019, on 18th July 2018 <ul style="list-style-type: none"> - 1st serie, 1-year and 6-month term, with Maturity Date on 18 January 2021 and fixed interest rate at 2.30% per year, for 445,000 units - 2nd serie, 3-year-term, with Maturity Date on 18 July 2022, and fixed interest rate at 2.45% per year, for 200,000 units 	

Related person/
juristic person

Relationship

Transaction

2.3 Transaction about Non-performing asset's purchase – paid by the debt instrument

- Promissory notes
 - Beginning
 - Increase
 - Decrease
 - End
- Interest payable
- Deferred interest expense

2.4 Transaction about deposits at the financial institutions

- Financial institution's deposit
- Interest receivable
- Accrued interest receivable

2.5 Transaction About rental

- Rental revenue
- Rental deposit

Transaction value (million baht)

Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
1,098.2	1,428.2	As of 31 December 2020, the company issued a promissory note given to Krungthai Bank Public Company Limited to pay for the non-performing asset's purchase price. Such promissory note was subject to no interest payable per the agreement on non-performing asset sale and purchase dated 09 October 2006 that the Company signed with 18 financial institutions and asset management companies.	<ul style="list-style-type: none"> ● Such transaction was a normal business transaction of the company with conditions according to the agreement on non-performing asset sale and purchase dated 09 October 2006 that the Company cosigned with 18 financial institutions and asset management companies, with the conditions as if it was made with another financial institution under the same agreement. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
399.2	1,199.7		
(69.2)	(117.3)		
1,428.2	2,510.6	<ul style="list-style-type: none"> ● The company had savings and current deposits with Krungthai Bank Public Company Limited for cash management 	<ul style="list-style-type: none"> ● Such transaction was a normal business supporting transaction of the company with a general deposit interest rate as if it had deposits with another unrelated financial institution. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
29.6	60.6		
121.5	241.6		
11.2	30.0	<ul style="list-style-type: none"> ● The company partially leased the area in front of the head office to Krungthai Bank Public company Limited to install a cash deposit machine according to the lease agreement dated 28 April 2017, and the renewed issue, dated 1 May 2020 with 1-year term. ● The company partially leased the area in front of the Yala Office to Krungthai Bank Public Company Limited to install a cash deposit machine according to the lease agreement, dated 28 December 2018, and the renewed issue, dated 04 December 2020, with 1-year term. 	<ul style="list-style-type: none"> ● Such transaction was a normal business supporting transaction of the company, with rental rate and terms of payment as if it was made with a third party. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
0.1	0.1		
0.0	0.0		
0.1	0.1		
0.0	0.0		

Related person/
juristic person

Relationship

Transaction

**3. Krungthai AXA Life Insurance
Public company Limited**

- The company and Krungthai Bank Public Company Limited have a common major shareholder which is the Financial Institution Development Fund (Development Fund). As of 31 December 2020, the Development Fund held 45.8% shares in the company and indirectly held shares in Krungthai-AXA Life Insurance Public Company Limited for 27.5% (The Development Fund holds shares in Krungthai Bank Public Company Limited for 55.1% and Krungthai Bank Public company Limited holds shares in Krungthai-AXA Life Insurance Public company Limited for 50.0%.)

3.1 Debenture – related transaction

- Debenture
 - Beginning
 - Increase
 - Decrease
 - End
- Interest payable
- Accrued interest payable

Transaction value (million baht)

Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
531.7	749.2	<ul style="list-style-type: none"> ● The company offered debentures to institutional investors and/or major investors to manage liquidity of the Company. It is unsecured, non-subordinated debenture with identification of holder's name and without an agent of the holders. The debenture issuer has the right to redeem debentures before falling due. (depending on each serie of debenture) ● As of 31 December 2020, Krungthai-AXA Life Insurance Public Company Limited held debentures for 2,224,500 units with par value of 1,000 Baht <ul style="list-style-type: none"> ▪ No. 2/2017 on 08 September 2017 <ul style="list-style-type: none"> - 5th serie, 10-year term, with Maturity Date on 08 September 2027, and fixed interest rate at 3.91% per year, for 120,000 units. ▪ No. 1/2018 on 21 June 2018 <ul style="list-style-type: none"> - 2nd serie, 3-year term, with Maturity Date on 21 June 2021 and fixed interest rate at 2.50% per year for 20,000 units. - 3rd serie, 7-year term, with Maturity Date on 21 June 2025, and fixed interest rate at 3.88% per year, for 100,000 units - 4th serie, 10-year term, with Maturity Date on 21 June 2028, and fixed interest rate at 4.30% per year, for 500,000 units 	<ul style="list-style-type: none"> ● Such transaction was a financially aided transaction of the Company. The offer price and interest rate of the debentures was the same offer price and interest rate as the Company did with other subscribers who were third parties. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
720.0	1,528.0		
(502.5)	(52.7)		
749.2	2,224.5		
13.1	58.1		
2.3	16.6		

Related person/
juristic person

Relationship

Transaction

**4. Krungthai Panich Insurance
Public Company Limited**

- The Company and Krungthai Bank Public Company Limited have a common major shareholder which is the Financial Institution Development Fund. As of 31 December 2020, the Development Fund held 45.8%, shares in the company and indirectly held shares in Krungthai Panich Insurance Public Company Limited for 24.8% (The Development Fund holds 55.1%, shares in Krungthai Bank Public Company Limited for and Krungthai Bank Public Company Limited holds shares in Krungthai Panich Insurance Public Company Limited for 45.0%)

4.1 Debenture – related transaction

- Debenture
 - Beginning
 - Increase
 - Decrease
 - End
- Interest payable
- Accrued interest payable

Transaction value (million baht)			
Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
		<ul style="list-style-type: none"> ▪ No. 1/2019, on 18 July 2019 <ul style="list-style-type: none"> - 1st serie, 1-year and 6-month term, with Maturity Date on 18 January 2021, and fixed interest rate at 2.30% per year for 63,000 units. - 4th serie, 10-year term, with Maturity Date on 18 July 2029, and fixed interest rate at 3.60% per year for 670,000 units. ▪ No. 1/2520 on 05 November 2020 <ul style="list-style-type: none"> - 1st serie, 2-year and 6 month term, with Maturity Date on 05 May 2023 and fixed interest rate at 2.83% per year, for 751,500 units 	
30.0	30.0	<ul style="list-style-type: none"> ● The company offered debentures to institutional investors and/or major investors to manage liquidity of the Company. It is unsecured, non-subordinated debenture with identification of holder's name and without an agent of the holders. The debenture issuer has the right to redeem debentures before falling due. (depending on each serie of debenture) ● As of 31 December 2020, Krungthai Panich Insurance Public Company Limited held debentures for 75,000 units, with par value of 1,000 Baht. ▪ No. 1/2017 on 23 June 2017 <ul style="list-style-type: none"> - 4th serie, 7-year term with Maturity Date on 23 June 2024, and fixed interest rate at 3.64% per year, for 30,000 units. 	<ul style="list-style-type: none"> ● Such transaction was a financially aided transaction of the Company. The offer price and interest rate of the debentures was the same offer price and interest rate as the Company did with other subscribers who were third parties ● The audit committee considered it and realized that such transaction was suitable and reasonable.
-	45.0		
-	-		
30.0	75.0		
0.8	0.8		
0.0	0.1		

Related person/
juristic person

Relationship

Transaction

5. Mr. Somkiat Sirichatchai

Executive's brother

5.1 Debenture – related transaction

- Debenture
 - Beginning
 - Increase
 - Decrease
 - End
- Interest payable
- Accrued interest payable

Transaction value (million baht)			
Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
		<ul style="list-style-type: none"> ▪ No. 2/2017 on 08 September 2017 <ul style="list-style-type: none"> - 4th serie, 8-year term with Maturity Date on 8 September 2025, and fixed interest rate at 3.73% per year for 15,000 units ▪ No. 1/2561 on 21 June 2018 <ul style="list-style-type: none"> - 2nd serie, 3-year term, with maturity date on 21 June 2021, and fixed interest rate at 2.50% per year for 30,000 units. 	
-	-	<ul style="list-style-type: none"> ● The company offered debentures to institutional investors and/or major investors to manage liquidity of the Company. It is unsecured, non-subordinated debenture with identification of holder's name and without an agent of the holders. The debenture issuer has the right to redeem debentures before falling due. (depending on each serie of debenture) ● As of 31 December 2020, Mr. Somkiat Sirichatchai held debentures for 10,000 units, with par value of 1,000 Baht as follows <ul style="list-style-type: none"> ▪ No. 1/2017 on 23 June 2017 <ul style="list-style-type: none"> - 3rd serie, 5-year term with maturity date on 23 June 2022 and fixed interest rate at 3.41% per year for 5,000 units ▪ No. 2/2017 on 08 September 2017 <ul style="list-style-type: none"> - 3rd serie, 6-year term with maturity date on 8 September 2023 and fixed interest rate at 3.44% per year for 5,000 units. 	<ul style="list-style-type: none"> ● Such transaction was financially aided transaction of the Company. The offer price and interest rate of the debentures was the same offer price and interest rate as the Company did with other subscribers who were third parties. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
-	10.0		
-	-		
-	10.0		
-	0.2		
-	0.1		

Related person/
juristic person

Relationship

Transaction

6. Mr. Chanint Sirichatchai

Executive's father

6.1 Debenture – related transaction

- Debenture
 - Beginning
 - Increase
 - Decrease
 - End
- Interest payable
- Accrued interest payable

7. Mr. Weeravej Sirichatchai

Executive

7.1 Transaction about non-performing asset
distribution

- Sale price of non-performing asset

Transaction value (million baht)			
Year ending as of 31 Dec 2019	Year ending as of 31 Dec 2020	Necessity and Rationale	Opinions of the audit committee
- - - - - -	- 3.0 - 3.0 0.0 0.0	<ul style="list-style-type: none"> ● The company offered debentures to institutional investors and/or major investors to manage liquidity of the Company. It is unsecured, non-subordinated debenture with identification of holder's name and without an agent of the holders. The debenture issuer has the right to redeem debentures before falling due. (depending on each serie of debenture) ● As of 31 December 2021, Mr. Chanin Sirichatchai held debentures for 3,000 units with a par value of 1,000 Baht as follows <ul style="list-style-type: none"> ▪ No. 1/2020 on 05 November 2020 <ul style="list-style-type: none"> - 2nd serie, 5-year term with maturity date on 5 November 2025 and fixed interest rate at 3.41% per year, for 3,000 units. 	<ul style="list-style-type: none"> ● Such transaction was a financially aided transaction of the Company. The offer price and interest rate of the debentures was the same offer price and interest rate as the Company did with other subscribers who were third parties. ● The audit committee considered it and realized that such transaction was suitable and reasonable.
-	2.2	<ul style="list-style-type: none"> ● The Company sold the land and premises in Mueang Nakhonratchasima District, Nakhonratchasima Province, with space of 0-0-60 Rai, at a price of 2,200,000 Baht to Mr. Veerawet Sirichatchai. The asset management committee meeting No. 46/2020 had a resolution to approve such land and premise sale. For such property sale offer, Mr. Veerawet Sirichatchai did not desire to be granted privileges as well as any sales promotion. Mr. Veerawat Sirichatchai lodged a deposit payment for such property sale in the amount of 660,000 Baht, on the sale and purchase agreement date on 12 November 2020 and paid the remaining property's price for 1,540,000 Baht on 26 December 2020. 	<ul style="list-style-type: none"> ● Such transaction was a normal business transaction of the Company under normal trading conditions and approval of management without considering size of the transaction according to the company's transaction policies. ● The audit committee considered it and realized that such transaction was suitable and reasonable.

Necessity and reasonableness of related party transactions

The Audit Committee Meetings No. 2/2020 on February 27, 2020 and No. 4/2021 on February 25, 2021 considered the Company's related party transactions conducted in the fiscal years ended December 31, 2019 and December 31, 2020 respectively, along with request for information from the Company's management and review of information presented in notes to the consolidated financial statements audited or reviewed by the Company's auditor, and then was of the opinion that the Company's related party transactions in the fiscal years ended December 31, 2019 and December 31, 2020 were conducted in the usual course of business operation of the Company and in conformity with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any influence resulting from the status of the counterparty as a person with a possible conflict (arm's length basis).

Measures or procedures for approval of related party transactions

The Board of Directors' Meeting No. 11/2018 on June 19, 2018 considered and approved the policy and procedures for related party transactions to ensure that the transactions between the Company's group and other individual or juristic persons that may have a conflict would be conducted transparently and also to protect the Company's interest, the details of which are as follows:

The entry into related party transactions or connected transactions of the Company shall be in line with the regulations prescribed in the law governing securities and exchange, the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions, the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, and other relevant regulations of the Office of the SEC and/or the SET, and shall also comply with the rules on disclosure of related party transactions in notes to the financial statements audited by the Company's auditor and the annual registration statement (Form 56-1).

In principle, the management can approve the entry into any such transactions, provided that such transactions have the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any influence resulting from the status of the director, executive or related person, and the Company shall prepare a summary report on such transactions for presenting to the following Board of Directors' meeting.

In the case where it is required by law that the Company must obtain approval from the Board of Directors' meeting or the shareholders' meeting prior to entering into any connected transaction, the Company will arrange for the Audit Committee to consider and give opinion on such transaction. The opinion of the Audit Committee will be presented to the Board of Directors' meeting or the shareholders' meeting, as the case may be, to ensure that the entry into the transaction as proposed will be in the best interest of the Company.

In the case where there is any related party transaction between the Company and the person who may have a conflict of interest or has an interest or may have a conflict of interest in the future, the Audit Committee will give opinion regarding necessity of the entry into such transaction and appropriateness of price of the transaction based on the terms and conditions that must conform with the usual course of business operation in the industry and also on the comparison with price from a third party or market price. If the Audit Committee has no expertise in consideration of the related party transaction that may take

place, the Company will engage either an independent expert or the Company's auditor to provide opinion on such related party transaction to be a basis for decision-making by the Board of Directors, the Audit Committee or the shareholders, as the case may be. In any case, the directors or shareholders who have an interest therein will not be entitled to cast votes on such transaction. Information on the related party transactions will be disclosed in notes to the financial statements audited or reviewed by the Company's auditor.

Policy or trend of related party transactions in the future

In entering into transactions with the related persons, connected transactions or related party transactions between the Company's group and the persons who may have a conflict of interest or have an interest or may have a conflict of interest in the future, the Company will comply with the applicable regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Office of the SEC and the SET.

If the Company intends to enter into transactions with the related persons, connected transactions or related party transactions between the Company's group and the persons who may have a conflict of interest or have an interest or may have a conflict of interest in the future, the Company will strictly comply with the policy and procedures mentioned above. The Audit Committee will provide a guideline on consideration of necessity of the transactions to the Company's operation, comparison of price with the similar transactions entered into with the third parties (if any), and consideration on significance of the transaction size.

Nonetheless, if it enters into any related party transaction, the Company will arrange for the Audit Committee to provide opinion on the appropriateness of such transaction. In the case where the Audit Committee has no expertise in consideration of the related party transaction that has taken place, the Company will engage the person who has the specialized knowledge or expertise such as the independent auditor or property appraiser to provide opinion on such related party transaction. The opinion given by the Audit Committee or the person who has the specialized knowledge or expertise will be used as a basis for decision-making by the Board of Directors or the shareholders, as the case may be, to ensure that the entry into such transaction does not constitute a transfer or syphoning of benefits between the Company or its shareholders, but that it is the transaction conducted by the Company by taking the utmost benefit of all shareholders into account.



Important Financial Information

Investors should read audited financial statements for the years ended December 31, 2017, 2018, and 2019 in conjunction with accompanying notes to financial statements, as well as management discussion and analysis.

Summary of Audit Report

Auditors

List of auditors who audited financial statements are as follows;

Financial Statements	Certified Public Accountants
Audited financial statements for the years ended December 31, 2017 and 2018	Mrs. Chitra Mekapongpanh and Mrs. Pakhamas Mangkornpan The State Audit Office of the Kingdom of Thailand
Audited financial statements for the year ended December 31, 2019	Mrs. Pattra Showsri and Mr. Satawat Boonkoy The State Audit Office of the Kingdom of Thailand
Audited financial statements for the year ended December 31, 2019	Somjai Khunapasut EY Office Limited

Summary of Auditor's Report

Auditor's opinion described in the Auditor's report on the audited financial statements can be summarized as follow;

Financial Statements	Auditor's opinion
Audited financial statements for the year ended December 31, 2017, 2018 and 2019	<p>The State Audit Office of the Kingdom of Thailand has expressed unqualified opinion in the Auditor's report that the financial position of the Company as at December 31, 2018 and 2019 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.</p> <p>EY Office Limited has expressed unqualified opinion in the Auditor's report that the financial position of the Company as at December 31, 2020 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.</p>

Summary of Financial Position and Operation for the years ended December 31, 2018 2019 and 2020

Statement of Financial Position

- (i) The following table sets forth a summary of the statement of financial position for the years ended December 31, 2018 and 2019, prepared based on the audited financial statements for the years ended December 31, 2018 and 2019 :

	As of December 31,	
	2018	2019
		Adjustment
	Amount Baht (in Million)	Amount Baht (in Million)
Assets		
Cash	3.6	4.7
Cash at financial institutions	1,031.8	1,378.9
Investment insecurities - net	93.9	70.2
Loans purchased - net	75,433.9	77,374.7
Installment sale receivables - net	708.3	649.1
Properties for sale - net	20,595.8	23,899.1
Accrued income from auction sale - net	7,115.5	9,595.6
Premises and equipment - net	1,251.5	1,243.2
Intangible assets - net	13.3	15.9
Advance for expense on asset acquisition and others - net ¹	1,217.3	888.3
Deferred tax assets - net	-	4,621.1
Other assets	188.1	178.6
Total assets	107,653.0	119,919.4
Liabilities		
Debt issued and borrowings	57,709.3	75,687.5
Accrued interest payable	245.4	504.2
Provisions	769.5	1,052.3
Unearned income from auction sale	5,342.0	-
Other liabilities	1,737.8	1,479.5
Total liabilities	65,804.0	78,723.5
Equity		
Authorized share capital		
3,245,000,000 common shares, par value 5 baht each	16,225.0	16,225.0
Issued and paid-up share capital		
2,735,000,000 common shares, par value 5 baht each	13,675.0	15,075.0

	As of December 31,	
	2018	2019
		Adjustment
	Amount Baht (in Million)	Amount (Million Baht)
Share premium	-	3,399.4
Other components of equity	(58.0)	(65.0)
Retained earnings		
Legal reserve	1,622.5	1,622.5
Unappropriated	26,609.5	21,164.0
Total equity	41,849.0	41,195.9
Total liabilities and equity	107,653.0	119,919.4

(ii) The following table sets forth a summary of the statement of financial position for the years ended December 31, 2018 and 2019, prepared based on the audited financial statements for the year ended December 31, 2019 and 2020:

	As of December 31,	
	2018	2019
		Adjustment
	Amount Baht (in Million)	Amount (Million Baht)
Assets		
Cash	4.7	4.9
Cash at financial institutions	1,378.9	7,708.0
Investment insecurities – net	70.2	451.3
Loans purchased – net	77,374.7	77,726.4
Installment sale receivables – net	649.1	728.2
Properties for sale – net	23,899.1	28,078.2
Accrued income from auction sale – net	9,595.6	9,800.8
Premises and equipment – net	1,243.2	1,173.6
Right-of-use assets - net	-	16.4
Intangible assets – net	15.9	20.2
Advance for expenses on asset acquisition and others ¹	888.3	830.2
Deferred tax assets	4,621.1	5,379.6
Other assets	178.6	151.8
Total assets	119,919.4	132,069.6

	As of December 31,	
	2018	2019
	Adjustment	
	Amount Baht (in Million)	Amount Baht (in Million)
Liabilities		
Debt issued and borrowings	75,687.5	87,421.0
Accrued interest payable	504.2	518.2
Provisions	1,052.3	987.0
Lease liabilities	-	13.8
Other liabilities	1,479.5	1,332.6
Total liabilities	78,723.5	90,272.6
Equity		
Authorized share capital		
3,245,000,000 common shares, par value 5 baht each	16,225.0	16,225.0
Issued and paid-up share capital		
2,735,000,000 common shares, par value 5 baht each	15,075.0	16,160.2
Share premium	3,399.4	6,044.2
Other components of equity	(65.0)	240.4
Retained earnings		
Legal reserves	1,622.5	1,622.5
Unappropriated	21,164.0	17,729.7
Total Equity	41,195.9	41,797.0
Total liabilities and equity	119,919.4	132,069.6

Remark ¹ “Advance for expenses on asset acquisition and others” and “other assets” are presented as a combined line item in the statement of financial position for the years ended December 31, 2018, but are reclassified to be presented as two separate line items in the statement of financial position for the year ended December 31, 2019. As a result of reclassification, “Advance for expenses on asset acquisitions and others” is no longer a component of “other assets” in the statement of financial position for the year ended December 31, 2019.

Statement of profit or loss and other comprehensive income

(i) The following table sets forth a summary of the statement of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2019;

	Year Ended December 31,	
	2017	2018
	Unit	Adjustment
	Baht (in Million)	Unit Baht (in Million)
Interest income		
Loans purchased	6,295.2	8,968.5
Investment in securities	3.7	33.5
Cash at financial institutions	10.3	15.6
Installment sale receivables	89.2	108.0
Other	15.5	14.2
Total interest income	6,413.9	9,139.8
Interest expenses	1,769.4	2,132.4
Interest income – net	4,644.5	7,007.4
Gain (Loss) on investment in securities- net	(30.3)	4.0
Gain on properties for sale	3,105.5	2,907.2
Gain on installment sales	115.2	93.6
Other operating income	146.8	91.6
Total operating income	7,981.7	10,103.8
Total other operating expenses	2,934.6	3,757.1
Bad debts and doubtful accounts	(162.2)	134.6
Profit from operating before income tax	5,209.3	6,212.1
Income tax	7.3	(4,467.0)
Net profit	5,202.0	10,679.1
Items that will be reclassified subsequently to profit or loss		
Gain (Loss) on revaluation of available-for-sale investments	(11.8)	(23.3)
Income tax relating to components of other comprehensive income	-	16.3
Items that will not be reclassified subsequently to profit or loss		
Total other comprehensive income	-	(20.8)
Income tax relating to components of other comprehensive income	-	17.6
Total other comprehensive income	(11.8)	(10.2)
Total comprehensive income	5,190.2	10,668.9
Basic earnings per share (Baht per share)	1.90	3.88

(ii) The following table sets forth a summary of the statement of profit or loss and other comprehensive income for the years ended December 31, 2019 and 2020:

	Year Ended December 31,	
	2019	2020
	Adjustment	
	Unit Baht (in Million)	Unit Baht (in Million)
Profit or Loss:		
Total interest income	9,139.8	9,946.4
Interest expenses	2,132.4	2,391.1
Interest income – net	7,007.4	7,555.3
Gain (Loss) on investment in securities- net	4.0	-
Gain on properties for sale	2,907.2	2,015.2
Gain on installement sales	93.6	403.8
Other operating income	91.6	78.9
Total operating income	10,103.8	10,053.2
Total other operating expenses	3,757.1	2,658.3
Expected credit losses	-	5,199.1
Bad debts and doubtful accounts	134.6	-
Profit from operating before income tax	6,212.1	2,195.8
Income tax expense	4,467.0	(355.1)
Net profit	10,679.1	1,840.7
Items that will be reclassified subsequently to profit or loss		
Gain (Loss) on remeasuring of available - for - sale investment	(23.3)	-
Income tax relating to components of other comprehensive income	16.3	-
Items that will not be reclassified subsequently to profit or loss		
Loss on revaluation of investments in equity designated as measure at fair value through other comprehensive income	-	(20.0)
Actuarial gain (loss) on defined benefit plan	(20.8)	57.9
Income tax relating to components of other comprehensive income	17.6	(7.6)
Total other comprehensive income	(10.2)	30.3
Total comprehensive income	10,668.9	1,871.0
Basic earnings per share (Baht per share)	3.88	0.57

Remark ¹ “Interest income from loans purchased” and “gain on loans purchased” are presented as two separate line items in the audited financial statements for the years ended December 31, 2018, but are reclassified to be presented as a combined line item, “interest income from loans purchased” in the audited financial statement for the year ended December 31, 2019. As a result of reclassification, “gain on loans purchased” is a component of “ interest income” in the audited financial statement for the year ended December 31, 2019.

Statement of Cash Flows

Statement of Cash Flows	Year ended December 31,		
	2017	2018	2019
	Amount	Amount	Amount
	Baht (in Million)	Baht (in Million)	Baht (in Million)
Cash flow from operating activities			
Profit from operating before income tax expenses	5,209.3	6,212.1	2,195.8
Adjustments to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities			
Depreciation and amortization	141.3	138.2	144.4
Decrease in advance expenses	76.0	95.2	126.8
(Increase) Decrease in accrued income	0.1	(11.5)	1.2
Decrease in deferred income	(3.9)	(3.7)	(4.0)
Increase in accrued expenses	328.5	183.8	(458.8)
Damage from litigation	-	-	0.5
Allowance for long-term employee benefits	66.1	331.5	73.4
Gain on fixed asset sales	(13.4)	(2.7)	(3.4)
Gain on repression of property under instalment sales	(2.5)	(7.4)	(3.2)
Increase in expected credit losses	-	-	5,199.1
Increase (Decrease) in doubtful accounts	(162.2)	134.6	-
Increase (Decrease) in doubtful accounts - installment sales receivables	2.2	(0.5)	-
Impairment loss on properties for sale (reversal)	(20.5)	(24.7)	(10.4)
(Gain) Loss on investment in securities	30.3	(4.0)	-
	5,651.3	7,040.9	7,261.4
Net interest income	(4,644.5)	(7,007.4)	(7,555.3)
Net dividend income	(37.0)	(38.2)	(25.9)
Cash received from interest income	6,410.3	4,076.4	3,459.2
Cash received from dividend income	43.6	38.2	37.9
Cash received from accrued income from auction sale	-	7,213.4	2,643.9
Cash paid on properties transferred from financial institutions	(7,088.3)	(8,210.4)	(5,813.0)

Statement of Cash Flows (Continue)

Statement of Cash Flows	Year ended December 31,		
	2017	2018	2019
	Amount	Amount	Amount
	Baht (in Million)	Baht (in Million)	Baht (in Million)
Cash paid on interest	(1,801.3)	(1,873.5)	(2,376.8)
Cash paid on income tax expenses	(8.8)	(14.4)	(743.7)
Loss from operation before changes in operating assets and liabilities	(1,474.7)	1,255.0	(3,112.2)
(Increase) Decrease in operating assets			
Loans purchased	5,037.0	6,338.5	3,203.5
Installment sale receivables	251.2	238.1	(75.3)
Properties for sale	1,513.9	1,448.1	2,008.9
Accrued income from auction sale	(2,129.5)	(4,663.7)	(1,742.0)
Advance for expense on asset acquisition and others	(495.7)	329.0	49.0
Other assets	116.4	(142.7)	(95.1)
Increase (Decrease) in operating liabilities			
Unearned income from auction sale	5,342.0	(5,342.0)	-
Long - term employee benefits	(48.3)	(69.5)	(81.5)
Other liabilities	66.5	(555.0)	(124.3)
Net cash provided from (used in) operating activities	8,178.8	(1,194.0)	30.9
Cash flows from investing activities			
Cash paid on purchase of premises and equipment	(78.6)	(77.9)	(82.3)
Cash paid on purchase of available-for-sale securities	(5,656.6)	(13,744.6)	-
Cash paid for investments measured at amortised cost	-	-	(2,572.9)
Cash paid on purchase of intangible assets	(3.0)	(13.1)	(3.7)
Decrease in bank deposits under guarantee obligations	-	-	-
Cash received from sale of fixed assets	13.4	2.7	3.4
Cash received from available-for-sale debt securities	5,655.3	13,778.1	-
Cash received from sales of investments measured at amortised cost	-	-	2,573.5
Cash received from investment insecurities	8.6	4.5	1.3
Net cash used in investing activities	(60.9)	(50.3)	(80.7)

Statement of Cash Flows (Continued)

Statement of Cash Flows	Year ended December 31,		
	2017	2018	2019
	Amount	Amount	Amount
	Baht (in Million)	Baht (in Million)	Baht (in Million)
Cash flows from financing activities			
Cash received from bank borrowings	16,450.0	49,500.0	41,050.0
Cash paid for repayment of debts issued and borrowings	(21,779.0)	(49,402.7)	(44,181.1)
Cash received from debenture issuance	8,000.0	20,000.0	10,000.0
Cash paid for repayment of debenture	(6,600.0)	(7,230.0)	(800.0)
Cash paid for fee of debts issued	(12.7)	(34.5)	(14.4)
Cash increase from capital increase	-	4,900.0	3,798.2
Cash paid on capital increase		(115.9)	(66.5)
Cash received from redemption of bills of exchange	97.1	97.1	-
Cash paid on dividend payment to shareholders	(4,400.6)	(16,121.5)	(3,393.6)
Cash paid for lease liabilities	-	-	(14.3)
Net cash provided (used in) financing activities	(8,245.2)	1,592.5	6,378.3
Net increase (decrease) in cash and cash equivalents	(127.3)	348.2	6,328.5
Cash and cash equivalents as at beginning balance	1,158.9	1,031.6	1,379.9
Cash and cash equivalents as at ending balance	1,031.6	1,379.8	7,708.4

Key Financial Ratios

Financial Ratios	Unit	Year ended December 31,		
		2017	2018	2019
			Adjustment	
Profitability ratios				
Gross profit margin ²	%	81.84	82.55	80.78
Operating profit margin ³	%	53.37	50.71	17.61
Cash flow to income ratio ⁴	%	157.32	(19.27)	1.41
Net profit margin ⁵	%	53.35	87.27	14.79
Return on equity (ROE)*	%	12.55	21.32	11.05
Efficiency ratios				
Return on assets (ROA)*	%	5.01	7.08	3.64
Total assets turnover	times	0.09	0.11	0.10

Financial Ratios Highlight (Continued)

Financial Ratios		Year ended December 31,		
		2017	2018	2019
Unit				
Financial Policy Rati				
Total liability-to-equity ratio	times	1.57	1.91	2.16
Intereset coverage ratio ^{6*}	times	5.55	3.98	1.98
Debt service coverage ratio (Cash Basis) ⁷	times	0.24	(0.02)	0.001
Dividend payout ratio ⁸	%	97.77	309.91	31.78
Interest Bearing Debt to equity ratio ^{9*}	times	1.38	1.84	2.09
Specific Ratio for our Business ¹				
Cash collection from NPL management business to net NPLs ¹⁰	%	14.55	18.40	10.83
Allowance for doubtful account to NPLs ¹²	%	7.69	7.47	14.56
Cash collection from NPA management business to net NPAs ¹³	%	29.12	24.75	17.76
Allowance for impairment of NPAs to NPAs ¹³	%	2.47	2.04	1.71

Remark ¹ Financial Statement for the year ended December 31, 2019 has been restated. Such changes alter some financial ratios calculations.

² Gross profit margin is calculated from the sum of (i) total interest income (excluding interest income on deposits); (ii) gain (loss) on investment in securities – net; (iii) gain on loans purchased; (iv) gain on properties for sale; (v) gain on installment sales; and (vi) other operating income less total interest income and further divided by the sum of (i) – (vi) .

³ Operating profit margin is calculated from operating profits before income tax expenses less interest income on deposits and further divided by the sum of (i) total interest income (excluding interest income on deposits); (ii) gain (loss) on investment in securities – net; (iii) gain on credit for purchase of receivables; (iv) gain on sale of properties foreclosed; (v) gain on installment sales; and (vi) other operating income.

⁴ Cash flow to income ratio is calculated from cash flows operations divided by operating profits before income tax expenses and further less operating profits before income tax expenses.

⁵ Net profit margin is calculated from net profit divided by the sum of (i) total interest income (ii) gain (loss) on investment securities – net; (iii) gain on loans purchased; (iv) gain on properties for sale; (v) gain on installment sales; and (vi) other operating income.

^{6*} Interest coverage ratio is calculated from cash flows from operating add back cash paid on interest and cash paid on income tax and further divided by cash paid on interest.

- Remark ⁷ Debt service coverage ratio (Cash Basis) is calculated from cash flows from operating divided by sum of (i) cash paid on repayment of loans and debt securities; (ii) cash paid on debentures; (iii) cash paid on purchase of property, plant, and equipment; (iv) cash paid on purchase of intangible assets; and (v) cash paid on dividend payment to shareholders.
- ⁸ Dividend payout ratio is calculated from cash paid on dividend payment stipulated in statement of cash flows divided by net profit of the preceeding year.
- ^{9*} Interest bearing debt to equity ratio is calculated from debt issued and borrowing divided by shareholders' equity (average)
- ¹⁰ Cash collection from NPLs management business to net NPLs is calculated from the sum of cash collection received from NPLs management business divided by loans purchased – net (average). See “Cash collection received from our NPLs management business
- ¹¹ Return on NPLs management business is calculated from net profit from NPLs business operation divided by loans purchased – net (average).
- ¹² Allowance for doubtful accounts to NPLs is calculated from allowance for doubtful accounts of loans purchased divided by loans purchased (before less allowance for doubtful accounts)
- ¹³ Cash collection from NPAs management business to net NPAs is calculated from the sum of cash collection received from NPAs management business divided by the sum of (i) properties for sale – net; and (ii) installment and receivables – net (average). See “Cash collection received from our NPAs management business”
- ¹⁴ Return on NPAs management business is calculated from net profit from NPAs business operation and investment in securities divided by (i) properties for sale– net; (ii) installment and receivables – net; and (iii) investment in securities – net (average)
- ¹⁵ Allowance for impairment of NPAs to NPAs is calculated from Allowance for impairment of NPAs divided by properties for sale (after revaluation)
- ^{*} For the year 2019 (restated) and 2020, the calculation method of 1) Return on assets 2) Return of equity 3) Interest coverage ratio, and 4) Interest-bearing debt to equity has been changed according to the announcement of the Capital Market Supervisory Board No. Tor Chor .44/2020 (No. 19) where 1) Return on Asset (ROA) is calculated from Earning before interest and tax*100 then divided by (weighted) average total asset. 2) Return on Equity (ROE) is calculated from Earning before interest and tax*100 then divided by (weighted) average total equity. 3) Interest Coverage Ratio is calculated from Earning before interest, tax and depreciation cost, then divided by interest expenses, and 4) Interest bearing debt to equity ratio is calculated from Debts issued and borrowings, including Lease liabilities, and then divided by total equity.

Management Discussion and Analysis

Management Discussion and Analysis for the year 2020

Selected Financial Position for the year ended 2020

Significant items in Balance Sheet (for the year ended December 31, 2020)

Assets

As of December 31, 2020, the Company has total assets of Baht 132,070 million, which increased by 10.1% from the year ended 2019. This results from the reclassified of financial assets regarding the first time adoption of the current Thai Financial Reporting Standards or TFRS after January 1, 2020 along with the deferred tax assets benefits receiving through retained earnings (unappropriated) of the year ended 2019.

- As of December 31, 2020, the Company has interbank and money market items - cash at financial institutions of Baht 7,708 million, which increased by 459.0%. This is because the proceeds of debentures issuance of Baht 10,000 million, which is partially prepared for debentures repayment due in Q1/2021.

- In Q4/2020, the Company acquired NPLs (Loans purchased of receivables) of Baht 2,431 million and NPAs of Baht 49 million. There was a cumulative purchase of NPLs / NPAs of Baht 11,748 million for the year ended 2020.

- The Company recognized deferred tax assets of Baht 4,130 million in respect to the past temporary differences in 2019 as an asset. This adjustment has been made on the Company's statement of comprehensive income of the year 2019, leading to the Company's Net profit of the respective year to be restated to Baht 10,679 million (Net profit in 2019 - before adjustment Baht 6,549 million). Therefore, the Company's retained earnings (unappropriated) as of December 31, 2019, has increased from Baht 17,034 million to Baht 21,163 million.

- As of December 31, 2020, the Company has deferred tax assets of Baht 5,380 million which increased 16.4% from the year ended 2019. It is mainly due to the recording of deferred tax assets as a result of temporary differences in accounting and taxation as follows;

- Interest income on loans purchased of receivables decreased by Baht 893 million.
- Interest income / gain on installment sale receivables increased by Baht 137 million.
- Allowance for expected credit losses increased by Baht 1,558 million.
- The cumulative effects of changes in accounting policies due to the adaptation of new financial reporting standards from January 1, 2020.

Liabilities

As of December 31, 2020, the Company has Baht 90,273 million in total liabilities, which increased by 14.7% from the year ended 2019.

- Debenture issuance and borrowing are the main component in total liabilities which used to invest in NPLs and NPAs. The details are as follows:

- Total notes payable Baht 4,507 million which increased by 58.9% from the year ended 2019 from assets purchase

2. Total borrowings Baht 28,798 million which increased by 3.1% from the year ended 2019 from assets purchase and use as revolving fund
 3. Total debentures Baht 54,116 million which increased by 20.5% from the year ended 2019, due to the Company offered debentures to institutional and high net worth investors in the amount of Baht 10,000 million on November 5, 2020. In this regard, the Company repaid debentures that matured in 2020 totaling Baht 800 million
- The Company has 3 debentures due in 2021, totaling Baht 7,000 million as follows:
 1. Debentures No. 1/2019, Series 1, amount issued Baht 3,000 million, maturity date January 18, 2021
 2. Debentures No. 1/2018, Series 2, amount issued Baht 3,000 million, maturity date June 21, 2021
 3. Debentures No. 2/2017, Series 2, amount issued Baht 1,000 million, maturity date September 8, 2021

Equity

As of December 31, 2020, the Company has a total equity of Baht 41,797 million, increased from the year ended 2019 by 1.5%. Such change was mainly due to the followings:

- In Q1/2020, Share Premium increased by Baht 2,645 million or 77.8% from Q4/2020, due to the Company had increased its capital from Baht 15,075 million to Baht 16,160 million by issuing 217 million additional of common shares with a par value of Baht 5 per share and the offering price of Baht 17.50 per share to be sold for private placement based on overallotment option, totaling Baht 3,798 million with a capital surplus of Baht 2,645 million (net of share offering expenses of Baht 68 million) The Company had registered the increase of its capital to the Ministry of Commerce on 16 January 2020.

- Other components of equity amounted to Baht 241 million, an increase of 469.7% compared to the year ended 2019 due to the Company recorded revaluation surplus on investments of Baht 241 million. It was a result of change in the fair value measurement method of equity investment in accordance with the Thai Financial Reporting Standards 9 (TFRS9).

- The Company has retained earnings (unappropriated) of Baht 17,730 million which decreased by 16.2% from the year ended 2019, due to:

- April 24, 2020, dividend payout from Retained Earnings Baht 3,394 million at the rate of Baht 1.05 per share.
- Decreased in Retained earnings of Baht 1,928 million, due to the cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards since January 1, 2020.
- The Company recognized deferred tax assets of Baht 4,130 million in respect to the past temporary differences in 2019 as an asset. This adjustment has been made on the Company's statement of comprehensive income of the year 2019, leading to the Company's Net profit of the respective year to be restated to Baht 10,679 million (Net profit in 2019 - before adjustment Baht 6,549 million). Therefore, the Company's retained earnings (unappropriated) as of December 31, 2019, has increased from Baht 17,034 million to Baht 21,163 million.

Interest Income –net

This table mainly presents items that has significant changes.

Unit: Baht in Million	Q4/2020	Q3/2020	qoq % Inc. (Dec.)	Q4/2019	yoy % Inc. (Dec.)	2020	2019	yoy % Inc. (Dec.)
Interest Income - net	1,905	1,510	26.2	584	226.2	7,555	7,007	7.8
Total Interest Income	2,542	2,101	21.0	1,192	113.3	9,946	9,140	8.8
Cash at financial institutions	3	-	na	6	(50.0)	5	16	(68.8)
Loans purchased of receivables	2,491	2,043	21.9	1,152	116.2	9,722	8,968	8.4
- Part of fully received	295	211	39.8	272	8.5	840	1,518	(44.7)
- Part of account receivable	1,213	1,319	(8.0)	-	na	5,047	-	na
- Gain on loans purchased of receivables	983	513	91.6	879	11.8	3,835	7,450	(48.5)
Installment sale receivables	23	26	(11.5)	21	9.5	95	108	(12.0)
Interest expenses	637	591	7.8	608	4.8	2,391	2,132	12.1
Debt issued – debentures	429	379	13.2	401	7.0	1,571	1,270	23.7
Debt issued – promissory notes	28	28	0.0	18	55.6	100	225	(55.6)
Borrowings	180	184	(2.2)	189	(4.8)	720	637	13.0

- In Q4/2020, the Company has total interest income Baht 2,542 million, increased by 21.0% in comparison to the previous quarter (qoq) and increased by 113.3 % in comparison to the previous year (yoy). For the year ended 2020, the Company has total interest income Baht 9,946 million which increased 8.8%, mainly due to

- The Company has an interest income on loans purchased of receivables - part of amount received of Baht 295 million in Q4/2020, increased by 39.8% qoq. This resulted from partial debtors resumed their repayment after the end of moratorium programs.
- The Company has an interest income on loans purchased of receivables - part of accrued receivable of Baht 1,213 million in Q4/2020 and Baht 5,047 million for the year ended 2020, which increased from the initial adoption of new financial reporting standard. The Company recognizes interest income on loans purchased of receivables from acquisition of receivables on an Accrual Basis and records in accrued receivable. However, the Company also recorded Expected credit losses on an interest income on loans purchased of receivables - part of accrued receivable in accordance to present the Company's performance.
- Gain on loans purchased of receivables in Q4/2020 is Baht 983 million, increased by 91.6% qoq and 11.8% yoy. For the year ended 2020, the Company has gain on loans purchased of receivables Baht 3,835 million which decreased by 48.5% yoy. This due to the Company has received the large amount of payment from significant debtor in 2019.

Gain on sale of properties for sale and installment sale

The Company acquired NPAs mainly from (i) direct purchase from financial institutions and (ii) bid the collaterals from our clients via LED public auction into our NPAs portfolio. For three - month period ended December 31, 2020, the company has gain on sale of properties for sale of Baht 642 million which decreased by 9.8% qoq and 63.9% yoy. For the year ended December 31, 2020, the company has gain on sale of properties for sale of Baht 2,015 million which decreased by 30.7% yoy. This results from the downturn and lower purchasing power.

For three - month period ended December 31, 2020, the company has gain on installment sale of Baht 357 million which increased by 1,222.2% qoq and 2,646.2% yoy. For the year ended December 31, 2020, the Company has gain on installment sale of 404 million which increased by 329.8% yoy. This due to the Company has received the large amount of payment from significant buyers in Q4/2020.

Other operating expenses

Unit: Baht in Million	Q4/2020	Q3/2020	qoq % Inc. (Dec.)	Q4/2019	yoy % Inc. (Dec.)	2020	2019	yoy % Inc. (Dec.)
Other operating expenses	702	653	7.5	1,169	(39.9)	2,658	3,757	(29.3)
Employee expenses	395	384	2.9	598	(33.9)	1,528	2,144	(28.7)
Directors' remunerations	8	2	300.0	8	0.0	13	20	(35.0)
Premises and equipment expenses	54	56	(3.6)	56	(3.6)	217	224	(3.1)
Taxes and duties	129	126	2.4	201	(35.8)	457	765	(40.3)
Impairment loss on properties for sale (reversal)(3)		(5)	(40.0)	(15)	(80.0)	(10)	(25)	(60.0)
Properties for sale expenses	33	34	(2.9)	23	43.5	124	97	26.5
Other expenses	85	56	51.8	298	(71.5)	329	532	(38.2)

- For three-month period ended December 31, 2020, the Company has other operating expenses of Baht 702 million which increased by 7.5% qoq and decreased by 39.9% yoy. For the year ended December 31, 2020, the Company has other operating expenses of Baht 2,658 million which decreased by 29.3% yoy. The main factors are as follows:

- The main operating cost of the Company is Employee expenses. In Q4/2020, this expense item of Baht 395 million has increased by 2.9% qoq and decreased by 33.9% yoy. For the year ended December 31, 2020, the Company has employee expenses Baht 1,528 million which decreased by 28.7% yoy, due to the Company recorded less accrued bonus payment for the employees in relation to the business performance.
- The Company has Tax and duties of Baht 129 million, increased by 2.4% qoq and decreased by 35.8% yoy. This results from the Company paid more special business tax in accordance with more properties foreclosed and sales on NPAs. For the year ended December 31, 2020, the Company has Tax and duties of Baht 457million, decreased by 40.3% yoy.

Expected credit losses (2019: Bad debts and doubtful accounts)

The company adopted the impairment of financial assets with credit impairment according to the new accounting policy which has been applied since January 1, 2020. For the year ended December 31, 2020, the Company recorded the expected credit losses of Baht 5,199 million mainly due to;

- (1) the Company recorded the expected credit losses for “loans purchased of receivables” totaling Baht 5,162 million, divided into interest income- part of accrued interest receivable of Baht 5,047 million and additional expected credit losses from impairment of loans purchased of receivables of Baht 115 million.
- (2) Expected credit losses for installment sale receivables of Baht 40 million.

Income Tax and Deferred Tax Benefits (DTA/DTL)

For the year ended December 31, 2020, the Company has income tax expenses reported in statement of comprehensive income of Baht 356 million. The main causes are the company recorded income tax record for 2020 taxable profit of Baht 706 million but deferred income taxes from temporary difference income of Baht 364 million.

In addition, the Company recognized deferred tax assets of Baht 4,130 million in respect to the past temporary differences in 2019 as an asset. This adjustment has been made on the Company’s statement of comprehensive income of the year 2019, leading to the Company’s Net profit of the respective year to be restated to Baht 10,679 million (Net profit in 2019 - before adjustment Baht 6,549 million). Therefore, the Company’s retained earnings (unappropriated) as of December 31, 2019, has increased from Baht 17,034 million to Baht 21,163 million.

Cash Collection from NPLs and NPAs management businesses

The Company believes that for the NPLs and NPAs management business, cash collection is a key performance indicator which is applied by other operators in the same business and various investors. Cash collection is calculated based on key items and recognizable cash items only, and so does not include all cash collection items from NPLs and NPAs management business. However, cash collection is not a standard indicator prescribed by TFRS, and so the methods of calculation may differ from methods of calculation used by other companies for similar items.

Cash Collection Receive from NPLs Management Business

The following table sets forth the cash collection received from NPLs management business for the years ended December 31, 2018, 2019, 2020.

Cash collection received from NPLs Management business	Year ended December 31,		
	2018 Baht (Million)	2019 Baht (Million)	2020 Baht (Million)
Interest income from loans purchased ¹	1,856.8	1,518.9	5,887.9
Gain on loans purchased	4,438.4	7,449.6	3,835.4
Net repayment and adjusted entries	9,081.4	10,907.8	7,997.7
Total	15,376.6	19,876.3	17,721.0
Less the portion of accrued interest receivables and receivables repayment from the debtors by collateral ²	(6,376.5)	(13,018.2)	(11,923.52)
Cash collected from the debtors during the period ³	9,000.1	6,858.1	5,797.5
Cash collected from the Legal Execution Department during the period ⁴	1,791.1	7,200.5	2,598.8
Total Cash collected from NPL management business⁵	10,791.2	14,058.6	8,396.3

- Notes:
- ¹ Interest income from “interest income from loans purchased” and “gain on loans purchased” are presented as two separate line items in the audited financial statements for the year ended December 31, 2018. However, these items are presented as combined line item, “Interest income from loans purchased” in the audited financial statement for the year ended December 31, 2019 and 2020. As a result of reclassification, “gain on loans purchased”. However, due to the new financial reporting standard that became effective in the current period, notes to financial statements for the year ended December 31, 2020 presents “interest income on loans purchased of receivable” separately into (i) part of fully received and (ii) part of accrued receivable.
 - ² See “Critical Accounting Policies and Estimates- Recognition of interest income and gain on loans purchased”
 - ³ Cash collected from the debtors during the period is calculated from (i) gain on interest income of loans purchased; (ii) plus gain on loans purchased; (iii) plus net repayment and adjusted entries; and (iv) less the portion of accrued interest receivables and receivables repayment from the debtors by collateral.
 - ⁴ Only the portion where a third party purchaser won the auction of our debtors’ collateral and we once recognized accrued income from auction sales. See “Accrued income from auction sale”.
 - ⁵ Cash collected from NPLs management business is calculated from the sum of (i) cash collected from the debtors during the period; and (ii) cash collected from the Legal Execution Department during the period. We believe that, for our NPLs management business, cash collection is a key performance indicator which is applied by other operators in the same business and various investors for the estimated cash flow of NPLs management business. Cash collection from NPLs management business reflects interest income from loans purchased, gain on loans purchased and net repayment and adjusted entries, and is calculated based on key items only, and so does not include cash collection items from the NPLs management business which we have recognized (such as cash collected from auction sale pending recognition, suspended account for debt repayment, check pending collection and suspended account for write-off). However, cash collection is not an indicator of actual cash flow of our NPLs management business nor a standard indicator prescribed by TFRS, and so our methods of calculation may differ from the methods of calculation used by other companies for similar items.

For the year ended December 31, 2020, the Company's cash collection received from NPLs management business was Baht 8,396.3 million which consisted of Baht 5,797.5 million from cash collected from the debtors and Baht 2,598.8 million from the Legal Execution Department during the period.

Cash Collection from NPAs Management Business

The following table sets forth the cash collection from the Company's NPAs management business for the years ended December 31, 2018, 2019 and 2020.

	Year ended December 31,		
Cash collection received from NPA management business	2018 Baht (Million)	2019 Baht (Million)	2020 Baht (Million)
Outright sales			
Gain on sale of properties for sale collected in cash	3,105.51	2,907.3	2,015.2
Decreased acquisition or transfer costs of properties for sale – net ¹	2,216.79	2,316.9	1,864.2
Total cash collected from sale of properties for sale-Outright sales	5,322.30	5,224.2	3,879.4
Installment sales			
Interest income	89.19	108.0	95.0
Collected debt repayment during the periods (in terms of cost and gain)	366.41	341.4	763.0
Total cash collected from installment sales of properties for sale	455.60	449.4	858.0
Total cash collection received from NPA Management business²	5,777.90	5,673.6	4,737.4

- Notes:
- ¹ decreased net acquisition or transfer costs of properties for sale is calculated from (i) the total decreased acquisition, transfer costs of properties for sale and adjustment and (ii) any reversal from revaluation of properties for sale sold during the periods.
 - ² Cash collected from NPAs management business is calculated from (i) cash collected from outright sales; (ii) plus cash collected from installment sales. We believe that, for our NPAs management business, cash collection is a key performance indicator which is applied by other operators in the same business and various investors for the estimated cash flow from NPAs management business. Cash collected from NPAs management business is calculated based on key items only, and so does not include all cash collected from the NPAs management business, such as (i) dividends from our investment in securities; (ii) rent; (iii) gain from foreclosures of installment sales and (iv) other income from the breach of agreements, including asset sale agreements. However, cash collection is not an indicator of actual cash flow of our NPAs management business nor a standard indicator prescribed by TFRS, and so our methods of calculation may differ from methods of calculation used by other companies for similar items.

For the year ended December 31, 2020, the Company's cash collection received from NPAs management business is Baht 4,737.4 million which consisted of Baht 3,879.4 million from Outright sales and Baht 858.0 million from installment sales.

Vintage Analysis

The company maintains a portfolio of loans purchased and properties for sale acquired at various points in time.

Loans purchased and Foreclosed collateral properties

The following table sets forth certain details regarding the appraisal value and outstanding balance of our loans purchased and properties for sale that had been converted from collateral (“Foreclosed Collateral Properties”) as of December 31, 2020:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
Loans purchased:												
Outstanding balance	10,363.7	11,686.1	8,806.5	7,410.2	8,175.5	8,731.4	7,327.4	3,040.8	4,152.0	1,657.4	14,568.8	85,921.8
Appraisal value ¹	23,607.7	22,941.2	16,703.4	16,837.1	15,950.5	19,235.4	14,537.4	7,076.5	19,660.3	5,367.2	36,363.7	198,280.3
Appraisal value/												
Outstanding balance (x)	2.28	1.96	1.90	2.27	1.95	2.20	1.98	2.33	4.74	3.24	2.50	2.31
Foreclosed collateral												
Properties:												
(Time since transferred to NIPAs)												
Outstanding balance ²	4,942.0	4,702.0	3,392.5	2,697.9	1,696.3	1,937.7	1,230.4	834.3	582.9	890.3	1,265.0	22,487.6
Appraisal value	9,591.0	9,406.1	7,007.3	5,379.3	3,672.7	3,433.6	2,849.0	1,343.0	5,403.4	2,256.0	3,471.4	46,008.5
Appraisal value/												
Outstanding balance (x)	1.94	2.00	2.07	1.99	2.17	1.77	2.32	1.61	9.27	2.53	2.74	2.05

Notes: ¹ Collateral value calculated based on the appraised price in accordance with the latest resolution of the committee on the appraise price (notwithstanding that some of the appraisal price may have been appraised not less than 3 years ago) and if collateral has been auctioned and bids have already been received, based on the bid price less estimated expenses. The collateral value is based on appraisal price before taking into account the accrued debt obligation and the mortgage value.

² The actual cost of acquiring the assets before revaluation of properties for sale.

The appraisal value of loans purchased and Foreclosed Collateral Properties is approximately 2.00 times the outstanding balance across different vintages. The Company is diligent in the cash collection and seeks to maintain levels of cash collection from both distressed asset and properties for sale. For assets acquired as distressed debt, a portion of the cash collection is primarily collected throughout the debt restructuring and sale of properties (both cash and installment sales).

The following table sets forth certain details regarding the company's cash collection and acquisition cost for portfolios of loans purchased and Foreclosed Collateral Properties with various holding periods as of December 31, 2020:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
(Baht in million, except for ratios)												
Loans purchased and Foreclosed Collateral Properties												
Total cash collection.....	691.4	2,504.5	3,006.0	4,458.5	5,585.2	7,459.3	7,303.3	6,717.1	27,661.0	7,888.7	139,745.8	213,020.8
Distressed debt asset cash collection.....	212.5	959.2	1,523.7	2,486.4	3,425.4	5,372.1	5,087.1	4,538.0	26,191.7	5,038.9	111,875.1	166,710.0
Foreclosed Collateral												
Properties cash collection.....	478.9	1,545.3	1,482.3	1,972.2	2,159.9	2,087.27	2,216.2	2,179.1	1,469.4	2,849.7	27,870.6	46,310.8
Acquisition cost.....	10,619.7	12,790.2	11,006.8	10,678.2	12,634.7	15,190.6	13,852.3	8,333.4	18,045.5	5,789.3	115,019.9	233,960.7
Cash collection/ Acquisition cost (%).....	6.51	19.58	27.31	41.75	44.21	49.10	52.72	80.60	153.28	136.26	121.50	91.05

Cash collection tends to gradually increase within the first 2-3 years of an asset's acquisition as we carry out preparation, negotiation and restructuring activities, and then accelerates in the recovery period. As of December 31, 2020 total cash collection for assets acquired from 2 – less than 3 years was 27.31 % which is lower than the total cash collection for assets acquired over 10 years ago of 121.50%

For example, from the portfolios of loans purchase that the company have acquired in the 1 to 2 years prior to December 31, 2020, the company collected Baht 2,504.5 million (of which Baht 959.2 million was from distressed debt assets and Baht 1,545.3 million was from Foreclosed Collateral Properties) and has a total balance of Baht 16,388.1 million (of which Baht 11,686.1 million is from distressed debt assets and Baht 4,702.0 million is from Foreclosed Collateral Properties), with a total appraisal value of Baht 32,347.3 million (of which Baht 22,941.2 million from distressed assets and Baht 9,406.1 million from Foreclosed Collateral Properties).

Directly Acquired Properties for sale

The following table sets forth certain details regarding the appraisal value and outstanding balance of properties for sale that acquired directly (“Directly Acquired Properties for sale”) as of December 31, 2020.

Time since acquisition	Less than 1 year	From 1 – 2 years	From 2 – 3 years	From 3 – 4 years	From 4 – 5 years	From 5 – 6 years	From 6 – 7 years	From 7 – 8 years	From 8 – 9 years	From 9 – 10 years	From 10 years and above	Total
(Baht in million, except for ratios)												
Directly Acquired												
Properties for sale:												
Outstanding balance.....	960.5	447.3	961.5	182.1	224.3	170.3	23.8	272.6	1,282.1	140.1	1,534.0	5,591.8
Appraisal value.....	2,522.6	911.6	1,995.7	462.8	692.4	563.9	804.0	835.1	6,651.2	297.8	5,733.9	16,582.6
Appraisal value/ outstanding balance (x)	2.63	2.04	2.08	2.54	3.09	3.31	33.84	3.06	5.19	2.13	3.74	2.97

As of December 31, 2020, the total appraised value of the assets is 2.97x of the total outstanding balance of Directly Acquired Properties for sale.

The following table sets forth certain details regarding the company's cash collection and acquisition cost of the portfolios of Directly Acquired Properties for sale with various holding periods as of December 31, 2020:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
(Baht in million, except for ratios)												
Direct properties for sale:												
Cash collection.....	16.4	33.4	93.3	106.1	423.5	67.2	12.0	3,437.7	5,045.3	898.0	34,950.1	45,082.9
Acquisition cost.....	1,340.9	583.3	1,223.6	283.8	629.4	170.1	17.9	1,475.4	2,615.9	697.7	18,561.6	27,599.6
Cash collection/acquisition cost (%).....	1.22	5.73	7.62	37.37	67.3	39.53	67.02	233.0	192.9	128.71	188.29	163.4

As of December 31, 2020, cash collection for Directly Acquired Properties for sale is 7.62% of the acquisition cost of assets acquired from 2 - less than 3 years as compared with 188.29% of that of assets acquired more than 10 years.

For example, we have collected Baht 33.4 million from the properties for sale that we directly acquired 1 to 2 years prior to December 31, 2020. The properties for sale which we have acquired one to two years before had total outstanding balance of Baht 447.3 million and total appraisal value of Baht 911.6 million.

NPLs by Portfolio Concentration

The following table sets forth information regarding our individual debtors with the 10 largest remaining acquisition cost of NPLs as of the dates indicated.

Major Debtors ¹	As of December 31,		
	2018	2019	2020 ²
	Baht (Million)	Baht (Million)	Baht (Million)
Debtor 1	3,064.8	3,034.9	3,034.9
Debtor 2	2,127.4	589.2	589.3
Debtor 3	586.6	579.0	558.4
Debtor 4	579.0	507.9	388.6
Debtor 5	507.9	388.5	334.1
Debtor 6	323.7	334.1	323.8
Debtor 7	317.4	323.8	290.4
Debtor 8	303.8	319.0	286.9
Debtor 9	229.8	299.9	260.5
Debtor 10	216.6	229.8	223.6
Sub-total	8,257.0	6,606.1	6,290.5
Total NPLs³	75,434	77,375	77,726

Notes : ¹ Represents our top 10 debtors by remaining acquisition of NPLs as of the dates indicated. Our top 10 debtors may vary from year to year.

² Information regarding top 10 debtors by remaining acquisition of NPLs for the year ended December 31, 2020 may not be comparable to the previous periods due to the calculation of allowance for expected credit losses on loans purchased (2019: Allowance for doubtful account) as per requirement of TFRS

³ Due to the new financial report standards, “loans purchased” (NPLs) is reclassified into “loans purchased of receivables and accrued interest receivables- net”

NPAs Concentration by Region by Type

Our NPAs are located throughout Thailand. As of December 31, 2020, 43.6% of net value of our NPAs are located in Bangkok and vicinity and 50.1% of net value of our NPAs are Resident properties.

The following table sets forth certain details of our NPAs by region as of the date indicated.

	As of December 31,		
	2018	2019	2020
	Baht (Million)	Baht (Million)	Baht (Million)
Value of NPAs by Geography of Real estates			
Bangkok and its vicinity	9,066.4	9,987.9	12,254.9
Central and Eastern Thailand	5,389.9	6,137.0	6,582.6
Northern Thailand	3,041.7	3,432.2	3,742.0
Northeast Thailand	1,638.3	2,158.5	2,697.6
Southern Thailand	1,244.9	1,968.6	2,587.2
Moveable properties	214.6	214.9	213.8
Total	20,595.8	23,899.1	28,078.2

The following table sets forth a breakdown of the value of our NPAs by type as of the date indicated

	As of December 31,		
	2018	2019	2020
	Baht (Million)	Baht (Million)	Baht (Million)
Value of NPAs by Type of Real estates			
Vacant land	5,510.2	5,242.7	6,022.8
Hotels	367.3	449.9	590.8
Commercial properties	5,413.7	6,452.8	7,186.0
Residential properties	9,090.0	11,538.8	14,064.9
Moveable properties	214.6	214.9	213.8
Total	20,595.8	23,899.1	28,078.2



Report of the Committee's Responsibility for Financial Reports

The management has prepared the financial statements for the year ended 31 December 2020 in accordance with generally accepted accounting standards. The Company has chosen the appropriate policy and adhered to it regularly as well as being sensible and using careful discretion in the preparation of financial statements. In addition, essential information is adequately disclosed in the notes to the financial statements.

The Board of Directors is aware of their responsibility to ensure the efficiency of the financial report. The Board has appointed an audit committee which consists of qualified persons to be responsible for the quality of financial reports to ensure their completeness and accuracy. The suitable policies have been applied and adhered to regularly as well as reviewed to ensure that the company has an adequate and proper internal control system. The Committee also jointly assessed the Company's risks to prevent or mitigate the risks that may arise from materially fraudulent or significantly unusual conduct and enough to maintain the Company's assets.

From the above practice and supervision, the Board of Directors is of the opinion that the financial statements of the Bangkok Commercial Asset Management Public Company Limited as of December 31, 2020 can accurately and reliably show the financial status and operating results in accordance with generally accepted accounting standards and comply with the law and related regulations.



(Mrs. Tongurai Limpiti)
Chairman of the Board of Directors



(Mr. Bundit Anantamongkol)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Bangkok Commercial Asset Management Public Company Limited

I have audited the accompanying financial statements of Bangkok Commercial Asset Management Public Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Commercial Asset Management Public Company Limited as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

I draw attention to the following matters:

- (1) Note 6 to the financial statements regarding the restatement of the prior year financial statements due to the recognition of deferred tax assets. The Company has restated the statement of financial position as at 31 December 2019, and the statements of comprehensive income and changes in equity for the year then ended, presented as comparative information, in order to reflect the related adjustment.
- (2) Note 3.1 to the financial statements regarding the adoption of related the set of financial reporting standards related to financial instruments adopted for the preparation of the current year financial statements
- (3) Note 1.2 to the financial statements regarding the COVID-19 pandemic which is impacting various business and industries both directly and indirectly and resulting. This situation could create uncertainties and may be affect the Company's business activities in terms of the receivables' ability to make payment. This may impact the Company's operating results and cash flows in the future.

My conclusion is not modified in respect of these matters.

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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of interest income from loans purchased of receivables

The Company's policy on recognition of interest income from loans purchased of receivables is discussed in Note 4.1 to the financial statements. The Company recognised interest income from loans purchased of receivables of Baht 9,722 million in 2020, representing 78 percent of the total income, and thus it is considered the Company's main source of income. I addressed the recognition of interest income from loans purchased of receivables as a key audit matter because the calculation of the credit-adjusted effective interest rate used in interest recognition is require management to exercise judgement in determining the assumptions to be used in cashflow estimates and the expected life of each debtor, as well as the development of the model for each group of debtors with similar characteristics. In addition, the recognition of interest income from loans purchased of receivables is substantially dependent on data processing by information technology systems.

I obtained an understanding of, assessed and tested on a sampling basis the effectiveness of the internal controls relevant to the recognition of interest income, collection processes, the internal controls over the information technology systems that relevant, by inquiring of management to gain on understanding, assessing the methods applied by management in recognition of interest income from loans purchased of receivables, evaluated the appropriateness of basis and gained an understanding of the process by which cash inflow were estimated and the credit-adjusted effective interest rate. I tested, on a sampling basis, the effectiveness of the calculation of the credit-adjusted effective interest rate, as well as reviewing whether the calculation of the cash inflow estimates and the expected life of each debtor were consistent with the model. In addition, I tested the accuracy of the data used in the model on a sampling basis, as well as performing an evaluation of the appropriateness of other factors that affect the cashflow estimates and a review of the accounting records, and including the cut-off income whether interest income is recognised in proper period. Moreover, I performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Expected credit losses of loans purchased of receivables

As discussed in Note 12.1 to the financial statements, the Company has loans purchased of receivables and accrued interest receivables amounting to Baht 90,969 million and allowance for expected credit losses amounting to Baht 13,243 million (representing 59 percent of total assets). These are considered to be significant amounts. The recording of an allowance for expected credit losses is a result of the Company's adoption of financial reporting standards related to financial instruments that became effective from 1 January 2020. This set of financial reporting standards provides guidance on the calculation of impairment on financial instruments using the expected credit losses method

and the guidance requires the development of a model for complex computations. Development of the model of expected credit losses in accordance with these financial reporting standards requires management to exercise a high degree of judgement and make multiple estimates. Because of the materiality and the extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit losses for loans purchased of receivables as a key audit matter.

I gained an understanding of the assumptions applied in the development of the model, taking into account and evaluating the decision-making process around the model, and reviewed the supporting documentation for model development. I assessed and tested, on a sampling basis, the accuracy of the data used in the development of the model and assumptions, the reasonableness of the model and the recording of the allowance for credit losses, as well as the recording of collateral value, and tested relevant internal controls over the collective process and information technology systems. Moreover, I reviewed the reports on the reasonableness of the model development prepared by a specialist hired by the Company's management, as well as the accounting policies relevant to the calculation, and the recording of allowance for expected credit losses was approved by management at an appropriate level, and also evaluate the effectiveness of disclosure in compliance with the related financial reporting standards.

In addition, I tested the adequacy of the allowance for expected credit losses as at the period-end date by testing, on a sampling basis, the accuracy of the data used in the calculation of allowance for expected credit losses, the classification of receivables, the valuation of collateral, and the estimates of cash flows and expected lives, including tests of the completeness of the data used in the calculation and computation of the allowance for expected credit losses.

Other Matters

The financial statements of Bangkok Commercial Asset Management Public Company Limited as at 31 December 2019, presented herein as comparative information (before restatement), were audited by another auditor who expressed an unqualified opinion on those statements with an emphasis of matter paragraph regarding unrecognised deferred tax assets in the financial statements, under her report dated 27 February 2020.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 do 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 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 of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions

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

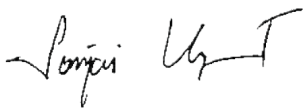
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

I am responsible for the audit resulting in this independent auditor's report.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 25 February 2021

Bangkok Commercial Asset Management Public Company Limited

Statement of financial position

As at 31 December 2020

(Unit: Thousand Baht)

	Notes	31 December 2020	31 December 2019
			(Restated)
Assets			
Cash		4,908	4,706
Interbank and money market items - cash at financial institutions	10, 23	7,708,047	1,378,910
Investments - net	11	451,304	70,182
Loans purchased of receivables and accrued interest receivables - net	12, 23	77,726,383	77,374,662
Installment sale receivables and accrued interest receivables - net	13, 23	728,194	649,154
Properties for sale - net	14	28,078,238	23,899,115
Premises and equipment - net	15	1,173,628	1,243,219
Right-of-use assets - net	16	16,400	-
Intangible assets - net	17	20,180	15,916
Deferred tax assets - net	18	5,379,566	4,621,095
Accrued income from auction sale - net	19	9,800,782	9,595,611
Advance for expenses on asset acquisition and others - net	20, 23	830,202	888,262
Other assets	21	151,791	178,613
Total assets		<u>132,069,623</u>	<u>119,919,445</u>

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

Bangkok Commercial Asset Management Public Company Limited

Statement of financial position (continued)

As at 31 December 2020

(Unit: Thousand Baht)

	Notes	31 December 2020	31 December 2019
			(Restated)
Liabilities and equity			
Liabilities			
Debts issued and borrowings	24	87,420,983	75,687,524
Provisions	25	986,952	1,052,335
Accrued interest payables	26	518,189	504,240
Lease liabilities	27	13,831	-
Other liabilities	28	1,332,635	1,479,447
Total liabilities		90,272,590	78,723,546
Equity			
Share capital			
Registered			
3,245,000,000 ordinary shares of Baht 5 each	29	16,225,000	16,225,000
Issued and paid-up			
3,232,042,300 ordinary shares of Baht 5 each		16,160,212	15,075,000
(2019 : 3,015,000,000 ordinary shares of Baht 5 each)			
Share premium		6,044,227	3,399,426
Other components of equity	11.3	240,415	(65,023)
Retained earnings			
Appropriated - statutory reserve	30	1,622,500	1,622,500
Unappropriated		17,729,679	21,163,996
Total equity		41,797,033	41,195,899
Total liabilities and equity		132,069,623	119,919,445

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



(Mr. Bunyong Visatemongkolchai)

Chairman of Executive Board



(Mr. Bundit Anantamongkol)

Chief Executive Officer

Bangkok Commercial Asset Management Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Notes	2020	2019 (Restated)
Profit or loss:			
Interest income	32	9,946,371	9,139,751
Interest expenses	33	2,391,092	2,132,376
Interest income - net		7,555,279	7,007,375
Gain on sale of investment in securities		-	3,992
Gain on sale of properties for sale		2,015,226	2,907,235
Gain on installment sales		403,798	93,592
Other operating income		78,930	91,599
Total operating income		10,053,233	10,103,793
Other operating expenses			
Employee expenses		1,528,361	2,143,562
Directors' remunerations		12,575	20,100
Premises and equipment expenses		216,729	223,937
Taxes and duties		457,365	764,595
Reversal of an impairment loss on properties for sale		(10,355)	(24,688)
Properties for sale expenses		124,169	97,485
Other expenses		329,492	532,140
Total other operating expenses		2,658,336	3,757,131
Expected credit losses	34	5,199,147	-
Bad debts and doubtful accounts	35	-	134,618
Profits from operation before income tax expenses		2,195,750	6,212,044
Income tax expenses	18	(355,128)	4,467,035
Profit for the year		1,840,622	10,679,079

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

Bangkok Commercial Asset Management Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Thousand Baht except earnings per share expressed in Baht)

Notes	2020	2019
		(Restated)
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods		
Loss on revaluation of available-for-sale investments	-	(23,262)
Related income tax	-	16,256
Items not to be reclassified to profit or loss in subsequent periods		
Loss on revaluation of investments in equity designated as measure at fair value through other comprehensive income	(20,041)	-
Actuarial gain (loss) on defined benefit plan	57,855	(20,801)
Related income tax	(7,563)	17,644
Other comprehensive income for the year (loss)	30,251	(10,163)
Total comprehensive income for the year	1,870,873	10,668,916
Earnings per share		
Basic earnings per share (Baht per share)	36 0.57	3.88
Weighted average number of ordinary shares (Thousand shares)	3,222,554	2,750,342

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



(Mr. Bunyong Visatemongkolchai)

Chairman of Executive Board



(Mr. Bundit Anantamongkol)

Chief Executive Officer

Bangkok Commercial Asset Management Public Company Limited
Statement of changes in equity
For the year ended 31 December 2020

	(Unit: Thousand Baht)				
	Issued and Paid-up Share Capital	Share premium	Other components of equity		Total
			Surplus (deficit) on changes in value of investments	Retained Earnings Appropriated - statutory reserve Unappropriated	
Balance as at 1 January 2019	13,675,000	-	(58,017)	1,622,500	41,849,015
Increase in ordinary shares capital (Note 29)	1,400,000	3,399,426	-	-	4,799,426
Profit for the year	-	-	-	-	10,679,079
Other comprehensive income for the year	-	-	(7,006)	-	(3,157)
Total other comprehensive income for the year (loss)	-	-	(7,006)	-	10,668,916
Dividend paid (Note 37)	-	-	-	-	(16,121,458)
Balance as at 31 December 2019	15,075,000	3,399,426	(65,023)	1,622,500	41,195,899
Balance as at 1 January 2020	15,075,000	3,399,426	(65,023)	1,622,500	37,066,120
Prior year adjustments relating to the recognition of deferred tax assets (Note 6)	-	-	-	-	4,129,779
Cumulative effects of change in new accounting policies (Note 7)	-	-	321,966	-	(1,606,187)
Balance as at 1 January 2020 (after adjusts)	15,075,000	3,399,426	256,943	1,622,500	39,589,712
Increase in ordinary shares capital (Note 29)	1,085,212	2,644,801	-	-	3,730,013
Profit for the year	-	-	-	-	1,840,622
Other comprehensive income for the year (loss)	-	-	(16,033)	-	30,251
Total other comprehensive income for the year (loss)	-	-	(16,033)	-	1,870,873
Gain on disposal of investment in equity instruments which recognised in retained earnings	-	-	(495)	-	-
Dividend paid (Note 37)	-	-	-	-	(3,393,565)
Balance as at 31 December 2020	16,160,212	6,044,227	240,415	1,622,500	41,797,033

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

Bangkok Commercial Asset Management Public Company Limited

Statement of cash flows

For the year ended 31 December 2020

(Unit: Thousand Baht)

	2020	2019
Cash flows from operating activities		
Profit from operating before income tax expenses	2,195,750	6,212,044
Adjustments to reconcile profit from operating before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	144,389	138,217
Decrease in advance expenses	126,822	95,239
Decrease (Increase) in accrued income	1,216	(11,526)
Decrease in revenue received in advance	(3,998)	(3,745)
Increase (decrease) in accrued expenses	(458,815)	183,827
Damage from litigation	455	-
Provision for long-term employee benefits	73,463	331,468
Gain on sales of fixed assets	(3,430)	(2,674)
Gain on repossession of property under installment sales	(3,242)	(7,440)
Increase in expected credit losses	5,199,147	-
Increase in allowance for doubtful accounts	-	134,166
Reversal of impairment loss on properties for sale	(10,355)	(24,688)
Gain on investment in securities	-	(3,991)
	7,261,402	7,040,897
Net interest income	(7,555,279)	(7,007,374)
Net dividend income	(25,924)	(38,186)
Cash received from interest	3,459,215	4,076,354
Cash received from dividend	37,861	38,186
Cash received from accrued income from auction sale	2,643,896	7,213,424
Cash paid for purchase of assets transferred from financial institutions	(5,813,017)	(8,210,350)
Cash paid on interest	(2,376,825)	(1,873,495)
Cash paid on income tax expenses	(743,670)	(14,413)
Gain (loss) from operating activities before changes in operating assets and liabilities	(3,112,341)	1,225,043

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

Bangkok Commercial Asset Management Public Company Limited

Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Thousand Baht)

	2020	2019
(Increase) decrease in operating assets		
Loans purchased of receivables	3,203,543	6,338,544
Installment sale receivables	(75,337)	238,128
Properties for sale	2,008,907	1,448,079
Accrued income from auction sale	(1,741,954)	(4,663,705)
Advance for expenses on asset acquisition and others	49,015	329,014
Other assets	(95,057)	(142,712)
Increase (decrease) in operating liabilities		
Unearned income from auction sale	-	(5,342,009)
Long-term employee benefits	(81,532)	(69,454)
Other liabilities	(124,326)	(554,950)
Net cash flows from (used in) operating activities	30,918	(1,194,022)
Cash flows from investing activities		
Cash paid for acquisition of property, plant and equipment	(82,258)	(77,917)
Cash paid for acquisition of investments in available-for-sale securities	-	(13,744,632)
Cash paid for investments measured at amortised cost	(2,572,923)	-
Cash paid for acquisition of intangible assets	(3,719)	(13,087)
Decrease in deposits under guarantee obligation	-	51
Cash received from sales of fixed assets	3,430	2,691
Cash received from sales of investment in available-for-sale debt instruments	-	13,778,134
Cash received from sales of investments measured at amortised cost	2,573,483	-
Cash received from sales of investments in securities	1,296	4,477
Net cash flows used in investing activities	(80,691)	(50,283)

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

(Unit: Thousand Baht)

	2020	2019
Cash flows from financing activities		
Cash received from debts issued and borrowings	41,050,000	49,500,000
Cash paid for repayment of debts issued and borrowings	(44,181,070)	(49,402,667)
Cash received from debenture issued	10,000,000	20,000,000
Cash paid for repayment of debenture	(800,000)	(7,230,000)
Cash paid for fee of debts issued	(14,413)	(34,467)
Net cash received from ordinary shares issued	3,798,240	4,900,000
Cash paid for ordinary shares issued	(66,469)	(115,929)
Cash received from redemption of promissory notes	-	97,065
Cash paid for dividend to shareholders	(3,393,565)	(16,121,458)
Cash paid for lease liabilities	(14,381)	-
Net cash flows from financing activities	6,378,342	1,592,544
Net increase in cash and cash equivalents	6,328,569	348,239
Cash and cash equivalents at beginning of year	1,379,811	1,031,572
Cash and cash equivalents at end of year (Note 9)	7,708,380	1,379,811

Additional information in cash flows

Non-cash items		
Acquisition of loans purchased of receivables	4,933,325	4,444,945
Acquisition of properties for sale	1,208,573	585,503
Transfer of properties for sale from loans purchased of receivables	4,846,890	5,034,345

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

Bangkok Commercial Asset Management Public Company Limited
Table of contents for notes to financial statements
For the year ended 31 December 2020

Note Contents

1. General information
2. Basis for preparation of financial statements
3. Financial reporting standards
4. Significant accounting policies
5. Significant accounting judgements and estimates
6. Restated of prior year statement of financial position compare with deferred tax assets recognition
7. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards
8. Classification of financial assets and financial liabilities
9. Cash and cash equivalents
10. Interbank and money market items - cash at financial institutions
11. Investments
12. Loans purchased of receivables and accrued interest receivables
13. Installment sale receivables and accrued interest receivables
14. Properties for sale
15. Premises and equipment
16. Right-of-use assets
17. Intangible assets
18. Deferred tax assets / income taxes expenses
19. Accrued income from auction sale
20. Advance for expenses on asset acquisition and others
21. Other assets
22. Classified assets/asset quality
23. Allowance for expected credit losses of financial assets / allowance for doubtful accounts
24. Debt issued and borrowings
25. Provisions
26. Accrued interest payables
27. Lease liabilities
28. Other liabilities
29. Share capital
30. Statutory reserve
31. Capital management

Bangkok Commercial Asset Management Public Company Limited
Table of contents for notes to financial statements (continued)
For the year ended 31 December 2020

Note Contents

- 32. Interest income
- 33. Interest expenses
- 34. Expected credit losses
- 35. Bad debts and doubtful accounts
- 36. Basic earnings per share
- 37. Dividend paid
- 38. Related party transactions
- 39. Management's remuneration
- 40. Segment information
- 41. Obligations on operating lease
- 42. Guarantee
- 43. Contingent liabilities
- 44. Risk Management
- 45. Fair value of financial instruments
- 46. Approval of the financial statements

Bangkok Commercial Asset Management Public Company Limited

Notes to financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Bangkok Commercial Asset Management Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is the Financial Institutions Development Fund (FIDF), holding 45.79 percent of registered and paid-up share capital (prior to 12 December 2019, FIDF held 99.99 percent of registered capital). The Company’s business is the purchase or transfer of non-performing loans (NPLs) and non-performing assets (NPAs) for management or for further disposal or transfer. The Company’s registered office is located at 99 Surasak Road, Silom, Bang Rak, Bangkok. The Company has 25 branches.

On 12 December 2019, the Stock Exchange of Thailand (“SET”) approved the listing of the Company’s shares under the trading name “BAM”.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is causing an impacting various businesses and industries both directly and indirectly. This situation could create uncertainties and may be impacting the Company’s business activities in term of the repayment capability of the receivables. This may impact the Company’s operating results, and cash flows in the future, which the impact cannot be reasonably estimated at this stage. However, the Company’s management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities. Therefore, the Company’s management has used estimate and judgement in various matter in order to continuously assess the impact as the situation has evolved.

2. Basis for preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the BOT's Notification No. Sor Nor Sor 21/2561, dated 31 October 2018, regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", which was effective for the fiscal year 2020.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language.

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

3. Financial reporting standards

3.1 Financial reporting standards that became effective in the current period

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows:

Classification and measurement of financial assets

Financial assets - Debt instruments

The Company classifies financial assets - debt instruments as financial assets that are subsequently to be measured at either amortised cost or fair value in accordance with the Company's business model for managing on the financial assets and the contractual cash flow characteristics of the financial assets, based on the facts and circumstances as of the date these financial reporting standards were initially adopted. Classifications are as follows:

- Financial assets measured at amortised cost, when both of the following conditions are met: the financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets measured at fair value through other comprehensive income, when both of the following conditions are met: the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss, when the financial asset is held within a business model whose objective is not to hold assets in order to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

Financial assets - Equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Company classifies equity instruments as financial assets designated to be measured at fair value through other comprehensive income.

The Company's management reviewed and assessed existing financial assets as at 1 January 2020, based on the facts and circumstances that existed at that date, and concluded that the following significant changes were required to classification and measurement of the Company's financial assets, as follows:

- Termination of the former classification of investments in debt instruments as held-to-maturity and available-for-sale, and investments in equity instruments as available-for-sale and general investments.
- Classification of all investments in held-to-maturity debt instruments as financial assets measured at amortised cost.
- Classification of available-for-sale debt instruments as financial assets measured at fair value through other comprehensive income.
- Classification and measurement of investments in equity instruments of non-listed companies which classified before as general investment as financial assets designated to be measured at fair value through other comprehensive income.
- Classification and measurement of investments in available-for-sale equity instruments of listed companies that were measured at fair value through other comprehensive income as financial assets designated to be measured at fair value through other comprehensive income, as before.

- Classification and presentation of loans purchased of receivables that are held to generate contractual cash flows and receipts of principal and related interest as loans purchased of receivables and accrued interest receivables and subsequently measured at amortised cost.
- Classification and presentation of installment sale receivables that are held to generate contractual cash flows and receipts of principal and related interest as installment sale receivables and subsequently measured at amortised cost.

Classification and measurement of financial liabilities

The adoption of these standards does not have an impact on the Company's classification of financial liabilities. The Company continues to classify its financial liabilities and measured at amortised cost.

Impairment of financial assets

This TFRS requires entities to estimate the impairment for expected credit loss in place of the incurred loss recognise under the previous accounting policy. It requires that impairment loss on financial assets be recognised using the Expected Credit Loss Model, with a management overlay for the factors which are not captured by the model and designed to be recognise allowance for expected credit loss of all financial assets-debt instruments that are not measured at fair value through profit or loss, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Company applies the purchased or originated credit-impaired approach (POCI) to loans purchased of receivables and a part of advance for expenses on asset acquisition that transfer to loans purchased of receivables. A general approach is applied to calculate expected credit losses on installment sale receivables and other financial assets.

Practices during transitional period

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings or other components of equity as at 1 January 2020, and the comparison information was not restated, as a result, the presentation of 2019 figures cannot be compared with the financial statements for the year 2020.

The cumulative effects of changes in accounting policies is described in Note 7.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases based on the same principles as stated in TAS 17.

The Company has adopted financial reporting standards which the cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020 (if any). Therefore, the comparative information was not restated.

The cumulative effects of changes in accounting policies is described in Note 7.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect only the Thai economy, such as COVID- 19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID- 19 situation” or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations without collateral, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring business. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by the situations that affect Thai economy providing assistance to debtors during the period from 1 January 2020 to 31 December 2021, or until the BOT makes changes with which the entities are ordered to comply. The guidance applies to large-sized debtors, small and medium-sized debtors and retail debtors who have the potential to operate a business or the ability to repay debts in the future and have been impacted directly or indirectly by such situations, taking into account the following considerations:

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020.

- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions.

An entity providing assistance to affected debtors in accordance with the BOT's guidelines applies these following procedures:

- (1) For the provision of assistance to loans that are not yet non-performing (Non-NPL), the Company classifies them as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD. (01) C.380/2563, classification of the debtor remains at the same stage as before.
- (2) For the provision of assistance to non-performing loans (NPL), the Company classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (4) Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- (5) If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Company applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (6) In cases where a general approach is used in determining expected credit losses, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.
- (7) Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

In addition, as at 19 June 2020, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 “Measures to provide additional assistance to small-sized debtors during the COVID-19 phase 2 situation”.

During the year ended 31 December 2020, the Company entered into the scheme to provide assistance to affected debtors. The details of loan purchased of receivables and installment sale receivables debtors with debts are disclosed in Note 12.5 and 13.3, respectively.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company did not decided to apply this temporary relief measures.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Income recognition

- a) Interest income on loans purchased of receivables

Accounting policies adopted since 1 January 2020

The Company has recognised interest on loans purchased of receivables based on the cost of the receivables, net of allowance for expected credit losses, using the credit-adjusted effective interest rate and an accrual basis.

The credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of financial assets that are purchased or originated credit-impaired financial assets. In estimating, the net expected cash inflows reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost and accrued interest of an acquired non-performing loans (NPLs) have been fully amortised, the Company still has the right to claim the payment from debtor under the contract. When such payments are received from a debtor, the Company recognises gain on loans purchased of receivables as an integral part of the interest income. If a debtor's assets were received as a result of an auction of collateral or a transfer of assets for debt settlement, the transferred assets were recorded at the bid price or the price agreed upon with the debtor and to be deducted from the principal of loans purchased of receivables and accrued interest. If the value of the transferred assets exceeded the outstanding loans purchased of receivables, the difference was presented as revaluation of properties for sale so that the value of the asset recorded in the financial statements did not exceed the cost of the loans purchased of receivables. The income was recognised on the date of receipt of the transferred assets.

Accounting policies adopted before 1 January 2020

The Company recognised interest income on non-performing loans that were acquired or transferred from other financial institutions when payment was received from the debtors, with separation into two groups as follows:

(1) NPLs with debt restructuring or debt compromise agreements

The Company recognised interest income when payment is received from the debtors based on the individual rate of return approach, whereby the rate of return is calculated on the basis of the projected cash flows from each acquired receivable, with reference to the debt restructuring or compromise agreements. In cases where an agreement required assets to be transferred to settle debt, the Company's estimate the value of the assets to be transferred as the projected cash inflow for the purpose of calculating the individual rate of return. However, if the debt restructuring agreement required the auction of a collateral asset, the Company did not include the estimated receipt in the cash flow projection due to uncertainty regarding the value to be received.

The Company recognised interest income, which was calculated based on the overdue period from the date of execution of the debt restructuring or compromise agreement or from the date of the latest receipt of payment to the date payment was received, using the rate of return mentioned above. The amount of interest income recognised was not to exceed the amount of payment received from the debtor, with any difference after the recognition of interest income to be deducted from the principal amount of loans purchased of receivables.

(2) NPLs without debt restructuring or compromise agreements

Debt settlement received from a debtor under any circumstances (cash received from a debtor as settlement or receipts from the auction of collateral assets) was fully deducted from the principal. When the amount received exceeded the cost of loans purchased of receivables, the difference was presented as gain on receivables. The Company recognised these items as described below:

- When cash was received from the debtor, the income was recognised on the date the payment was received.
- If collateral of a debtor was put up for auction by the Legal Execution Department, the Company recorded the reduction of debt on the date when the buyer completed making payment to the Legal Execution Department and recorded the accrued income from the auction sale by the Legal Execution Department as an account receivable.

b) Interest income on installment sale receivables

Since 1 January 2020, the Company has recognised interest on installment sale receivables on an accrual basis throughout the contract period, based on the outstanding principal balance and using the effective interest rate (Effective interest method). The effective interest rate is the discount rate that estimates future cash flows over the expected life of financial instrument. The Company continues to recognise interest income net on installment sale receivables that later become credit-impaired using the effective interest rate method, (the outstanding balance minus allowance for expected credit losses). Subsequently, if the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross carrying amount. (Prior to 1 January 2020, the Company recognised interest on installment sale receivables on a cash basis, using the effective interest rate).

The Company recognised gain on installment sale receivables when the aggregate amount of cash received (principle plus accrued interest receivable) from the debtor is greater than the cost of the properties for sale. The gain recognised is not to exceed the aggregate amount of the cash received.

c) Interest income from cash at financial institutions

Interest income from cash at financial institutions is recognised on an accrual basis and on a time proportion basis, taking into account the actual returns.

d) Interest and dividend income from investments

Interest on investments recognised as income on an accrual basis, taking into account the effective interest rate. Dividend income on investments is recognised when the right to receipt of dividend is established.

e) Gain (loss) on trading in securities

Gain (loss) on investment are recognised as income or expenses on the transaction date.

4.2 Expense recognition - Interest expenses

Interest expenses are recognised on an accrual basis, using the effective interest rate which included expenses incurred directly in generating the notes payable and loans. In cases where interest is already included in the notes payable, interest is recognised as deferred interest payable and amortised to expenses over the tenor of the notes.

4.3 Financial assets - Investments in securities

Accounting policies adopted since 1 January 2020

The Company has classified investments in securities as financial assets - debt instruments and equity instruments, as follows:

Financial assets - Debt instruments

The Company classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, as follows:

a) Financial assets measured at amortised cost

Investments in debt instruments whose both of the following conditions are met: the financial assets are held within a business model whose objective is to hold in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company recognises these as financial asset measured at amortised cost. These financial assets are initially recognised at fair value on trading date plus transaction costs directly related to the acquisition of the investment.

At the end of reporting period, investments in debt instruments measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company recognises these as financial asset measured at fair value through other comprehensive income. These financial assets are initially recognised at fair value plus transaction costs directly related to the acquisition of the investment.

After initial recognition, gain or loss on changes in fair value are presented as a separate item in other comprehensive income.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statement of financial position net of allowance for expected credit loss (if any).

The company does not classified its financial assets - debt instruemnts as financial asset measured at fair value through profit or loss.

Financial assets - Equity instruments

From the Company's policy, investments are not held for trading but for strategic purposes. Therefore, the Company classified investment in domestic marketable equity instruments as financial assets designated as measured at fair value through other comprehensive income, with the election made by the management irrevocable. Such classification is determined on an instrument-by-instrument basis. These financial assets are initially recognised at fair value plus transaction costs directly related to the acquisition of the investment.

After initial recognition, gain or loss on subsequent changes in fair value of investments in equity instruments are recognised in other comprehensive income.

As the end of reporting period, investment in equity instruments measured at fair value through other comprehensive income are presented in the statement of financial position at fair value.

When investments are the result of debt restructuring or a transfer of assets for debt payment, the Company records the cost of the investment based on the agreed price, provided this does not exceed the book value of the outstanding loans purchased of receivables. If the Company holds more than 20% or 50% of shares but does not have control or influence over the entity, the Company continues to classify the investment in that entity as general investment and it is not presented as investment in an associate or a subsidiary.

Income on investments and gain or loss on disposals of investments

Interest on investments in debt instruments are recognised based on effective interest rate.

Dividend income on investments is recognised in profit or loss, except when the dividends clearly represent a recovery of part of the cost of investments.

Gain or loss on disposal of investments are recognised in profit or loss on the transaction date, except for gain or loss on disposal of investments in equity instruments designated and measured at fair value through other comprehensive income, which are recognised in retained earnings, with no subsequent recycling to profit or loss in income statement.

In cases where there is partial disposal of an investment, the book value per unit to be used in calculating the cost of disposed investment is determined on a weighted average basis.

Expected credit losses are recognised in profit or loss.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated based on the fair value of similar dividend yield in the market or measured at book value of the latest financial statements. The fair value of government bonds and state enterprise securities is calculated using the formula determined by the BOT, which is based on the yield rates quoted by the Thai Bond Market Association or other market or government bond yield rates adjusted with the proper risk depends on situation.

Changes in classification of investments in debt instruments

When there are changes in the Company's business model for management of financial assets, the Company has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date of investment. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income in statement of comprehensive income, depending on the classification of the investments.

Accounting policies adopted prior to 1 January 2020

Investments in all types of debt instruments and marketable equity instruments that were classified as available-for-sale securities were presented at fair value. Any changes in the fair value of securities were separately presented in other comprehensive income and were recognised in profit or loss upon disposal of the investment.

Investments in held-to-maturity debt instruments were presented at cost. The Company wrote off surplus/deficit of debt securities based on the individual rate of return, with the amount written off recognised as an adjustment to interest income.

Investments in non-marketable equity instruments over which the Company did not have control, directly or indirectly, were treated as general investment and presented at cost net of allowance for impairment of investments (if any).

The fair value of marketable securities was calculated based on the quoted price at the end of the last business day of the period, while the fair value of debt securities was calculated based on the yield rate announced by the Thai Bond Market Association or other markets, or the yield rate of government bonds adjusted by an appropriate risk value, as appropriate.

The Company recognised impairment loss (if any) on instruments in profit or loss.

Upon disposal of an investment, the difference between the net consideration received and the book value of the investment was recorded in profit or loss. When the disposal was of only part of an investment, the book value per unit to be used in calculating the cost of the disposed investment was determined on a weighted average basis.

4.4 Loans purchased of receivables and accrued interest receivables

The Company's operations involve the acquisition and transfer of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as financial assets that are purchased or original credit-impaired financial assets, and presented at amortised cost. Costs of financial assets that are purchased or original credit-impaired financial assets consist of cash paid for acquiring loans purchased of receivable (the fair value on the transaction date is nearly or equal to the acquisition price), advances for legal expenses, debt collection fee, and insurance fee or others which will be transferred to an obligation of debtors. These expenses will reimburse from debtors when repayment is received from debtors.

Loans purchased of receivables are presented at amortised cost including accrued interest receivables deducting expected credit losses or allowance for doubtful accounts (if any).

4.5 Allowance for expected credit losses/allowance for doubtful accounts

Accounting policies adopted since 1 January 2020

Allowance for expected credit losses for loans purchased of receivables

The Company applies the purchased or originated credit-impaired financial asset approach for loans purchased of receivables, as well as advance for expenses on asset acquisition which the portion transferred to an obligation to the debtor.

The Company records allowance for expected credit losses when there are changes in the estimated cash inflows expected from debtors, discounting the projected cash flows with reference to historical data and adjusted to reflect current observable data as well as forward looking information that is supportable and reasonable, provided it can be shown to be statistically related. Making such estimates involve the appropriate exercise of judgement using current macroeconomic scenarios and assessments of both the current situation and future economic scenarios used in calculating the expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating the impact of changes in the current macroeconomic scenario on expected credit losses. However, the Company has established a process to review and monitor the methodologies, assumptions and forward-looking macroeconomic scenarios on a regular basis. In addition, expected credit loss also include a management overlay.

The Company recognises amounts of change in expected credit losses over the expected lifetime as impairment gain or loss in profit or loss. The Company is required to recognise positive changes in expected credit loss over the expected lifetime as impairment gain, to the extent that does not exceed the lifetime of expected credit loss recognised in the past.

Allowance for expected credit losses on other financial assets

The Company uses general approach to calculate allowance for expected credit losses on other financial assets, such as cash at financial institutions, investments in debt instruments measured at amortised cost, installment sale receivables and accrued interest receivables, accrued income from auction sales, employee benefit receivables and accrued interest receivables, and advance for expense on asset acquisition which transferred to accrued income from auction sale.

The Company classifies the financial assets into three groups (three-stage approach) to measure the allowance for expected credit losses, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets with no significant increase in credit risk since the initial recognition date, the Company recognises expected credit loss at an amount equal to 12-month expected credit loss. For financial assets with maturity of less than 12 months, the Company uses a probability of default that corresponds to remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increase in credit risk since the initial recognition date but that are not credit-impaired, the Company recognises the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as credit impaired when one or more events expected to have a detrimental impact on the estimated future cash flows of the asset occur. The Company recognises the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of each reporting period, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of expected default on the financial assets as at reporting date with the risk of default as at the initial recognition date. For the evaluation, the Company may use internal qualitative or quantitative criteria of the Company as a basis for assessing a decrease in credit quality, such as debtors overdue for more than 30 days, follow up duration of debt repayment for debt restructuring. Evaluations of whether credit risk has increased significantly since the initial recognition date may be conducted individually or collectively for groups of financial assets.

Financial assets are considered to be credit-impaired when one or more events occurs affecting the estimated future contractual cash flows of the counterparties. Evidence that financial assets are credit-impaired includes being overdue for more than 90 days or indications that debtors are facing significant financial difficulties, breaches of contract, the legal status, renegotiation of terms of repayment or debt restructuring.

Loan purchased of receivables that have been renegotiated or modification of terms related to contractual cash flows due to the borrower's financial difficulties are considered to be financial assets with a significant increase in credit risk or credit-impaired, unless there is an evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company will change from recognising expected credit loss over the expected lifetime to recognising the 12-month expected credit loss.

The expected credit losses estimates using probability of lifetime ECLs of financial assets based on present value of not receiving expected cash flows. The Company considers historical loss experience, adjusted to reflect current observable data as well as forward looking scenarios that is supportable and reasonable, provided it can be shown to be statistically related. Making such estimates involves the appropriate exercise of judgement using current macroeconomic scenarios and assessments of both the current situation and future economic scenarios used in calculating the expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating the impact that changes in relate macroeconomic scenario will have on expected credit losses. However, the Company has established a process to review and monitor the methodologies, assumptions and forward-looking macroeconomic scenarios on a regular basis. In addition, expected credit loss also include a management overlay.

The increase (decrease) in an allowance for expected credit losses is recognised as an expense during the year in profit or loss.

The Company has policy to write-off bad debts when the payment expected not to be collected from debtors.

Accounting policies adopted prior to 1 January 2020

Allowance for doubtful accounts

The Company provided allowance for doubtful accounts of loans purchased of receivables by adopting Regulations on Assets Classification and Provisioning of Financial Institutions in accordance with the Notifications of the BOT No. Sor Nor Sor. 5/2559, dated 10 June 2016, adjusted to be applicable to the Company's transactions. Under these regulations, debts are mainly classified by the overdue period and adjusted to reflect the additional amount of payment expected not to be collected from the debtors, using analysis and assessment of the status of the debtors based on experience considering risk factors and collateral value. Classification criteria are as follows:

Classification	Overdue period	Basis of allowance for doubtful accounts
Class 1 Pass	0 - 30 days	Allowance for doubtful accounts is set at the highest of any of the following values: 1) 100% of the difference between loans purchased of receivables (if higher) and the lowest of 90% of the collateral value, or the mortgage value, or the balance of debt obligation, or 2) The difference between loans purchased of receivables (if higher) and the expected future cashflows from debt restructuring discounted to present value by using the interest rate under the debt restructuring agreement (MLR).
Class 2 Special mention	31 - 90 days	
Class 3 Sub-standard	91 - 180 days	Allowance for doubtful accounts is set at the highest of 100% of the difference between loans purchased of receivables (if higher) and the lowest of the present value of the cashflows expected to be received from disposal of collateral (discounted according to debtor aging and status) and the mortgage value, or the balance of debt obligation.
Class 4 Doubtful	181 days - 12 months	
Class 5 Doubtful of loss	over 12 months	

All newly acquired NPLs are classified as doubtful of loss (Class 5) as they were formerly NPLs of financial institutions and the Company has not taken any action on such NPLs. Subsequently, if debt restructuring agreements are made with the debtors, the Company will reclassify them, and classified as doubtful of loss (Class 5) or doubtful (Class 4) or substandard (Class 3). If debtors are able to comply with the debt restructuring agreements for the longer of at least three consecutive months or three consecutive repayment installments, they will be upgraded to normal (Class 1).

The increase (decrease) in allowance for doubtful accounts is recognised in expenses during the year.

4.6 Installment sale receivables and accrued interest receivables

Installment sale receivables arise from sales of properties for sale on an installment basis. The Company records differences between the selling price and the cost of the properties for sale as deferred gross margin from installment sales and recognises it as income from installment sales when the aggregate amount of cash received from the debtor exceeds the cost of the properties for sale.

Installment sale receivables are presented at the outstanding of a contractual value, including accrued interest receivables, net of allowance for expected credit losses.

4.7 Financial assets with modifications of terms/ Debt restructuring

Accounting policies adopted since 1 January 2020

Since 1 January 2020, when a financial asset's terms of repayment are renegotiated or modified or debt is restructured or existing financial assets are replaced with new financial assets because the debtor is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit losses, as follows:

- a) If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises loss on modification of terms in profit or loss, which presented as partial of expected credit losses.
- b) If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and fair value of the new financial asset is recognised in profit or loss, which presented as partial of expected credit losses.

In cases where loans purchased of receivables with debt restructuring agreement continue to be treated as purchased or originated credit-impaired receivable from initial recognition. For installment sale receivables with debt restructuring agreement, if they do not meet the criteria for derecognition as of the restructuring date they continue to be classified as financial assets with significant increases in credit risk (stage 2) or as financial assets that are credit-impaired (stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for not less than 12 months from the date of the restructuring. At that point, they can be reclassified as financial assets with no significant increase in credit risk (stage 1). If those debtors meet the criteria for derecognition as of the restructuring date, they are also classified as financial assets with no significant increase in credit risk (stage 1).

Accounting policies adopted prior to 1 January 2020

If debt restructuring is one that involves the Company relaxing debt payment conditions, the Company calculates the fair value of the post-restructuring debt based on the present value of the cash flows expected to be received in future discounted by the interest rate under the agreement (MLR). When the fair value so calculated is lower than the previously recorded balance of the debt, the difference is recognised as allowance for doubtful accounts and fully expensed in profit or loss in the statement of profit or loss and other comprehensive income in the period in which the debt is restructured. The allowance for doubtful accounts reviewed using the present value of the cash flows expected to be received over the remaining period of the agreement and adjusted with doubtful accounts.

If a debt restructuring is one in which the Company accepts the transfer of assets or equity interests, the Company records the costs of the assets or the equity interests received as the agreed values but not to exceed the accounting value of the outstanding loans purchased of receivables.

Losses on debt restructuring resulting from agreement to reduce the accounting value of outstanding principal are recognised as losses in profit or loss when the debt restructuring takes place.

4.8 Properties for sale

Properties for sale include properties received as a result of acquisitions/transfers from asset management companies and financial institutions, asset transfers by debtors for debt settlement, and auctions of debtors' assets for debt settlement.

Properties for sale received as a result of acquisitions/transfers from asset management companies and financial institutions are presented at the transfer price (acquisition cost) plus transfer expenses incurred to acquire the asset.

The recorded costs of properties for sale acquired from financial institutions through auction for which payment is made in the form of non-interest bearing promissory notes are the cash equivalent price, excluding interest. Differences between the cash equivalent price and the amount payable are presented as deferred interest payable and amortised to expenses throughout the tenor of the promissory notes.

Properties for sale acquired as a result of asset transfers by debtors and properties for sale acquired as a result of auctions of debtors' assets for debt settlement are presented at the lower of cost (based on the transfer price, auction price or purchase price of the assets, but not exceeding the book value of the outstanding loans purchased of receivables on the asset acquisition date), which includes transfer expenses incurred to acquire the assets.

Gain or loss from disposals of properties for sale are recognised in profit or loss in the statement of comprehensive income upon disposal, except for installment sales, which are recognised in accordance with accounting policy in note No. 4.6.

Impairment loss are recognised as expenses in profit or loss in the statement of comprehensive income when they occur.

4.9 Premises and equipment and depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated under the straight-line method over the estimated useful life of each type of asset, as follows:

	Depreciation method	Percentage rate per year
Building	Straight-line	5
Building improvement	Daily straight-line	10 - 15
Equipment	Straight-line	20
Vehicle	Straight-line	20
Computer	Straight-line	33.33

The calculation methods for depreciation, useful life and residual value of the assets are reviewed at least at the end of every period and are adjusted as deemed appropriate.

Depreciation is taken into account in the calculation of operating results. The Company does not calculate depreciation for land and work in process.

Premises and equipment are written off upon disposal or when there is no economic benefits expected from the use or disposal in future. Profit or loss from disposal (difference between net consideration received from disposal of the asset and book value) will be recognised in the part of profit or loss in the statement of comprehensive income.

4.10 Leases

At the inception of the contract, the Company assesses whether a contract is a lease or consists of a lease component. The contract is classified as lease or consists of a lease component if that contract provides the right to control the use of the specified asset for a certain period in exchange for compensation.

The Company recognises right-of-use assets and lease liabilities for all contracts with lease terms of more than 12 months, unless the underlying assets are low in value.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (the date that the underlying asset is ready for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted to reflect any remeasurement of lease liabilities.

Depreciation of right-of-use assets is calculated based on cost, using the straight-line method over the shorter of the lease term or the useful life of the right-of-use assets, which are as follows:

Building and building improvement	6 - 10 years
Intangible assets - computer software	3 years

Unless the Company is reasonably certain that it will obtain ownership of the lease asset at the end of the lease term or the cost of the right-of-use asset includes an option to purchase, depreciation is calculated based on the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the majority of risks and rewards of ownership are not transferred to lessees are considered operating leases. Amounts paid under operating leases are recognised as income in profit or loss by using the straight-line method over the lease term.

4.11 Intangible assets and amortisation

Intangible assets, consist of computer software, are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite life are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at the end of each period. The amortisation and allowance for impairment loss are recognised as expenses in profit or loss in the statement of comprehensive income.

Intangible assets with finite life have approximately five years of useful life and no amortisation is provided for work in process.

4.12 Accrued income from auction sale

Accrued income from auction sale is the result of legal action taken against debtors, where the court has ordered the Legal Execution Department to conduct an auction sale open for bidder. These are divided into two situations, as follows:

a) The successful bidder is an external party

In cases where collateral is auctioned and the successful bidder is an external party, the item is recorded as accrued income from auction sale on the date the buyer makes full payment to the Legal Execution Department, provided that the collateral is under first mortgage only. The Company records the estimated operating expense to be collected by the Legal Execution Department at the rate of 7% of the auction price, presenting it as a deduction from accrued income from auction sale.

b) The successful bidder is the Company, as an external party

In cases where the Company is the buyer of the collateral and has already made full payment to the Legal Execution Department, the item is recognised as accrued income from auction sale at the auction price less the purchase fee of 3.5% of the auction price.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Company performs a review for indications of impairment of its assets and if there are any indications of impairment, the amount is assessed and an impairment loss recognised if the recoverable amount of the asset is less than the carrying amount. Recoverable amount, in this case, is the higher of the asset's fair value less costs to sell and its value in use.

The Company recognises impairment loss as an expenses in profit or loss in the statement of comprehensive income. When assessing asset impairment, if there is any indication that an impairment loss previously recognised may have decreased or may no longer exist, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised and the increase in the carrying amount of an asset attributable to the reversal of an impairment loss is not to exceed what the carrying would have been if no impairment loss had been recognised for the asset in the past. Reversals of impairment loss are recognised immediately in profit or loss.

4.14 Derecognition of financial assets and financial liabilities

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4.15 Related party transactions

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

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

4.16 Income tax

Income tax expense comprises of current tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Prior to 12 December 2019, FIDF held 99.50% of the Company's shares with voting rights, and the Company thus met the criteria for tax exemption on net profit earned from management of non-performing assets acquired or transferred from financial institutions under Royal Decree (No. 362) B.E. 2542 issued under the Revenue Code regarding tax exemption. Therefore, corporate income tax payable is calculated based on the only income that is not generated from its non-performing management asset management activities, namely dividend income, interest income from deposits at financial institutions, and income from disposal of operating assets, computing expenses using an allocation basis and applying tax rate of 20%.

On 12 December 2019, the Company listed its shares on the Stock Exchange of Thailand (SET) and made an initial public offering (IPO), as a result of which the shareholding of FIDF has decreased to 41.46% as result the Company is no longer exempted from corporate income tax. Therefore, since 12 December 2019, the corporate income tax has to be paid on the Company's net income at the normal rate.

Deferred tax

Deferred tax is recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts as at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences and recognises deferred tax assets for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised and the Company is certain about such future utilisation. At each reporting date, the Company reviews the carrying amount of deferred tax assets and reduces that carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Financial liabilities - Debts issued and borrowings

Debts issued and borrowings are initially recognised at the fair value less direct costs related to debts issued and borrowings and subsequently measured at amortised cost, using the effective interest method.

4.18 Employee benefits

Short-term employee benefits

The Company recognised salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the payments it must make to employees upon severance in accordance with labor law and the Company has another long-term employee benefit scheme for its employees, namely that leave days can be carried forward for more than one year.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from defined benefit plans are immediately recognised in other comprehensive income and actuarial gain and loss arising from other long-term benefits are immediately recognised in profit and loss.

4.19 Provisions

Provisions are recognised in the statement of financial position when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Company reviews provisions regularly and records changes in provisions by increasing or decreasing other operating expenses.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date.

The Company applies a quoted market price in an active market to measure those assets and liabilities that are required to be measured at fair value under the relevant financial reporting standards, with the fair value adjusted to appropriately reflect the credit risk of each counter party. However, if there is no active market for a similar asset or liability or a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Allowance for expected credit losses

The management is required to use judgement in estimating the allowance for expected credit losses of financial assets. The allowance for expected credit losses is calculated based on models, use of information, assumption, developed model, and assessments related to the increase in credit risk including the use of forward-looking data. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

5.3 Fair value of financial instruments

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

5.4 Credit-adjusted effective interest rate

The management is required to use judgement in estimating the credit-adjusted effective interest rate. The Company recognised interest income from loans purchased of receivables using rate of return, which is calculated based on the basis of the estimated future cash inflows over the expected life of loans purchased of receivables that have similar characteristics and can be estimated reliably. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

5.5 Allowance for impairment of properties for sale

The Company determines allowance for impairment of properties for sale when the recoverable amount of properties for sale is lower than the carrying amount. The management exercises judgement to estimate the loss on impairment, taking into account the latest appraisal value, the type and the nature of the assets.

5.6 Depreciation

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

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

5.7 Leases

In determining the lease term, the management is required to exercise judgement in evaluating whether the Company is reasonably certain to exercise an option to extend the terms of lease or to cancel the lease, in order to determine the lease term, with the consideration of all relevant facts and circumstances that create an economic incentive for the Company to exercise or not to exercise such options.

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.8 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. The management is required to determine the amount of deferred tax assets that can be recognised, based upon the certainty of the event that will be utilised and the timing and level of estimate future taxable profits.

5.9 Post-employment benefits under defined benefit plans

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

5.10 Provisions for litigation case

The Company has contingent liabilities as a result of litigation. The management is required judgement to assess of the results of the litigation. If the management believes that no loss will result, therefore no contingent liabilities are recorded.

6. Prior year, adjustments relating to the recognition of deferred tax assets

Prior to 12 December 2019, the Company was exempted from corporate income tax under Royal Decree (No. 362) B.E. 2542 issued under the Revenue Code regarding tax exemption, which states that asset management companies in which the Financial Institutions Development Fund (FIDF) holds not less than 95% shareholding shall be exempted from corporate income tax on net profits earned from management of non-performing assets acquired or transferred from financial institutions. On 12 December 2019, the Company listed its shares on the Stock Exchange of Thailand (SET) and made an initial public offering (IPO), causing the shareholding of FIDF to decrease. As a result, the Company is no longer exempted from corporate income tax and, since 12 December 2019, corporate income tax has had to be paid on the Company's net income.

Therefore, on 12 December 2019, the Company recognised deferred tax assets and liabilities for temporary differences relating to impairment of assets, provisions, depreciation and other deferred expenses, since the Company assessed that the temporary differences were highly likely to be able to be utilised to offset profit in the future, and recognised the amount of the deferred tax in the income statement for the year 2019, due to changes of the Company's tax status.

Some deferred tax assets were not recognised in the financial statements on the above date, mainly relating to interest income from loan purchased of receivables and installment sale receivables for the period until the change in the status of the business, because the Company assessed that there remained uncertainty about the future utilisation of the related benefits due to the completeness and correctness of documents to support for the future tax utilise.

However, during the year 2020, the Company reviewed the completeness and correctness of the supporting evidence to ensure these benefits could be utilised in the future. The Company retrospectively adjusted and recognised deferred tax assets in respect of these temporary differences in financial statement for the year ended 2019.

The amount of restated transaction which affect the Company's financial position as at 31 December 2019 and comparative comprehensive income statement for the year then end are presented as follows:

	(Unit: Million Baht)		
	Before restated	Restated	After restated
Financial statement as at 31 December 2019			
Deferred tax assets	491	4,130	4,621
Retained earnings - unappropriated	17,034	4,130	21,164
Statement of comprehensive income			
for the year ended 31 December 2019			
Income taxes revenue	337	4,130	4,467

These adjustments do not have an impact on the statement of cash flows for the year ended 31 December 2019, presented as comparative information, since they do not affect earnings before income tax. The Company does not present comparative financial statements as at 1 January 2019 because the adjustments do not affect deferred tax assets and retained earnings as at 1 January 2019, since the Company was exempted from corporate income tax on net profits earned from management of non-performing loans.

7. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3.1 to the financial statements, during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16 Lease. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of equity as at 1 January 2020. Therefore, the comparative information was not restated.

The amount of adjusted transaction that affect the statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

	The impacts of			
	31 December 2019	TFRS 9	TFRS 16	1 January 2020
	(Restated)			
<u>Statement of financial position</u>				
Assets				
Investments	70	403	-	473
Loans purchased of receivables and accrued interest receivables	77,375	(2,182)	-	75,193
Installment sale receivables and accrued interest receivables	649	2	-	651
Right-of-use assets	-	-	28	28
Deferred tax assets	4,621	402	-	5,023
Accrued income from auction sale	9,596	(226)	-	9,370
Advance for expenses on asset acquisition and others	888	(5)	-	883
Liabilities				
Lease liabilities	-	-	28	28
Equity				
Other components of equity	(65)	322	-	257
Retained earnings - unappropriated	21,164	(1,928)	-	19,236

7.1 Financial instruments

Details of the impact on equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Million Baht)

Other components of equity	
Fair value measurement of investments in non-marketable equity securities	403
Related income taxes	(81)
Impact on other components of equity	322
Retained earnings	
Recognition of expected credit losses on financial assets	
- Loans purchased of receivables	(2,182)
- Installment sale receivables	2
- Advance for expenses on asset acquisition	(5)
Revaluation on accrued income from auction sale	(226)
Related income taxes	483
Impacts on retained earnings	(1,928)

As at 1 January 2020, the classifications, and measurement of financial assets and liabilities in accordance with TFRS 9 compare with the classifications and measurement of the carrying amounts under the former accounting standard, are as follows:

		Classification and measurement in accordance with TFRS 9 as at 1 January 2020		
Classification and measurement in accordance with the former accounting standard as at 31 December 2019		Investment in equity instruments designated to be measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Financial assets				
Cash	5	-	5	5
Interbank and money market items -				
cash at financial institutions	1,379	-	1,379	1,379
Investments	70	473	-	473
Loans purchased of receivables and				
accrued interest receivables	77,375	-	75,193	75,193
Installment sale receivables and				
accrued interest receivables	649	-	651	651
Accrued income from auction sale	9,596	-	9,370	9,370
Advance for expenses on asset				
acquisition and others	888	-	883	883
Other assets				
- Employee benefit receivables and				
accrued interest receivables	51	-	51	51
- Advances for legal expenses	31	-	31	31
Financial liabilities				
Debts issued and borrowings	75,687	-	75,687	75,687
Accrued interest payable	504	-	504	504

The table below presents a reconciliation between the allowance for doubtful accounts as at 31 December 2019, recognised in accordance with accounting standard, the rules of BOT and Thai Accounting Standard No. 105 Accounting for Investments in Debt and Equity Securities, and the allowance for impairment as at 1 January 2020, recognised in accordance with TFRS 9. The changes are the result of remeasuring allowance for expected credit losses in accordance with TFRS 9.

(Unit: Million Baht)

	As at 31 December 2019	Remeasurement	As at 1 January 2020
Allowance for expected credit losses			
- Loans purchased of receivables	6,247	2,182	8,429
- Installment sale receivables	2	(2)	-
- Advance for expenses on asset acquisition	-	5	5
Total	6,249	2,185	8,434

7.2 Leases

Upon initial application of TFRS 16 Leases the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020 as follows:

(Unit: Million Baht)

Operating lease commitments as at 31 December 2019	38
Less: Short-term leases and leases of low-value assets	(9)
Less: Deferred interest expenses	(1)
Increase in lease liabilities due to TFRS 16 adoption as at 1 January 2020	28

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Million Baht)

Computer software	27
Building and building improvement lease	1
Total right-of-use assets	28

8. Classification of financial assets and financial liabilities

(Unit: Million Baht)

	31 December 2020		
	Investment in equity instruments designated to be measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Financial assets			
Cash	-	5	5
Interbank and money market items - deposit at financial institutions	-	7,708	7,708
Investments	451	-	451
Loans purchased of receivables and accrued interest receivables	-	77,726	77,726
Installment sale receivables and accrued interest receivables	-	728	728
Accrued income from auction sale	-	9,801	9,801
Advance for expenses on the asset acquisition and others	-	830	830
Other assets			
- Employee benefit receivables and accrued interest receivables		40	40
- Advances for legal expenses	-	30	30
Financial liabilities			
Debts issued and borrowings	-	87,421	87,421
Accrued interest payables	-	518	518

9. Cash and cash equivalents

As at 31 December 2020 and 2019, cash and cash equivalent items disclosed in the statements of cash flows were as below:

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Cash	5	5
Deposits in transit	8	9
Deposits at domestic banks		
Current and saving deposits	4,199	1,370
Fixed deposits	3,500	-
Total cash and deposits at banks	7,712	1,384
Less: Deposits under guarantee obligation	(4)	(4)
Cash and cash equivalent items	7,708	1,380

10. Interbank and money market items - cash at financial institutions

	(Unit: Million Baht)		
	31 December 2020		
	Current and saving deposits	Fixed deposits	Total
Deposits in transit	8	-	8
Deposits at domestic banks			
Commercial banks	4,194	3,500	7,694
Specialised financial institutions	5	-	5
Accrued interest receivables	-	2	2
Total deposit at domestic banks	4,199	3,502	7,701
Less: Allowance for expected credit losses	(1)	-	(1)
Total cash at financial institutions - net	4,206	3,502	7,708

(Unit: Million Baht)

	31 December 2019		
	Current and saving deposits	Fixed deposits	Total
Deposits in transit	9	-	9
Deposits at domestic banks			
Commercial banks	1,360	-	1,360
Specialised financial institutions	10	-	10
Accrued interest receivables	-	-	-
Total deposit at domestic banks	1,370	-	1,370
Total cash at financial institutions	1,379	-	1,379

As at 31 December 2020, savings deposits, current deposits and fixed deposit carried interest at rates of between 0.05% and 0.35% per annum (2019: from 0.125% to 1.10 % per annum). In addition, as at 31 December 2020, the Company had pledged savings deposits of Baht 4 million as a guarantee for electricity use (2019: Baht 4 million).

11. Investments

11.1 Investment classified by investment classification

As at 31 December 2020, investment classified by investment classification as follows:

(Unit: Million Baht)

	31 December 2020		
	Cost	Fair value	Dividend received
Investment in equity instruments designated to be measured at fair value through other comprehensive income			
- Domestic marketable equity securities	312	58	1
- Non-marketable equity securities	170	393	25
Total	482	451	26

As at 31 December 2019, investment classified by investment classification as follows:

(Unit: Million Baht)

	31 December 2019	
	Cost/ Amortised cost	Fair value
Available-for-sale investments		
Domestic marketable equity securities	340	65
Less: Revaluation of investment	(28)	-
Less: Allowance for revaluations	(81)	-
Less: Allowance for impairment	(166)	-
Total	65	65
Held-to-maturity debt securities		
Private debt securities	50	
Less: Revaluation of investment	(50)	
Total	-	
General Investment		
Non-marketable equity securities	715	
Less: Revaluation of investment	(545)	
Less: Allowance for impairments	(165)	
Total	5	
Total investment in securities - net	70	

Since 1 January 2020, the Company has classified investment in domestic marketable equity securities and warrant, which were previously classified as available-for-sale investments, and non-marketable equity securities, which were previously as general investments, as investment in equity instruments designated to be measured at fair value through other comprehensive income. These changes were made to correspond with the objectives of holding the investments.

During the year ended 31 December 2020, the Company sold investment in equity instruments designated at fair value through other comprehensive income. Accumulated gains or losses on derecognition were recognised in retained earnings as follows:

(Unit: Thousand Baht)

	31 December 2020			
		Dividend	Accumulated gains on	Reason of
	Fair value	received	disposal	derecognition
Derecognised investment in equity instruments				
- Domestic marketable equity securities	1,214	-	539	Disposal
- Non-marketable equity securities	80	-	80	Disposal
Total	1,294	-	619	

11.2 Investments in which the Company holds not less than 10 percent of shareholders

As at 31 December 2020 and 2019, investments in securities where the Company holds not less than 10 percent of shareholders and issued, but which were not treated as investments in subsidiaries and associates, classified by the grouped as follows:

(Unit: Million Baht)

	31 December 2020	31 December 2019
	Fair value	Amortised cost less impairment
Investments designated to be measured at fair value through other comprehensive income		
(31 December 2019: General Investment)		
Real estate and construction	8	-
Public utility and service	263	2
Financial intermediary	11	-
Total	282	2

11.3 Revaluation surplus (deficit) on investments

As at 31 December 2020 and 2019, revaluation surplus (deficit) on investments as below:

(Unit: Million Baht)

	As at 31 December	
	2020	2019
Revaluation surplus on investments		
Investment in equity instruments designated to be measured at fair value through other comprehensive income	396	-
Available-for-sale investments - equity instruments	-	17
Total	396	17
Revaluation deficit on investments		
Investment in equity instruments designated to be measured at fair value through other comprehensive income	(95)	-
Available for sale investments - equity instruments	-	(98)
Total	(95)	(98)
Total revaluation surplus (deficit) on investments	301	(81)
Less: Related income taxes	(60)	16
Total revaluation surplus (deficit) on investments - net	241	(65)

Changes in revaluation surplus (deficit) on investments for the year ended 31 December 2020 and 2019 were as follows:

(Unit: Million Baht)

	For the year ended 31 December	
	2020	2019
Beginning balance	(81)	(58)
Cumulative effect from adoption of new financial reporting standards related to financial instruments	403	-
Gains (losses) from revaluation on investments during the year	(20)	(23)
Accumulated gains on derecognition were recognised in retained earnings	(1)	-
Ending balance	301	(81)
Related income tax	(60)	16
Total revaluation surplus (deficit) on investments - net	241	(65)

12. Loans purchased of receivables and accrued interest receivables

12.1 Classified by loan types

As at 31 December 2020 and 2019, loans purchased of receivables were as follows:

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Loans purchased of receivables - at amortised cost	85,922	83,622
Add: Accrued interest receivables	5,047	-
Total loans purchased of receivables and accrued interest receivables	90,969	83,622
Less: Allowance for doubtful accounts	-	(6,247)
Less: Allowance for expected credit losses	(13,243)	-
Total loans purchased of receivables and accrued interest receivables - net	77,726	77,375

Changes in loans purchased of receivables for the year ended 31 December 2020 and 2019 were as follows:

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Loans purchased of receivables beginning balance	83,707	81,804
Add: Additional purchase	10,600	12,810
Less: Disposal receivables	(333)	(13)
Less: Receipt of debt payment and adjustment - net	(7,987)	(10,894)
Loans purchased of receivables before revaluation	85,987	83,707
Less: Revaluation	(65)	(85)
Loans purchased of receivables ending balance	85,922	83,622

As at 31 December 2020 and 2019, the Company had net loans purchased of receivables of Baht 77,726 million and Baht 77,375 million, respectively, while its rights of claim from receivables in the agreements amounted to Baht 484,881 million and Baht 468,831 million, respectively.

12.2 Classified by currency and residency of debtors

As at 31 December 2020 and 2019, all loans purchased of receivables were non-performing loans that were acquired from other financial institutions. All debtors were denominated in baht and the debtors were domiciled both in Thailand and overseas, as follows:

(Unit: Million Baht)

	31 December 2020			31 December 2019		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	85,898	24	85,922	83,598	24	83,622
Total	85,898	24	85,922	83,598	24	83,622

12.3 Classified by loan classification

As at 31 December 2020 and 2019, the loans purchased of receivables and accrued interest receivables classified by classification were as follows:

(Unit: Million Baht)

	31 December 2020	
	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses
Purchased or originated credit-impaired financial assets	90,969	13,243
Total	90,969	13,243

(Unit: Million Baht)

	31 December 2019			
	Loans purchased of receivables and accrued interest receivables	Loans purchased of receivables after deduction of collateral	Rates used for setting allowance for doubtful accounts	Allowance for doubtful accounts
Pass *	4,646	105	100	108
Special-mention *	1,184	18	100	18
Sub-standard	2,631	101	100	101
Doubtful	76	2	100	2
Doubtful of loss	75,085	6,018	100	6,018
Total	83,622	6,244		6,247

* Allowance for doubtful accounts was calculated on the basis described in the Company's accounting policy, which takes into account the present value of the future cash flows expected to be received from debt restructuring.

12.4 Balance of loans purchased of receivables on account, legal right and collateral value

As at 31 December 2020 and 2019, the outstanding balances of loans purchased of receivables and collateral value which was calculated based on to the latest appraisal value before deducting discounts, were as follows:

(Unit: Million Baht)

31 December 2020				
	Debt amounts under original agreements (right obligations)	Loans purchased of receivables (equity obligations)	Collateral value	
			before discount according to the Company's criteria ⁽¹⁾	Collateral value of the Company portion ⁽²⁾
Loans purchased of receivables with debt restructuring				
- 0 - 1 month overdue	12,103	7,203	23,724	11,402
- Overdue 1 - 3 months	2,587	1,821	4,417	2,544
- Overdue 3 - 6 months	1,865	852	4,337	1,824
- Overdue more than 6 months	1,059	518	2,074	798
Total	17,614	10,394	34,552	16,568
Loans purchased of receivables without debt restructuring				
	467,267	75,528	163,728	123,715
Total	467,267	75,528	163,728	123,715
Grand total	484,881	85,922	198,280	140,283

⁽¹⁾ Calculated based on the latest appraisal value from the appraisal value committee (even if the appraisal value was more than 3 years) and, if collateral has been put up for auction sale and has already been purchased, the bid price less estimated expenses will be employed. The collateral value is based on the appraisal value before taking into account the accrued debt obligation and the mortgage value.

⁽²⁾ Calculated based on the latest appraisal value from the appraisal value committee (even if the appraisal value was more than 3 years) and, if collateral has been put up for auction sale and has already been purchased, the bid price less estimated expenses will be employed. The collateral value is based on the appraisal value after taking into account the accrued debt obligation and the mortgage value.

(Unit: Million Baht)

31 December 2019				
	Debt amounts under original agreements (right obligations)	Loans purchased of receivables (equity obligations)	Collateral value before discount according to BOT's criteria ⁽¹⁾	Collateral value after discount according to BOT's criteria ⁽²⁾
Loans purchased of receivables with debt restructuring				
- 0 - 1 month overdue	6,792	4,646	14,361	12,926
- Overdue 1 - 3 months	2,054	1,184	3,734	3,361
- Overdue 3 - 6 months	4,787	2,631	7,947	4,946
- Overdue more than 6 months	1,138	129	1,224	760
Total	14,771	8,590	27,266	21,993
Loans purchased of receivables without debt restructuring	454,060	75,032	164,923	112,545
Total	454,060	75,032	164,923	112,545
Grand total	468,831	83,622	192,189	134,538

⁽¹⁾ Calculated based on the latest appraisal value from the appraisal value committee (even if the appraisal value was more than 3 years) and, if collateral has been put up for auction sale and has already been purchased, the bid price less estimated expenses will be employed. The collateral value is based on the appraisal value before taking into account the accrued debt obligation and the mortgage value.

⁽³⁾ This is calculated by the collateral value less discount according to BOT's criteria, and the collateral value shall not be used in case of the appraisal has occurred longer than 3 years. If collateral has been put up for auction sale and has already been purchased, the bid price less estimated expenses will be employed. Also, the collateral value will be based on the appraisal value before taking into account the accrued debt obligation and the mortgage value.

12.5 Debt restructuring

At the year end, The Company has remaining loans purchased of receivable with debt restructuring agreement as follows:

	31 December 2020		31 December 2019	
	Total debtors	Debtors with debt restructuring	Total debtors	Debtors with debt restructuring - Normal
Number of debtors (debtors)	85,102	7,939	88,333	7,081
Outstanding balance of loans purchased of receivables (Million Baht)	90,969	10,739	83,622	8,912

As at 31 December 2020 and 2019, the Company had no outstanding obligations to provide additional loan facilities of loans purchased of receivables after restructuring.

During the year 2020, the Company relief measures totalled Baht 2,734 million. The receivables under principal holiday scheme or receivables under debt moratorium scheme. As at 31 December 2020, the balance of the receivables under principal holiday scheme of Baht 4 million and the receivables under debt moratorium scheme of Baht 26 million. However, the Company has not entered into the scheme to provide assistance to affected debtors and has elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. As at ending year, the receivables entered into the scheme to provide assistance, are classified as financial asset that are purchased or originated credit-impaired and recognised interest by using the credit-adjusted effective interest rate as the same.

13. Installment sale receivables and accrued interest receivables

13.1 Movement of installment sale receivables during the year as follows:

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
Beginning balances	1,542	1,453
Add: Addition during the year	1,565	474
Less: Received during the year	(763)	(341)
Sale cancellation	(29)	(44)
Ending balances	2,315	1,542
Add: Accrued interest receivables	158	-
Installment sale receivables and accrued interest receivables	2,473	1,542
Less: Deferred gross profit of installment sale receivables	(1,586)	(891)
Allowance for expected credit losses	(159)	-
Allowance for doubtful accounts	-	(2)
Installment sale receivables and accrued interest receivables - net	728	649

13.2 Classified by types classification

As at 31 December 2020, installment sale receivables classified by types classification as follows:

(Unit: Million Baht)

	31 December 2020	
	Installment sale receivables and accrued interest receivables	Allowance for expected credit losses
Financial assets with no significant increase in credit risk	1,326	12
Financial assets with significant increases in credit risk	331	19
Financial assets are credit-impaired	816	128
Total	2,473	159

As at 31 December 2019, installment sale receivables classified by overdue as follows:

(Unit: Million Baht)

	31 December 2019	
	Installment sale receivables	Allowance for doubtful accounts
Not overdue	734	1
Overdue 1 - 30 days	354	-
Overdue 31 - 90 days	288	1
Overdue 91 - 180 days	108	-
Overdue 181 days - 12 months	17	-
Overdue more than 12 months	41	-
Total	1,542	2

13.3 Debt restructuring

At the year end, The Company has remaining installment sale receivables with debt restructuring as follows:

	31 December 2020		31 December 2019	
	Total debtors	Debtors with debt restructuring	Total debtors	Debtors with debt restructuring - Normal
Number of debtors (debtors)	2,583	419	2,123	65
Outstanding balance of installment sale receivables (Million Baht)	2,473	1,096	1,542	747

During the year 2020, the Company has entered into the scheme to provide assistance to affected debtors and has elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy.

During the year 2020, the Company relief measures totalled Baht 376 million. The receivables under principal holiday scheme and receivables under debt moratorium scheme. For all of the aforementioned receivables that the Company relief measures, the period of receivables under principal holiday scheme had been terminated.

14. Properties for sale

Properties for sale consists of immovable and movable assets acquired from debt settlement by debtors and purchased from asset management companies and financial institutions as follows:

(Unit: Million Baht)

	For the year ended 31 December 2020			
	Transfer of properties for debt			Total
	Bid from financial institutions	repayment/ Bid from auction	Non-operation branches	
Immovable assets				
Beginning balance	5,388	26,808	40	32,236
Increase	1,148	7,005	1	8,154
Decrease	(490)	(3,618)	-	(4,108)
Ending balance	6,046	30,195	41	36,282
Movable assets				
Beginning balance	4	348	-	352
Increase	-	9	-	9
Decrease	-	(4)	-	(4)
Ending balance	4	353	-	357
Total ending balance	6,050	30,548	41	36,639
Less: Revaluation				(8,073)
Less: Allowance for impairment				(488)
Properties for sale - net				28,078

(Unit: Million Baht)

	For the year ended 31 December 2019			
	Transfer of properties for debt			Total
	Bid from financial institutions	repayment/ Bid from auction	Non-operation branches	
Immovable assets				
Beginning balance	5,657	20,980	40	26,677
Increase	544	8,060	-	8,604
Decrease	(813)	(2,232)	-	(3,045)
Ending balance	5,388	26,808	40	32,236
Movable assets				
Beginning balance	4	343	-	347
Increase	-	5	-	5
Ending balance	4	348	-	352
Total ending balance	5,392	27,156	40	32,588
Less: Revaluation				(8,191)
Less: Allowance for impairment				(498)
Properties for sale - net				23,899

As at 31 December 2020, the appraisal value of immovable and movable assets for sale were Baht 62,161 million and Baht 410 million, respectively (31 December 2019: Baht 54,647 million and Baht 422 million, respectively).

As at 31 December 2020 and 2019, properties for sale appraised by external appraisers and those appraised by internal appraisers as follows:

(Unit: Million Baht)

	31 December 2020		31 December 2019	
	Cost	Appraised value *	Cost	Appraised value *
Appraised by external appraisers	21,906	38,462	29,059	49,702
Appraised by internal appraisers	14,733	24,109	3,529	5,367
Total	36,639	62,571	32,588	55,069

* The appraisal value present in the above table based on the appraised value before net of any discount and expenses.

15. Premises and equipment

Movement of premises and equipment for the year ended 31 December 2020 and 2019, were as below:

	Land	Buildings	Building improvements	Office equipment	Work in process	Total
<u>Cost</u>						
As at 1 January 2019	778	432	450	612	-	2,272
Additions/transferred in	9	5	27	83	26	150
Disposal/transferred out	-	-	-	(26)	(26)	(52)
As at 31 December 2019	787	437	477	669	-	2,370
Additions/transferred in	3	4	4	39	12	62
Disposal/transferred out	(1)	(2)	(1)	(23)	(2)	(29)
As at 31 December 2020	789	439	480	685	10	2,403
<u>Accumulated depreciation</u>						
As at 1 January 2019	-	246	289	486	-	1,021
Depreciation	-	22	50	60	-	132
Disposals	-	-	-	(26)	-	(26)
As at 31 December 2019	-	268	339	520	-	1,127
Depreciation	-	22	43	62	-	127
Disposals	-	(1)	(1)	(23)	-	(25)
As at 31 December 2020	-	289	381	559	-	1,229
<u>Net book value</u>						
As at 31 December 2019	787	169	138	149	-	1,243
As at 31 December 2020	789	150	99	126	10	1,174
<u>Depreciation charge for the year ended 31 December</u>						
2020						127
2019						132

As at 31 December 2020 and 2019, the Company had certain items of leasehold improvements, equipment and vehicles, which were fully depreciated but are still in use. The original costs before deducting accumulated depreciation of those assets totaled Baht 634 million and Baht 520 million, respectively.

16. Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 were as below:

(Unit: Million Baht)

	Building and building improvement	Computer software	Total
<u>Cost</u>			
1 January 2020 - from adoption of new financial reporting standard	1	27	28
Additions/transfers-in	-	-	-
31 December 2020	1	27	28
<u>Accumulated depreciation</u>			
1 January 2020 - from adoption of new financial reporting standard	-	-	-
Depreciation	(1)	(11)	(12)
31 December 2020	(1)	(11)	(12)
<u>Net book value</u>			
31 December 2020	-	16	16

17. Intangible assets

Movement of intangible assets for the years ended 31 December 2020 and 2019 were as below:

	(Unit: Million Baht)		
	Computer software	Work in process	Total
<u>Cost</u>			
As at 1 January 2019	74	1	75
Additions/transferred in	9	2	11
Transferred out	-	(2)	(2)
As at 31 December 2019	83	1	84
Additions/transferred in	10	2	12
Transferred out	-	(3)	(3)
As at 31 December 2020	93	-	93
<u>Accumulated depreciation</u>			
As at 1 January 2019	62	-	62
Amortisation	6	-	6
Transferred out	-	-	-
As at 31 December 2019	68	-	68
Amortisation	5	-	5
Transferred out	-	-	-
As at 31 December 2020	73	-	73
<u>Net book value</u>			
As at 31 December 2019	15	1	16
As at 31 December 2020	20	-	20
<u>Amortisation charge for the years ended 31 December</u>			
2020			5
2019			6

As at 31 December 2020 and 2019, the Company had certain items of intangible assets, which were fully amortised but are still in use. The original costs before deducting accumulated amortisation of those assets totaled Baht 61 million and Baht 51 million, respectively.

18. Deferred tax assets / income taxes expenses

18.1 As at 31 December 2020 and 2019, the components of deferred tax assets / liabilities arose from the following transactions:

(Unit: Million Baht)

	31 December 2020	31 December 2019	Change in deferred income taxes for the year ended 31 December 2020
	(Restated)		
Deferred tax assets			
Interest income on loans purchased of receivables	1,548	2,441	(893)
Interest income / gain on installment sale receivables	216	79	137
Loss on revaluation of investments	12	88	(76)
Allowance for expected credit losses	1,558	-	1,558
Revaluation of properties for sale	1,714	1,676	38
Allowance for impairment of properties for sale	97	100	(3)
Depreciation of premises and equipment	44	41	3
Revaluation on accrued income from auction sale	21	-	21
Provisions	197	210	(13)
Other liabilities	46	42	4
Total	5,453	4,677	776
Deferred tax liabilities			
Direct expenses on debts issued and borrowings	(74)	(56)	(18)
Total	(74)	(56)	(18)
Deferred tax assets - Net	5,379	4,621	758
Changes in deferred income taxes			
Cumulative effect of change in accounting policies from the adoption of new financial reporting standards as at 1 January 2020			402
Recognised in profit or loss			(364)
Recognised in other comprehensive income			(8)
Total			758

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

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
		(Restated)
Current income tax:		
Corporate income taxes for the year for taxable profit	706	120
Corporate income taxes recognised as deduction in share premium	13	-
Deferred income taxes:		
Deferred income taxes from temporary differences	(364)	7
Deferred income taxes from changes in tax status (Adjusted)	-	(4,594)
Income tax expenses reported in statement of comprehensive income (revenues)	355	(4,467)

Reconciliations between income tax expenses and the product of accounting profits for the years ended 31 December 2020 and 2019 multiplied by the applicable tax rate were as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	2020	2019		
	Taxable profit	Tax-exempted profit	Taxable profit	Total
Accounting profits before income tax	2,196	5,833	379	6,212
Applicable tax rate	20%	-	20%	20%
Accounting profit before tax multiplied by income tax rate	439	-	76	76
Tax effect of non-taxable income and expenses				
- Exemption revenue	(5)	-	(7)	(7)
- Additional expense deductions allowed	(11)	-	(5)	(5)
- Undetectable expenses	1		56	56
Income tax after the changes in tax status in this period	(69)	-	-	-
Deferred income taxes from changes in tax status (Restated)	-	-	(4,587)	(4,587)
Income tax expenses reported in statement of other comprehensive income	355	-	(4,467)	(4,467)

Prior to 12 December 2019, the Company was exempted from corporate income tax under Royal Decree (No. 362) B.E. 2542 issued under the Revenue Code regarding tax exemption, which states that asset management companies in which the Financial Institutions Development Fund (FIDF) holds not less than 95% shareholding shall be exempted from corporate income tax on net profits earned from management of NPAs acquired or transferred from financial institutions. On 12 December 2019, the Company listed its shares on the Stock Exchange of Thailand (SET) and made an initial public offering (IPO), causing the shareholding of FIDF to decrease. As a result, the Company is no longer exempted from corporate income tax and, since 12 December 2019, corporate income tax has had to be paid on the Company's net income at the normal rate.

- 18.3** The amount of income tax recognised in other comprehensive income for the years ended 31 December 2020 and 2019 were summarised below:

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
Related deferred tax loss on		
Valuation of available-for-sale investments	-	16
Loss on valuation of investment in equity instrument designated to be measured at fair value through other comprehensive income	4	-
Actuarial gains (losses)	(12)	18
	(8)	34

19. Accrued income from auction sale

(Unit: Million Baht)

	31 December 2020	31 December 2019
External buyers	7,741	7,378
Less: Estimated auction sale expenses	(554)	(529)
External buyers - net	7,187	6,849
The Company as buyer	2,720	2,747
Accrued income from auction sale	9,907	9,596
Less: Revaluations	(106)	-
Accrued income from auction sale - net	9,801	9,596

As at 31 December 2020 and 2019, accrued income from auction sale classified by aging period were as follows:

(Unit: Million Baht)

	31 December 2020		
	External buyers	Company as buyer	Total
Overdue period			
Within 1 year	2,703	667	3,370
Over 1 year but not over 3 years	2,134	1,457	3,591
Over 3 years but not over 5 years	987	556	1,543
Over 5 years	1,917	40	1,957
Total	7,741	2,720	10,461
Revaluations	76	30	106

(Unit: Million Baht)

	31 December 2019		
	External buyers	Company as buyer	Total
Overdue period			
Within 1 year	1,956	1,136	3,092
Over 1 year but not over 3 years	2,697	1,290	3,987
Over 3 years but not over 5 years	905	320	1,225
Over 5 years	1,820	1	1,821
Total	7,378	2,747	10,125

20. Advance for expenses on asset acquisition and others

As at 31 December 2020 and 2019, advance for expenses on asset acquisition and others were as follows:

(Unit: Million Baht)

	31 December 2020	31 December 2019
Advance for expenses on asset acquisition	212	121
Fees on the asset acquisition	601	764
Transfer expenses	20	1
Common area expense and others	6	2
Less: Allowance for expected credit losses	(9)	-
Total	830	888

21. Other assets

As at 31 December 2020 and 2019, other assets were as follows:

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Prepaid expenses and deferred expenses	22	34
Accrued income, interest and dividend receivables	35	48
Advances for legal expenses	30	31
Employee receivables and accrued interest income receivables	40	51
Others	25	15
Total other assets	152	179

22. Classified assets/asset quality

22.1 As at 31 December 2020, the classified assets of the Company consisted of cash at financial institutions, loans purchased of receivables, installment sale receivables, and other assets. Their classifications in accordance with standard criteria is as follows:

(Unit: Million Baht)

	31 December 2020					
	Interbank and money market items - deposit at financial institutions	Loans purchased of receivables and accrued interest receivables	Installment sale receivables and accrued interest receivables	Accrued income from auction sale	Advance for expenses on asset acquisition	Total
Purchased or originated credit-impaired financial asset	-	90,969	-	-	319	91,288
Financial assets with no significant increase in credit risk	7,709	-	1,326	9,907	520	19,462
Financial assets with significant increases in credit risk	-	-	331	-	-	331
Financial assets that are credit-impaired	-	-	816	-	-	816
Total	7,709	90,969	2,473	9,907	839	111,897

22.2 As at 31 December 2019, the classified assets of the Company consisted of deposit at financial institutions, investments, loans purchased of receivables, installment sale receivables, and properties for sale. Their classifications in accordance with the Bank of Thailand's criteria, including analysis of each type of debtor and assessment of each debtor's status, are as follows:

(Unit: Million Baht)

	31 December 2019					Total
	Cash at financial institutions	Investments	Loans purchased of receivables	Installment sale receivables	Properties for sale	
Classification of assets						
Pass	1,379	-	4,647	1,088	-	7,114
Special-mention	-	-	1,184	288	-	1,472
Sub-standard	-	-	2,631	108	-	2,739
Doubtful	-	-	76	17	-	93
Doubtful of loss	-	429	75,084	41	498	76,052
Total	1,379	429	83,622	1,542	498	87,470

23. Allowance for expected credit losses of financial assets / allowance for doubtful accounts

23.1 As at 31 December 2020, movement of allowance for expected credit losses were classified by type of financial assets as follows:

(Unit: Million Baht)

	31 December 2020					
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit-impaired financial assets	Allowance for doubtful accounts	Total
Interbank and money market items - cash at financial institutions						
Beginning balance	-	-	-	-	-	-
Changes due to adoption of new financial reporting standards	-	-	-	-	-	-
Changes in remeasuring for new allowance for credit losses	1	-	-	-	-	1
Ending balance	1	-	-	-	-	1
Loans purchased of receivables						
Beginning balance	-	-	-	-	6,247	6,247
Changes due to adoption of new financial reporting standards ⁽¹⁾	-	-	-	8,429	(6,247)	2,182
Changes in remeasuring for new allowance for credit losses	-	-	-	4,762	-	4,762
Financial assets purchased or acquired in during the year	-	-	-	400	-	400
Write-off						
Disposal receivables	-	-	-	(330)	-	(330)
Write - off bad debts	-	-	-	(18)	-	(18)
Ending balance	-	-	-	13,243	-	13,243

(Unit: Million Baht)

	31 December 2020					
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Purchased or originated credit- impaired financial assets	Allowance for doubtful accounts	Total
Installment sale receivables						
Beginning balance	-	-	-	-	2	2
Changes due to adoption of new financial reporting standards	-	-	-	-	(2)	(2)
Changes in remeasuring for new allowance for credit losses	2	19	128	-	-	149
Financial assets purchased or acquired in during the year	10	-	-	-	-	10
Ending balance	12	19	128	-	-	159
Advance for expenses on asset acquisition and others						
Beginning balance	-	-	-	-	-	-
Changes due to adoption of new financial reporting standards	-	-	-	5	-	5
Changes in remeasuring for new allowance for credit losses	-	-	-	4	-	4
Ending balance	-	-	-	9	-	9

⁽¹⁾ The beginning balance of allowance for doubtful accounts, which was measured and recognised in accordance with the rules of BOT, are presented as financial assets that are credit-impaired upon initial purchase or acquisition under TFRS9, without restatement of the comparative financial information.

23.2 As at 31 December 2019, allowance for doubtful accounts of loans purchased of receivables were as follows:

(Unit: Million Baht)

	(Unit: Million Baht)					
	31 December 2019					
	Pass	Special- mention	Sub- standard	Doubtful	Doubtful of loss	Total
Beginning balance	184	41	141	-	5,919	6,285
Write-off bad debts	-	-	-	-	(173)	(173)
Increase (decrease) during the year	(76)	(23)	(40)	2	272	135
Ending balance	108	18	101	2	6,018	6,247

24. Debt issued and borrowings

(Unit: Million Baht)

	31 December 2020	31 December 2019
<u>Notes payable</u>		
Short term	1,034	704
Long term	3,789	2,362
Total	4,823	3,066
Less: Deferred interest expense	(315)	(226)
Notes payable Aval expense	(1)	(3)
Total notes payable	4,507	2,837
<u>Borrowings</u>		
Short term	14,503	18,740
Long term	14,295	9,194
Total	28,798	27,934
Less: Deferred borrowing fee	-	-
Total borrowings	28,798	27,934
<u>Debentures</u>		
Short term	7,000	800
Long term	47,170	44,170
Total	54,170	44,970
Less: Debentures issue expense	(54)	(53)
Total Debentures	54,116	44,917
Grand total	87,421	75,688

24.1 As at 31 December 2020 and 2019, interest rates (percentage per annum), maturity dates and interest payment of notes payable and borrowings were as follows:

31 December 2020			
	Interest rate		
	(% p.a.)	Maturity Date	Interest payment
<u>Notes payable</u>			
Short term	0 - 1.90	2021	Interest payment upon maturity
Long term	0 - 1.90	2022 - 2029	Interest payment upon maturity
<u>Borrowings</u>			
Short term	1.45 - 3.55	2021	Interest payment every month-end/upon maturity/ every 3 months/ every 6 months
Long term	2.225 - 3.55	2022 - 2024	Interest payment every month-end/upon maturity/ every 3 months/ every 6 months

31 December 2019			
	Interest rate		
	(% p.a.)	Maturity Date	Interest payment
<u>Notes payable</u>			
Short term	0 - 2.25	2020	Interest payment upon maturity
Long term	0 - 0.86	2021 - 2026	Interest payment upon maturity
<u>Borrowings</u>			
Short term	1.95 - 3.76	2020	Interest payment every month-end/upon maturity/ every 3 months/ every 6 months
Long term	2.65 - 3.76	2021 - 2023	Interest payment every month-end/upon maturity/ every 3 months/ every 6 months

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio ,debt service coverage ratio at the rate prescribed in the agreements, Interest bearing debt to equity.

24.2 As at 31 December 2020 and 2019, the Company had in name-registered, unsubordinated and unsecured debentures without a debenture holders' representative, issued with a par value of 1,000 Bath per unit, comprising:

		Number						Interest
		issued	Amount issued		Maturity			rate
No.	Series	(million units)	(million Baht)		Issuance date	period	Maturity date	(% p.a.)
			31 December 2020	31 December 2019				
1/2016	3	1.10	1,100	1,100	22 December 2016	7 years	22 December 2023	3.79
1/2017	2	0.80	-	800	23 June 2017	3 years	23 June 2020	2.38
1/2017	3	1.40	1,400	1,400	23 June 2017	5 years	23 June 2022	3.41
1/2017	4	1.40	1,400	1,400	23 June 2017	7 years	23 June 2024	3.64
1/2017	5	1.50	1,500	1,500	23 June 2017	10 years	23 June 2027	3.92
2/2017	2	1.00	1,000	1,000	8 September 2017	4 years	8 September 2021	2.53
2/2017	3	3.80	3,800	3,800	8 September 2017	6 years	8 September 2023	3.44
2/2017	4	3.20	3,200	3,200	8 September 2017	8 years	8 September 2025	3.73
2/2017	5	5.00	5,000	5,000	8 September 2017	10 years	8 September 2027	3.91
1/2018	2	3.00	3,000	3,000	21 June 2018	3 years	21 June 2021	2.50
1/2018	3	0.37	370	370	21 June 2018	7 years	21 June 2025	3.88
1/2018	4	2.40	2,400	2,400	21 June 2018	10 years	21 June 2028	4.30
1/2019	1	3.00	3,000	3,000	18 July 2019	1 year 6 months	18 January 2021	2.30
1/2019	2	3.00	3,000	3,000	18 July 2019	3 years	18 July 2022	2.45
1/2019	3	4.50	4,500	4,500	18 July 2019	5 years	18 July 2024	2.90
1/2019	4	5.00	5,000	5,000	18 July 2019	10 years	18 July 2029	3.60
1/2019	5	3.50	3,500	3,500	18 July 2019	12 years	18 July 2031	3.78
1/2019	6	1.00	1,000	1,000	18 July 2019	15 years	18 July 2034	3.92
1/2020	1	4.05	4,050	-	5 November 2020	2 year 6 months	5 May 2023	2.83
1/2020	2	5.37	5,370	-	5 November 2020	5 years	5 November 2025	3.41
1/2020	3	0.58	580	-	5 November 2020	10 years	5 November 2030	3.92
			54,170	44,970				

24.3 Changes of debt issued and borrowings for the years ended 31 December 2020 and 2019, were as follows:

(Unit: Thousand Baht)				
For the year ended 31 December 2020				
	Beginning balance	Additions	Payment	Ending balance
Notes payable	3,066	5,775	(4,018)	4,823
Borrowings	27,934	41,050	(40,186)	28,798
Debentures	44,970	10,000	(800)	54,170

(Unit: Thousand Baht)

	For the year ended 31 December 2019			
	Beginning balance	Additions	Payment	Ending balance
Notes payable	4,541	5,128	(6,603)	3,066
Borrowings	21,234	49,500	(42,800)	27,934
Debentures	32,200	20,000	(7,230)	44,970

25. Provisions

As at 31 December 2020 and 2019, provisions consisted of:

(Unit: Million Baht)

	31 December 2020	31 December 2019
Provisions for long-term employee benefits	961	1,027
Provisions for litigation cases	26	25
Total	987	1,052

25.1 Provisions for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
Provision for long-term employee benefits at beginning of the year	1,027	744
Included in profit or loss:		
Current service cost	58	60
Interest cost	16	27
Past service costs	-	244
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(43)	7
Financial assumptions changes	16	14
Experience adjustment	(31)	-
Benefits paid during the year	(82)	(69)
Provision for long-term employee benefits at end of the year	961	1,027

Actuarial assumption was summarised below:

	(Unit: % per annum)	
	31 December 2020	31 December 2019
Discount rates	1.71	2.84
Salary incremental rates	7.00	8.00
Inflation rate	2.75	2.50
Turnover rate	0.57 - 6.88	0 - 8

As at 31 December 2020, the Company expected to pay approximately Baht 65 million on employee benefits within the year.

As at 31 December 2020, the weighted average durations of payment for long-term employee benefit were approximately 14 years (2019: 12.8 years).

The impacts of changes in significant assumptions on the present value of long-term employee benefits as at 31 December 2020 and 2019 were summarised below.

	(Unit: Million Baht)			
	31 December 2020			
	Liabilities increase		Liabilities decrease	
Discount rate	Decrease 1%	85	Increase 1%	73
Salary increase rate	Increase 1%	89	Decrease 1%	79
Turnover rate	Decrease 20%	16	Increase 20%	15

	(Unit: Million Baht)			
	31 December 2019			
	Liabilities increase		Liabilities decrease	
Discount rate	Decrease 1%	89	Increase 1%	77
Salary increase rate	Increase 1%	114	Decrease 1%	100
Turnover rate	Decrease 20%	8	Increase 20%	8

Moreover, the Company established Sinthavi Provident Fund, which was registered on 13 May 1999, as another type of welfare for its employees, with BBL Asset Management Co., Ltd. as the Fund manager. K Master Pooled Fund, registered on 1 May 2014, with Kasikorn Asset Management Co., Ltd. as the Fund manager. To provide the choices for the employees, the Fund allows members to select more than one investment policy to meet their best individual requirements. According to the Fund's rules, the Company's employees could voluntarily apply for Fund membership upon after they are employed as permanent employee. Fund members have to make monthly contributions to the Fund at rates of 3% - 15% of their monthly salary depending on their years of service and employees will obtain benefits in accordance with the Fund's rules.

During the year ended 31 December 2020, the Company's contributions to the provident funds totaling Baht 98 million which is treated as expenses in the income statement (2019: Baht 97 million).

25.2 Provisions for litigation cases

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
Beginning balances	25	25
Additional provisions	11	-
Less provisions	(10)	-
Ending balances	26	25

26. Accrued interest payables

(Unit: Million Baht)

	31 December 2020	31 December 2019
Promissory notes	4	7
Borrowings	19	52
Debentures	495	445
Total	518	504

27. Lease liabilities

The Company has entered into lease agreements to lease buildings, building improvements and computer software for the Company's operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3-10 years.

Balances of lease liabilities as at 31 December 2020, were summarised below:

	(Unit: Million Baht)
	31 December 2020
Lease liabilities	14
Less: Deferred interest expenses	-
Lease liabilities	14

The maturity analysis of lease liabilities of the Company is presented below:

	(Unit: Million Baht)			
	As at 31 December 2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Undiscounted lease payments	-	14	-	14
Deferred interest expenses	-	-	-	-
Lease liabilities	-	14	-	14

The Company has total cash outflows for leases during for the year ended 31 December 2020 of Baht 14 million and expenses related lease agreements which was recognised in statement of comprehensive income for the year ended 31 December 2020 by Baht 12 million.

28. Other liabilities

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Tax payable	323	346
Accrued expenses	280	739
Deposit and marginal deposit	42	107
Liabilities between Bangkok Commerce Plc. and the Company	19	19
Suspense account and clearing cheque	111	80
Suspense account for debt repayment	144	137
Financial institutions creditors selling right to claim	370	-
Others	44	51
Total	1,333	1,479

As at 31 December 2020 and 2019, deposits and marginal deposits were deposits from sale of properties for sale amounting Baht 31 million and Baht 95 million, respectively.

As at 31 December 2020, financial institutions creditor selling right to claim totaling 370 millions baht was the outstanding amount payable for Purchased of NPLs under the asset transfer agreement dated December 16, 2020 with 25% of the payment by cash on the execution date thereof and the remaining payable by promissory notes within 16 March 2021.

29. Share capital

The Company's Extraordinary General Meeting of Shareholders (EGM) no. 1/2562 held on 2 August 2019 had a resolution of approving and confirming the allotment of 510 million additional common shares of the Company with a par value of 5 Baht per share, as earlier approved at the EGM no. 1/2561 held on 27 June 2018. The allotment of the additional shares as approved by the EGM were as follows:

1. Up to 280 million new common shares for the initial public offering (IPO), which includes, but is not limited to, the shares to be set aside for offering and allotment to key investors through private placements.
2. Up to 230 million new common shares for offering to over-allotment agent to accommodate the exercise of rights to over-allotted shares under the over-allotment plan (if any)

In December 2019, the Company was offering 280 million common shares with a par value of 5 Baht per share, totalling Baht 1,400 million, to be sold through the IPO at an offering price of 17.50 Baht per share, making a total capital increase of Baht 4,900 million with shared premium (net of share offering expenses amount Baht 101 million) of Baht 3,399 million, therefore, the Company increased its issued and paid-up capital to Baht 15,075 million.

Furthermore, on 14 January 2020, the Company issued 217 million additional of common shares with a par value of 5 Baht per share and the offering price of 17.50 Baht per share to be sold for private placement based on over-allotment option, totalling Baht 3,798 million with a shared premium of Baht 2,645 million (net of share offering expenses of Baht 68 million). The Company registered the increase of its capital from Baht 15,075 million to Baht 16,160 million with the Ministry of Commerce on 16 January 2020.

As at 31 December 2020 and 2019, the Company had registered and paid-up capital as follows:

	For the year ended 31 December 2020		For the year ended 31 December 2019	
	Number of shares	Amount	Number of shares	Amount
	(Million shares)	(Million Baht)	(Million shares)	(Million Baht)
<u>Registered capital</u>				
Registered capital at beginning of the year	3,245	16,225	3,245	16,225
Registered capital at end of the year	3,245	16,225	3,245	16,225
<u>Issued and paid-up capital</u>				
Issued and paid-up capital at beginning of the year	3,015	15,057	2,735	13,675
Capital increase in the amount of 280,000,000 ordinary shares at par value of Baht 5 per share	-	-	280	1,400
Capital increase in the amount of 217,042,300 ordinary shares at par value of Baht 5 per share	217	1,085	-	-
Issued and paid-up capital at end of the year	3,232	16,160	3,015	15,075

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure to support its business and maximise shareholder value. As at 31 December 2020, the Company's debt-to-equity ratio was 2.16:1 (2019: 1.91:1)

32. Interest income

		(Unit: Million Baht)	
		For the year ended 31 December	
		2020	2019
Loans purchased of receivables			
- Interest income - part of amount received	840	1,518	
- Interest income - part of accrued receivable	5,047	-	
- Interest income/gain on loans purchased of receivables	3,835	7,450	
Total loans purchased of receivables	9,722	8,968	
Cash at financial institutions	5	16	
Investment in securities	1	34	
Revaluation on accrued income from auction sale	119	-	
Installment sale receivables	95	108	
Others	4	14	
Total interest income	9,946	9,140	

Interest income for the year ended 31 December 2020 including interest income from loan purchased of receivables amounting are not receive payment to Baht 5,047 million, which the Company recognised an accrual basis following the Company's accounting policy. However, the Company recognised expected credit loss for these interest amounting to Baht 4,755 million.

33. Interest expenses

(Unit: Million Baht)

	For the year ended 31 December	
	2020	2019
Debts issued - debentures	1,571	1,270
Debts issued - promissory notes	100	225
Borrowings	720	637
Total interest expenses	2,391	2,132

34. Expected credit losses

Expected credit losses and gains (losses) from the modification of terms for financial assets for the year ended 31 December 2020 were as follows:

(Unit: Million Baht)

	For year ended 31 December 2020
(Reversal) expected credit losses	
- Loans purchased of receivables	407
- Loans purchased of receivables - accrued interest receivables	4,755
- Installment sale receivables	159
Interbank and money market items - cash of financial institutions	1
Gain on transfer of receivable	(8)
Advance for expenses on asset acquisition and others	4
Gain (loss) from debt restructuring of installment sale receivables	(119)
Total	5,199

35. Bad debts and doubtful accounts

(Unit: Million Baht)

	For year ended 31 December 2019
Bad debts and doubtful accounts	
- Loans purchased of receivables (reversal)	135
Total	135

36. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares during the year.

37. Dividend paid

Dividend	Approved by	Dividend Paid (Million Baht)	Dividend Paid per share (Baht)
Interim Dividend	Company's Board of Directors' Meeting No. 5/2020 On March 26, 2020	3,394	1.05
		<u>3,394</u>	
Special Dividend	Extraordinary General Meeting No. 3/2019 on November 12, 2019	13,000	4.7532
Dividend for the year 2018	Annual General Meeting On April 5, 2019	3,121	1.1413
		<u>16,121</u>	

38. Related party transactions

38.1 Nature and relationships

For the purposes of the preparation of the financial statements, related persons or parties of the Company are persons or parties over which the Company has both direct and indirect control or significant influence with respect to their financial and managerial decisions, or which are under common control or significant influence with the Company. Such relationships may be on an individual basis or a corporate basis. When considering each related party transaction, the Company focuses more on the substance of the relationship than its legal form.

Relationships between the Company and related parties are as follows:

List of related entities	Relations with the Company
Financial Institutions Development Fund	Major shareholder
Krungthai Bank Plc.	Common shareholders
Krungthai-AXA Life Insurance Plc.	Common shareholders
Krungthai Panich Insurance Plc.	Common shareholders
Bahoma Co., Ltd.	Related company
Sahathorn Co., Ltd.	Related company
Big SPV Co., Ltd.	Related company
Ariyawit Co., Ltd.	Related company

38.2 Outstanding balances and significant transactions during the year

During the year, the Company had significant business transactions with related parties. Such transactions were in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. A summary of related parties transactions is below.

(Unit: Million Baht)

	For the year ended 31 December		Pricing policy
	2020	2019	
<u>Common shareholders</u>			
Interest expenses	147	59	As in the prospectus or as mutually agreed
<u>Related company</u>			
Dividend income	25	37	As mutually agreed
<u>Major shareholder</u>			
Fee paid instead of shareholder	-	14	As actual paid

As at 31 December 2020 and 2019, the outstanding balances of the accounts between the Company and those related companies were as follows:

(Unit: Million Baht)

	31 December 2020	31 December 2019
<u>Common shareholders</u>		
Cash at financial institutions	30	11
Debt issued and borrowings - Notes payable and borrowings	2,511	1,428
Debt issued and borrowings - Debentures	3,392	1,009
Accrued interest payables	17	4
<u>Related company</u>		
Investments in securities	271	2
Other assets - accrued dividends	24	36
<u>Related persons</u>		
Debt issued and borrowings - Debentures	13	-

38.3 Movements of debt issued and borrowing from related parties

Movements of debt issued and borrowings transactions between the Company and related parties for the years ended 31 December 2020 and 2019 were as follows:

(Unit: Million Baht)

	For the year ended 31 December 2020			
	Beginning	Increase	Decrease	Ending
	Balance			Balance
Debts issued and borrowings				
Krungthai Bank Plc.	1,658	6,675	(4,729)	3,604
Krungthai-AXA Life Insurance Plc.	749	1,528	(53)	2,224
Krungthai Panich Insurance Plc.	30	45	-	75
Related persons	-	13	-	13
Total	2,437	8,261	(4,782)	5,916

(Unit: Million Baht)

	For the year ended 31 December 2019			
	Beginning	Increase	Decrease	Ending
	Balance			Balance
Debts issued and borrowings				
Krungthai Bank Plc.	1,644	6,144	(6,130)	1,658
Krungthai-AXA Life Insurance Plc.	532	720	(503)	749
Krungthai Panich Insurance Plc.	30	-	-	30
Total	2,206	6,864	(6,633)	2,437

39. Management's remuneration

For the years ended 31 December 2020 and 2019, the Company has management remuneration paid to their key management personal. In accordance with TAS 24 (Revised 2019) Related Party Disclosures, requires an entity disclose key management personnel compensation. Key management personal are directors, executive vice presidents and higher level and executive vice president in accounting or finance departments, were as follows:

(Unit: Million Baht)

	For the years ended 31 December	
	2020	2019
Short-term employee benefits	82	109
Post-employment benefits	10	23
Total	92	132

40. Segment information

The Company's operations are mainly asset management business and these operations are mainly carried on in Thailand. The segment information are presented in comply with the Company's internal report, which the chief operating decision maker is regularly reviewed for the allocation of resources to operating segment and assessed performance. The Company has set operating segments based on its products and services as follows:

1. Acquisition and transfer of NPLs from financial institutions for management, mainly through settlement negotiation practices to generate settlements that optimise mutual benefit.
2. Acquisition and transfer of NPAs from financial institutions, transfers of assets from debt settlement and purchase of collateral at auction from the Legal Execution Department, with an emphasis on adding value by improving and developing properties to a good condition, ready for occupancy, so that they satisfy the needs of the target group of customers.

40.1 Financial position classified by operating segments as at 31 December 2020 and 2019 as below:

(Unit: Million Baht)

	31 December 2020		
	Asset Management		
	NPAs and investment in		
	NPLs	securities	Total
Investment	-	451	451
Loans purchased of receivables and accrued interest receivables	77,726	-	77,726
Installment sale receivables and accrued interest receivables	-	728	728
Properties for sale	-	28,078	28,078
Total	77,726	29,257	106,983
Non-allocated assets			25,087
Total			132,070

(Unit: Million Baht)

	31 December 2019		
	Asset Management		
	NPAs and investment in		
	NPLs	securities	Total
Investment	-	70	70
Loans purchased of receivables	77,375	-	77,375
Installment sale receivables	-	649	649
Properties for sale	-	23,899	23,899
Total	77,375	24,618	101,993
Non-allocated assets			17,926
Total			119,919

The Company does not classify the liabilities into operating segments.

40.2 Operating results classified by operating segments for the years ended 31 December 2020 and 2019 as below:

(Unit: Million Baht)

	For the year ended 31 December 2020		
	NPAs and investment in		
	NPLs segment	securities segment	Total
Interest income	9,841	100	9,941
Interest Income - deposits at domestic banks	-	5	5
Total interest income	9,841	105	9,946
Gain on sale of properties for sale	-	2,015	2,015
Gain on installment sale	-	404	404
Total income	9,841	2,524	12,365
Other operating income			79
Interest expenses			(2,391)
Operating expenses			(2,658)
Expected credit losses			(5,199)
Profit from operating before income tax expenses			2,196
Income tax expenses			(355)
Net profit			1,841

(Unit: Million Baht)

	For the year ended 31 December 2019		
	NPAs and investment in		Total
	NPLs segment	securities segment	
			(Restated)
Interest income	8,968	156	9,124
Interest Income- deposits at domestic banks	-	16	16
Total interest income	8,968	172	9,140
Gain on sale of properties for sale	-	2,907	2,907
Gain on installment sale	-	94	94
Total income	8,968	3,173	12,141
Other operating income			95
Interest expenses			(2,132)
Operating expenses			(3,757)
Bad debts and doubtful accounts			(135)
Profit from operating before income tax expenses			6,212
Income tax revenues			4,467
Net profit			10,679

40.3 Information on geographical region

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain to the aforementioned reportable geographical area.

40.4 Major customers

For the year ended 31 December 2020, the Company has no income from major customer with revenue of 10 percent or more of an entity's revenues (2019: one major customer is amount of Baht 3,564 million) respectively arising from operating of non-performing loans (NPLs) segment).

41. Obligations on operating lease

The Company has entered into operating lease in relation to lease of land, building space, and office equipment. The terms of the agreements are within 1 year.

As of 31 December 2020, the Company has future minimum payment required under the non-cancellable operating lease contracts (apart from the presentation is lease liabilities) within one year and the underlying asset is low value is amount of totaling Baht 0.1 million.

42. Guarantee

As at 31 December 2020 and 2019, the Company has an outstanding letter of guarantee of Baht 4 million issued by the bank on behalf of the Company in order to guarantee electricity usage and others.

43. Contingent liabilities

As at 31 December 2020, the Company has been sued for compensation totaling Baht 498 million (2019: Baht 524 million) in civil cases involving claims for damages arising in the normal course of business. The Company's management believes that finalisation of these cases will not have a material impact on its financial position and performance.

44. Risk Management

The Company's risk management activities cover the significant risks, which are classified into three categories, namely strategic risk, operational risk and financial risk, so that the Company can establish approaches or tools for efficient risk management, as follows:

44.1 Strategic Risk

Strategic risk is the risk that unsuitable strategic plans or strategies inconsistent with internal and external circumstances may adversely affect the achievement of organisational goals in accordance with strategic/operational plans set by the Company and also impact its revenue, financial position, competitiveness and business sustainability.

44.2 Operational Risk

Operational risk is the risk that the Company could incur losses as a result of inadequate corporate governance and internal controls, which may be related to internal functional processes, personnel, work systems, or external events that affect the Company's revenue and financial position.

44.3 Financial Risk

a) Credit risk

Credit risk management is the management of the risk that a debtor or counterparty of the Company will be unable to comply with contracts and relates to non-performing debtors that were transferred to or acquired by the Company, installment sales receivables, investments in securities, and the creation of obligations. Its main objective is to ensure the quality of the Company's asset management transactions, their compliance with relevant laws and regulations and appropriate consideration of risk.

For asset management companies (AMCs) whose revenues are not derived from the loan facilities to customers, but from the management and disposal of NPLs/NPAs, the principal risk is asset quality risk.

Tools for managing asset quality risk

- The prices of NPLs/NPAs are determined based on consideration of key relevant factors, which comprise debtor status/track record, indebtedness, quality of collateral, quality of the NPAs, and external environmental factors such as the competitive environment and the economic situation, so that the Company sets appropriate prices for asset acquisitions that are not higher than the appraised value of collateral assets, in order to reduce the risk that the Company will acquire assets at prices that are too high.
- Management of debtors under debt restructuring agreements who may not be able to settle debts in accordance with the agreement or the agreed conditions, requires the Company to consider/ review the debt servicing capability of each debtor. An aging system is used, which reports receivables overdue more than 30 days, 60 days and 90 days to provide an early warning of default and time to negotiate a solution. If a solution cannot be negotiated, the legal process has to be followed in order to enforce conditions.
- Management of Non-Performing Assets (NPAs) is directed at creating efficiency and developing the assets to a state where they are ready for use and better aligned with market demand, in order to facilitate a quick disposal. The Company sets plans to promote and support the disposal of assets through campaigns / activities / sales promotion schemes in order to increase the amount of asset disposals, and accelerate the release hard-to-sell assets if there are large quantities of long-held assets that may cause the Company to incur more expenses.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for financial instruments. The maximum exposure is shown gross, before taking into account collateral arrangements and any actions taken to improve.

As at 31 December 2020 and 2019, the exposure to credit risk are as follow:

	(Unit: Million Baht)	
	31 December 2020	31 December 2019
Interbank and money market items - cash at financial institutions	7,708	1,379
Loans purchased of receivables and accrued interest receivables	77,726	77,375
Installment sale receivables and accrued interest receivables	728	649
Accrued income from auction sale	9,801	9,596
Advance for expenses on asset acquisition and others	830	888
Other assets		
Employee receivables and accrued interest receivables	40	51
Advances for legal expenses	30	31
Total exposure to credit risk	96,863	89,969

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted policies to mitigate this risk, whereby there is monitoring and control of debtors to prevent default or monitoring of compliance with the terms of debt restructuring agreements and in the event of default or failure to comply with the conditions in the agreement urgent efforts are made to negotiate a timely solution. If the Company is unable to negotiate with the debtor legal proceedings are to be followed in order to enforce conditions on the debtors and enforce collateral.

The table below shows the credit quality of financial assets. The amounts presented in the table are the gross carrying amounts (before allowance for impairment).

Explanations of 12-months expected credit loss, lifetime expected credit loss, credit impaired, and purchased or originated credit-impairment are provided in Note 4.

(Unit: Million Baht)

31 December 2020					
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit-impaired financial asset	Total
Interbank and money market items - cash at financial institutions					
Investment grade	7,709	-	-	-	7,709
Total	7,709	-	-	-	7,709
Less Allowance for expected credit losses	(1)	-	-	-	(1)
Net book value	7,708	-	-	-	7,708
Loans purchased of receivables and accrued interest receivables					
Purchased or originated credit-impaired	-	-	-	90,969	90,969
Total	-	-	-	90,969	90,969
Less Allowance for expected credit losses	-	-	-	(13,243)	(13,243)
Net book value	-	-	-	77,726	77,726

(Unit: Million Baht)

31 December 2020					
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit- impaired financial asset	Total
Installment sale receivables and accrued interest receivables					
Not overdue	1,223	39	298	-	1,560
Overdue 1 - 30 days	103	98	3	-	204
Overdue 31 - 90 days	-	194	8	-	202
Overdue 91 - 180 days	-	-	128	-	128
Overdue 181 days - 12 months	-	-	346	-	346
Overdue more than 12 months	-	-	33	-	33
Total	1,326	331	816	-	2,473
Less Allowance for expected credit losses	(12)	(19)	(128)	-	(159)
Less Deferred gross profit for installments sale receivables	(1,028)	(208)	(350)	-	(1,586)
Net book value	286	104	338	-	728
Accrued income from auction sale					
Investment grade	9,907	-	-	-	9,907
Total	9,907	-	-	-	9,907
Less Revaluations	(106)	-	-	-	(106)
Net book value	9,801	-	-	-	9,801
Advance for expenses on asset acquisition					
Investment grade	520	-	-	-	520
Purchased or originated credit-impaired	-	-	-	319	319
Total	520	-	-	319	839
Less Allowance for expected credit losses	-	-	-	(9)	(9)
Net book value	520	-	-	310	830

Employee receivable and accrued interest receivables and advance for legal expenses are classified as financial asset with no significant increase in credit risk (12-month ECL) due to there are not overdue payment and has the lower of credit risk.

Collateral and any operations to increase creditability

The Company has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	31 December 2020	31 December 2019	
Loans purchased of receivables and accrued interest receivables	86,721	79,386	Land, land and building, condominium, leasehold, machine, deposit and security
Installment sale receivables and accrued interest receivables	2,473	1,542	Land, land and building, condominium and office building

b) Market risk

Market risk is the risk that market prices will change, namely the risk of the Company suffering losses as a result of changes in interest rates and securities prices that affect the Company's investment position. Market risk consists of 3 types, namely interest rate risk, price risk, and collateral risk. Since the Company's business focuses on management of NPAs, market risk also includes the risk of changes in the market prices of collateral assets of debtors.

1) Interest rate risk

Interest rate risk is the risk that value of financial instruments as assets and liabilities will fluctuate due to changes in market interest rate, as below:

As at 31 December 2020 and 2019, the financial assets and liabilities classified by interest rate, are as follow:

(Unit: Million Baht)

Descriptions	31 December 2020			
	Floating interest rates	Fixed interest rates	Non-interest bearing	Total
Financial assets				
Cash	-	-	5	5
Interbank and money market items - cash at financial institutions	4,079	3,502	128	7,709
Investments	-	-	451	451
Loans purchased of receivables and accrued interest receivables	10,703	80,266	-	90,969
Installment sale receivables and accrued interest receivables	2,108	360	5	2,473
Accrued income from auction sale	-	-	9,801	9,801
Advance for expenses on the asset acquisition and others	-	-	839	839
Other assets				
Employee receivables and accrued interest receivables	36	3	1	40
Advance for legal expenses	-	-	30	30
Financial liabilities				
Debts issued and borrowings	28,355	55,557	3,509	87,421

(Unit: Million Baht)

Descriptions	31 December 2019			
	Floating interest rates	Fixed interest rates	Non-interest bearing	Total
Financial assets				
Cash	-	-	5	5
Interbank and money market items - cash at financial institutions	1,303	-	76	1,379
Investments	-	-	482	482
Loans purchased of receivables	8,844	74,778	-	83,622
Installment sale receivables	1,349	193	-	1,542
Accrued income from auction sale	-	-	9,596	9,596
Advance for expenses on the asset acquisition and others	-	-	888	888
Other assets				
Employee receivables and accrued interest receivables	45	4	2	51
Advance for legal expenses	-	-	31	31
Financial liabilities				
Debts issued and borrowings	25,470	47,872	2,346	75,688

The periods to the dates for determining new interest rates or maturity dates (whichever is earlier) for financial instruments with fixed interest rates, counting from the date of the statement of financial position, are as follows:

(Unit: Million Baht)							
	31 December 2020						
	Period of determining new interest rate or maturity dates						
	0 - 3	3 - 12	1 - 5	Over			Interest
Descriptions	At call	months	months	years	5 years	Total	rates
							(% p.a.)
Financial assets							
Interbank and money market items -							
cash at financial institutions	-	3,502	-	-	-	3,502	0.35
Loans purchased of receivables and							
accrued interest receivables	80,230	19	15	2	-	80,266	5.25 - 7.00
Installment sale receivables and							
accrued interest receivables	280	80	-	-	-	360	6.00 - 6.50
Employee receivables and accrued							
interest receivables	-	-	-	2	1	3	3.5
Financial liabilities							
Debts issued and borrowings	-	3,111	4,332	29,158	18,956	55,557	1.60 - 4.3

(Unit: Million Baht)							
31 December 2019							
Descriptions	Period of determining new interest rate or maturity dates						Interest rates (% p.a.)
	0 - 3	3 - 12	1 - 5	Over	Total	Interest rates	
	At call	months	months	years			
Financial assets							
Interbank and money market items -							
cash at financial institutions	-	-	-	-	-	-	0.60
Loans purchased of receivables	74,710	18	47	3	-	74,778	6.03 - 7.00
Installment sale receivables	-	-	24	169	-	193	6.00
Employee receivables and accrued							
interest receivables	-	-	1	2	1	4	3.5
Financial liabilities							
Debts issued and borrowings	-	602	2,603	22,726	21,941	47,872	2.25 - 4.30

Market risk sensitivity - Interest-bearing assets and liabilities

The market risk sensitivity of interest-bearing assets and liabilities is assessed according to the sensitivity of net interest income over a period of one year to changes in interest rates, based on the interest-bearing asset and liability positions held by the Company at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account. Sensitivity is as presented below.

(Unit: Million Baht)

	Increase (decrease) in sensitivity of net interest income as at 31 December
Change in interest rate	
Increase by 1 percent	303
Decrease by 1 percent	(269)

However, the effect of changes in interest rate does not include the sensitivity of interest income from loan purchased of receivables, since most of these receivables are non-performing debtors purchased by the company or debtors under debt restructuring agreements who may not be able to settle debts in accordance with the agreement. Therefore, the market risk sensitivity presented here does not include interest on loans purchased of receivables.

2) Risk of changes in market prices of equity instruments

This is the risk that changes in the prices of equity securities or equity shares will result in changes in the value of equity instruments and may trigger fluctuations in income or the current and future values of the Company's financial assets.

However, The Company's investments in securities are mostly in equity securities or equity shares transferred for debt settlement, rather than securities in the Company's trading portfolio. Even though securities prices fluctuate with market prices in each period, the Company has no policy to hold securities for speculation. It gradually disposes of the securities in accordance with the criteria and conditions that are in place, to ensure appropriate disposal of securities in each period, and follows up on status so that it can recognise the mark-to-market value of investments in securities at the end of each accounting period.

Therefore, the Company does not calculate risk of changes in market prices of equity instruments.

3) Risk of changes in market prices of collateral assets

This is the risk of changes in the market prices of collateral assets of debtors, in line with market conditions, will lead to fluctuations in income. The Company reviews the appraisal prices in accordance with Bank of Thailand guidelines, with the valuations of collateral reviewed every three years or whenever there are significant changes in relevant circumstances. Allowance for expected credit losses for loans purchased of receivables is adequately set aside to accommodate any possible losses from depreciation/impairment of collateral of the debtors.

c) Liquidity risk

This is the risk that the Company will be unable to pay debts and meet obligations when due, because the Company is unable to timely convert assets into cash when settlement is due, obtain sufficient funds to meet funding needs, or is able to obtain funds but at a cost that is beyond an acceptable level. These risks may affect the Company's income and financial position.

Tools for liquidity risk management

The Company has established a policy for management of liquidity and maintenance of liquidity risk ceilings at acceptable levels, which stipulates the tools to be used for monitoring and controlling liquidity risk by the relevant management personnel and committees, namely the Assets and Liabilities Management Committee and Risk Management Committee. The tools used for liquidity risk management include estimations of cash inflows and outflows to assess the liquidity gap for various periods of time, analysis of key financial ratios and stress tests of financial liquidity.

Furthermore, the Company has laid down guidelines for the preparation of a contingency funding plan for both normal and emergency situations to ensure timely access to funding sources and adequate cash flows at an appropriate funding cost in the event of a liquidity crisis.

The periods to maturity of financial tools from the dates of the statements of financial position as at 31 December 2020 and 2019 are as below:

(Unit: Million Baht)

	31 December 2020					Total
	At call	Less than 1 year	Over 1-5 years	Over 5 years	Not overdue	
Financial assets						
Cash	5	-	-	-	-	5
Interbank and money market items - cash at financial institutions	4,207	3,502	-	-	-	7,709
Investments	-	-	-	-	451	451
Loans purchased of receivables and accrued interest receivables *	81,665	3,029	5,588	687	-	90,969
Installment sale receivables and accrued interest receivables	507	1,225	499	242	-	2,473
Accrued income from auction sale	-	-	-	-	9,801	9,801
Advance for expenses on asset acquisition and others	-	-	-	-	830	830
Other assets						
Employee receivables and accrued interest receivables	-	7	19	14	-	40
Advance for legal expenses	-	-	-	-	30	30
Financial liabilities						
Debts issued and borrowings	-	22,530	45,583	19,308	-	87,421

* Loans purchased of receivables that have not been restructured or have been restructured but overdue more than 3 months are classified as at call. Loans purchased of receivables that have been restructured and overdue less than 3 months are presented at the amounts due, with reference to the debt restructuring agreement. However, since the amount received under the contract is the amount the Company would receive based on its right of claim over the debtor, which is higher than or equal to the amount of the loans for accounting purposes, the amount of receivable presented by the Company does not exceed the cost of the receivable.

(Unit: Million Baht)

	31 December 2019					Total
	At call	Less than 1 year	Over 1-5 years	Over 5 years	Not overdue	
Financial Assets						
Cash	5	-	-	-	-	5
Interbank and money market items - cash at financial institutions	1,379	-	-	-	-	1,379
Investments	-	-	-	-	482	482
Loans purchased of receivables *	77,791	1,680	4,151	-	-	83,622
Installment sale receivables	166	597	582	197	-	1,542
Accrued income from auction sale	-	-	-	-	9,596	9,596
Advance for expenses on asset acquisition and others	-	-	-	-	888	888
Other assets						
Employee receivables and accrued interest receivables	-	8	24	19	-	51
Advance for legal expenses	-	-	-	-	31	31
Financial liabilities						
Debts issued and borrowings	-	20,237	33,399	22,052	-	75,688

* Loans purchased of receivables that have not been restructured or have been restructured but overdue more than 3 months are classified as at call. Loans purchased of receivables that have been restructured and overdue less than 3 months are presented at the amounts due, with reference to the debt restructuring agreement. However, since the amount received under the contract is the amount the Company would receive based on its right of claim over the debtor, which is higher than or equal to the amount of the loans for accounting purposes, the amount of receivable presented by the Company does not exceed the cost of the receivable.

45. Fair value of financial instruments

45.1 Fair value hierarchy

As at 31 December 2020 and 2019, the Company's assets and liabilities were measured or disclosed at fair value, and classified by hierarchy, as follows:

(Unit: Million Baht)

	31 December 2020				
	Fair value				Total
	Book value	Level 1	Level 2	Level 3	
Assets measured at fair value					
Investment					
Investment in equity instruments designated to be measured at fair value through other comprehensive income	451	58	-	393	451
Assets disclosed at fair value					
Cash	5	5	-	-	5
Interbank and money market items - cash at financial institutions	7,708	7,708	-	-	7,708
Loans purchased of receivables and accrued interest receivables	77,726	-	-	77,726	77,726
Installment sale receivables and accrued interest receivables	728	-	-	2,473	2,473
Accrued income from auction sale	9,801	-	-	9,801	9,801
Advance for expenses on asset acquisition and others - net	830	-	-	830	830
Other assets					
- Employee receivables and accrued interest receivables	40	-	-	40	40
- Advance for legal expenses	30	-	-	30	30
Liabilities disclosed at fair value					
Debts issued and borrowings	87,421	-	54,644	33,305	87,949

(Unit: Million Baht)

	31 December 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments in securities					
Domestic marketable equity instruments	65	65	-	-	65
Assets disclosed at fair value					
Cash	5	5	-	-	5
Interbank and money market items - cash at financial institutions	1,379	1,379	-	-	1,379
Investments in securities					
General investment	5	-	-	535	535
Loans purchased of receivables	77,375	-	-	77,375	77,375
Installment sale receivables	649	-	-	1,542	1,542
Accrued income from auction sale	9,596	-	-	9,596	9,596
Advance for expenses on asset acquisition and others - net	888	-	-	888	888
Other assets					
- Employee receivables and accrued interest receivables	51	-	-	51	51
- Advance for legal expenses	31	-	-	31	31
Liabilities disclosed at fair value					
Debts issued and borrowings	75,688	-	46,406	30,717	77,123

The Company has estimated the fair value of financial instruments based on the following criteria:

- Financial assets with short-term maturities or financial assets bearing interest at rates comparable to market rates include cash, cash at financial institutions, employee receivables and accrued interest receivables, and advance for legal expenses. The fair values of such assets are estimated at the book value presented in the statement of financial position.
- The fair value of loans purchased of receivables is equal to book values which calculated based on the present value of cash flows and the expected duration from debtors or disposal of collateral, with a discount of credit risk-adjusted effective interest rate of loan.
- The fair value of installment sale receivables bearing interest at rates comparable to market rate. The fair values of installment sale receivables are estimated at the book value presented in the statement of financial position before deduct deferred gross profit of installment sale receivables.

- (d) Fair values of accrued income from auction sales is calculated based on the expected future cash flow discounted by currently approximate market rate. Thus, fair values of accrued income from auction sales are approximate to book value.
- (e) The fair value of debts issued and borrowings are determined using yield rates quoted by the Thai Bond Market Association. The fair value of debts issued and borrowings that bear floating interest rates are assumed to approximate their carrying value and the fair value of debts issued and borrowings that bear fixed interest rates are determined by discounting the expected future cash flows by market interest rates on borrowings with similar conditions.
- (f) The fair value of non-marketable equity securities is calculated based on the fair value of similar dividend yields in the market or measured at book value on the latest financial statements and the fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

During the current period, there have been no transfers within the fair value hierarchy.

45.2 Reconciliation of financial assets and financial liabilities measured at fair value and that are stage 3 is as follows:

(Unit: Million Baht)

	Investment in equity instruments designated to be measured at fair value through other comprehensive income
Balance as at 1 January 2020	5
Cumulative effect of adoption of new financial reporting standards related to financial instruments	403
Disposal during the year	(1)
Loss recognised in other comprehensive income	(14)
Balance as at 31 December 2020	393

46. Approval of the financial statements

These financial statements were approved for issuing by the Board of Directors of the Company on 25 February 2021.

Awards of Pride

2020



BAM Sustainable Development

About this report

Bangkok Commercial Asset Management Public Company Limited (BAM) is a large asset management company in Thailand. Its business operation is based on the sustainable development concept to assure tangible performance. The Company plays an important role in “restoring assets and driving Thai economy” through management of non-performing loans (NPLs), which aims to allow debtors to reclaim their collateralized housing properties or restore their businesses to become quality debtors and for debt settlement at last, alongside management of non-performing assets (NPAs) to ensure the assets are in good condition and ready for sale at reasonable prices, under its operation policy that takes into account the best interest of all stakeholders while continuously providing support for the society in all dimensions.

2020 was a challenging year for business operation. Amid the economic setback caused by the COVID-19 pandemic, which inevitably affected the overall business sector, the Company continued its role in solving NPLs and restoring properties to support the country’s rapid economic recovery by adjusting its business strategies and plans in alignment with such critical situation. The Company implemented various projects and organized NPA sale fairs to help stimulate the economy by offering discount prices to enable the people and investors to more easily own assets during tough economic times. In addition, interest rates were reduced for all types of loans to ease burden of its customers under debt restructuring and customers purchasing assets under installment payment programs. The Company also introduced measures for a moratorium on principal and interest payments to assist customers affected by the COVID-19 crisis.

Meanwhile, the Company strictly assured safety of its employees, customers, business partners and alliances of all sectors according to the measures of the Department of Disease Control, Ministry of Public Health, including, for instance, arrangement of thermal screening points at the head office and regional offices, installation of automatic sanitizer dispensers and provision of alcohol hand gel at the entrances on all floors of the head office, disinfectant spraying at the head office and cleaning of elevators every half an hour and all touch spots in common areas, distribution of hygienic face masks, and support for the employees’ work from home. To assist in the fight against the COVID-19 pandemic, the Company made donations for procurement of mobile ventilators, medical equipment and processes for COVID-19 patient treatment to state hospitals, as well as allowed the use of its NPAs as a cohort ward to support the life-saving and gave relief bags to people suffering from this crisis.

With its practical operation and strong commitment to sustainability development in all dimensions using the ESG-based business concept, policy and goal, BAM won awards from many institutions such as Business Excellence in the category of “Best Deal of the Year Awards” at “SET Awards 2020” organized by the Stock Exchange of Thailand and Money and Banking Magazine. The Company also achieved 4 Star (Excellent) scoring (average score of 80%-90% out of 100%) in the Corporate Governance Report of Thai Listed Companies 2020 (CGR) conducted by the Thai Institute of Directors (IOD). Moreover, the Company was selected among the listed companies with outstanding performance on Environmental, Social and Governance (ESG) on the ESG Emerging List of Thaipat Institute, and won the Best Strategic CSR and Best Senior Management IR Support awards based on the poll of Alpha Southeast Asia, a leading finance magazine in Southeast Asia, which was conducted among investors, institutes and analysts in Asia, America and Europe.

Furthermore, the Company won the “Best IPO Deal of the Year, Thailand, Award 2020,” for its fund mobilization through an IPO worth Baht 30,888 million (USD 1 billion), at the 14th Deal & Solution Awards organized by Alpha Southeast Asia, and the “Best Privatization Award” at the Asset Country Awards 2020 for the said Baht 30,888 million IPO, which was considered the biggest privatization in Thailand and could attract overwhelming interest in subscription among Thai and foreign institutional and individual investors.

For over 22 years, BAM has operated its businesses with an intention to become the best asset management company in Thailand under the corporate governance principles and appropriate risk management while ensuring support for all stakeholders under the principle of BAM 5-Dee (Good), namely Good to the Country, Good to Society, Good to Customers or Debtors, Good to Shareholders and Good to Employees to strengthen growth in all relevant dimensions for sustainability.

BAM is committed to maintaining its significant role in restoring the country’s NPLs to strengthen the economic sustainability through management excellence and enhance satisfaction of customers and stakeholders based on corporate governance principles.



BAM's 5-Dee Concept

As the largest asset management company which plays a key role in restoring assets and driving Thai economy on a sustainable basis, BAM strongly believes that business sustainability is derived from the operation with environmental, economic and social responsibility, business ethics, awareness of economic, social and environmental balance, and integration of all stakeholders in sustainability development. These are incorporated in BAM's 5-Dee (Good) concept, namely Good to the Country, Good to Society, Good to Customers or Debtors, Good to Shareholders and Good to Employees, the details of which are as follows:



2. Good to society

Giving importance to social responsibility, BAM promotes, supports, assists and takes part in beneficial activities for the improvement of the quality of life and development of the Thai society. The Company implements activities under the scope and guidelines for building good relationship with the public and private sectors and continues its cooperation in social development on a concrete and sustainable basis.

4. Good to shareholders

BAM operates the business with focus on the shareholders. Its debt management is transparent and honest. Its listing on the SET is an open door for the Company to truly become a public company. The fund raising is aimed at increasing business opportunities which will contribute to the strengthening of economic stability and generate suitable returns for the investors.

1. Good to the country

Under the supervision of the Bank of Thailand, BAM's business operation involves purchase and acceptance of transfer of NPLs from financial institutions for professional management, and management of NPAs in an efficient and fully-integrated manner. Its main focus is to create benefits for the country's economic recovery towards sustainable development and growth.

3. Good to customers or debtors

BAM assists its debtors or customers by providing opportunities for recovery through debt restructuring to enable them to regain their credits, collateralized assets and businesses. The Company also manages NPAs by improving the asset quality and arranging sale promotion to allow acquisition of good assets in desirable locations at appropriate budget and prices.

5. Good to employees

BAM offers suitable compensation and puts in place systematic training programs for development of employees' knowledge, skills and potentials in response to the orientation of its business growth. It also ensures that complete welfare is provided as required by the laws, as well as encourages the employees' collaboration and unification, builds the habit of a giver, and arranges activities that are beneficial to the society.



Guideline for preparing the Sustainability Development Report

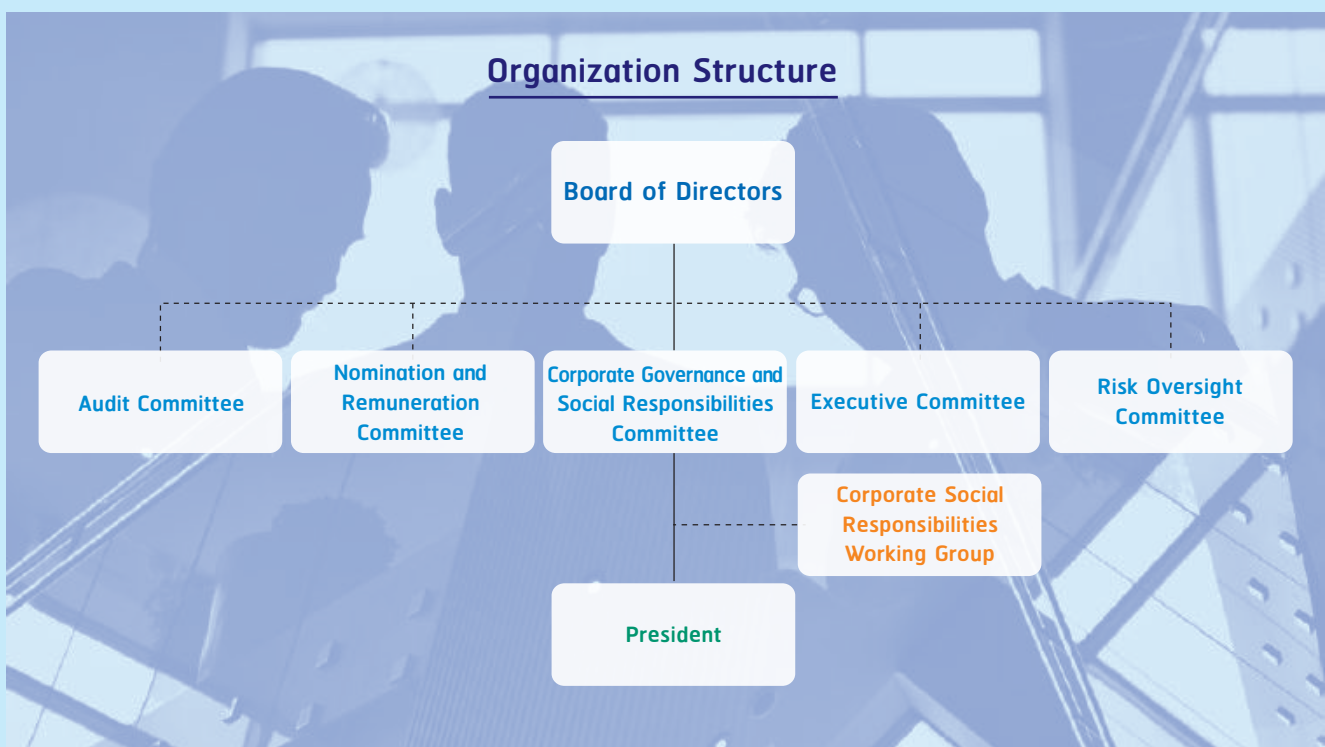


This report - BAM Sustainability Development - was prepared as part of the Company's annual presentation of its operation in 2020, for a period between January 1 and December 31, 2020, regarding the Company's management for sustainability, whether in terms of the economy, society, and environment. The Company prepared and presented this report in accordance with the Global Reporting Initiative Version Standard ("GRI Standard 2018") and UN Sustainability Development Goals (SDGs).

The content and substance of this 2020 SD Report focus on the Company's operation, business orientation, vision, strategies, good corporate governance, and a concrete guideline for the operational philosophy, as well as subjects regarding employee care and development, business value improvement, and creation of sustainable opportunity for society and community.

The Company's integrated sustainability development structure

Under the fair, transparent and examinable management of the Board of Directors that gears toward the integrated sustainability development, the organization structure is set to be composed of five board-level committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social Responsibilities Committee, the Executive Committee, and the Risk Oversight Committee, with the authority and duty of specifying the Company's policies, regulations, and guidelines for various operations of the Company in accordance with the principles of good corporate governance and corporate social responsibility in order to ensure that the Company will progress toward the sustainable success.



Direction of business operation

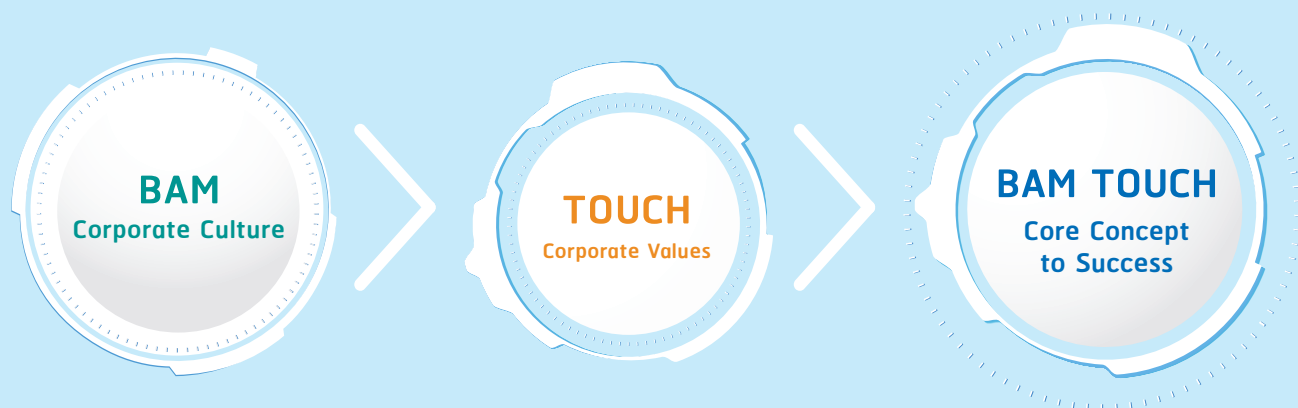
The Company integrates its operation under the corporate social responsibility policy, covering the principle of ‘Good People,’ ‘Good Product’ and ‘Good Society’ for development of management process that connects the Company’s corporate social responsibility with its strategies, visions and missions in order to achieve business operation sustainability.

Business philosophy

The Company believes that a good business operation must take account of all stakeholders. The Company’s core concept to success is known as BAM TOUCH, which consists of the organizational culture and value that are concrete, appropriate, clear and consistent with the organization’s visions and missions in order to drive business operation toward sustainable development.

BAM TOUCH, the core concept to success

BAM TOUCH is a guideline for all executives and employees to perform their tasks toward the same direction. This guideline also ensures the creation of value of a good individual by enhancing employees’ knowledge and understanding of the organizational culture and value so as to achieve BAM’s 5-Dee, namely good to the country, good to society, good to customers or debtors, good to shareholders, and good to employees. The benefits of this core concept will, in turn, allow the Company to move forward to success and will become an important force that drives the organization’s progress and growth securely and sustainably. BAM TOUCH also clearly reflects the organization’s image in terms of its adherence to good corporate governance.



BAM Corporate culture

BAM

B = Betterment

A = Achievement

M = Management

Continuous development and improvement

Determination and cooperation to success

Excellent staff and organization management system



Trust: Trustworthy means adhering to righteousness in accordance with professional standards, behaving with belief in honesty, doing as promised to create mutual trust, and clarifying and disclosing information in a sincere and transparent manner, which will bring about a work environment under mutual corporate governance practice.

Openness: Open-minded to making a difference means realizing that change can bring progress, being open to a change and helping others to accept such change, seeking opportunities therefrom to make a difference or brings what new to the work, and being open to diverse opinions with a positive attitude to expand viewpoint.

Unity: United for organization means believing in power from unity of all people in the organization, hence honor and respect for one another, using resources available in an efficient way, and collaborating to achieve the targets by not holding onto only one's own task but giving priority to the interests of the organization.

Customer-focused: Customer desire focused means understanding and predicting the needs of both internal and external customers, seeking to respond to those needs with realization that products and services of high quality can raise the well-being of customers, and bringing security to Thai economy and society.

High-performance: High performance caring means having professional commitment to, responsibility for, and discipline in self-development to upskill in diverse fields by seeking new knowledge, extending ideas to better work, daring to think and do creatively, and working proactively to consistently add value to the organization.

Process for the integrated sustainable development



Vision

To be a center of opportunities in creating value as a One-stop Solution Asset Management Company with considerable growth to move forward the economy and society

Mission Statements

1. Introducing proven technology and innovation for future changes
2. Uplift products and services to best serve our customers and all sectors
3. Build an integrated network of partners and customer base
4. Passing on legacy and values to the newly trained generations
5. Uphold ESG integration into governing principle

Business policies

In 2020, the Company's Board of Directors mapped out important policies that orient toward the same direction of the Company's business operation under the concept, "The Company is committed to playing a pivotal role in reviving non-performing assets of the country and bolstering a solid and sustainable economy through an excellent organization management to meet with the satisfaction of all customers and concerned parties under the principles of good corporate governance."

Business goals:

1. Support and drive the country's economy by managing NPLs and NPAs acquired from financial institutions with an excellent management system, and increase the sizes of those assets which will help to improve the Company's performance continuously and sustainably.
2. Create a recognition among stakeholders that the Company is an expert in asset management that embraces transparency and integrity.
3. Improve the potential of employees at all levels by developing their knowledge and ability on a continuous basis, and ensure that the employees uphold BAM's value and culture.

Organization goals:

The Company aspires to become an important organization in NPL management in order to help honest debtors regain their credibility and to participate in the resolution of NPL problems in the financial system and restoration of the real estate business by improving NPAs to meet the standard and become marketable, as well as creating opportunities for low-income earners to own residences at affordable prices.

Remarkable awards and achievements

The Company implements business policies and operational guidelines to develop its potentials in all aspects, including driving the organization toward economic, social and environmental growth while adhering to corporate social responsibility and governance principle and taking into account the interest of all stakeholders, which is a key element of sustainable development under the integrated business operation. The Company has thus been granted many awards, which are a proof of success that the Company is proud of and affirms its national and international standards.

2020

December 15, 2020



The Company received the Decoration of Honor for Business Excellence in the category Deal of the Year Awards at the “SET Awards 2020” organized by the Stock Exchange of Thailand in collaboration with Money & Banking Magazine at the Stock Exchange of Thailand Building. The awarding decision was made based on the consideration of financial deals that are outstanding and contribute to significant changes or innovations for the capital market.

November 26, 2020



The Company received the Corporate Management Excellence Award for excellence in overall management from Prime Minister Prayut Chan-o-cha who presided over “Thailand Corporate Excellence Awards 2020” ceremony organized by Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University. The award was decided from Thailand Corporate Excellence Survey 2020 conducted among top executives in the business sector to jointly select the awardees based on their past achievements.

September 30, 2020



The Company received the certification of membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to supervise the business operation with efficiency and transparency. (The membership certification is effective from September 30, 2020 to September 30, 2023.)

August 28, 2020



The Company received the "Certificate of ESG Emerging Company" for 'BAM's sustainable way worth investing in' from Thaipat Institute, and was selected for entry into the ESG Emerging List and the ESG 100 Universe for 2020.

August 28, 2020



The Company was awarded the Best Senior Management IR Support and Best Strategic CSR at the 10th Annual poll Institutional Investor Corporate Awards 2020 by Alpha Southeast Asia, an investment magazine for Southeast Asia of Alpha Institute in Singapore. The winners were selected based on the poll among institutional investors and analysts in Asia, America and Europe.

December 24, 2020



The Company received the Best IPO Deal of the Year, Thailand, Award for its initial public offering (IPO) in the total amount of Baht 30,888 million (USD 1 billion) at the 14th Deal & Solution Awards organized by Alpha Southeast Asia.

December 25, 2020

The Company received the Asset Country Awards 2020 - Best Privatization for its IPO worth Baht 30,888 million (USD 1 billion), which was the largest privatization in Thailand and could attract overwhelming interest in subscription among Thai and foreign institutional investors and small investors. The event was organized by The Asset.



December 18, 2020

The Company received the “Best Design Excellence Award” for a medium-size booth of 200-262 sq.m. with the theme “BAM Seamless Experience” in the exhibition competition at Money Expo 2020 organized by Money & Banking Magazine.



August 17, 2020

The Company received the Decoration and Certificate of Honor from the Foundation for TQM Promotion in Thailand for its presentation of an article on TQM Best Practices 2020 titled “CRM Strategies for Customer Satisfaction” at Thailand Quality Conference & the 21st Symposium on TQM-Best Practices in Thailand 2020.



Remarkable awards and achievements (2016–2019)



In 2019, BAM was converted from a state enterprise into a public company listed on the SET. The Company organized the first trading day ceremony at the SET on Monday, December 16, 2019. The share price opened at Baht 18.40, an increase of Baht 0.90 or 5.14% from the IPO price of Baht 17.50. The total trading value was Baht 1,495.24 million. BAM is the leader in Thailand's asset management industry, having the largest asset pool and extensive experience of over 20 years with various funding sources that are available to the Company. The Company has paid dividend consecutively out of its performance over the past three years.



In 2018, The Company received the certification of membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to supervise the business operation with efficiency and transparency.



The Company received the Outstanding Award from Thailand Energy Awards 2018 – personnel award in the category of control building energy management team, from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

October 4, 2017



The Company received the Decoration of Honor for “CSR Excellence” as an organization that contributes to social benefits from the Ministry of Social Development and Human Security.

August 21, 2017



The Company received the Outstanding Award from Thailand Energy Awards 2017 - personnel award in the category of control building energy management team from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

December 6, 2016



The Company received the Outstanding Award from Thailand Energy Awards 2016 – control building award from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

Employee management and development policy

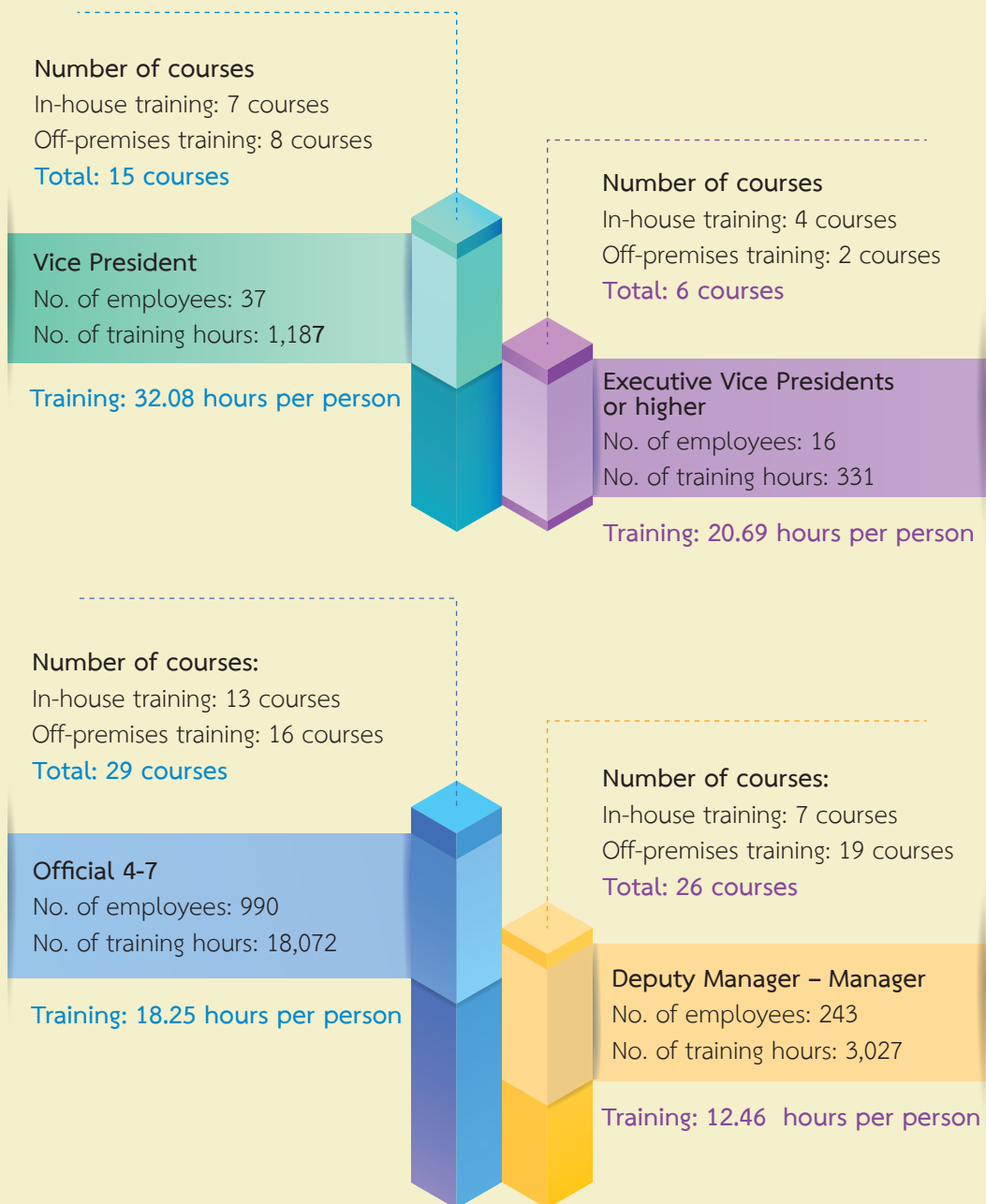
Employees are valuable resources and the key to success of the Company. Strong human resource management is an important mechanism in enhancing potential and capability to drive efficient and sustainable business expansion. Business operation requires personnel with a variety of knowledge, competence and skills to ensure efficiency in the operation amid the current competitive business environment. The Company provides its employees with appropriate compensation and welfare, as well as promotes, supports and gives opportunity to further their education, develops knowledge and expertise to boost their potential, and creates understanding to support their operation and achievement of the objectives according to the vision, missions, strategies and targets of the Company.

For effective development of skills and knowledge, the Company encourages its employees to further their study in the fields that are related to and compatible with its business operation by offering, on a yearly basis, scholarships for Master's Degree programs, 20 for local programs and two for overseas programs. This is aimed to build up their operational efficiency and effectiveness, drive their career advancement, secure their career and prepare succession and retirement planning to accommodate the Company's future growth.

The Company develops a seminar and training plan in line with the business operation and encourages all employees to undergo proper self-development to accommodate its advancement into a technology-driven organization to which the Company gives priority. Therefore, studies have been conducted on the development of employees at all levels, including those working in business line and supporting line at management level, executives as well as those who are successors, so as to fill in where there is a shortfall and ensure completeness, which will support efficient business operation in accordance with the strategic plans. The Company sets out suitable training programs, both in-house and off-premises, to boost capability in operation, operational management and personnel management. These include operation-related programs, programs for development of attributes or skills to support the work, and programs required by the laws. The corporate training is a process for development of the employees' knowledge and skills in various fields that will contribute to their operational efficiency and career advancement.

In 2020, the Company's training programs for employee development were divided into three levels, i.e. operating staffs, supervisors and executives, with a targeted number of training programs and training hours set for each level.

Training for employee development



Corporate Social Responsibility Policy... toward sustainable development

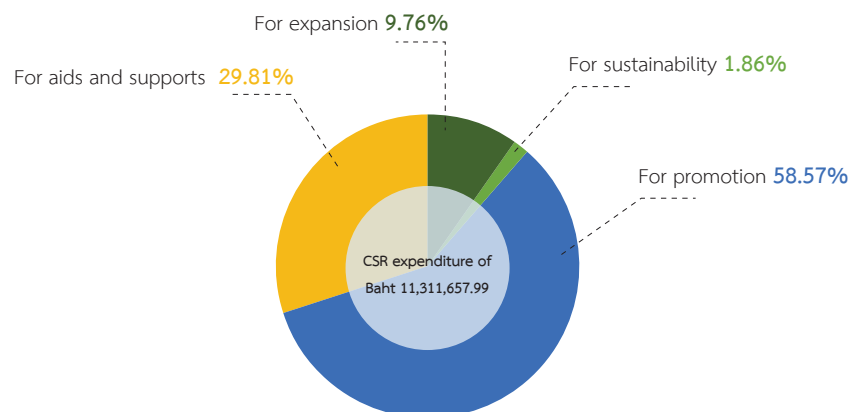
“BAM supports and promotes the community and society to ensure their strength, sufficiency, careful living, and debt servicing capability, which are key components for solving problems and reinforcing the economic system (base community).”

The Company participates in many activities that make our community and society strong and sustainable, using four corporate social responsibility strategies, namely:

1. Strategy for providing aids and supports to society immediately / continuously;
2. Strategy for promoting and helping society with fundamental necessities;
3. Strategy for providing supports to society in order to further expand and develop knowledge; and
4. Strategy for monitoring the outcome and helping the community to sustainably survive on its own.

Corporate Social Responsibility Strategies

(Actual expense for fiscal year 2020)



1. Strategy for providing aids and supports to society immediately / continuously

This strategy provides aids to underprivileged and distressed people in society such as people with disabilities, victims of disasters and epidemics, etc.

In 2020, amid the COVID-19 pandemic which has become more widespread and inevitably threatened the public's living conditions and the country's overall economy, the Company recognized the importance of its roles and duties toward the customers and society in immediately and fully providing aids and supports to the customers affected by this situation to enable them to ride out such difficult time. The Company thus introduced debt moratorium measures to assist its debt restructuring customers and NPA purchase customers. In addition, to support the country's fight against the COVID-19 crisis, the Company launched **BAM Happiness Sharing – Fighting COVID-19 Program** which included donations for procurement of medical equipment, use of its properties for public benefits and giving of happiness-sharing bags containing supplies and survival kits.

1.1 BAM Happiness Sharing - Fighting COVID-19 Program

1.1.1 Donations for procurement of medical equipment

The Company donated a total amount of Baht 2,500,000 to five public hospitals each of Baht 500,000, namely Siriraj Hospital, King Chulalongkorn Memorial Hospital, Rajavithi Hospital, Ramathibodi Hospital and Bamrat Naradun Hospital, to purchase portable ventilators, medical equipment and processes for treatment of COVID-19 patients. The Company stands ready to give moral supports to all agencies, both public and private sector, particularly medical personnel and the Thai people in overcoming this crisis.

April 8, 2020



April 8, 2020



1.1.2 Allowance for use of BAM properties for public benefits

The Company modified its NPAs for use free of charge as cohort ward for state quarantine during the spread of COVID-19 and donated Baht 532,000 for procurement of medical equipment to support treatment of COVID-19 patients.

De Val Resort and Sport Club, Nakhon Nayok Province: The building can accommodate approximately 150 patients. The Company made donation for procurement of automatic blood pressure monitors to HRH Princess Maha Chakri Sirindhorn Medical Center to support management of COVID-19 situation.

August 3, 2020



April 15, 2020



Mueang Phet Hospital, Phetchabun Province: The hospital can accommodate approximately 75 patients. To increase their operational efficiency, the Company made donation to Phetchabun Provincial Public Health Office for procurement of transport ventilators and related medical equipment for use in COVID-19 treatment.

1.1.3 Giving of happiness-sharing bags

The Company gave happiness-sharing bags containing supplies and survival kits to people hit by the COVID-19 in 10 communities in Bangkok and other provinces, namely Don Mueang District, Yan Nawa District, Sathon District and communities in Nakhon Nayok Province.

June 13, 2020



June 17, 2020



June 18, 2020



August 3, 2020



2. Strategy for promoting and helping the society with the fundamental necessities

This strategy provides supports to the community, society, economy, education, and public health by, for example, making donations, giving scholarships, providing startup funds, etc.



2.1 Yearly scholarship program

The Company continuously promotes and supports education, which is a foundation of Thai youth development, aiming to offer educational opportunities to needy students with good grades and behaviors to enable them to grow up and become good citizens. Throughout 22 years of its operation, the Company had granted a total of 14,000 scholarships in the total amount of more than Baht 50,000,000.

In 2020, the Company's educational support included scholarship programs for children and youth in all parts of the country as listed below:

- 2.1.1 Scholarships for primary school students - 1,000 scholarships at Baht 3,000 each
- 2.1.2 Scholarships for secondary school students - 15 scholarships at Baht 5,000 each
- 2.1.3 Scholarships for university students, i.e. students of the Faculty of Engineering, Department of Environmental Engineering – 5 scholarships at Baht 20,000 each
- 2.1.4 Scholarships for graduate students and general public for overseas master's degree programs - 2 scholarships at Baht 2,000,000 - 3,000,000 each (It depends on the destination country.)
- 2.1.5 Special scholarships to support social activities or public charities of schools, government agencies and the public sector - 50 scholarships at Baht 2,000 each

September 17, 2020



September 17, 2020



September 17, 2020



September 8, 2020



February 12, 2020



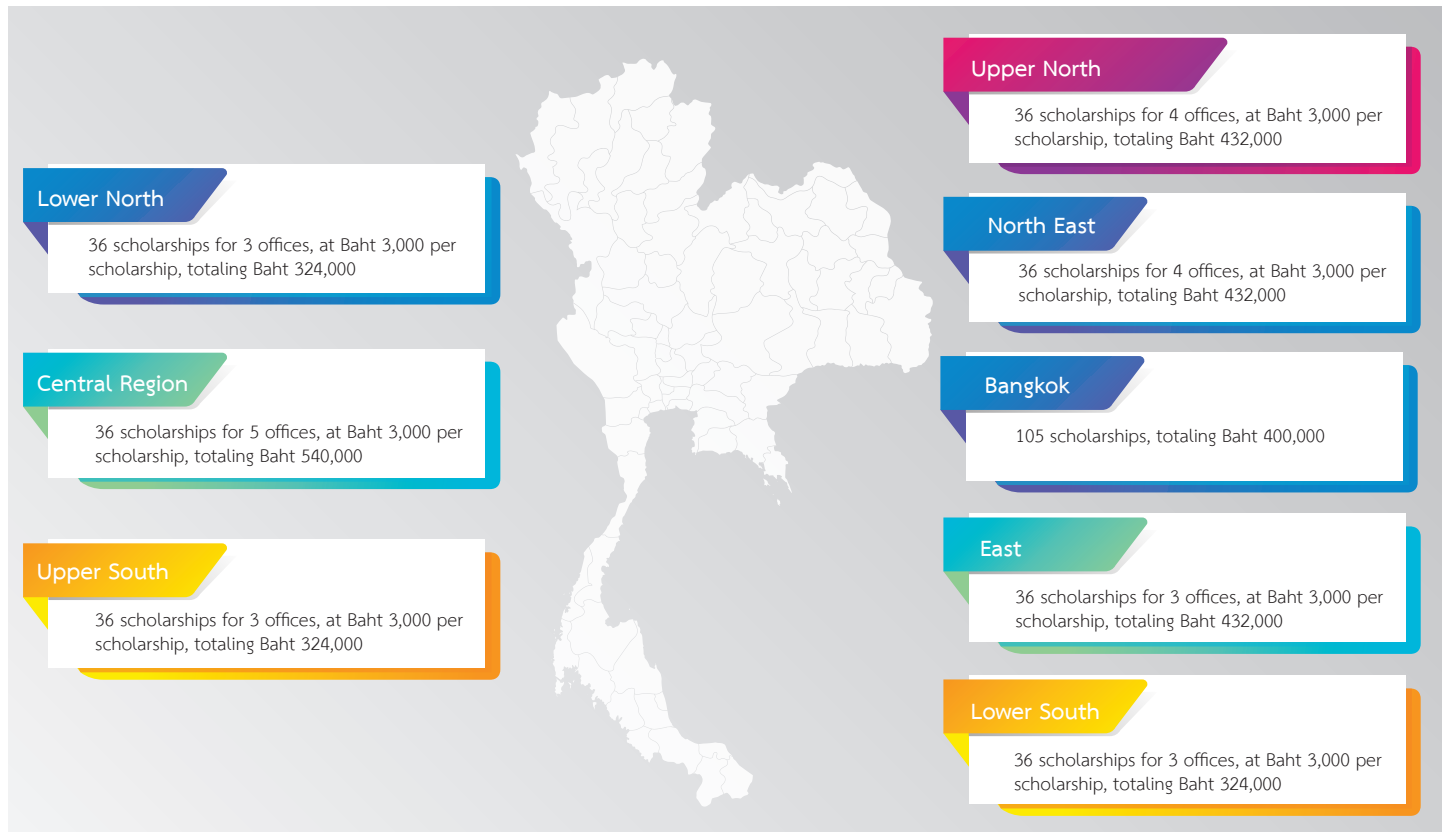
March 13, 2020



September 14, 2020



Scholarship Program



2.2 Development of educational institutes

Development of schools, which are educational institutes for children and youth, and improvement of buildings and the environment to ensure pleasant atmosphere, safety and hygienic standard can have impact on the teaching and learning as well as physical, mental, intellectual, emotional and social development, which is another important factor for the development of quality of life. Schools in many communities still lack funds for construction, repair or maintenance. In order to support and increase teaching and learning efficiency, promote physical and mental health of students and provide good welfare, the Company created the educational institute development program to support improvement of school buildings, construction of roof structure for sports grounds, repair of playground, building of water tanks, etc.

February 12, 2020



March 13, 2020



March 30, 2020



April 8, 2020



November 30, 2020



- Support for purchase of multi-functional tables and sports equipment to Ban Song Tham School, Nakhon Ratchasima Province
- Improvement of school building at Mae Fah Luang Ban Khun Mae Hu Learning Center for Hilltribes, Mae Hong Son Province
- Building of a standard water tank for Satthasamut School, Samut Songkhram Province
- Support for building of a multi-purposed dome for Ban Khok Klang School, Buriram Province
- Improvement of playground at Ban Don Wiang Chan School, Maha Sarakham Province
- Support for construction of a metal roof building (dome) at Sikhio "Sawat Phadung Witthaya" School, Nakhon Ratchasima Province
- Sponsorship for air conditioner installation for improvement of library as a technology learning center for students of Wat Suan Phlu School, Bang Rak District, Bangkok

2.3 Public health program

At present, a large number of patients handled by public hospitals has caused inadequacy of medical equipment and some are damaged or worn-out. Under its public health promotion policy, the Company makes donations to 10 public hospitals each year, covering all regions in the country, for procurement of necessary and modern medical equipment to support and boost efficiency and effectiveness of the doctors' and nurses' operations. The Company also provides life-saving assistance for patients by donating ambulances equipped with standard life-saving devices to support safe patient transfer and donating funds for purchase of ambulances and other vehicles for hospitals and public health agencies in collaboration with other organizations.

In 2020, the Company made donations for procurement of medical equipment under BAM Happiness Sharing – Fighting COVID-19 Program to seven hospitals and another three hospitals in the regions that are in need of the equipment in the total amount of Baht 1,130,700 as detailed below:

January 11, 2020



2.3.1 Na Muen Hospital in Nan Province: Donation for procurement of a portable ultrasound machine to replace the dysfunctional one and facilitate the relocation for use by inpatient department

April 8, 2020



2.3.2 Dan Khun Thot Hospital, Nakhon Ratchasima Province: Donation to support purchase of an ambulance with full standard life-saving equipment for more convenience and safety in patient transfer to middle-level hospitals

November 2, 2020



2.3.3 Uthong Hospital, Suphan Buri Province: Donation to support procurement of dental equipment, i.e. three extra-oral aerosol suction for oral treatment, to accommodate the increasing number of patients and reduce problems and the spread of infections through droplets during the COVID-19 situation

2.4 Donations for public charities for creating good quality of life in the society

The Company makes donations of funds, items, vans, sports equipment and computers for development or use in the operation of schools, state agencies, institutions, foundations or nursing homes.

January 20, 2020



2.4.1 Donation of funds

- Donation on the occasion of the opening of **Phuket Regional Office** to support the operation and activities of Phuket Sunshine Village Foundation, SOS Children's Villages Thailand under the Royal Patronage of Her Majesty the Queen and Ban Phuket Elders Public Aid

January 27, 2020



- Donation on the occasion of the opening of **Don Mueang Office** to support activities of Princess Mother National Institute on Drug Abuse Treatment, Prachathipat Hospital and Maharaj Home for Boys

July 7, 2020



2.4.2 Donation of BAM van which has completed its usage period under the Company's regulation on procurement and material management, but is still in good condition. On the back-to-school 2020 occasion, the Company donated a van to Camillian Foundation, Ban Pong, Ratchaburi Province, for further handover to Lorenzo Orphanage Home, Phanat Nikhom, Chon Buri Province, a nursing home under the Company's care network, to replace the old and damaged pick-up trucks for transporting children under its care to their schools.

2.4.3 Donations of sports equipment to schools in remote communities and small schools which lack teaching and learning tools due to limited budget allocation by the government. The Company makes yearly donations of sports equipment to schools to enhance efficient teaching and learning and promote useful leisure activities such as sports and exercise for good health.

- Donation of multi-functional tables and sports equipment to Ban Song Tham School, Nakhon Ratchasima Province

March 10, 2020



October 10, 2020



- Ban Nong Muang School, Uthai Thani Province

October 10, 2020



- Wat Nong Fap School, Uthai Thani Province

2.4.4 Donations to support various activities

Music

- Charity concert, "VieTrio in Concert with Thai Youth Orchestra," of Rotary Club of Bangkok to support procurement of medical equipment for hospitals and improvement of schools in provincial areas
- Charity concert, "90th Anniversary Fundraising Dinner," of Rotary Club of Bangkok to raise funds for purchase of dialysis machines for Phra Chom Klao Hospital, Phetchaburi Province, for operation of cleft lip and palate patients and for grant of scholarships to nursing students of Kuakarun College of Nursing

Sports

- Charity golf event under the "Blue & White Medical Services for the People" project, Chiang Mai Province
- Charity golf event of the Foundation for Better Life, Nonthaburi Province

Religion

- Making an off-season offering of robes, Wat Klang, Nan Province
- Scholarship for “Buddhism Study for Development of Religious Heirs” of Mahachulalongkornrajavidyalaya University, Phra Nakhon Si Ayutthaya Province
- Financial support for great sermon of the Vessantara-jātaka, Mahachulalongkornrajavidyalaya University, Phra Nakhon Si Ayutthaya Province
- Donation of funds for maintenance of parking space at Wat Yan Nawa, Bangkok
- Donation of funds for maintenance and improvement of chapel landscape, Wat Ban Ngao, Ranong Province
- Joint support for the construction of a yard next to the chapel, Wat Thung Khru, Bangkok
- Donation of funds to support the offering ceremony of the royal kathin robes at Wat Yai Suwannaram, Phetchaburi Province, held by the Social Security Office, Nonthaburi Province
- Co-hosting of the offering ceremony of the royal kathin robes at Wat Dusitaram Worawihan, Bangkok, held by the Public Debt Management Office
- Merit making at the offering ceremony of royal kathin robes 2020, Wat Soi Thong, Bangkok, held by the Office of the Administrative Courts
- Sponsorship for the maintenance and repair of the sermon hall of Wat Siri Buddharam, Nakhon Phanom Province
- Merit making at the offering ceremony of royal kathin robes 2020 at Wat Thepthidaram, Bangkok, held by the Anti-Money Laundering Office
- Sponsorship for the organization of Father’s Day activities and the great sermon of “Phuritad Chadok” of Mahachulalongkornrajavidyalaya University



Others

- Donation of funds for purchase of a set of speakers and cables for use in the auction room to promote the auction sales of the Legal Execution Office, Nonthaburi Province
- Support for the improvement of wild animals’ quality of life to be a natural outdoor learning resource for children, youth and the general public through grant of funds to support animal feed expense to the Zoological Park Organization of Thailand under Ministry of Natural Resources and Environment
- Donation of funds to support organization of the 52nd Celebration of the Day of People with Disabilities 2020 of the National Council on Social Welfare of Thailand, the proceeds from which were contributed to support career development of people with disabilities in various aspects
- Donation of funds to support the activities of the Thai Investor Association aimed to uplift the Thai capital market governance and Thai investor development, which contribute to the sustainability of Thai capital market

September 30, 2020



3. Strategy for providing supports to the society in order to further expand and develop knowledge

This strategy supports the community by educating the people in order to help them increase the value of their products, such as packaging development support, marketing channel promotion, product quality development, etc.

The Company upholds its corporate social responsibility by focusing on development of community and society's knowledge base, which is the key to sustainability development and well-rounded living, and implementing various projects.

3.1 No Plastic Bag # 2 Program



August 26, 2020



The No Plastic Bag Program has conducted for the second consecutive year, aiming to promote the Company's employees to learn and recognize the importance of the environment and natural resource preservation, by reducing, refraining from, and stopping the use of plastic bags, and actively using cloth bags. The program included a survey and distribution of BAM cloth bags for the employees to replace plastic bags at shops and in the cafeteria area such as restaurants, fruit shops, coffee shops, etc.

The program targeted reduction of the use of plastic bags from the previous year. The survey result indicated that 100% of the employees in this survey recognized the importance and benefits of the reduction of plastic bags and followed the guidelines by decreasing hard-to-decompose products such as plastic cups, straws, and foam boxes, and by providing cooperation in using more cloth bags and nature products. In 2019, the No Plastic Bag #1 Program helped to reduce plastic bags by not less than 15%, while in 2020 the No Plastic Bag # 2 Program achieved a significant reduction of not less than 20%. In addition, the eco-friendly bagasse containers were used to replace foam boxes at shops in the Company's building.

This project contributed to a significant reduction of hard-to-decompose plastic and waste, hence decreasing the amount of plastics in daily life and the environmental pollution.

3.2 Support for the OTOP Products Promotion and Development Center improvement project, Khon Kaen Province

November 7, 2020



The Company was part of the private sector to participate in promoting the Community Knowledge and Sustainability Fund under the project to improve the OTOP Products Promotion and Development Center, Khon Kaen Province, of Khon Kaen Community for the Future Foundation, which is one of many projects to support community income earning from local knowledge. The local government agency in Khon Kaen Province has a policy to improve the OTOP Products Promotion and Development Center to be in alignment with the new normal way of life in the post-COVID-19 period and also with the vision of Khon Kaen Community for the Future Foundation to propel the social sector in parallel with the public sector as an essential part of “Khon Kaen Model” which has propelled the city for over a decade.

November 27, 2020



3.3 Donation of educational equipment

The Company donated two sets of 55-inch QLED smart TV, using Quantum Dot technology, with installation kit for use as educational equipment to the Faculty of Architecture, Chulalongkorn University.

3.4 Donation of computers

and printers, which are still in good condition but no longer used, to Dan Khun Thot Provincial Police Station for use in community service and to 22 needy schools, in both Bangkok and the provinces, for development of teaching and learning and enhancement of computer skills and technological knowledge.

July 9, 2020



August 7, 2020



4. Strategy for monitoring the outcome and helping the community to sustainably survive on its own.

This strategy focuses on monitoring the progress of the projects under which the Company has supported and assisted in the agriculture for income earning according to the sufficiency economy philosophy.

BAM promotes community sufficiency through the “Green Community” project according to its Creating Shared Value (CSV) operational guidelines. The project encourages social development based on the use of concept and resources to concurrently build economic and social values, along with evaluation, monitoring, improvement, development or learning exchange. The Green Community project was implemented at five places in five provinces in five regions, as follows:

- Ban Huai Luek Non-toxic Vegetable Farming Promotion Group, Ban Lat District, Phetchaburi Province
- Hak Nam Chang Community Enterprise Group, Mae Tha District, Lampang Province
- Ban Tha Rae Organic Vegetable Planting Group, Mueang District, Khon Kaen Province
- Community Enterprise Group for Sufficient Farming Promotion, Mueang District, Rayong Province
- Non-toxic Agriculture Group, Mueang District, Nakhon Pathom Province



Objectives of the project

The project aims to educate the community and create understanding of proper agriculture such as crop planting and layer poultry farming with advice from agricultural experts, as well as to cultivate a lifestyle based on sufficiency economy. It also promotes good nutrition by encouraging the use of products from farm plots and layer poultry farming for cooking and consumption within the community and developing healthy eating habits through consumption of non-toxic vegetables. In addition, vegetable seeds are distributed to farmers for planting and consumption of the produces thereof, which helps cut their household expenses. The project promotes the concept of ‘do it yourself’ planting to ‘feed yourself’ and ‘sell the remainder,’ by helping community people to learn and understand marketing and be able to process agricultural products into OTOP products and allocate their farm products for cooking and for sale to earn income. To develop their financial self-discipline, the income is partly for saving and partly for purchase of more seeds for planting, which helps create jobs for the community.

Success and progress of the project

The implementation of the Green Community project helps the community learn and understand proper agriculture, sufficient living, and good nutrition. Products from vegetable farming are cooked for community and family members, hence building healthy behavior through consumption of non-toxic vegetables. The project enhances knowledge and skills in farming for consumption and processing for sale, which helps lower household expenses. The community adopts the concept of ‘do it yourself’ planting to ‘feed yourself’ and ‘sell the remainder’. Products leftover from cooking are put for sale to generate income according to the sufficiency economy philosophy. The community also serves as learning premises where people can enhance their professional skills, study and acquire more knowledge of poultry and frog farming, green house farming, soil preparation, making of organic fertilizer, packaging design for processed products, and adoption of agricultural technologies and updated nutrition principles.

The Company supports non-toxic agriculture to promote good health and encourages development of water system, solar cell panels, poultry shed and fertilizer shed, and marketing of community products in order to increase jobs and generate income for the community by the community through participation in the Green Community project.



1. Ban Huai Luek Non-toxic Vegetable Farming Promotion Group, Ban Lat District, Phetchaburi Province

Agricultural development: The Group was encouraged to make plots for growing various types of vegetables for community consumption and for commercial purpose, i.e. for sale to generate income. This could bring about happiness from farming profession based on the sufficiency economy, under which the community people live a moderate and self-reliant life. The agricultural center was developed as a learning base for integrated farming, crop rotation, and production of organic fertilizer and other types of plants that suit the areas. In addition, the planting areas were managed throughout the year, with soil improvement and watering system. Demonstration plots were built as a model plantation where farmers could come to learn for further implementation in their own areas.

2. Hak Nam Chang Community Enterprise Group, Mae Tha District, Lampang Province

The activities included organic agriculture, local and general vegetables, for consumption and for sale, making of fertilizer, preservation of farm produce such as drying, refining and herb processing, making of tea leaves, processing of Chiang Da, a local clean food, into packaged drink, together with promotion and support of packaging development with the use of modern and eco-friendly technologies, and production of quality products that meet the standard of the Office of the Food and Drug Administration for sale to generate income for the community.



3. Ban Tha Rae Organic Vegetable Group, Mueang District, Khon Kaen Province

The activities included follow-up of the community development of Ban Tha Rae Organic Vegetable Group, Khon Kaen Province, agricultural development, success in creating a non-toxic vegetable farming group and a group for supply to separation plants and distribution to shopping malls, which helped increase revenue from vegetable sale, improvement of organic fertilizer sheds, installation of solar cell panels, construction of a learning center for

growing organic vegetables and growing in large plots, and proper farmland management which can be open for study and visit by interested persons.

The activities were conducted in accordance with the project to develop a model community for quality of life improvement, including study of problems and guidelines for development of qualitative planting of non-toxic vegetables to attain the standards, development of farm produce to build negotiation power, increase of distribution channels and sale promotion methods, branding for quality certification and building of trust among consumers, expense management and household accounting, etc.



4. Community Enterprise Group for Sufficient Farming Promotion, Mueang District, Rayong Province

According to the report of farmers using organic fertilizer, the plants and their produce grew well. Yields were higher while production costs reduced. The soil was in good condition and suitable for the life of soil fauna. Fruit collector machine innovation would be further developed for the farmer group. Moreover, farmers, both within and outside the area, were interested in studying the making of organic fertilizer to apply it as an organic fertilizer model. A research team from Burapha University also came to study the farm plots and organic fertilizer for further adaptation.



5. Non-toxic Agriculture Group, Mueang District, Nakhon Pathom Province

The activities included reporting on the making of 100% organic fertilizer and improvement of saline soil caused by the impacts of the shrimp ponds. The problem occurred for 3-4 years and prevented vegetable growing or caused their yellowing. Implementation of the project helped restore the soil condition and contributed to substantial produce of farmers, flourishing crops, good selling prices, hence higher income. Government agencies were also interested to visit the farm and learn how to use organic fertilizers.

According to the evaluation and monitoring of the Green Community project implementation in five communities, it was concluded that people in these communities who are farmers with average income in a range of Baht 5,000 – 10,000 per month and have debts, after joining the project, could earn enough income to cover their household expenses and reduce their debts with more savings.



Corporate Social Responsibility Policy...toward sustainable success

The Company sets its corporate social responsibility policy as its core guideline that connects all operational dimensions and covers the principle of 'Good People,' 'Good Product' and 'Good Society' in order to integrate into the true sustainability.

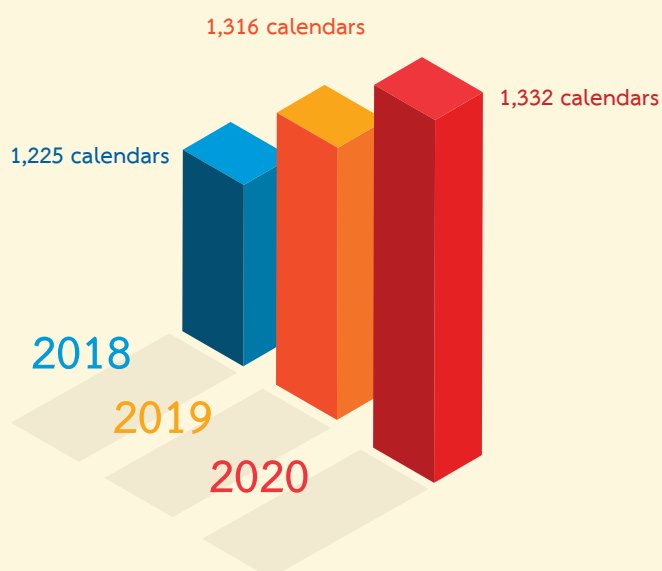
Good People



The Company focuses on making its employees become good people who live their lives and pursue their careers honestly and do not exploit any benefit from the stakeholders, society, and the country. The Company encourages its employees to adhere to its anti-corruption guidelines in order to improve their potential and ability to perform their tasks and continuously progress in their careers.

1. Become the givers means cultivating employees to be helpful and willing to give and share happiness and developing them as good people. The projects conducted under this concept are as follows:

1.1. Old calendar donation program: To provide new knowledge to the blind, the Company invites employees to donate old calendars every year which are collected for donation to the Educational Technology for the Blind Center, Foundation for The Blind in Thailand under the Royal Patronage of H.M. the Queen, to support the creation of braille-based books for the blind across the country. The Company also donates funds for procurement of computers and tactile graphics and braille making machines.



September 10, 2020

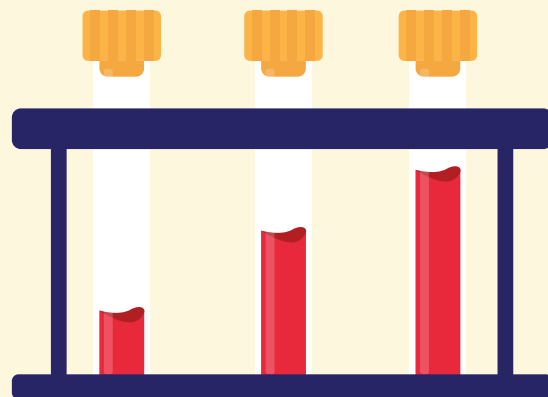


1.2 Blood donation program: At present, a large number of patients are in need of blood for treatment. However, the blood donation at the Thai Red Cross Society is still inadequate for treatment at hospitals. Thus, blood donation is one of the activities under the Company's give-back policy focusing on the role as a giver. The Company, in collaboration with the Faculty of Medicine, Vajira Hospital, Navamindradhiraj University, invites its executives and employees to participate in a quarterly blood donation for life saving campaign every year.

Blood donation program



2018 Blood donation: 188 employees 72,900 CC	2019 Blood donation: 249 employees 102,600 CC	2020 Blood donation: 405 employees 166,897 CC
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2. Know when to sacrifice means promoting its employees to possess the public mind and to be ready and willing to sacrifice and help other people.

August 26, 2020



2.1 Happy Society – Jai Fah (Blue Heart) project: The employees were invited to donate funds and commodities as well as to support products from Wat Phrachat Nam Phu Foundation, Lop Buri Province. The objective of this happiness sharing activity is to support and improve the quality of life of HIVS patients, orphans, the elders and distressed people.

3. Have a concentrated mind means promoting its employees to have discipline and train their minds, to achieve mindfulness and concentration, and possess and exercise the good moral and ethics for further improving their works and services. The activity to promote this concept was a Dharma Course on “Beauty, Wealth and Wisdom” by Luang Pho Suthat Koslo, Wat Krachom Thong, Bang Kruai, Nonthaburi Province.

October 22, 2020



The Company organizes dharma lectures, dharma practicing program and mediation program for its employees, to remind them of the good and merit as well as to remind them to be good people of society.

Good Product



Along with its business operation, the Company conducts CSR in process activities by integrating the CSR principles into all business processes which are related to the stakeholders, whether debtors or customers. This accords with its business policy to support the Thai economy and society based on ethical principles, efficient management and CSR for the benefit of the stakeholders that will lead to sustainable development.

The Company manages NPLs and convert them into high-quality assets and re-circulating them back into the country's economic system. It has been found that many debtors are facing difficulties, particularly those with a large amount of debts which are difficult to resolve. Meanwhile, people with low income wish to buy their own home but have problem with the debt repayment. Therefore, solutions for debtors are focused on enabling small debtors to regain their collateralized assets, which are either their houses or places where they earn a living, while supporting programs or measures are also arranged for those having debt repayment problems. The Company assists large debtors to continue their normal business operation through voluntary debt compromise measures and debt relaxation guidelines on a mutual cooperation basis in order to reach the conclusion with mutual benefits of both parties. These are carried out through an array of debtor assistance programs such as the Small Debtor Support Program (credit card debtors), Assets Assignment for Debt Relieving Project, Aid Program for Distressed Debtors from Disasters, “Khuen Sub Hai Khun (return assets to you) Project, “Sukjai Dai Ban Khuen” (pleased to have your home back) Project, and “BAM Chuai Phuen Khuen Turakij” (BAM helps revitalize your business) Project. At the same time, the Company focuses on repairing and improving NPAs into a good - graceful condition and selling them at fair prices together with sale promotion through aid program for buyers of the Company's NPAs.

In 2020, the Company assisted its debt restructuring customers and customers purchasing its NPAs through various programs as follows:

1. Debtor support program



1.1 Sukjai Dai Ban Khuen (pleased to have your home back)

Project: This project helps individual debtors of housing loans, who enter into the debt restructuring program with the Company and whose principal debt is less than Baht 10 million, to have the opportunity to repay their debts and to reclaim the collaterals, which are normally their homes, back easily. Debtors will have the choice of paying the debt at 80% of the appraisal price under BAM's criteria, with 0% interest rate for two years, by either one-time payment within 90 days or installment payment for a period of not more than 20 years.

1.2 “BAM Chuai Phuen Khuen Turakij” (BAM helps revitalize your business) Project: This project helps all types of debtors, whether individual or corporate, with principal debt of not more than Baht 20 million each by providing opportunity to repay their debts and reclaim the collaterals back easily. They will have the choice of paying the debt at 80% of the appraisal price under BAM's criteria, with 0% interest rate for one year, by either one-time payment within 90 days or installment payment for a period of not more than 10 years.

1.3 Measures to assist customers in the COVID-19 situation: To support solving of problems caused by the COVID-19 pandemic, the Company released measures to relieve difficulties of debtors whose NPLs are under debt restructuring and debtors under installment payment program who have been hit by this crisis such that they have become less able, or even unable, to repay their debts for the time being. For customers suffering from such situation, debt moratorium will be considered on a case-by-case basis. Customers may choose one of the three measures that best matches their debt servicing capability, as follows: (1) suspension of principal and interest payments for three months; (2) suspension of principal and interest payments for three months and, after that, suspension of principal repayments for another three months (payment of interest only); and (3) suspension of principal repayments (payment of interest only) until the December 2020 installment. Customers eligible for such debt moratorium programs must be those affected by the COVID-19 pandemic, including customers undergoing debt restructuring with the Company, both retail and SME customers; and customers purchasing NPAs with installment payments to the Company.

2. Projects to assist buyers of NPAs

2.1 Condo for the People Project: This project is targeted at people with low income. In response to the government policy to stimulate real estate market and assist low-income earners who cannot afford down payment but wish to buy homes of their own, the Company launched the project, “Condo Don Jai Sabai Krapao” (Affordable – Pleasurable Condominium Sales Project) - Buying is cheaper than rent, to sell condominiums at the price of not more than Baht 500,000 per unit in over 60 projects from various locations in Bangkok and the provinces. The Company also offers a project for purchase of NPAs under installment payment program to provide opportunity and assist people with low income who do not have access to funding sources.

3. Project for purchase of NPAs under installment payment program: This is a sales promotion activity for buyers of NPAs at the price of not more than Baht 3 million who will get 0% interest for two years and then MLR throughout the contract period, aiming to assist small customers to buy and own a home.

4. Safe and healthy home project: IoT (Internet of Things) technology is applied in homes under the concept “Digital Living Home,” a digital technology that controls equipment in the house through the mobile phone application.

5. Baan Suan Sook Jai (Garden Home for Happiness) Project: This is a household herbal garden project that aims to please those who love to take care of their health and enjoy living in urban nature by growing herbs around the house that can be used as both food and medicine. The project also includes the concept of ‘Digital Living Home’ with a focus on energy saving by the use of solar energy harvested from the solar cells, and Baan Suan Sook Jai activities for income earning to respond to life in the new normal.



Moreover, the Company adjusted its sales strategy by organizing property mega sale to help people and investors during the economic downturn and enable them to own homes easily. There were also sales promotion activities and marketing communication via online platforms to facilitate the customers or interested persons in their access to the Company’s sales channels anywhere, anytime. The Company in collaboration with Shopee Thailand Co., Ltd., the biggest e-commerce market in South East Asia and Taiwan, launched “BAM x Shopee Partnership -The Digital Shopping for The New Normal” to boost flexibility of its business operation and to help customers or interested persons in the new normal to buy ready-to-move-in properties online at special prices with up to 30% discount together with voucher and free-of-charge ownership transfer. The project contributed to sales growth, generated positive impacts on the overall property sector and helped strengthen the country’s economic system.

Good Society



The Company promotes and arranges activities for social benefits regularly to strengthen the society while paying attention to its stakeholders and helping those underprivileged people to generate revenue. The Company also promotes sustainable community development through activities in various areas including education, public health, assistance to underprivileged people and distressed people in the society, and other activities for public benefit, music, sports, religions, arts and cultures, and environment which are part of its CSR after process. The Company also follows the business ethics and good management principles while assuring corporate social responsibility, both within and outside the organization, in order to move toward sustainable development.

Besides the policy to relieve the plight of customers or debtors in business aspect, the Company’s operation adheres to good corporate governance principles along with recognition of its corporate social responsibility. The Company takes into account the benefits of all stakeholders together with the engagement in giving benefits to the society, community and environment. To achieve this, the Company promotes, supports, develops and initiates projects or activities to provide assistance to communities in regions across the country, as well as takes care people in the provinces where the Company’s branch offices are located and the nearby areas. The Company is also committed to enhancing understanding of the executives, employees and customers of the role in giving back to the society by encouraging them to do good deeds, have public mindset and engage in activities for public benefits to achieve the targets. The Company conducts projects and activities covering four key areas of its CSR plan as described below:

1. Education

1.1 Scholarship program

The Company recognizes the importance of education and arranges annual scholarship program to support students and youth in regions across the country continuously for 13 consecutive years to date. The scholarships are provided for students at all levels, i.e. primary, secondary, university and graduate students. In addition, the Company grants funds to support social activities, aiming to help relieve financial burden of parents and enable them to use such funds to cover expenses on their children's development toward academic achievement or to further their studies in a higher level. To date, the programs provided a total of 15,000 scholarships in the total amount of over Baht 50 million. (Details of the activities are on Page 16-18.)

1.2 Educational institute development program

The Company provides financial support for repair and improvement of school buildings, canteens, libraries, toilets, roof structure of sports ground, playground, water tanks, etc. There is also improvement of landscape and public utilities system for good environment of the educational institutions which will help improve the students' quality of life while ensuring safety and hygiene. Moreover, the Company provides teaching and learning tools and equipment, computers and sports equipment to schools and universities for the benefit of educational development. (Details of the activities are on Page 19-20.)

2. Public health

The Company has a project to procure medical equipment to state hospitals across the country, recognizing that many public hospitals have a large number of daily patients and the number has been increasing every year, hence causing shortages of major equipment for timely lifesaving and treatment. To implement the healthcare engagement policy for people in the society and to support the operation of doctors and nurses by assuring convenience, promptness and efficiency, the Company makes donations to 10 public hospitals every year, covering all areas across the country, for procurement of standard and modern medical equipment. The Company, in cooperation with several other agencies, donated ambulances with emergency life-saving equipment and funds to support procurement of ambulances for hospitals and government agencies. The Company also donated funds in the total amount of Baht 34,600,000 to procure medical equipment for more than 70 hospitals, as well as provided drinking water and BAM bags containing patient utensils for inpatients and outpatients. (Details of the activities are on Page 20.)

3. Assistance for the underprivileged and distressed people

With strong commitment and adherence to its mission, the Company is driven to create social activities and take part in the giving in various concrete forms. One of the Company's policies is to assist in taking care of the people and giving back to the society in all areas of the country through arrangement of projects and activities such as donation of funds and gifts on the National Children's Day, donation of funds for procurement of educational and sports equipment for schools or agencies for use in teaching and learning, health promotion, offering of opportunities for good people who are facing difficulties, and assistance to good people in continuing their good deeds. (Details of the activities are on Page 21-22.)

4. Other areas for public charity, public benefits, music, sports, religion, arts and culture, and environment

The Company's activities, cooperation and assistance to organizations, foundations, agencies, and communities for public charity or public benefits as well as support and promotion of music, sports, religion, arts and culture, and environment are considered activities that contribute to the public and improve the people's quality of life. Moreover, the employees and related parties are encouraged to engage in activities organized by the Company to create a sharing society, enhance pride and build up their self-esteem. This is another important mission that the Company is continuously committed to in order to help further develop the quality of the Thai society. (Details of the activities are on Page 23-26.)

BAM always recognizes the importance of assistance and giving back to the society. Each year, the Company implements projects or activities for benefits of the stakeholders as well as supports activities of educational institutions, organizations, foundations, and agencies. The Company is firmly committed to creating good things for the society, uplifting the income level, improving the well-being, handing over care and sharing happiness to all areas of the Thai society.

The Company adheres to the six guidelines for the Good Society as follows:



1. Creation of educational opportunity for children

September 14, 2020



The Company creates equal educational opportunities by giving scholarships to children and youth across the country, aiming for educational development to pave the way for good future and to further develop quality people.

2. Development of local business partners

August 7, 2020



To enhance knowledge and understanding of its business partners in its combat against corruption, the Company arranged a seminar on “Expansion of Anti-Corruption Coalition” for the business partners at the Conference Hall at BAM Head Office.

3. Development of quality of life and environment in community

January 11, 2020



- The Company donated funds for purchase of 2,000-liter water tank for Ban Pha Lang Child Development Center, Chiang Rai Province.
- The Company supported purchase of student shoes and organized Children's Day activities at Ban Santha School, Nan Province.

4. Development of quality of life of underprivileged people



- The Company donated funds for procurement of equipment for people with disabilities and the elders to Bangkok's Disability Person Association.
- The Company hosted the Pha Pa robe offering to support blind people in collaboration with the Thai with Disability Foundation, to provide knowledge and enable them to earn a living.
- The Company provided support for the Orthosis and Prosthesis program of the Thai with Disability Foundation.
- The Company sponsored the 9th Bridge of Hope organized by HIV Patient Help Center, St. Camillus Foundation of Thailand, Rayong Province.
- The Company joined the Pha Pa robe offering under the "Milk Powder Fund for Underprivileged Children" to support purchase of milk powder for children, Holt Sahathai Foundation.
- The Company supported funds for Christmas and New Year party of Baan Nokkamin Foundation, Bueng Kum District, Bangkok, including support for food stations, game station and giveaways to children of Baan Nokkamin as well as underprivileged children in the communities who joined the party.

5. Preservation of local tradition

February 14, 2020



To preserve and carry on local tradition, the Company supported the arrangement of love festival, "Rattanakosin-Land of Love," in collaboration with Bang Rak District Office and Bangkok Metropolitan Cultural Council at NBTC Telecommunication Center, with the objective to give impression and recall one of the important days in marriage life.

6. Participation in network with other organizations

January 11, 2020



January 12, 2020



The Company donated funds, drinking water and items for National Children's Day 2020 activities to children centers and various organizations in Bangkok and the provinces, 37 in total, as well as arranged game stations and gave away gifts and drinking water at the National Children's Day activity of Children's Discovery Museum Bangkok 1 (Chatuchak).

August 20, 2020



The Company donated funds to Vissukam Foundation as scholarship for children of civil servants and officials under the Ministry of Commerce on the occasion of the 100th Anniversary of the Ministry of Commerce.

October 17, 2020



The Company donated funds to support the Welfare Fund of the Public Debt Management Office for use in charity activities on the occasion of the 18th anniversary of the establishment of the Public Debt Management Office.

December 18, 2020



The Company donated fund to support the Veterans General Hospital for procurement of medical equipment on the occasion of the entering into the 19th year of establishment of the Small and Medium Enterprise Development Bank of Thailand.

Sustainable organization development

BAM recognizes that a good corporate governance process is the key to the Company's continuous, secure and sustainable business growth. Therefore, the Company always prioritizes and is determined to create a good management standard that will improve the confidence and benefit of the Company's stakeholders and related parties.



1. Corporate governance	2. Anti-corruption and exploitation	3. Fair business conduct
4. Respect for human rights	5. Fair treatment of labors	6. Responsibility to consumers
7. Community and society development	8. Environment and energy management	9. Research and development

1. Corporate Governance

Best practices

- BAM has an intention to operate the business efficiently and under corporate governance by focusing on creating benefits to all stakeholders.
- The Board of Directors, executives and employees at all levels are committed to adhering to and complying with seven key principles of corporate governance according to the international standard, namely:
 - (1) Accountability (being accountable for the results of the discharge of one's duty)
 - (2) Responsibility (being aware of one's duty and using adequate capability and efficiency)
 - (3) Equitable Treatment (ensuring equitable treatment of all stakeholders)
 - (4) Transparency (embracing transparency in the operation and disclosure of information in an examinable manner)
 - (5) Value Creation (adding value to the business in both short and long term)
 - (6) Ethics (promoting excellent and ethical practices in the business operation)
 - (7) Social Awareness (recognizing and adopting corporate social responsibility in the operation)
- The Company encourages the shareholders to exercise their rights on a fair and equal basis.
- The Board of Directors performs duties with dedication, accountability, independence and clear delegation of roles and duties, and supervises the business operation in the best interest of the Company, taking into consideration the roles of all groups of stakeholders.
- The Board of Directors has ethical leadership, acts as a role model in complying with the Company's corporate governance guidelines, and monitors the management and mitigation of conflicts of interest.
- The Company recognizes the importance of stakeholders of all groups, both internal and external, such as shareholders, the public sector, customers, creditors, business partners, competitors, society and environment, the Board of Directors and employees, and ensures appropriate treatment of each party in accordance with their respective requirements.
- The Company ensures disclosure of information, both financial and non-financial, in an adequate, reliable and timely manner to enable the stakeholders to acquire the information equally.

8. The Audit Committee is appointed to undertake an independent review of the operation of all departments.
9. The Company places importance on guidelines for proper conduct of employees at all levels to ensure efficiency in their operation and gain credibility from the public.
10. The Corporate Governance Committee is entrusted with the duty to monitor and follow up the compliance with the Company's corporate governance policy and to report the progress and give recommendations to the Board of Directors as deemed appropriate.

Performance in 2020

1. The Company arranged the BAM CG Day event, at which the directors, executives and employees at all levels from a total of 26 offices, including the head office and regional offices, vowed and pledged themselves to be good people, to perform their duty transparently, and to be firmly opposed to corruption.
2. The Company reviewed and adopted the "Anti-Corruption Policy" in order for the directors, executives and employees to use the policy as practice guidelines in accordance with the corporate governance principles.
3. The Company conducted a test on knowledge and understanding of corporate governance principles among the executives and employees.
4. The Company communicated and promoted corporate governance principles through various channels to assure continuous awareness and recognition

January 10, 2020



Target for 2021

The Company will develop and elevate its corporate governance by arranging BAM CG Day to promote recognition and awareness of the importance of corporate governance, encourage the employees' righteous conduct and commitment to the corporate value, and engage the directors, executives and employees in the business operation under the corporate governance principles through expression of their intention to oppose corruption. The BAM CG Day activities include:

1. BAM CG Day for the directors, executives and employees at the head office
2. Roaming BAM CG Day for the executives and staff members of Regional Loan Restructuring and Sales Department

2. Anti-corruption and exploitation

Practice guidelines

1. The Board of Directors specifies that “The directors and employees at all levels of BAM shall not tolerate corruption, either direct or indirect, in any forms, including giving or receiving of cash, items, presents, gifts, entertainment, solicited funds, donations and any other benefits for themselves or for other persons out of the business conducted with the Company.” This applies to the employees, business partners, customers and stakeholders, both at home and abroad. The Company’s employees at all levels shall comply with the following guidelines:
 - (1) To perform duty in accordance with the anti-corruption policy and code of conduct of the Company, and not to involve in any form of corruption, whether directly or indirectly.
 - (2) To assist in monitoring corrupt practices whereby if any corrupt act is discovered or detected, the person committing such corruption, irrespective of his/her position, shall be subject to equal punishment by the Company.
 - (3) Not to overlook or ignore any witnessed or known corruption related to the Company, whereas one is duty-bound to report such corruption to his/her supervisor or to the person in charge and cooperate in the investigation.
 - (4) Not to unfairly and unlawfully perform any transaction by conniving, directly or indirectly, with any government official, other person or other agency, and not to have any other hidden benefits, directly or indirectly, of oneself, one’s family and ally of the Company, including transactions such as sales of products and services to the Company or in competition with the Company.
 - (5) To avoid accepting any improper entertainment from those related to the Company or from other persons who may gain an advantage from the work of the Company’s employees.
 - (6) Not to offer or accept money, gifts, presents, rewards or any other benefits for a reciprocal exchange of favors or business advantages of all kinds, and to ensure that business operation of the Company and contact with the government sector are carried out with transparency, integrity and honesty and in compliance with the applicable laws.

It is required that a review of the Company’s compliance with the anti-corruption policy is performed at least on a yearly basis.

2. The Board of Directors sets out the requirements for corruption reporting as follows:
 - (1) The Company has in place an efficient and transparent operational system to ensure reliable financial reporting, and closely and regularly monitors the possibility of corruption risk in its operation.
 - (2) Any employee who has witnessed any corruption within his/her work unit must report such matter to his/her supervisor or report clues about such corruption through the whistle-blowing channels designated by the Company in accordance with the corporate governance principles and BAM handbook of business ethics.
3. The Company provides complaint/whistle blowing channels for the employees and customers/third parties who have come across any corruption related to the Company with the objective to put in place a procedure to manage complaints until the final outcome is reached, which includes investigation of facts, improvement/revision in managerial aspect in a concrete manner, and reporting of the complaint management results to the Corporate Governance and Social Responsibilities Committee for information.
4. The directors and employees at all levels of the Company who have committed corruption shall be considered having breached the Company’s code of business ethics and be subject to disciplinary actions prescribed in the Company’s regulations, as well as legal punishment if such act also violates the law.

5. The Board of Directors requires that a corruption risk assessment shall be conducted across the organization on a yearly basis.
6. The Board of Directors requires that the directors and employees at all levels shall perform duties with caution regarding the practice guidelines on the giving or receiving of cash, gifts, presents or any other benefits.
7. A charitable donation, giving of cash or items for sponsorship, and giving/receiving of cash or items for charity and cash or items for sponsorship must be made transparently and lawfully, and it must be ensured that such cash or items donated and cash or items for sponsorship are not used as a bribe. (Details are provided in Appendix 1, Appendix 2 and Appendix 3.)
8. In conducting its business, the Company must remain politically neutral and not provide any political support or involve in and take sides with any political party or any person with political power, and must not use the Company's funds or resources to support, whether directly or indirectly, any political party or politician.
9. In building business relationship and executing procurement/hiring, the Company must not give bribes for a conduct of business of all types with business partners, counterparties, government agencies or agencies doing business with the Company, and must embrace transparency and compliance with the applicable laws.
10. The Company shall cultivate and build good consciousness among the directors and employees at all levels to ensure that they perform duties with integrity and do not seek to gain advantage from their position or offer benefits to other persons.
11. The Company shall give importance to dissemination and enhancement of knowledge and understanding with its related parties and stakeholders to develop good consciousness.
12. The Board of Directors specifies the acceptance of complaints/whistle-blowing in case the employees, customers and third parties witness any behavior or incident that is a breach of corporate governance principles and best practices as well as the Company's code of business ethics. These include:
 - Corruption, embezzlement and misconduct in the Company;
 - Solicitation, acceptance or offering of any wrongful benefits from/to customers, debtors, creditors, trade partners, business alliances, competitors or stakeholders;
 - Failure to comply with the code of business ethics;
 - Guide, support or encouragement of others to not comply with the code of business ethics;
 - Negligence or ignorance when witnessing a violation of or non-compliance with the code of business ethics that one is or should be aware of;
 - Refusal to cooperate in or obstruction of the investigation of facts claimed to be a violation of or non-compliance with the code of business ethics;
 - Unfair act toward other person who reported the non-compliance with the code of business ethics.
13. The Company provides various channels for complaint/whistle-blowing for the employees as follows:
 - The Board of Directors
 - President
 - Top executives and executives
 - Office of the President
 - Human Resource Department
 - Internal Audit Department

The employees can submit complaints/whistle-blowing reports through postal service/mail/direct meeting/telephone/fax and others. (Details are provided in Appendix 4.)

14. Customers/third parties can submit complaints/whistle-blowing reports through various channels as follows:
 - The Board of Directors
 - President

- Top executives and executives
- The Audit Committee
- Office of the President
- Corporate Communication Department (Customer Relations Center)
- BAM website, <http://www.bam.co.th>
- The Bank of Thailand

Customers/third parties can submit complaints/whistle-blowing reports through postal service/mail/direct meeting/telephone/fax/electronic channels (Internet/website), and others.

15. The Board of Directors determines investigation guidelines based on the complaint/whistle-blowing criteria and procedure within an appropriate timeframe with transparency and fairness to all parties for prompt solution, improvement and punishment. For the acceptance of complaints, the Company ensures protection and confidentiality of the complainant/whistle-blower, both before and after taking action. Details are as described below:

- (1) Processing and filtering of information: The person who accepts the complaint/whistle-blowing reviews, filters and processes the collected evidence and information according to the criteria and procedure of the Company within an appropriate timeframe with transparency and fairness to all parties. Protection and confidentiality and non-disclosure of the complainant/whistle-blower must be provided, both before and after taking action. Any offence that is discovered must be reported to the authorized person for further action.
- (2) Determination of measures to restrain the impacts of the complaint/whistle-blowing: The person who accepts the complaint/whistle-blowing specifies the measures to restrain the violation or non-compliance with the code of business ethics and to alleviate damages to the affected person, taking into account the overall damages. In the event that the incident is significant and has effects on the business as a whole, the results must be reported to the President, the Audit Committee and/or the Board of Directors, for instance, an incident that causes impact on the reputation, image or financial position of the Company, or one which is against the business operation policy or relates to the top executives, etc.
- (3) The person who accepts the complaint/whistle-blowing reports immediately notifies the result of the investigation to the complainant/whistle-blower after the consideration procedure is completed.

16. The Board of Directors specifies the provision of rights or protection of the complainant/whistle-blower.

The Company promises to accept complaint/whistle-blowing reports on an equitable, transparent and attentive basis and to ensure fairness for all parties without discrimination. The name of the complainant/whistle-blower must be kept confidential with protection against retaliation, both during and after the investigation of facts. The protection guidelines are as follows:

- (1) The complainant/whistle-blower may choose not to disclose his/her identity if it is considered that such disclosure will make him/her unsafe or cause material damages. However, the disclosure of his/her identity will allow the Company to report the progress and facts or relieve the damages more easily and rapidly.
- (2) The Company will treat the related information as confidential and will disclose it as necessary, taking into account the safety and damages to the complainant/whistle-blower, sources of the information or related persons.
- (3) In case the complainant/whistle-blower views that he/she is not safe or may be harmed, the complainant/whistle-blower may request the Company to set out measures or guidelines for proper protection. Nonetheless, the Company will immediately issue protection measures or guidelines despite no such request if it deems that there is a tendency of trouble or insecurity in a wide scope.
- (4) If the complainant/whistle-blower suffers any damages, the damages will be promptly relieved through an appropriate and fair procedure.



The Company participated in the declaration of intent against corruption and was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC"). Its three-year membership expired on February 12, 2020. To reiterate its commitment to counter corruption, the Company implemented activities in 2020 as follows:

1. The Company submitted an application for renewal of its membership of "Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") on June 16, 2020 and was certified by CAC Council on September 29, 2020. The renewed membership is valid from September 30, 2020 to September 30, 2023.

August 7, 2020

2. The Company organized a seminar on "Expansion of Anti-Corruption Coalition" for its business partners with the objective to enhance their knowledge and understanding as alliance in countering corruption. A total of 32 business partners joined this program and declared their intention to fight corruption.



Target for 2021

1. Communication with the executives and employees to enhance their awareness and encourage their strict compliance with the Company's anti-corruption policy.
2. Expansion of anti-corruption coalition to business partners.

3. Fair business conduct

Best Practices

1. To specify conditions and agreements in the contracts with customers and strictly comply with such conditions, as well as to notify the customers immediately in case of inability to honor any condition so as to jointly seek solution to the problem.
2. To provide customers with correct, adequate and up-to-date information and advice on the products and services.
3. To deliver quality assets and services according to the agreement with customers at a fair price and not to overly focus on profits.
4. To incorporate the policy in the handbook of business ethics and operational best practices regarding treatment of business partners.
5. To encourage the top executives, executives and employees to utilize resources and assets of the Company efficiently in order to enhance competitiveness and quality of customer services, to use licensed products and services, and not to support the use of pirated products or the actions that infringe upon intellectual property rights.

Performance in 2020

April 9, 2020



The Company operated its business fairly and transparently and in such a way that reflects fair and equitable competition. It also focused on building good relationship and cooperation, as well as collaborating with the business partners to strengthen the potential and efficiency in long-term business partnership, while ensuring that there would be no exploitation of its business for one's own benefit or for the benefit of related persons.

In its business operation, the Company gave opportunity to all sectors to purchase its NPAs on a first come first serve basis by organizing an annual grand auction with selection of outstanding assets in prime locations, including vacant land and single detached houses, for investors and interested persons who could submit their bid envelopes at BAM Head Office.

Target for 2021

The Company will determine procedures and measures to promote the employees' awareness of the importance of compliance with the laws concerning competition and fair competition, and support small and medium enterprises in fulfilling their corporate social responsibility targets, as well as provide additional assistance such as to educate small contractors about the work procedures to ensure quality deliverables and reduce costs incurred from inefficient operation.

4. Respect for human rights

Best practices

1. The top executives, executives and employees shall be treated equally and provided with equal opportunities to work under the legitimate rules, bylaws, work regulations, announcements and orders of the Company.
2. The top executives, executives and all employees are entitled to exercise their rights and be treated as rightful citizens according to the Constitution of the Kingdom of Thailand under the following principles:
 - A person shall have the right and freedom and be protected under the laws on an equal basis.
 - Men and women have equal rights.
 - There shall be no unfair discrimination of persons due to difference in origin of birth, race, language, gender, age, disability, physical or health condition, personal status, economic or social position, religious belief, education or political views.
3. Personal information of the top executives, executives and employees shall be protected and there shall be no disclosure nor transfer thereof to other persons without consent of the information owner unless required by the laws or ordered by a legal authority.
4. The Company shall encourage all employees to respect human dignity and not to do any act that violates or threatens other persons, either verbally or by any other means and directly or indirectly, due to the difference in origin of birth, race, language, gender, age, disability, physical or health condition, personal status, economic or social position, religious belief, education, political views or others.
5. The Company shall promote and provide opportunities for the top executives, executives and employees to participate in sharing their views in case there is any act of human right violation by the Company or employees so as to reflect problems and find out the solutions.
6. In performing their duties, the top executives, executives and employees shall be cautious about possible risks of human right violation caused by the business operation.
7. When witnessing any human right violation in business activities or becoming aware of any discrimination and/or human right violation, the employees shall report the possible violation of the Company's policy or the laws to their supervisor or via complaint/whistle-blowing channels according to the complaint management procedure specified and made available by the Company on bamnet.com.



The Company laid down the business operation framework and guidelines covering fundamental rights according to the laws and requirements under the international standard on human rights to ensure fair treatment of the employees. These involved provision of opportunities, compensation, appointment, rotation and development of potential, along with ethical development, environmental care and work system arrangement to ensure the safety of life and assets. The employees were also provided with extensive development of skills and potentials and regular update on the Company's news and information. Meanwhile, the top executives, executives and employees were encouraged and given opportunities to share their views to reflect problems and find out the solutions.

Target for 2021

The Company will prepare guidelines for the executives and employees to receive equitable treatment under the legitimate rules, bylaws, work regulations, announcements and orders and to be cautious about risks from human right violation in business activities. The Company will also promote and give the employees opportunities to receive news and information and to take part in the expression of opinions.

5. Fair treatment of labors

Best practices

1. Forced labors

The Company shall neither act nor support the use of forced labors in all forms and shall not demand or accept guarantee, ID card or any personal document from the job applicant/employee or to require these as conditions of employment unless otherwise prescribed by the law.

2. Child labors

The Company shall not employ or support the employment or use of child labors aged under 15 years, and shall not allow, support or promote child labors in the Company.

3. Women labors

The Company shall not allow female employees to perform work which is harmful to health or body as prescribed by the law. Pregnant employees shall be provided with a healthy and safe environment. The Company shall also not terminate the employment, demote or reduce the rights and benefits of female employees due to their pregnancy.

4. Discrimination

The Company shall neither act on nor support the discrimination caused by the difference in race, language, gender, age, religious beliefs, marital status, personal attitude toward gender, disability, HIV infection, being HIV patient, being the employee's representative in the Employee Relations Committee, preference of political party or personal perspectives on issues such as employment, payment of wages and remuneration, work, provision of welfare, offering of opportunities for knowledge and capability development and training, promotion, termination of employment or retirement.

The top executives, executives and employees shall be treated equally and have equal work opportunities under the rules and regulations of the Company.

5. Freedom to join the Employee Relations Committee

The Company shall support and provide opportunity for the employees to apply for the selection or election as employee representative in the Employee Relations Committee, shall not take any illegitimate actions to obstruct or interfere with the employees' exercise of right, and shall provide convenience for and treat such representative equally as other employees.

6. Responsibility for employee protection from sexual intimidation and/or harassment and labor violence

The Company shall put in place measures to protect the employees from sexual intimidation and/or harassment through verbal expression and gesture as well as use of violence against female labor. If an employee is sexually intimidated and/or harassed and in case of violence against female labor, the Company shall consider and strictly impose a disciplinary action against the wrongdoer in accordance with the work regulations of the Company.

7. Remuneration

- (1) The Company shall pay wages and remuneration for work according to its rules and regulations and as prescribed by the laws.
- (2) The Company shall inform the employees of information on the monthly wages and remuneration for their work, and there shall be no deduction thereof in any cases, unless otherwise prescribed by the rules, regulations, orders or the laws.

8. Occupational health, safety and environment

- (1) The Company shall set out occupational health, safety and environment measures covering works that tend to be harmful to health and safety of the employees and related persons while ensuring that the control and protection are in accordance with the laws and that the environmental safety is in place.
- (2) The Company shall ensure that the employees involve in the activities concerning occupational health, safety and environment, for instance, by making available internal communication to inform the employees of the rules, regulations and handbook of work safety.
- (3) The Company shall arrange training on workplace safety such as basic firefighting and evacuation fire drill on a yearly basis in order to encourage the employees to use safety equipment which are safe and suitable for their work.
- (4) The Company shall give importance to safety and workplace by appointing the Occupational Health, Safety and Environment Committee to specifically be responsible for this task.

9. The employees, when facing or being aware of the discrimination and/or violation against fair labor treatment, shall report to the supervisor of an act which is suspicious of violation against the policy and/or practice guidelines, announcements, orders, rules and regulations of the Company or against the laws, either directly or via complaint/whistle-blowing channels in accordance with the complaint management procedure specified by the Company and made available on bamnet.com.

Performance in 2020

The Company gives importance to fair employee treatment and respects individuality according to the international human right principles and code of ethics in order to bring peace to the society and create sustainable organizational growth.

1. The Company did not support forced labors in all forms nor discrimination due to the difference in race, religion, language, gender and age, and ensured fair employment according to its rules and regulations.
2. The employees were notified of payment of their monthly wages and remuneration including quarterly extra remuneration.

3. The Company provided welfare, opportunities for training and knowledge development as well as consideration for promotion.
4. The Company considered the promotion and replacement of the retired employees at the executive and employee levels.
5. The executives and employees were treated equally and provided with equal opportunities in work according to the rules and regulations of the Company.
6. The Company used internal communication in order for employees to acknowledge and understand the rules, regulations and handbook of work safety and the fire prevention campaign, and arranged a basic firefighting and evacuation drill on a yearly basis.

Target for 2021

1. To prepare continuous training plan for development of knowledge and competence of the executives and employees.
2. To determine measures on occupational health, safety and environment for works which tend to have harmful effects on health and safety of the employees and related persons, while ensuring that the control and prevention are performed according to the laws and meet the safety standard.
3. To provide internal communication to enable the employees to acknowledge and understand the rules, regulations and handbook of work safety, and provide training for employees about internal communication for acknowledgement and understanding of the rules, regulations and handbook of work safety, as well as arrange basic firefighting and evacuation drill.

6. Responsibility to consumers

Best practices

1. Respect customer right to satisfaction of basic needs.
2. Protect customer right to safety.
3. Respect customer right to be informed.
4. Respect customer right to choose.
5. Respect customer right to be heard.
6. Protect customer right to redress.
7. Protect customer right to education.
8. Respect customer right to a healthy environment.

Performance in 2020



In 2020, the Company arranged the “Pleased to Have Your Home Back” project and the “BAM Chuai Phuen Khuen Turakij” (BAM helps revitalize your business) project to give an opportunity for debtors under debt restructuring program to choose the installment payment plans according to the conditions. The Company also initiated measures to assist debtors affected by the COVID-19 pandemic and NPA customers such as the “Condo Maha Chon” (condominium for the people) project, asset purchase under installment program, and special sales promotion campaign.

December 14, 2020



In addition, the Company developed “Baan Suan Suk Jai” project with the concept to make the customers’ dream come true or for those who wish to have a house in the garden to live a simple life based on sufficiency economy in the natural surroundings and in combination with the new agricultural theory and “Smart Home, Smart Farm and Smart Energy” system for safety of the residents, especially the elders. The project also aims at energy saving with the use of solar power from solar cell panels.

The Company also invited interested customers to join a customer relations activity, “Baan Suan Suk Jai and Family Income Earning” in which the Company developed demonstration farm plots at BAM House in Muang Ek Village, Rangsit District, Pathum Thani Province, to provide knowledge about kale planting for family consumption and income earning. The activity focused on promoting garden home living and income earning in the new normal as well as giving knowledge of online distribution channels to encourage all businesses to adjust to the new normal.

Target for 2021

The Company will develop projects to support the customers or debtors to have opportunity to restore their creditability through debt restructuring process, and will sell quality NPAs at reasonable prices.

7. Community and society development

Best practices

1. Community engagement
2. Education, culture and ethics
3. Employment creation and skill development
4. Good health of people
5. Pleasant environment

Performance in 2020

February 13, 2020



The Company sponsored the awards for the Local Music Contest (Pong Lang) project for secondary students in the North East of Munmang Luang Pu Chop Thanasamo School, Loei Province. The objective was to encourage the youth and general public to join the preservation of north eastern local music show, which is a valuable national heritage, as well as to encourage Thai students to use their free time efficiently and provide an arena for creative expression. The Company recognizes the importance of the conservation and continuation of art and cultural heritage and has joined this beautiful tradition every year for the third consecutive year in 2020, aiming to cultivate a good value and a true pride among the Thai youth.

Target for 2021

The Company will determine an action plan and budget to support activities for promoting the conservation and continuation of arts, culture and tradition such as Thai music contest, painting competition, candle parade in lent period, etc. through the activities organized by educational institutes and other agencies.

8. Environment and energy management

Best practices

1. To develop and obtain knowledge for comprehensive pollution management and prevention.
2. To recognize a sustainable use of resources.
3. To encourage engagement in environmental activities so as to reduce and solve global warming.
4. To promote a transfer of environmental knowledge among the employees so as to create understanding and instill organization culture that leads to sustainable implementation.

Performance in 2020

The Company set out the framework of principles and guidelines to add value and strengthen the business sustainability by developing activities for environmental preservation and reduction of resource utilization and environmental impact. The Company's environmental management projects are as follows:

1. Energy-saving home project

The Company's NPA management is focused on environmental conservation. The "Baan Suan Suk Jai" project was initiated based on the concept of energy-saving home and demonstration farm plot, home development and improvement with adaptation and combination of organic agriculture which is concerned about health and environment friendliness, application of technologies for convenience, i.e. 3S system, namely Smart Home, Smart Farm and Smart Energy, and use of solar cell panels in the garden. This project was designed to be an energy-saving home which is easy to maintain and clean with efficient waste management. Its design, construction and decoration were essentially aimed at reducing environmental impact, such as the use of insulating materials as roof heat reflector, selection of additional supporting components, use of semi-gloss paints to reflect sun radiation and reduce heat on the cement, use of smart board eaves with ventilation holes to support air ventilation under the roof, use of green glass to reduce light and heat from outside, use of electronic ballast lamps to save electricity by over 30.0%, and use of a dual-system toilet flush to separate heavy and light watering to save water, etc. There was also a selection of vendors that are eco-friendly in each production process.

2. Energy-saving project

The Company ensures that the energy preservation in the buildings conforms with the Energy Conservation Promotion Act and is environment friendly, taking into account the quality of life of the employees. The Environmental Management Working Committee prepared the energy management policy, including development of an appropriate energy management system with energy preservation incorporated into the Company's operation, appointment of a working committee, setting of targets and operational plans, preparation of public relations media, monitoring, evaluation and performance reporting. The Company's energy preservation plan includes field study on energy preservation, arrangement of energy and environment conservation promotion activities, training for enhancement of environmental preservation knowledge, campaign to boost the employees' cooperation in economically-efficient use of energy, and follow-up and evaluation of energy preservation for continuous improvement of efficiency and effectiveness on a yearly basis.

Management of greenhouse gas to reduce global warming and Carbon Footprint for Organization (CFO)

The Company gives importance to energy conservation and complies with the Energy Conservation Promotion Act B.E. 2535 (1992) (Amendment Act B.E. 2550 (2007)). It is strongly committed to energy conservation in line with its engagement in the country's sustainable economic and social development, environmental friendliness and improvement of the employees' quality of life in alignment with its key mission. The Company also continuously cooperates and participates in various projects of the Ministry of Energy. In 2020, the Company invested Baht 12,159,000.00 in replacement of the existing water cooler with a high-efficiency 390-ton water cooling machine and in installation of a 70-kWp solar power generation system, leading to an electricity saving of 425,126.70 kWh/year and decrease of greenhouse gas from carbon dioxide emission by 210,607.77 kg CO₂/year, as shown in Table 1 below:

Table 1: Implementation of Energy Saving Measure in 2020

No.	Measure	Investment	Energy Saving	CF
			kWh/year	kg CO ₂ /year
1	Replacement of water cooling machine with a high-efficiency 390-ton magnetic bearing cooling machine, 1 set	9,000,000.00	318,602.70	157,835.78
2	Installation of a solar power generation system using 70kWp solar cell panels	3,159,000.00	106,524.00	52,771.99
	Total	12,159,000.00	425,126.70	210,607.77



Picture 1 Change of water cooling machine to magnetic bearing cooling machine



Picture 2 Installation of solar power generation system

The Company's use of electricity during January – August 2020 compared with the period of January – August 2019 decreased by 126,000.00 kWh, leading the greenhouse gas from CO2 emission to be reduced by 62,483.40 kg CO2, as shown in Table 2:

Table 2: Use of Electricity in BAM Building during January – August 2019 and 2020

Year	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Total
2019	213,000.00	199,000.00	227,000.00	226,000.00	228,000.00	212,000.00	233,000.00	232,000.00	1,770,000.00
2020	229,000.00	198,000.00	228,000.00	208,000.00	190,000.00	204,000.00	194,000.00	193,000.00	1,644,000.00
Energy Saving (kWh)									126,000.00
CF (kg CO2)									62,483.40



Furthermore, the Company arranges safe environment for life and property of all employees on an equal basis. To ensure safety of the employees, customers, business partners and alliances of all sectors during the COVID-19 situation, the Company strictly follows the measures of the Department of Disease Control, Ministry of Public Health, by arranging thermal screening points at the head office and regional offices, installing automatic sanitizer dispensers and providing alcohol hand gel at the entrances on all floors of the head office, disinfectant spraying at the head office and cleaning of elevators and all touch spots in common areas, distributing hygienic face masks, arranging for the employees to work from home, and maintaining social distancing to stay safe from the COVID-19.

Target for 2021

1. To arrange activities covering four major areas, namely (1) prevention of pollution, (2) sustainable use of resources, (3) reduction and self-adjustment to the global warming, and (4) environmental protection to enhance awareness of the problems.
2. To communicate with and enhance knowledge among the executives and employees and prepare public relations media regarding energy management as well as occupational health, safety and environment.
3. To provide training to increase knowledge and cooperation in energy and environment conservation.
4. To arrange field visit on energy conservation.

9. Research and development

Best practices

The Company puts in place development of innovations to uplift the standard and efficiency of its business processes, as well as cultivate the spirit of embracing change and enhancing creativity among its employees so as to connect the Company's goals with its ability to answer the demands of its customers and society in a balanced manner.

Performance in 2020

December 1, 2020



1. The Company organized the **BAM Energy Ambassador 2020 Contest** to select the Company's ambassador for promoting energy conservation activities, both inside and outside the organization, and serving as a representative to support the knowledge expansion or energy conservation activities. This enabled the employees to develop a positive attitude, participate in energy conservation and boost their leadership potential in various activities.

November 27, 2020



2. The Company organized the **BAM Property Design Contest** in collaboration with the Department of Interior Architecture, Faculty of Architecture, Chulalongkorn University, for the fifth consecutive year. In 2020, the Company arranged **BAM Property Design Contest # 5: Green Smart Concept** based on the eco home concept, aiming to create academic accomplishments and develop architectural design study. The activity gave an opportunity for the second- and third-year students of the Department of Interior Architecture, Faculty of Architecture, Chulalongkorn University, to join the contest where they could show off their knowledge and creativity for improvement of interior & exterior design based on the decision

factors such as elegance, attractiveness and practical functionality. The work pieces must be original, never be submitted to any contest, and not violate the copyright of others. All works submitted for the contest would become the Company's properties and be collected for further publishing and distribution as a conceptual model for the customers or any interested persons.

This project provided an arena for the students to use their architecture knowledge, skills, competence and creativity to produce their own works and present them to the public. The contest winners received scholarships, totaling 7 prizes worth Baht 80,000. The project was intended to build pride and inspire the students to put efforts in their study and work toward their future career. The works of these students will be adopted for renovation and decorative designing of the Company's NPAs for more attractiveness and value adding so as to ensure the customers will acquire quality homes at fair prices.

Target for 2021

The Company will encourage the employees at all levels to take part in the organization management by offering opportunities for the employees to suggest new creative ideas to further develop value-added innovations in a sustainable manner.

This report has been prepared based on the GRI Standard and UN Sustainable Development Goals. The Company is determined to develop the report to attain the international standards. In 2020, the Company remained committed to operating the businesses toward sustainable development, covering as much as possible the GRI Standard and UN Sustainable Development Goals.

Summary of Specified Items per Form 56-2 in 2020 Annual Report

Content	Page
1. Policy and Business Operation Overview	24
2. Business Operation Particulars	38
3. Risk Factors	76
4. Assets Used in Business Operation	92
5. Legal Disputes	105
6. General Information, Other Important Information	106
7. Securities and Dividend Policy	110
8. Management Structure	112
9. Corporate Governance	148
- Report of the Executive Committee	
- Report of the Corporate Governance and Social Responsibilities Committee	
- Report of the Risk Oversight Committee	
- Recruitment and Remuneration Committee Report 2020	
11. Internal Control and Risk Management	174
- Audit Committee Report 2020	
12. Connected Transactions	182
13. Important Financial Information	198
14. Management Discussion and Analysis	210
10. BAM Sustainable Development	334

Head office and branch office



Bami



Annual Report
2020

BAM

Moving Forward
Through Sustainability



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