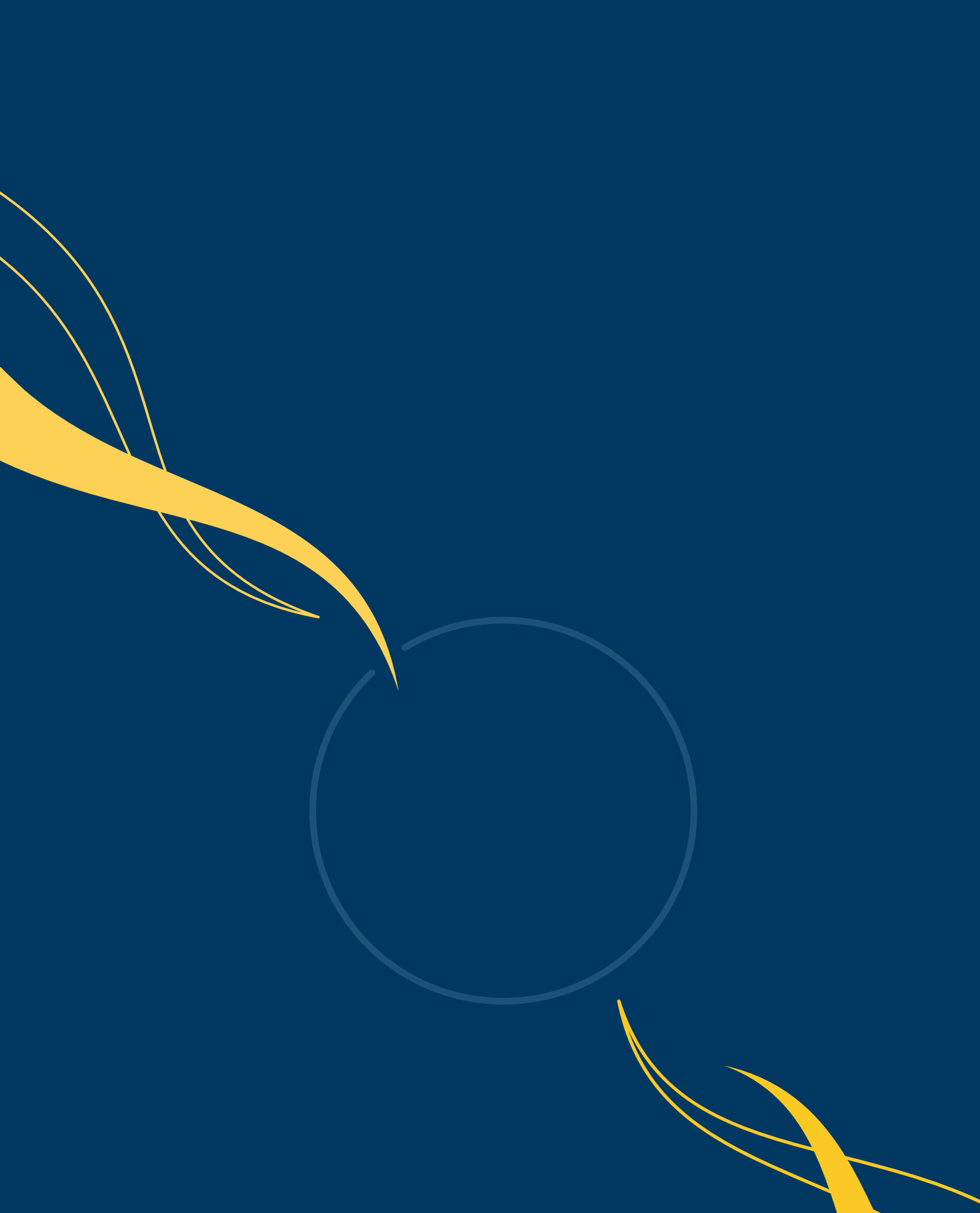


20th

บริษัท
BAM ANNIVERSARY

To the future Together
ก้าวสู่อนาคตไปด้วยกัน



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ROAD OF GROWTH

20 December 2005

The Cabinet resolved for Financial Institution Asset Management Corporation ("FIAMC") to transfer its core assets comprising all investments in distressed assets and investments in securities to BAM, as well as have BAM accept transfer of employees from FIAMC on a voluntary basis. The merger helped strengthen the organization due to the harmonization of both organizations' human resource and work system potential.

2005

29 March 2002

The Company registered for an extension of its scope of business to managing distressed assets of other financial institutions and operating as a debt collection agency pursuant to the Emergency Decree on Thai Asset Management Corporation B.E. 2544, as well as providing custodian services for assets, asset transfer documents, and all other relevant documents.

2002

1998

14 August 1998

Bangkok Commercial Asset Management Co., Ltd. ("BAM" or "the Company") was established under the financial institution development plan devised by the Ministry of Finance pursuant to the Cabinet's resolution dated 14 August 1998 to manage distressed assets of Bangkok Bank of Commerce Plc. ("BBC").

20th



To the future Together
ก้าวสู่อนาคตไปด้วยกัน

25 December 2015

The Company registered its transformation into a public company in the name of Bangkok Commercial Asset Management Public Company Limited, headquartered at No. 99 Surasak Road,

Silom, Bang Rak, Bangkok, to engage in purchasing or receiving transfer of NPLs and NPAs for management or for further disposal or transfer.

2015

Moving Toward Our 20th Anniversary

BAM was committed to being a key mechanism for the public sector in managing NPLs by supporting debtors and solving financial institution problems, rehabilitating real estate business by developing potential assets to reach the acceptable standards and become more marketable.

BAM priding as a professional organization in NPLs/NPAs management, with an endeavor to become the best asset management entity in Thailand, BAM is ready to offer itself to manage debt from all financial institutions.

7 January 1999

BAM was registered as a limited company pursuant to the Civil and Commercial Code with an initial registered capital of 54,700 million baht, comprising 547 million shares each of 100 baht par value, and with Bangkok Commerce Plc. (formerly known as BBC) owning 99.99% of its total shares.

28 January 1999

BAM was approved by the Bank of Thailand to operate as an asset management company under the Emergency Decree on Asset Management Company B.E. 2541.

8 November 1999

BAM registered a capital decrease from a par value of 100 baht per share to 25 baht per share for appropriate financial structure, resulting in its remaining registered capital of 13,675 million baht, comprising 547 million shares each of 25 baht par value) according to the unanimous resolution of the Company's annual general meeting of shareholders no. 1 on 7 July 1999, by gradually returning 41,025 million baht from the capital decrease to its shareholders until completion on 31 August 2006.

1999





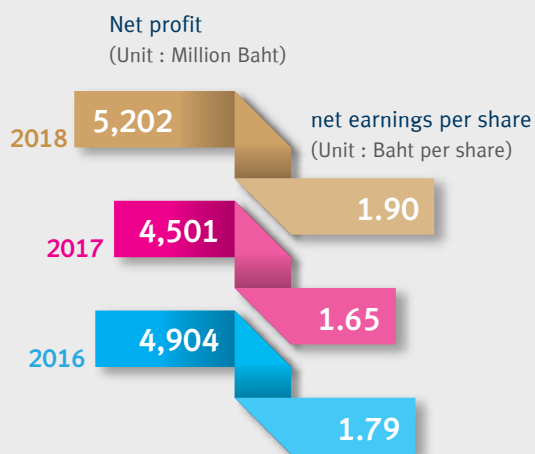
To be the best asset management company of the country



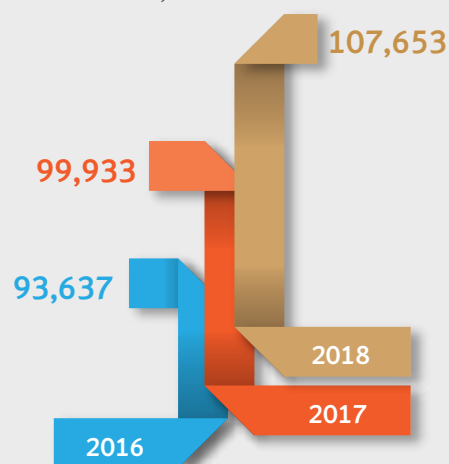


FINANCIAL HIGHLIGHT

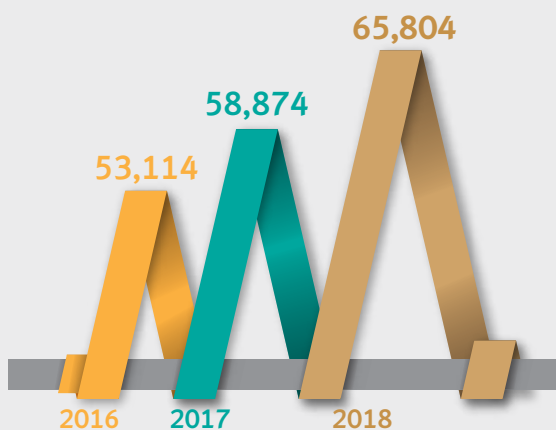
Net profit and net earnings per share



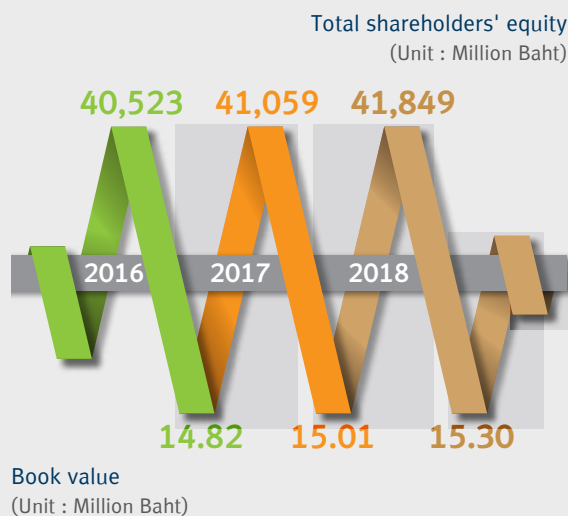
Total assets (Unit : Million Baht)



Total liabilities (Unit : Million Baht)



Total shareholders' equity and book value



Note : In 2016, the accounting policy was revised to prepare for listing on the stock Exchange of Thailand.

20th



ANNIVERSARY

To the future Together
ก้าวสู่อนาคตไปด้วยกัน





COMPANY INFORMATION

Bangkok Commercial Asset Management Public Company Limited (“BAM” or “the Company”) is a state enterprise with the ultimate goal of driving the economy through effective resolution of non-performing loans (NPLs) from financial institutions to enhance quality of NPLs to become quality assets circulated in the economic system with higher value. BAM’s main operation is in the following manner:

- Bidding for and managing NPLs with debt restructuring mainly based on debt compromise negotiations.
- Setting out guidelines for management of non-performing assets (NPAs) which are in a large volume in an efficient and comprehensive manner by refurbishing them to be in good conditions and meet market demand conducive to further disposal to outside parties.

Upon having bought or received transfer of NPLs from financial institutions, the Company will issue invitation letters to debtors for negotiations on debt restructuring under joint cooperation and taking into consideration debtors’ debt servicing capability to reach settlement with highest benefits to both parties. The Company also allows for debtors’ renegotiations even during litigation process to help debtors return to normal operation under the economic circumstances.

The Company’s NPAs are in various types scattered nationwide comprising vacant lands, hotels, plants, commercial buildings, condominiums, detached houses, townhouses, etc. which the Company has

bought or received transfer from 1) debtors’ debt repayment, 2) auction sale of Legal Execution Department, and 3) financial institutions. After obtaining ownership of NPAs, the Company will prepare details and a register to control NPAs and conduct a survey on asset conditions to compile data. It will afterward publicize the assets by installing announcement boards at the asset locations and exhibition booths, and advertising through offline media including publications, TV, radio, billboard, and online media including www.bam.co.th website as well as social media channels of BAM.

The Company also manages and develops NPAs such as preliminary maintenance and repair of NPAs so that they are in a ready-for-sale condition and do not depreciate in value, and settles other relevant expenses, as well as hires security guards as appropriate. The Company has put in place guidelines for management of NPAs according to asset types covering vertical buildings, horizontal buildings, vacant lands, and assets for investment like not-yet-completed projects and high-value assets for large investors’ further development. The mentioned management guidelines will help improve expertise and management of each type of assets. For properties not ready for sale, the Company will manage and lease them to generate income and reduce opportunity cost as well as holding expenses. Meanwhile, this can help prevent asset deterioration and contentious possession or trespassing. With the Company’s professional management, these problems hardly occur.



MESSAGE FROM CHAIRMAN

**Service with
our heart and
serve the
society**

We have personnel
with professional
expertise and experience
in management of assets.

With our nationwide
branch network,
we are able to thoroughly
manage NPLs and NPAs
scattered across
the country.

The year 2018 saw Bangkok Commercial Asset Management Public Company Limited (“BAM” or “the Company”) move toward our 20th year of business operation. Amid global and domestic changes, we have been able to weather several economic woes until now our business has expanded and recorded satisfactory results. Good feedbacks have been received from debtors and clients. We have adopted the guideline of creating value added to potential second-hand assets, having them developed into ready-to-use assets that make them more marketable.

BAM has business partners who have rendered supports as funding sources for our liquidity enhancement and credit lending to our clients for their purchase of assets. Most importantly, we have personnel with professional expertise and experience in management of assets. With our nationwide branch network, we are able to thoroughly manage NPLs and NPAs scattered across the country. This is thus our strength and affirmation of our commitment to be the best asset management company of the country. We have adhered to the BAM DEE theme anchored on five good-deed behaviors as follows:

First, good toward employees: BAM management must care for the well-being of all employees. We should pay attention to improving welfare packages and delivering the best to all employees. No matter how hard our work is, both executives and staff will be able to generate good results with clear mutual targets and with the leaders having good heart and daring to make decision. I would like our executives and employees to be open-minded and listen to each other as we are the same family.

Second, good toward shareholders: Our main shareholder is Financial Institutions Development Fund of the Bank of Thailand.

BAM must be able to compete in business terms and make some profits under the non-maximum-profit policy alongside caring for the society and consumers. We will grow sustainably with the interests of the society kept in mind. We believe that our profits, though not the highest, are satisfactory for the shareholders.

Third, good toward customers or debtors: BAM has placed bids for NPLs and NPAs from financial institutions. Our officers are always told to take best care of customers just like prime customers of commercial banks and provide customers who buy NPAs with best services to win their heart. Toward our 20th anniversary, BAM has launched several projects to give back to customers such as “Sook Jai Dai Baan Kuen” (Happy Reclaiming Housing Collateral) project, “BAM Helps Revive Business” project and Installment Repayment Package which aims to help low-income earners unable to access financing sources. As BAM’s major role is to assist low-income people to have their own housing units. Assets acquired by us are developed and sold without focus on highest profits but for social and national benefits.

Fourth, good toward the society: Throughout almost the past 20 years, BAM has consistently taken care of the society and community in which we get involved. We give back to the society by donating medical equipment to provincial hospitals, district hospitals, and sub-district hospitals in need. Moreover, we have granted scholarships to



BAM’s major role is to assist low-income people to have their own housing units. Assets acquired by us are developed and sold without focus on highest profits but for social and national benefits.

We remain steadfast in conducting our business with transparency and responsibility toward the society under good corporate governance principles.

the youth nationwide over the past 10 years to widen educational opportunities for children who study hard and have good behaviors, but in lack of money to pursue study. We believe that children will grow to be the cornerstone of the country.

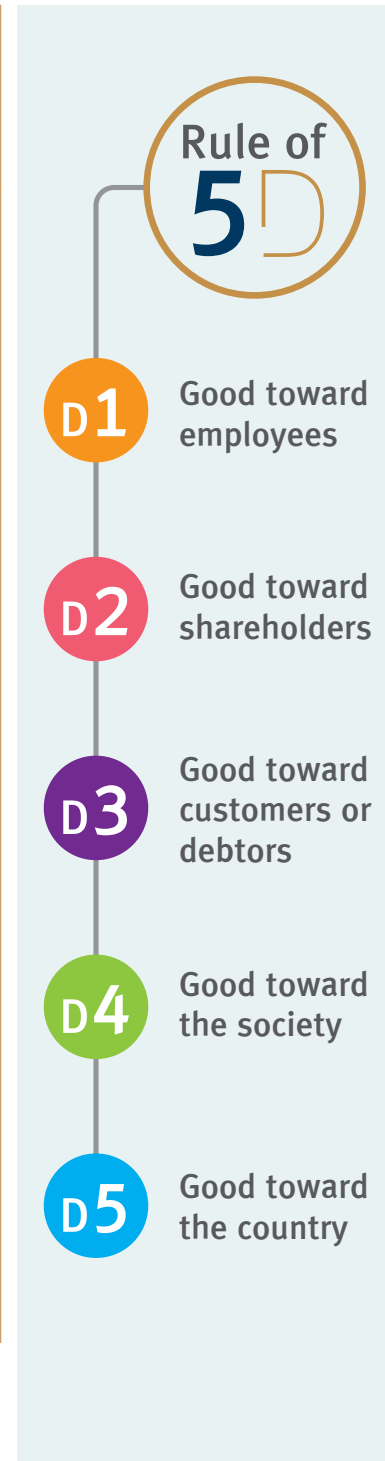
Fifth, good toward the country: BAM manages both NPAs and NPLs received from purchase and transfer from financial institutions for management and return them to the economic system at fair prices.

These are the five good areas of behaviors to which BAM is committed. BAM's success over the past year stemmed from the close collaboration of all of us in the organization, reflecting our capabilities to efficiently carry out our business. We remain steadfast in conducting our business with transparency and responsibility toward the society. Under good corporate governance principles, we have participated as a member of the Private Sector Collective Action Coalition Against Corruption (CAC).

On behalf of Bangkok Commercial Asset Management Public Company Limited (BAM), I would like to thank all our stakeholders for your support all along, as well as our management and employees for your dedication and collaboration which enable BAM to grow firmly and sustainably. Moving toward our 20th anniversary, BAM still aims to carry out business to fulfill our vision. We are determined to keep developing our business in all dimensions to best respond to our customers' needs, and be ready to "Service with Our Heart and Serve the Society" to drive the organization forward together to sustainable development.



Mrs. Tongurai Limpiti
Chairman





MESSAGE FROM PRESIDENT

Firm and sustainable growth

It was a year of pride as BAM generated a total income from debt restructuring and sales of properties of 17,756.45 million baht, bringing in a net profit of 5,202.02 million baht.

The year 2018 marked the 20th Anniversary of Bangkok Commercial Asset Management Public Company Limited (“BAM” or “the Company”). It was a year of pride as BAM generated a total income from debt restructuring and sales of properties of 17,756.45 million baht, a year-on-year growth of 13.89% from 15,591.63 million baht, bringing in a net profit of 5,202.02 million baht, which grew 15.58% year-on-year, in line with the economic conditions. Meanwhile, the Company’s asset size expanded consistently. It acquired 23,466.14 million baht worth of outstanding principal of NPLs and 2,058.67 million baht appraised value of NPAs from financial institutions. Consequently, as of December 31, 2018, there were 90,489 NPL accounts with an aggregate debt value of 447,885.29 million baht and 17,589 NPA accounts amounting to 48,482.64 million baht.

BAM has remained committed to business operation to achieve the vision and mission and taken part in the country’s economic and social development. We have helped drive the economy through management of NPLs and NPAs from financial institutions by mapping out measures to respond to the needs of each individual client. As regards NPLs, we have given the clients an opportunity to solve their debts to BAM with concessional conditions through various projects. These included “Sook Jai Dai Baan Kuen” (Happy Reclaiming Housing Collateral) project, SME Business Restoration project, and a project to help farmers with debt settlement. As for NPAs, we have launched

projects to help people with limited budget and without access to financing sources to have residential units of their own by way of installment purchase and special promotion campaigns all year round. For those who are nature lovers, BAM has implemented “Baan Suan Sook Jai” (Garden Home for Happiness) project under which a new home style is introduced by converting simple residence into urban country-style home in response to living preference of the elderly and the urban residents, i.e. living a simple life amid the good environment and full-fledged technological facilities, etc.

In moving toward the third decade, BAM is fully equipped to serve our clients through digital marketing to ensure fast and convenient services for each client group. We will cater to all segments, i.e. NPL and NPA clients as well as buyers of properties foreclosed, leveraging on our potentials and networks in all regions across the country. In addition, with realization of the employee value, we have strived to consistently develop and take care of our employees at all levels to enhance their knowledge and capabilities, instilling in them commitment to being good citizens, fostering unity, and embracing



In moving toward the third decade,
BAM is fully equipped to serve our clients through digital
marketing to ensure fast and convenient services
for each client group.

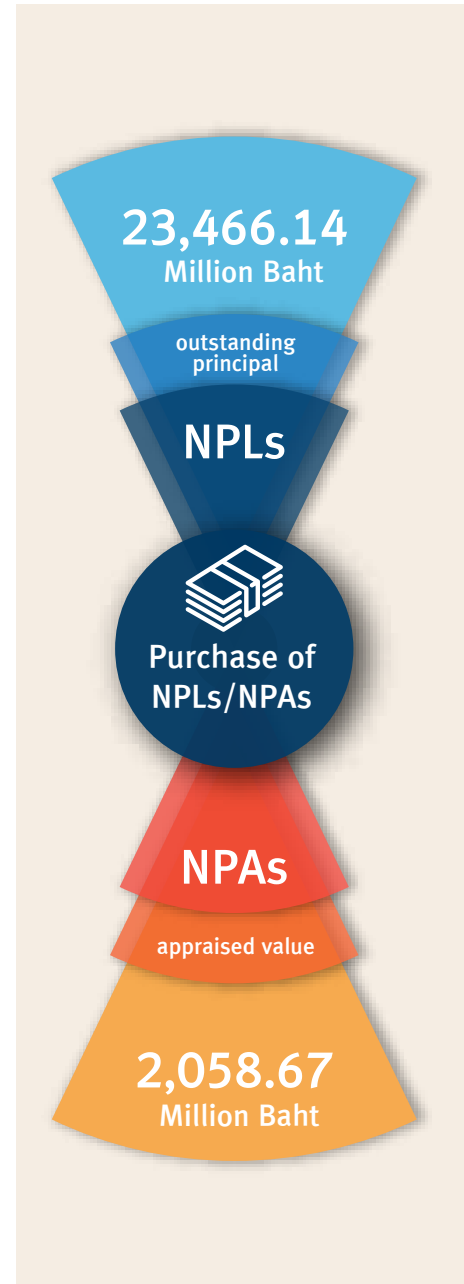
We will operate our business under corporate governance principles in the best interests of all our customers and stakeholders in parallel to responsibility for the society and community in which we do our business to enhance business-society values.

corporate culture and values to drive the organization toward the targets. I believe that BAM will be the main organization with a significant role of resolving the country's NPL/NPA problems alongside Thai financial institutions and with aspiration to earn acceptance from all stakeholders as an organization with expertise, transparency and integrity in asset management.

On this occasion, I would like to extend my gratitude to all customers and patrons for your trust in and support for BAM all along. My thanks also go to our management and all employees for their hard work and collaboration with professionalism to build highest customer satisfaction with best services toward our achievements as targeted. We will operate our business under corporate governance principles in the best interests of all our customers and stakeholders in parallel to responsibility for the society and community in which we do our business to enhance business-society values paving way for our firm and sustainable growth looking forward.



Mr.Somporn Moonsrikaew
President



BOARD OF DIRECTORS



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1

Mrs. Tongurai Limpiti
Chairman

2

Mr. Bunyong Visatemongkolchai
Director

3

Miss Siriporn Eamrunroj
Director

4

Mr. Songpol Chevapanyaroj
Director

5

Mr. Vasant Thienhom
Director



7

10

8

6

9

6

Mr. Yos Kimsawatde
Director

7

Miss Rasa Kanchanasai
Director

8

Miss Wilai Tantinantana
Director

9

Mrs. Maneerat Srisaovajati
Director

10

Mr. Somporn Moonsrikaew
Director and President

BOARD OF DIRECTORS' Profile



Mrs. Tongurai Limpiti
Chairman

Education :

- MBA, University of Wisconsin, Madison, USA
- Bachelor of Accountancy, Chulalongkorn University

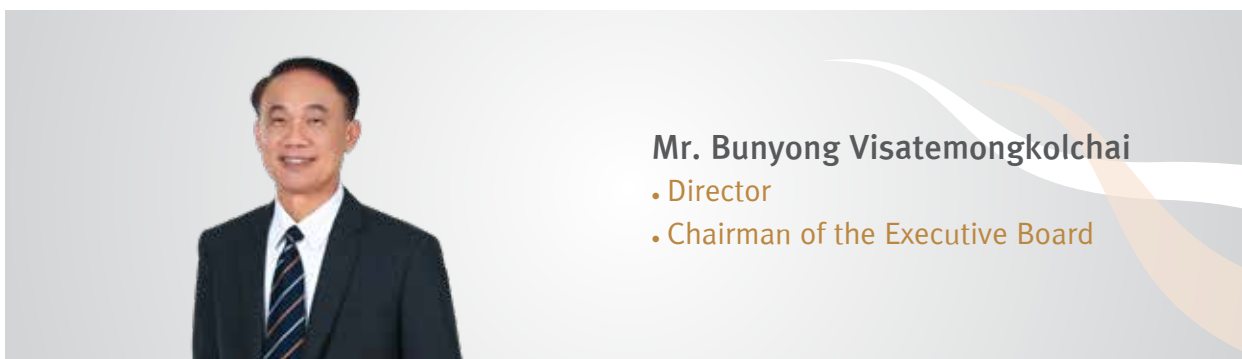
Other Positions :

- Chairman, AIRA Factoring Company Limited
- Subcommittee on Civil System Development for Promotion of Good Public Management
- Member of Financial Policy and Asset Committee, Srinakarinwirot University

- Advisor, Electronic Transactions Development Agency
- Member of Technology and Innovation-Based Enterprise Development Fund Committee, Ministry of Science and Technology

Experience :

- Deputy Governor, Financial Institutions Stability, Bank of Thailand
- President of Bank of Thailand Employee's Thrift and Credit Cooperative Ltd.

**Mr. Bunyong Visatemongkolchai**

- Director
- Chairman of the Executive Board

Education :

- Master of Law, Temple University, USA
- Bachelor of Law, Thammasat University
- Mini MBA, Chulalongkorn University

Other Positions :

- Director and Managing Director, TFD Real Estate Management Co., Ltd.
- Director, Latex Systems Co., Ltd.

Experience :

- Independent Director, Chairman of Risk Management Committee, Executive Director, Member of Good Corporate Governance & Corporate Social Responsibility Committee and Member of Nominating and Remuneration Committee, Government Housing Bank
- Independent Director and Member of Audit Committee Member, RHB OSK Securities (Thailand) PCL.

- Director, Thai Factory Development Public Company Limited
- Director, Total Industrial Services Co., Ltd.
- Asset Management Specialist, Bangkok Commercial Asset Management Co., Ltd.
- Board of Directors, Thai Asset Management Corporation
- President and Director, Bangkok Commercial Asset Management Co., Ltd.
- Executive Vice President, Asset Management Corporation
- Deputy Vice President of Law office, Kasikorn Bank Public Co., Ltd.

**Miss Siriporn Eamrunroj**

- Director
- Chairman of the Corporate Governance & Social Responsibilities Committee

Education :

- Master of Business Administration, Thammasat University
- Bachelor of Law, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University

Experience :

- Director, Sukhumvit Asset Management Co., Ltd.
- Senior Director, FIDF Management Department, Bank of Thailand
- Manager, Financial Institutions Development Fund, Bank of Thailand
- Director, Property and Debt Management Office, Bank of Thailand

**Miss Rasa Kanchanasai**

- Director
- Chairman of Risk Management Committee

Education :

- Master of Science (Economics), Kasetsart University
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Certified Public Accountant (CPA)

Other Positions :

- Enterprise Appraisal Consultant, State Enterprise Policy Office (SEPO)

Experience :

- Director, State Enterprise Development 2 Department, and Acting Enterprise Appraisal Consultant
- Director, State Enterprise Development 2 Bureau, SEPO
- Director, State Enterprise Development 1 Bureau, SEPO
- Director, Electricity Generating Authority of Thailand
- Director, TOT Public Co., Ltd.

**Mr. Vasant Thienhom**

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

Education :

- Master of Law (International Banking Laws), Boston University, USA
- Barrister-at-Law, Institute of Legal Education Thai Bar Association
- Bachelor of Law (Honours), Chulalongkorn University

Other Positions :

- Consultant, The Securities and Exchange Commission, Thailand
- Director, Thai Credit Guarantee Corporation (TCG)

Experience :

- Deputy Secretary-General, The Securities and Exchange Commission, Thailand
- Senior Assistant Secretary-General, The Securities and Exchange Commission, Thailand
- Assistant Director, Legal Department, Bank of Thailand



Mr. Songpol Chevapanyaroj

• **Director**

Education :

- MBA Finance,
Case Western Reserve University, USA
- Bachelor of Finance,
The University of Findlay, USA

Other Positions :

- Director, Dhanarak Asset Development Co., Ltd.

Experience :

- Director,
Krung Thai Asset Management Public Co., Ltd.
- Senior Executive Vice President-Head
of Global Transaction Banking Group,
Krungthai Bank Public Co., Ltd.
- Senior Executive Vice President,
World Business Group,
Kasikorn Bank Public Co., Ltd.



Mr. Yos Kimsawatde

• **Director**

Education :

- Master of Management Information System, University of Louisville, Louisville Kentucky, USA
- Bachelor of Arts (Statistics), Chulalongkorn University

Other Positions :

- President of Payment Systems Office, The Thai Bankers' Association

Experience :

- Executive Vice President, Service Business, IBM Thailand Co., Ltd.



Miss Wilai Tantinantana

• **Director**

Education :

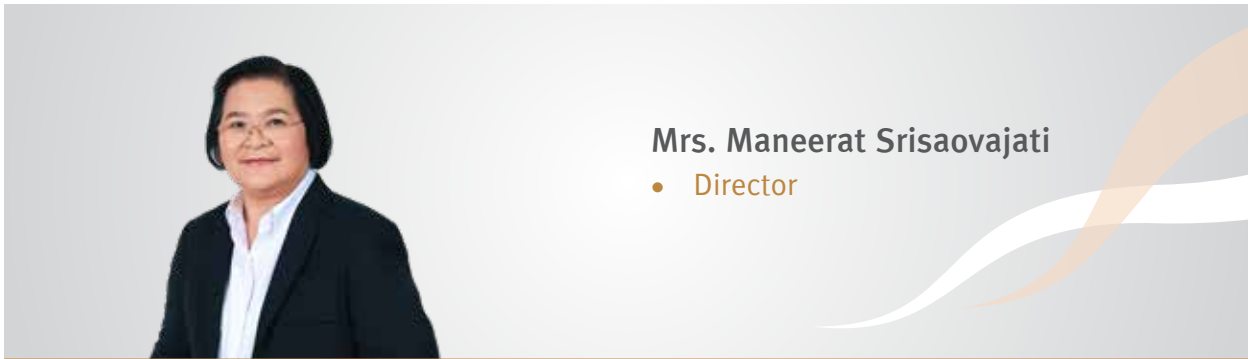
- Master of Arts, Tufts University, USA
- Diploma, International Tax Program, Harvard University, USA
- Bachelor's Degree in Law, Thammasat University
- Bachelor of Science, Srinakharinwirot University

Other Positions :

- Inspector, Ministry of Finance

Experience :

- Excise Tax Strategy Consultant, Excise Department
- Deputy Director General, Excise Department
- Director, Tax Planning Office, Excise Department
- Academic Tax Expert, Tax Planning Office, Excise Department
- Director, Information Technology Center, Excise Department
- Excise Officer, Krabi Area, Excise Department



Mrs. Maneerat Srisaovajati

• **Director**

Education :

- MBA (Accounting)
Illinois Institute of Technology,
Chicago, Illinois, USA
- Bachelor of Accountancy,
Chulalongkorn University

Experience :

- Director, Federation of Accounting
Professions under the Royal Patronage
of His Majesty the King

- Executive Vice President,
Operations Department,
Consumer Customers Group,
Merrill Lynch Phatra Securities Co., Ltd.
- Executive Vice President,
Operations Department,
Consumer Banking Group,
Citibank Corp.
- Manager, Bang Rak Branch,
Bank of Ayudhya Public Co., Ltd.
- Manager, Operations Department,
Diners Club (Thailand) Co., Ltd.
- Senior Analyst, Charoen Pokphand Co., Ltd.
- Senior Assistant Auditor,
Coopers & Lybrand (Thailand) Co., Ltd.



Mr. Somporn Moonsrikaew

- Director
- President

Education :

- Master of Public and Private Management (M.P.P.M.) of Graduate School of Public Administration, National Institute of Development Administration

Experience :

- Senior Executive Vice President, Sales Management Group, Bangkok Commercial Asset Management PCL.
- Senior Executive Vice President, Sales and Property Management Group, Bangkok Commercial Asset Management Co., Ltd.
- Senior Executive Vice President, Regional Debt Restructuring Group, Bangkok Commercial Asset Management Co., Ltd.
- Executive Vice President, Regional Debt Restructuring Group 1, Bangkok Commercial Asset Management Co., Ltd.
- Executive Vice President, Regional Debt Restructuring Group, Bangkok Commercial Asset Management Co., Ltd.
- Executive Vice President, Sales and Property Management Group, Bangkok Commercial Asset Management Co., Ltd.
- Vice President, Regional Loan Restructuring Department (Lower Northern Region), Bangkok Commercial Asset Management Co., Ltd.
- Vice President, Regional Loan Restructuring Department (North Eastern Region), Bangkok Commercial Asset Management Co., Ltd.
- Manager, Warin Chamrap Office of the Regional Loan Restructuring Department (Northeastern Region), Bangkok Commercial Asset Management Co., Ltd.

MANAGEMENT TEAM



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Mr. Somporn Moonsrikaew
President

2

Mr. Nopharat Ounjatturaporn
Senior Executive Vice President

3

Mr. Suntis Wattanakul
Senior Executive Vice President

4

Mr. Choopong Phokhasawadi
Senior Executive Vice President

5

Mr. Somchai Tanurukpairoj
Senior Executive Vice President

6

Mr. Somboon Ruangsarakait
Senior Executive Vice President

7

Mr. Thongchai Chailohakul
Executive Vice President

8

Mr. Phongsathon Maneepim
Executive Vice President



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Mr. Poolsak Chansuttikanok
Executive Vice President

10

Mrs. Wasana Chuenklinthoop
Executive Vice President

11

Mrs. Supanee Kitwithee
Executive Vice President

12

Mrs. Wipasiri Sangvacharakul
Executive Vice President

13

Dr. Wuthipan Tawantiang
Executive Vice President

14

Mr. Chanwit Kaveesoonthornsano
Executive Vice President

15

Mr. Vibulporn Bhandhukravi
Executive Vice President

16

Mrs. Srisudaporn Khamekitsongsin
Executive Vice President

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Board of Directors

As at 31 December 2018, BAM Board of Directors is composed of:

	Name	Position	Length of time in the position
1.	Mrs. Tongurai Limpiti	Chairman	17 APR 17
2.	Mr. Bunyong Visatemongkolchai	Director	6 JUL 12
3.	Miss Siriporn Eamrungraj	Director	29 APR 16
4.	Mr. Songpol Chevapanyaroj	Director	1 NOV 17
5.	Mr. Yos Kimsawatde	Director	14 NOV 17
6.	Mr. Vasant Thienhom	Director	1 DEC 17
7.	Miss Rasa Kanchanasai	Director	27 APR 18
8.	Mrs. Maneerat Srisaovajati	Director	27 JUN 18
9.	Miss Wilai Tantinantana	Director	7 DEC 18
10.	Mr.Somporn Moonsrikaew	Director and President	1 JUN 18

	Name	Position	Length of time in the position
1.	Mr. Somphan Eamrungraj	Director	6 JUL 12 – 3 FEB 18
2.	Mr. Krit Sesavej	Director and President	1 SEP 12 – 1 FEB 18
3.	Mr. Amnuay Preemonwong	Director	1 DEC 17 – 25 OCT 18

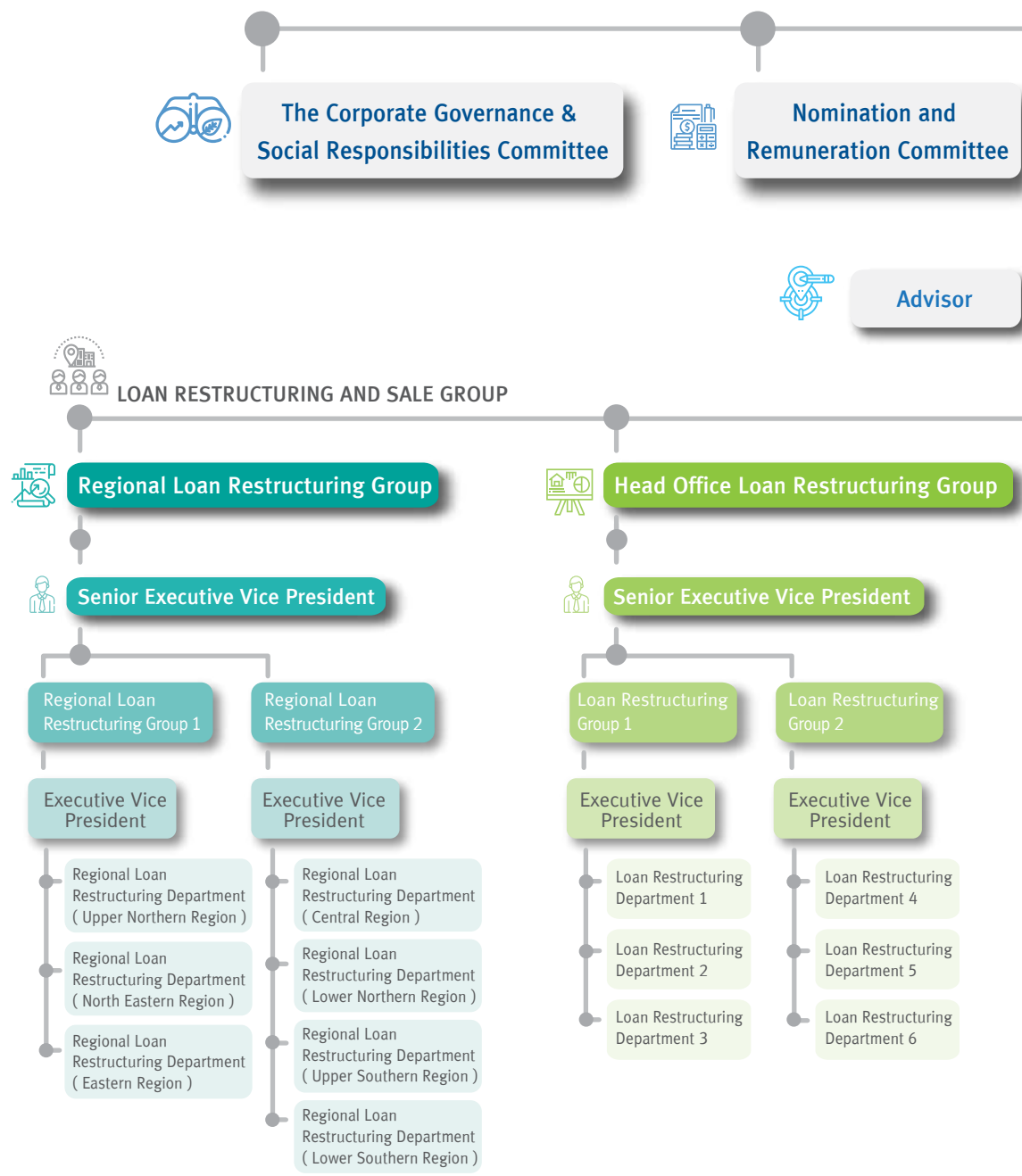
Note : Directors holding positions in 2018

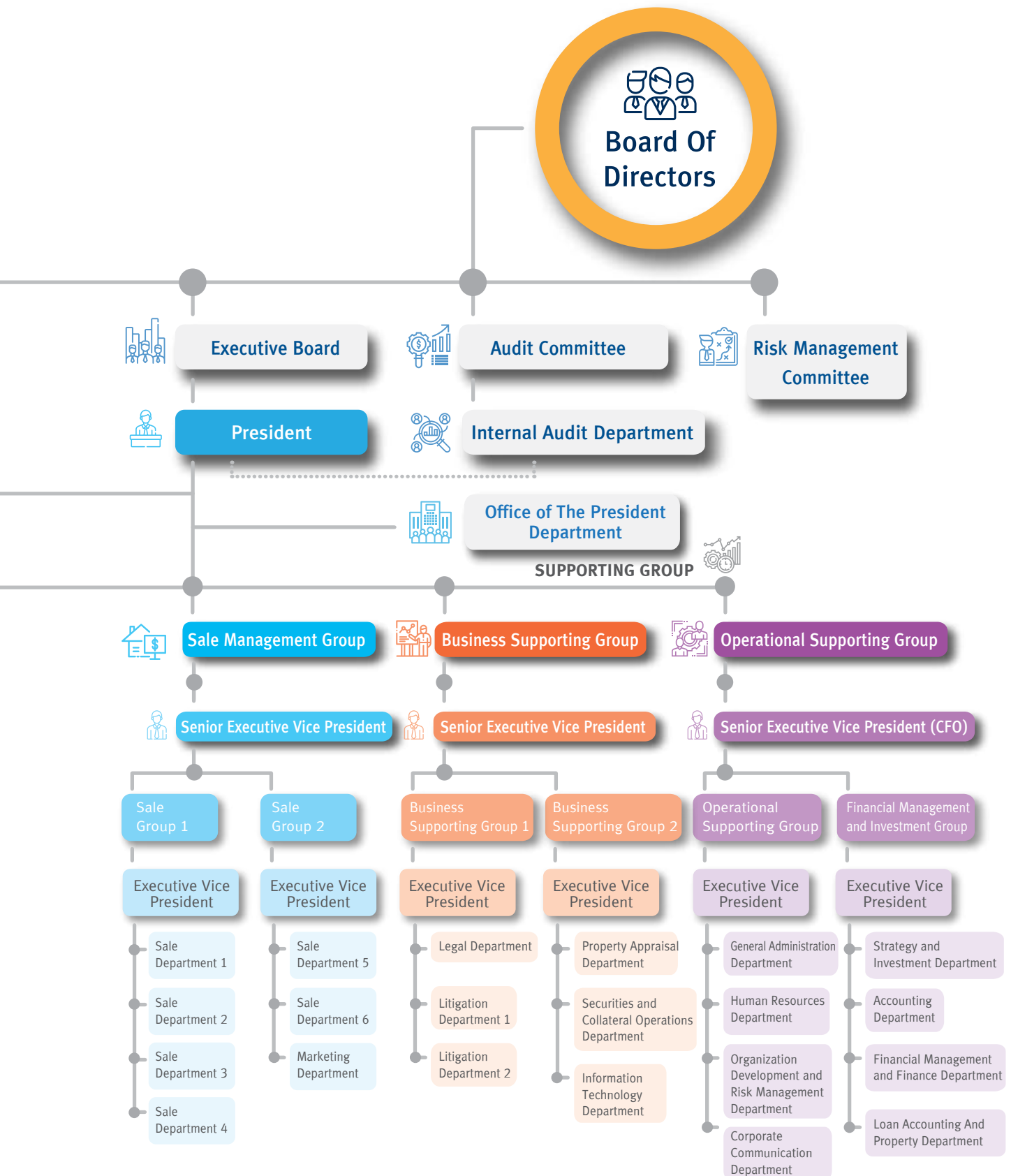
Senior Management

BAM's senior management is composed of:

Name		Position	Group
1. Mr. Somporn	Moonsrikaew	President	
2. Mr. Nopharat	Ounjatturaporn	Senior Executive Vice President	Regional Debt Restructuring Group
3. Mr. Choopong	Phokhasawadi	Senior Executive Vice President	Head office Debt Restructuring Group
4. Mr. Somboon	Ruangsurakait	Senior Executive Vice President	Sales Management Group
5. Mr. Somchai	Tanurukpairoj	Senior Executive Vice President	Business Supporting Group
6. Mr. Suntis	Wattanakul	Senior Executive Vice President	Operation Supporting Group
7. Mr. Phongsathon	Maneevim	Executive Vice President	Regional Debt Restructuring Group 1
8. Dr. Wuthipan	Tawantiang	Executive Vice President	Regional Debt Restructuring Group 2
9. Mr. Poolsak	Chansuttikanok	Executive Vice President	Debt Restructuring Group 1
10. Mrs. Wasana	Chuenklinthoop	Executive Vice President	Debt Restructuring Group 2
11. Mrs. Srisudaporn	Khamenkitsongsin	Executive Vice President	Sales Group 1
12. Mrs. Supanee	Kitwithee	Executive Vice President	Sales Group 2
13. Mr. Thongchai	Chailohakul	Executive Vice President	Business Supporting Group1
14. Mr. Vibulporn	Bhandhukravi	Executive Vice President	Business Supporting Group2
15. Mrs. Wipasiri	Sangvacharakul	Executive Vice President	Operation Supporting Group
16. Mr. Chanwit	Kaveesoonthornsano	Executive Vice President	Financial Management and Investment Group

ORGANIZATION CHART





POLICY AND OVERVIEW OF BUSINESS OPERATION

The Company is a state-owned enterprise with the ultimate goal of driving the economy through resolution of distressed assets of financial institutions by formulating key operational strategies as follows:



Background

Bangkok Commercial Asset Management Co., Ltd. (“BAM” or “the Company”) was established under the financial institution development plan devised by the Ministry of Finance pursuant to the Cabinet’s resolution dated 14 August 1998 to manage distressed assets of Bangkok Bank of Commerce Plc. (“BBC”).

On 7 January 1999, BAM was registered as a limited company pursuant to the Civil and Commercial Code with an initial registered capital of 54,700 million baht, comprising 547 million shares each of 100 baht par value, and with Bangkok Commerce Plc. (formerly known as BBC) owning 99.99% of its total shares. On 28 January 1999, BAM was approved by the Bank of Thailand to operate as an asset management company under the Emergency Decree on Asset Management Company B.E. 2541.

On 8 November 1999, BAM registered a capital decrease from a par value of 100 baht per share to 25 baht per share for appropriate financial structure, resulting in its remaining registered capital of 13,675 million baht (comprising of 547 million shares each of 25 baht par value) according to the unanimous resolution of the Company’s annual general meeting of shareholders no. 1 on 7 July 1999. The Company had gradually been returning 41,025 million baht from the capital decrease to its shareholders until completion on 31 August 2006.

Besides managing BBC's distressed assets, on 29 March 2002, the Company registered for an extension of its scope of business to managing distressed assets of other financial institutions and operating as a debt collection agency pursuant to the Emergency Decree on Thai Asset Management Corporation B.E. 2544, as well as providing custodian services for assets, asset transfer documents, and all other relevant documents.

On 4 February 2003, the official receiver issued a warrant of order no. 1338/2546 which required Bangkok Commerce Plc. (formerly known as BBC) to transfer to Financial Institutions Development Fund ("FIDF") all its shares in BAM, totaling 546,999,993 shares with a par value of 25 baht per share at the total book value of 13,674,999,825 baht, thus making BAM to become a state enterprise having FIDF as its direct shareholder owning 99.99% of its total shares.

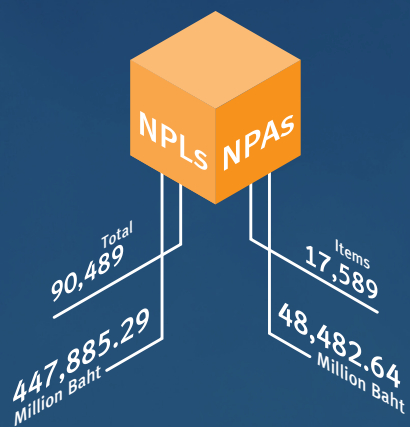
On 20 December 2005, the Cabinet resolved for Financial Institution Asset Management Corporation ("FIAMC") to transfer its core assets comprising all investments in distressed assets and investments in securities to BAM, as well as have BAM accept transfer of employees from FIAMC on a voluntary basis. The merger helped strengthen the organization due to the harmonization of both organizations' human resource and work system potential.

On 25 December 2015, the Company registered its transformation into a public company in the name of Bangkok Commercial Asset Management Public Company Limited, headquartered at No. 99 Surasak Road, Silom, Bang Rak, Bangkok, to engage in purchasing or receiving transfer of NPLs and NPAs for management or for further disposal or transfer.

NPAs



ASSETS



as of 31 December 2018



NATURE OF BUSINESS

Description of products or services

BAM is committed to performing as a key mechanism of the government to resolve NPLs of the financial institution system by purchasing and receiving transfer of such assets from financial institutions for further management through debt restructuring and disposal of NPAs with proper quality to interested parties at fair prices.

As at December 2018, BAM had 90,489 debtors, with NPLs under claims of 447,885.29 million baht and 17,589 items of NPAs in the total value of 48,482.64 million baht

Recovery of NPLs

After BAM has bought or received transfer of NPLs from financial institutions, the Company will issue invitation letters to debtors for negotiations on debt restructuring under joint cooperation and taking into consideration debtors' debt servicing capability to reach settlement with highest benefits to both parties. The Company also allows for debtors' renegotiations even during litigation process to help debtors return to normal operation under the economic circumstances.

BAM's debt collection principles and strategies are as follows:

- Categorize and prioritize debtors according to individual debtors' characteristics to reach settlement for each debtor with responsible persons designated according to type of

BAM restructures debts as deemed appropriate for each debtor, which in certain cases may require combination of multiple methods, comprising of:

1 Change or revision of debt repayment conditions based on debtor's capability

2 Debt to equity swap

3 Transfer of assets for debt setoff on a voluntary basis

4 Hair-cut of a debt portion that is beyond the debtor's servicing capability by other methods as aforementioned but the debtor has to comply with the debt restructuring conditions completely and without default

Note : Taking legal action, which is the last option if settlement cannot be reached through debt compromise

business, as well as classify quality of debts in each group based on collateral value against debt value and debtor's potential for more clarity in debt management.

- Restructure debts based on cooperation between creditors and debtors.
- Not focus on maximum profitability but on sincerity in support for debtors.
- Apply multiple approaches to motivate debtors to promptly undergo debt restructuring, such as the "Kuen Sap Hai Khun" (Return of Collaterals

to Debtors) project to facilitate clients' reclaiming of housing or commercial unit collaterals for further use subject to special debt payment conditions and giving them convenience by notifying them of release of the debt obligation recorded with National Credit Bureau (Credit Bureau) and debt hair-cut.

- Launch projects to help debtors or relax debt payment conditions for debtors in trouble, such as those affected by floods.

Disposal of NPAs

BAM has various types of NPAs scattered across the country, comprising vacant lands, hotels, plants, commercial buildings, condominiums, detached houses, townhouses, etc., which the Company has bought or received transfer from 1) debtors' debt setoff, 2) auction sale of Legal Execution Department, and 3) financial institutions. After obtaining ownership of NPAs, the Company will prepare details and a register to control NPAs and conduct a survey on asset conditions to compile data. It will then publicize the assets by installing announcement boards at the asset locations and advertising through offline media including publications, TV, radio, billboard, and online media including www.bam.co.th website as well as social media channels of BAM.

The Company also manages and develops NPAs such as preliminary maintenance and repair of NPAs so that they are in a ready-for-sale condition and do not depreciate in value, and settles other relevant

expenses (e.g. common areas, municipal tax, water and electricity bills), as well as hires security guards as appropriate. The Company has put in place guidelines for management of NPAs according to asset types covering vertical buildings, horizontal buildings, vacant lands, and assets for investment like not-yet-completed projects and high-value assets for large investors' further development. The mentioned management guidelines will help improve expertise and management of each type of assets. Main guidelines and strategies on disposal of NPAs are as below:

- Participation in sales promotion activities and setup of booths at property fairs to dispose assets as appropriate in Bangkok and Greater Bangkok such as Houses & Condos Fair, NPA Grand Sale, Money Expo, Thailand Smart Money, as well as setup of booths catering to target segments at retail stores in the areas where BAM has a lot of NPAs, etc.

- Setup of publicizing and sales promotion booths to support regional offices nationwide every month
- Focusing on proactive marketing through promotion and advertising of asset sale via multiple media including both traditional and online media as appropriate for each target segment
- Enhancement of efficiency in asset management and standardization of asset management systems nationwide, i.e. standard asset checklist for both headquarters and regional offices
- Improvement and development of assets to add value so that they can be sold more easily and quickly, well accepted by customers as being in good and standard conditions

For properties not ready for sale, BAM will manage and lease certain items of them as appropriate to generate income and reduce opportunity cost

as well as holding expenses. Meanwhile, this can help prevent asset deterioration and contentious possession or trespassing. With the Company's professional management, these problems should hardly occur.

In addition, for assets that have marketing potential but are abandoned or left unfinished, BAM will improve and develop them to be in a good condition to meet market demand by studying the feasibility of asset development, market conditions, nearby competitors, disposal guidelines and opportunities, as well as controlling construction costs and period to be as planned. Projects duly implemented have all come out successful, such as Wang Thong Ayutthaya project, Khao Yai Casa project, Mountain View Khao Yai, etc. However, according to Emergency Decree on Asset Management Company, the Company is not permitted to launch new projects but to pursue existing unfinished projects only.

“ Main guidelines and strategies ”

on disposal of NPAs



Marketing strategy and target customers

BAM has high flexibility in the sale of NPAs as it has a network of 24 branches in the provinces all over the country to provide information of all its assets to interested parties. It also has an advertising board at each branch and Company website where customers can search for asset information, as well as Call Center staff to respond to customers' enquiries.

For disposal of assets, BAM puts up assets in which there are more than one interested parties for auction sale to ensure transparency and maximum prices. The Company's target customers are property developers, investors, and both public and private entities in the nearby areas where BAM assets are situated. BAM will analyze asset utilization so that the Company can respond to demand of each target customer group. BAM has continuously set up booths at property fairs nationwide for not less than 100 times a year to expand its customer base and meet the target groups. In addition, NPA information and organization news has been disseminated via expanded channels of modern technology, such as Facebook page named "FB of BAM," BAM Mobile application, BAM Station on Youtube and ID Line "@bamline," as well as other online media. Meanwhile, BAM has conducted sale promotion activities through all types of media. Projects launched and activities conducted in 2018 comprised:

1

BAM Moving toward the 20th Anniversary activity in May 2018 under the "20 Percent 20 Million 20 Days" campaign by offering 20% discount on prices of selected assets, free transfer fees for asset priced not exceeding 20 million baht for a promotion period of 20 days, which helped boost sales to 485 items worth 861 million baht compared with the sale target of 700 million baht, and Thank You party for customers in conjunction with another sale promotion activity during 1 August - 15 November 2018, which recorded sales of 825 items worth 1,417 million baht against the sale target of 800 million baht.

2

Land for Saving project under the "Land: A Better Saving Option" campaign to promote BAM's sales of NPAs in the type of vacant lands nationwide and to sustainably solve the NPA problem in the economic system.

3

“Condo Don Jai Sabai Krapao” (Attractive Condos Save Money) project from BAM under which the Company selected over 500 units of ready-to-move-in condos priced at not more than 500,000 baht each in diverse locations for promotion, aiming to enable people with tight budgets to acquire condos more easily with the installment payment plan under which down payment is 1,000 baht, contract execution 1,000 baht, installment payment 1,000-4,000 baht per month, interest payment at MLR-3% in the first year and MLR in the following years, and free transfer fees for cash purchase of assets worth less than 2 million baht.

4

“Baan Sabai and Baan Brand Dang” (Comfortable Home and Big Brand Home) project under the campaign of easy home purchase with special privileges from BAM offering over 300 selected ready-to-move-in housing units in Bangkok and Greater Bangkok, under collaboration with Government Savings Bank, Government Housing Bank, UOB Thai Plc., and Bank of China.

5

“BAM for SME” project under which selected assets were offered to target SME entrepreneurs comprising land, plants, and commercial buildings through media of various forms such as business newspapers, magazines, TV programs, and social media.

6

“Baan Suan Suk Jai” (Happy Garden Home) project – Currently, Thailand is on the verge of becoming an aging society. Urban retirees and near-retirees as well as a large number of people have preference for easy and simple lifestyle (slow life) and living in good environment and close to nature (back to nature) in conjunction with technology for living convenience. BAM thus launched “Baan Suan Suk Jai” project under the concept of “Urban Society in Rural Style” as another option for people who want to live close to nature.

Project...

Baan Suan Suk Jai



As regards marketing plan for 2018, BAM focused on proactive marketing to speed up release of NPAs for cash by setting up booths in property fairs, shopping centers and super stores in provinces, and holding sale promotion activities. In addition, auction sales of assets each with more than one interested party as well as campaigns and special promotions for customers were held throughout the year to boost sales by way of offering free transfer fees for transfer of assets worth not more than 2 million baht each, as well as installment payment campaign to help low-income people with limited access to credit sources to have their own homes. Eligibility has been for assets priced not exceeding 2 million baht, with interest payment at MLR - 3% during the first three years and MLR for the following years, etc.

For overall marketing plan in the future, BAM will focus on expanding income from sales of NPAs consecutively every year according to the Company's

target based on market segmentation. It aims to expand middle priced housing market of 1-3 million baht per unit which are in high demand amid the rising trend of home prices. The Company will also expand new markets for assets for development and investment in the areas with growth prospects, such as those along the infrastructure projects of the public sector consisting of BTS lines, new roads connecting city and provinces, entrances and exits of expressways, special economic zones and economic corridors, etc. BAM will also focus on brand building with excellent before and after sale services to earn trusts from target customers.

In addition, BAM has expanded its partnership with several financial institutions to jointly support loan provision to buyers and investors so that comprehensive services are made available, and hold sale promotion activities based on market segmentation to rev up sales.

Provision of products or services

BAM buys and receives transfer of all types of NPLs and NPAs from financial institutions. It has put in place a policy to participate in all auction sales events of financial institutions and make direct contacts with financial institutions. Sources of funds come from borrowing from financial institutions, asset payment with promissory notes, issuance of debentures, and use of funds from its operation for purchase or receipt of transfer of assets.

In considering purchase of NPLs and NPAs, BAM will conduct due diligence and survey on collateral assets/NPAs leveraging on its 24 branches nationwide in order to obtain clear and accurate

information. Consideration of NPLs is based on debt servicing capability of debtors and guarantors, disposal of collaterals for debt payment, and period of time as well as expenses for receipt of debt payments. For NPAs, consideration is made on asset conditions, location, asset value and period of time during which such assets are expected to be sold to outside parties. The Company has been successful in continued expansion of asset size.

As at December 2018, the Company's investments in NPLs and NPAs totaled approximately 12,183.58 million baht.



RISK FACTOR



The Company realizes the importance of risk management by having the Company's risk management system developed to be in line with the best practice under the Committee of Sponsoring Organizations of the Treadway Commission's integrated Enterprise Risk Management framework (COSO ERM 2004) to ensure risk monitoring and management organization-wide.

Risk Management Committee (RMC) has been established to be composed of representatives/ members from the Board of Directors. They shall have appropriate risk management knowledge and experience for consideration of the Company's major risks, risk assessment, determination of risk management guidelines, and designation of responsible persons to work out control and management measures and monitor the Company's risks according to the risk appetite so that it can achieve the target and strategy, as well as conduct review of the Company's major risk factors annually or when there is any material change to its surrounding circumstances.

The Company has set up a risk management working group to regularly present information and report risk status to Risk Management Committee, as well as use risk management recommendations and guidelines from Risk Management Committee to follow up and control risks continuously in coordination with both business and supporting departments as risk owners who have ongoing risk management responsibility to control risks at acceptable level.

Major risk factors which may affect the Company's operation are as follows:



Asset quality risk

For the asset management business in which income comes mainly from management and disposal of non-performing loans (NPLs) and non-performing assets (NPAs), risks mainly occur in relation to the quality of assets. Any asset quality deterioration will affect the Company's income generation and operating results. Asset quality risk is as below:

- **NPL quality risk**
arising from a contract party which is a debtor under the debt restructuring contract being unable to service debts as agreed upon. The Company has classified NPL debtor status according to Company's operation code from the date of receiving such asset from investment in purchase of assets from financial institutions.

Debtors are classified as NPL debtors under legal proceeding (in court) and debtors not under legal proceeding (outside court) in order that the Company can manage and follow NPL debtors efficiently. In case there is a sign of debtors being unable to comply with the debt restructuring agreement, the case will be presented to the authorized persons to seek solutions by reviewing/ revising debt restructuring conditions, such as extension of installment payment period, approval of principal and/or interest grace period, interest reduction, principal reduction, interest rate reduction, waiver of interest, transfer of assets for debt setoff, etc., as the case may be, which will help debtors comply with debt restructuring agreement. If debtors fail to comply with the conditions without appropriate reasons, the Company may take legal measures

to enforce debt payment to ensure its NPL management at an appropriate level.

- **NPA quality risk**

As income from disposal of NPAs mainly depends on the quality of such assets, the Company has established NPA grading system according to the criteria in place and set appropriate prices based on such asset grades. Asset grading will take into account asset potential and market demand by considering location, entrance (which vehicles can pass), utility system (electricity, water supply, telephone), conditions of assets requiring refurbishment, purpose of use (as appropriate for physical asset conditions and investment), and classification of asset grades, i.e. A, B, C, and D so that the Company can efficiently manage the NPAs.



Risk of changes in prices of collateral assets or assets held for disposal

As value of collateral assets or assets held for disposal may change in line with market conditions, the Company may be exposed to risk of long holding period of assets, which will affect its income if asset management is inappropriate or inefficient. For example, appraisal prices may change and cause the asset prices set forth inappropriate to meet market demand, hence difficult for disposal of the assets. However, the Company has required review of appraisal prices pursuant to criteria prescribed by the Bank of Thailand and/or in line

with material changes in the circumstances. The Company has a process in place to survey collateral asset prices every three years and NPA prices every year or when there are significant changes, such as changes in city plan and transportation, etc. Moreover, there is an analysis of asset potential/purpose of use so that the asset value can reflect the market prices. The Company has also classified asset type and grade by considering the timeline of asset disposal as per the criteria set in line with asset potentials in order

to set a marketing strategy appropriate to the target customers, which will mitigate risk of long holding period of assets.

In addition, the Company has diversified risks with a view to reducing possible impact from asset impairment mostly due to the changing environment. In the management of risk factors, the Company starts from determining purchase prices of assets for management, considering risks by type of assets, and potential changes in the circumstances, such as national development plan, city plan, and so on. The Company also has various types of assets held

scattered in various areas across the country. Such investment risk management will help mitigate investment risk of impact from impairment of assets.

In case damage incurred from impairment of assets, the Company has set aside reserves for impairment of assets which result in asset value lower than investment value. However, the Company has managed risks from determination of asset purchase prices to asset valuation according to the valuation timeframe in order to reflect market prices of assets in each period of time.



Liquidity risk

Liquidity risk arises from one of the Company's strategies, i.e. purchase or acceptance of transfer of assets from commercial banks to continuously enlarge the Company's asset size. The Company must manage the liquidity for highest efficiency as auction purchase of assets from commercial banks is on the entire portfolio basis, hence a high investment amount, which may cause the Company's lack of liquidity for a period of time. However, the Company has no liquidity risk from inability to pay debts to the contract party according to debt obligations. Its liquidity risk will mainly come from the requirement to fund or raise funds for investment in purchase of assets from financial institutions. The Company has to plan its liquidity management

appropriately to raise funds from various sources with financial costs at an acceptable level and sufficient liquidity for business operation for one month, 1-6 months, and more than six months under regular cash flow projection and with report to the working committee for management of assets and liabilities every month or in an appropriate time to follow up its future liquidity sufficiency. In case of lack of liquidity, the Company will manage according to the guidelines in the liquidity management plan for both normal and emergency situations, such as collection of debts higher than the target, addition of loan borrowing sources, increase in funding sources from money/capital markets, and so forth, which will help contain the Company's liquidity risk.

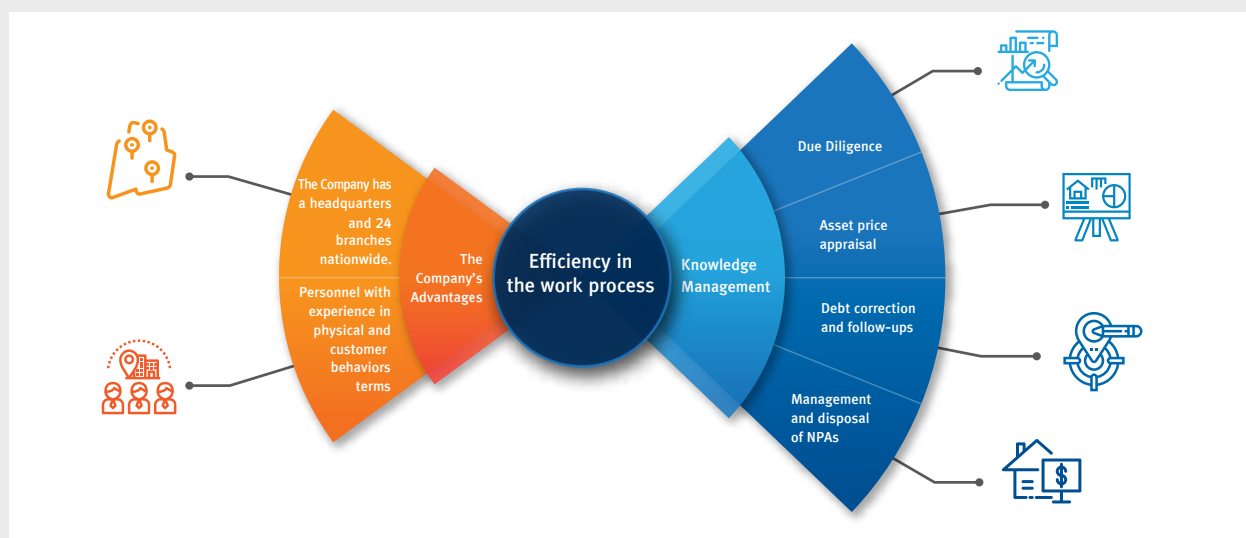


Risk from economic conditions, market conditions and competition

Competition among asset management corporations (AMCs) is not severe as there are only two major AMCs, namely BAM and SAM. Meanwhile, AMCs of commercial banks (good banks) are of a rather small size. However, acceptance of transfer of NPL/NPA portfolios for management by AMCs of commercial banks have certain restrictions in respect of accounting consolidation and stricter risk management which could affect commercial banks' reserve provisioning and maintaining of BIS ratios. Also, commercial banks have no policy to emphasize on bad bank business. For competitors which are private AMCs in the market, their asset size is quite small. NPL/NPA management business requires a large amount of funds to run the business and enable such company to compete efficiently. Therefore, AMC business is in the form of circulation of assets and recovery rate by type of assets. It starts from purchase of NPLs/ NPAs portfolio where auction purchase prices are set based on consideration of value of

collaterals and properties foreclosed expected to be manageable and disposable. Risk weight discount will also be calculated according to the type of collaterals and properties foreclosed to set competitive price and ensure acquisition of managerial assets.

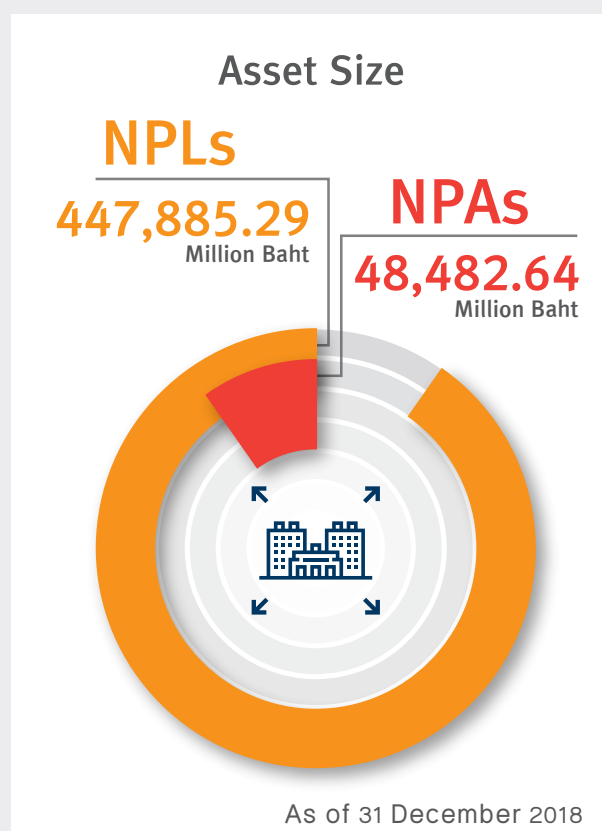
However, the Company gives importance to enhancing efficiency in the work process with re-processing from purchase of asset portfolio for management in connection with end customers' demand and focusing on knowledge management from its experience in NPL management, such as conducting due diligence, asset price appraisal, debt correction and follow-up, and management and disposal of NPAs, etc. Moreover, the Company has a key competitive advantage in that it has a headquarters and 24 branches covering principal areas nationwide, personnel with experience in physical and customer behaviors terms, hence considered a great competitive advantage.





Risk of increase in asset size

NPLs/NPAs take place along with lending of new credits which increase in line with the country's economic expansion. NPL ratio will go up in the face of economic crisis. Commercial banks also have no policy to emphasize on bad bank business and there is the adoption of Basel III in risk management. As of 31 December 2018, BAM's NPLs and NPAs totaled 447,885.29 million baht and 48,482.64 million baht respectively. From such asset size, the Company can continue its asset management business for at least 3-5 years. However, it had a policy of investing in purchase of assets from financial institutions to increase the asset size in 2018 by 8,300 million baht in line with huge supply in the market. As of 31 December 2018, NPLs in the commercial banking system totaled 443,388 million baht, representing 2.93% of total credits of 15,110,247 million baht (Bank of Thailand data). With such NPL size, BAM will be able to increase its asset or business size to a greater extent. Meanwhile, commercial banks which are required by the Bank of Thailand to adopt Basel II-III criteria in their business operation must reduce their NPL ratios to maintain the BIS ratio at not lower than 8.5%. As most commercial banks focus on growing credits to boost income and expand business size continuously amid the keen competition in the banking system, they need to cut down their expenses on asset management with follow-up burden and high operating cost, and requirement of reserve provisioning, while returns to cover costs and expenses would be time-taking. Commercial banks have thus more and more switched to



disposal of those assets to AMCs, hence low risk of increase in asset size for the Company.

In management of risk of increase in asset size, the Company has planned to purchase NPL/NPA portfolios for successful asset acquisition. It has restructured its asset purchase proposals to be more competitive and appropriate by type of assets, rationalized its database system to better support asset price appraisal, and maintained good relationships with trading partners and allies for broadened asset purchase opportunities in future.



Operational risk

The Company may be exposed to risk of direct and indirect damage from inadequate internal controls in relation to internal work processes, personnel, work systems, or external circumstances. These are considered operational risk as a result of possible internal control inadequacy, which could affect the Company's reputation and overall operating results.

The Company has thus put in place an operational risk management process by identifying, assessing, following/controlling and reporting risks to the Risk Management Committee regularly to acknowledge risk levels in each area of business operation, and be able to control risk at acceptable levels. The Company has developed major risk management tools for risk monitoring at organization, function, and activity levels. Major operational risks of the Company are as follows:

- **Information technology (IT) risk**

In the Company's NPL/NPA data system, data is stored in a soft file format for efficient management. Key data include costs of purchase of assets from financial institutions, etc. Any data leak to outside parties may cause

risk of using such data to seek benefits. The Company has thus established the IT security policy thereby right of access to IT information is determined according to work positions and in-charge work units. Employees shall have no unauthorized access to NPL/ NPA data.

- **Risk from delayed legal action against debtors**

As most debtors in NPL portfolios purchased by BAM from financial institutions had entered legal proceeding, the prescription periods of some cases might risk coming to an end. If the Company fails to settle the cases within the prescription periods, it may lose the right of claim to all such debts. To manage such risk, the Company has established a process for debtor file verification and recording of legal process status data from relevant financial institutions in the Company's data system to speed up collection of debts nearing the end of the prescription periods. Moreover, the Company has developed a debtor warning system which alerts it of to the upcoming prescription end to ensure efficient management within the timeframe.



Risk from disasters and emergency incidents



As the Company has various types of NPAs, such as vacant land, detached houses, plants, commercial buildings, townhouses, and condominiums which may be affected by disasters, potential risks may be incurred to its NPAs, especially those in areas exposed to floods, earthquake, riots, terrorism, etc. The Company requires regular survey of assets under supervision be conducted to ensure all assets are in a good and ready-for-sale conditions. Insurance has also been taken out to relieve potential damage from disasters and emergency incidents.

Moreover, disaster risks may hurt the Company's business operation causing business suspension or discontinuation of business operation. The Company has appointed Business Continuity Management (BCM) Working Committee to take charge of managing crisis and enabling the Company to continue its business operation. It has business continuity plan (BCP) worked out to cope with crises, e.g. disaster which could hinder entering the office building. Employees who are responsible for major transactions have to perform duties at alternative sites. If there is disruption to the Company's main computer system, it will instead be recovered with connection of signal from the disaster recovery center in order that the work system can operate within an appropriate time.

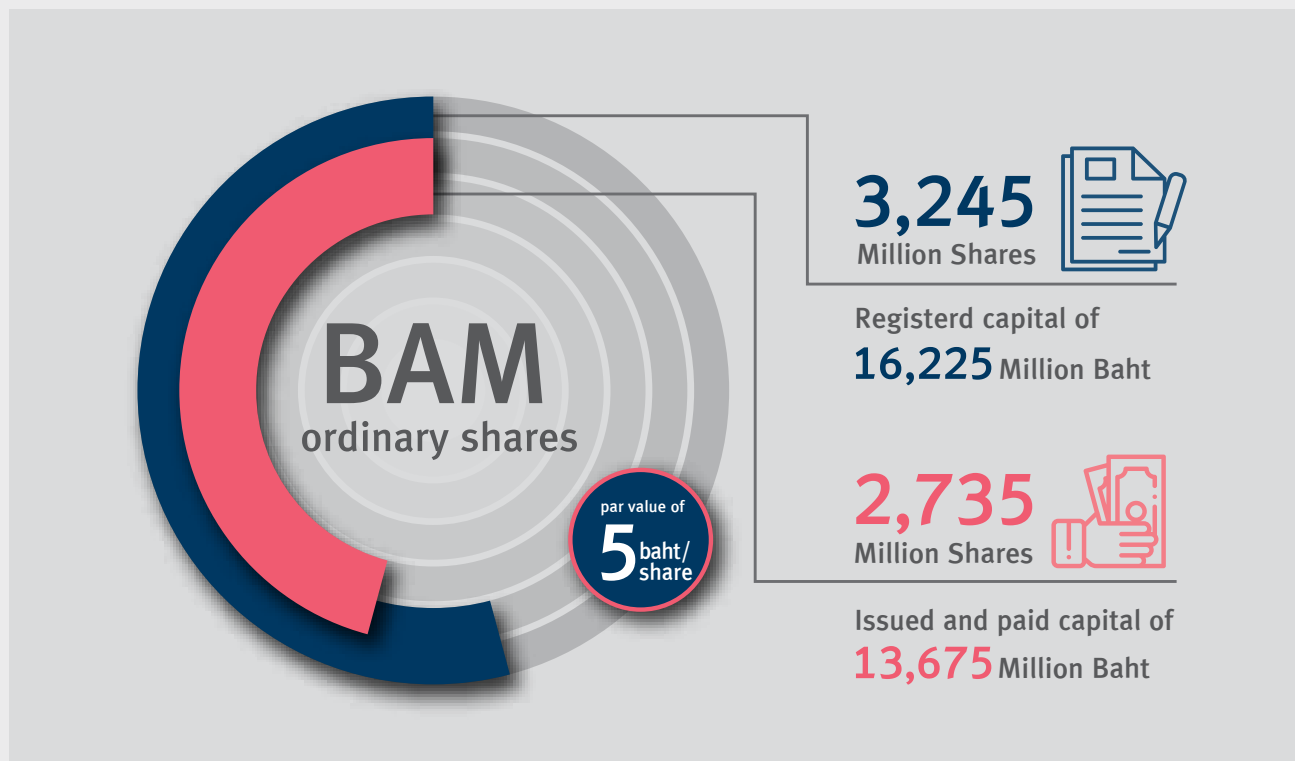


SHAREHOLDERS

Shareholding structure and registered capital

As at 31 March 2017, BAM had registered capital of 16,225 million baht, divided into 3,245 million ordinary shares at a par value of 5 baht per share, with issued and paid capital of 13,675 million baht, divided into 2,735 million shares at a par value of 5

baht per share. Of the total registered capital, 99.99% is held by Financial Institutions Development Fund ("FIDF") which is a state organization under the Bank of Thailand ("BOT"), thus making BAM a state enterprise.

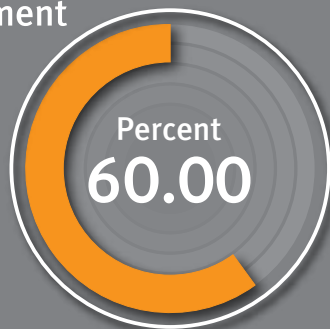


DIVIDEND PAYMENT POLICY

Relationship with major shareholders and dividend payment policy

- FIDF is a major shareholder, holding 99.99% of the total registered capital. Director structure is composed of two directors appointed by FIDF as representatives who were former executives of the shareholder.
- BAM has a policy to pay dividend at 60% of net profit.

Dividend payment policy



FIDF
is a major
shareholder.



Director structure
is composed of two
directors appointed
by FIDF.

MANAGEMENT STRUCTURE

Remuneration of directors and managing authority

BAM pays no benefits to directors and executives other than benefits payable normally including remuneration according to the employment agreement and other benefits.

In 2018, the Board of Directors composed of 10 directors received a total meeting allowances and bonuses of 10.78 Million Baht. President and top executives, totaling 16 persons, received a total salaries and bonuses of 58.65 Million Baht.

Remuneration

The Board of Directors



President Top executives



Personnel

As at December 2018, BAM had total number of employees of 1,240 persons, 873 of whom work at headquarters and 368 at the 24 regional offices. Asset management team composed of 711 debt collection and NPA disposal staff members and 45 price appraisal experts, and 469 business and operation supporting employees (excluding 15 top executives).

The Company has a policy of taking care of employees nationwide by considering their capabilities and work experience as criteria to allow employees to fairly progress in their careers. Remuneration and welfare have also been adjusted to be appropriate in accordance with economic conditions and livelihood necessity to enhance employee morale.

BAM Employees

as of 31 December 2018



BAM gives importance to personnel development as it is promotion of knowledge and skills so that employees can perform works efficiently by planning promotion of the organization potential in all areas through training and scholarship provision to raise the Company to be up to the standards on a par with those of leading companies, and prepare Thailand for becoming a member of ASEAN Economic Community (AEC) in the future.

The Company has set a strategy and plan to develop personnel with an HR Master Plan worked out consisting of:

- **Organization competency system**

The Company has put in place a competency system consisting of core competency, managerial competency, and functional competency.

- Core competency is competency along which the corporate vision, mission, and strategy is passed on to employees across the organization to enable the Company to operate and achieve the targets set forth.
- Managerial competency is role-based competency determined for executives of all levels to ensure success of work performance in line with corporate vision, mission and strategy.
- Functional competency is competency determined for each functional position to encourage employees to show behaviors which are appropriate to their nature of work, and will result in success of work units and organization in overall.

The Company has competency assessment undertaken under the framework which can help shape the mindset, behavior, and attitude of employees in the same direction as that of the Company's corporate vision, mission, and strategy. It is a variable which helps the Company achieve its targets.

Moreover, it is a tool to help manage human resources more efficiently through personnel selection, rotation, promotion, and development, etc.

- **Performance evaluation based on KPI**

BAM has adopted the performance evaluation system using key performance indicator (KPI), starting from determining business model as the organization-level indicator, which would generate concrete results in terms of efficiency and effectiveness, having it cascaded down to indicators at section, department, and employee levels organization-wide. Such performance evaluation thus accords with the business operation direction, a major factor to business success of leading companies in general.

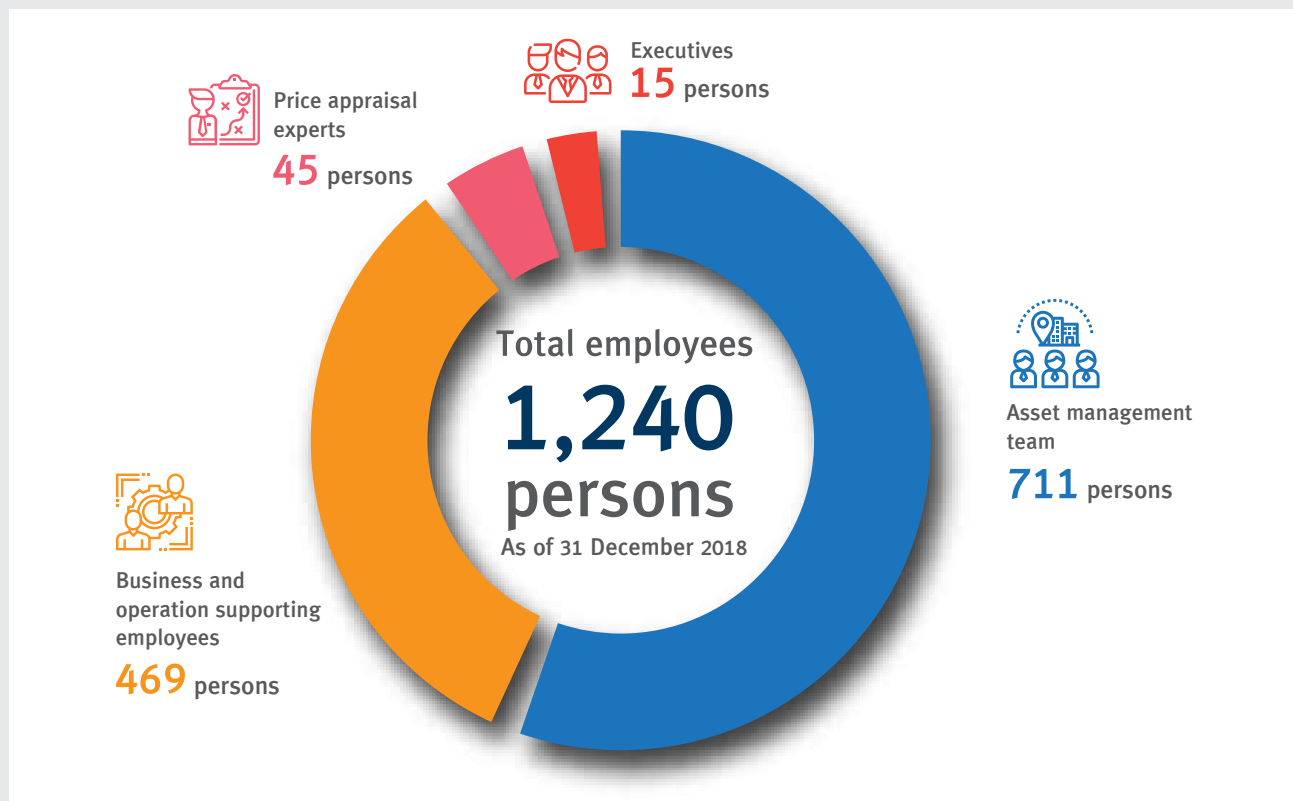
At present, the Company has applied success indicators to all employees in response to its strategy and targets in each year, and as a tool to track and evaluate work performance. Department executives are duty-bound to consider and screen evaluation results and determine remuneration and other benefits for the employees in a fair and appropriate manner.

- **Preparation of individual development plan for employees at all levels**

Personnel is a valuable resource which must be maintained and developed to their fullest potential. Due to the belief that personnel are a major driving force, the Company has all along emphasized on systematic and continuous development of employees at all levels, comprising executives and operational staff, in tandem with the current business operation. As a result, it has recorded good operating results with enhanced competitiveness and preparedness for future business operation. The Company has defined a training road map and individual development program based on

individual basic competency (competency-based management) aiming to enable employees at all levels to gain knowledge, capabilities, skills, and potentials to efficiently accommodate the Company's business operation toward achievement of its targets.

Moreover, BAM has campaigned to raise awareness of employees of building service satisfaction among customers under its customer-focused strategy by instilling in them consciousness and value of openness, being open-minded to changes and ready for cooperation, which will help foster good attitude and expand their work perspectives.





CORPORATE GOVERNANCE

Good corporate governance policy

BAM Board of Directors' meeting has revised the Company's good corporate governance principles to be consistent with those of the Corporate Governance Code, Revised Version 2017 (CG Code 2017) of the Securities and Exchange Commission. The Company has applied most of the principles therein and added and modified some of them to its corporate governance for disclosure in its annual report 2018, details of which are as follows:

Section

1

Right of Shareholders

Section

2

Fair Treatment of Shareholders

Section

3

Responsibilities of the Board of Directors

Section

4

Role toward Stakeholders

Section

5

Disclosure of Information and Transparency

Section

6

Responsibility toward the Society and the Environment

Section 1: Right of shareholders

The Company encourages shareholders to fully exercise their rights. Shareholders have basic rights as follows:

- (a) Right to register ownership of the Company's shares.
- (b) Right to negotiate and transfer rights in the shares.
- (c) Right to be updated of news and information.
- (d) Right to appoint and remove the Company's directors.
- (e) Right to profit sharing of the Company.

Guidelines for holding of the shareholders' meeting:

- (a) Support and encourage all shareholders to attend the shareholders' meeting.
- (b) Give information on date/time/place, meeting agenda and rationale for each agenda item in seeking approval from the shareholders.
- (c) Give opportunity for the shareholders to send questions prior to the meeting date.
- (d) Arrange for an independent person to count or check votes at the shareholders' meeting.
- (e) Cast votes on significant agenda items such as connected transactions, etc.
- (f) Disclose voting result of each agenda item at the shareholders' meeting on the following business day on the Company's website.

Section 2: Fair treatment of shareholders

The Company will treat all shareholders as business owners under their basic rights on a fair and equitable basis.

- (a) Minor shareholders propose name of a person to be nominated as the Company's director in an appropriate time ahead of the meeting.
- (b) For shareholders who cannot attend the meeting in person, the Company will give them an opportunity to appoint a proxy.
- (c) The meeting shall be proceeded according to the Company's articles of association.
- (d) The Company shall not add meeting agenda items without prior notice to the shareholders.

Section 3: Responsibilities of the board of directors

The Board of Directors has an important role in corporate governance. To perform duties efficiently and make decision independently, it has clearly segregated duties and responsibilities from the management, with focus on defining the organization's future direction and supervising the management in operating in compliance with the relevant policies, laws, rules and regulations with expertise, integrity, due care and prudence for the Company's long-term sustainable growth.

(a) Structure of the Board of Directors:

The Board is composed of Chairman and not more than 11 directors, at least one-third of whom or at least three directors shall be independent directors. Directors shall have no prohibited characteristics according to the Notifications of the Securities and Exchange Commission regarding determination of untrustworthy characteristics of company directors and executives.

(b) Selection and appointment of directors:

The Board has appointed Nomination and Remuneration Committee to take charge of selecting and screening persons nominated as the Company's directors by considering knowledge, capabilities, and qualifications which are not prohibited characteristics and are compliant with applicable laws.

(c) Specific committees:

The Board has established specific committees, i.e.

- (1) Executive Board,
- (2) Audit Committee,
- (3) Risk Management Committee ,
- (4) Corporate Governance and Social Responsibility Committee, and
- (5) Nomination and Remuneration Committee to prudently and efficiently consider and screen important operations.

(d) Term of office of the Board of Directors:

At every annual general meeting of shareholders, one-third of the directors shall vacate office. Vacating director may be re-elected.

(e) Meeting of the Board of Directors:

- (1) Set the Board meeting schedule in advance,
- (2) Hold the meeting monthly with meeting documents sent at least 7 days in advance,
- (3) Chairman and President jointly consider and select the meeting agenda items, and
- (4) Allow executives to attend the meeting

(f) Self-assessment of the Board of Directors:

Self-assessment at least once a year

(g) Performance evaluation and determination of remuneration for President:

The Nomination and Remuneration Committee proposes performance evaluation criteria and method, evaluates the performance, and determines remuneration rate for President under the conditions of the employment agreement before proposing the matter to the Board for consideration.

(h) Development of the Board of Directors and new directors and preparation of the succession plan

- Develop directors by providing them with information on Company business, corporate governance policy, and study tour both inside and outside the organization.

- For new directors, organize an orientation session for new directors to provide them with information on business, general status, past operating results, and major policies.
- Succession plan for senior executives of all key positions.

(i) Selection and appointment of directors and President:

The Nomination and Remuneration Committee has a duty to screen and select persons to be nominated as directors taking into account their knowledge, capabilities, qualifications, and no prohibited characteristics.

through channels which are easily accessible in a fair and trustworthy manner so that shareholders, customers, and stakeholders of the Company can receive information equitably through an annual report and website of the Company. Information consists of

- (1) general information of the Company
- (2) shareholding structure and shareholders
- (3) structure of the Board
- (4) financial statements and reports related to financial position and operating results
- (5) key policies
- (6) roles and responsibility of the Board and sub-committees
- (7) sustainability report

Section 4: Role toward stakeholders

The Board requires communication, understanding, and promotion of cooperation among each group of stakeholders in relation to the Company's operation and success comprising shareholders, public agencies, employees, customers, debtors, trade counterparts, business partners, competitors, the community, and the society.

Section 5: Disclosure of information and transparency

The Board requires the Company to disclose important information including financial and non-financial information related to the Company correctly, completely, timely and transparently

Section 6: Responsibility toward the society and the environment

The Company puts in place guidelines for the Company's responsibility toward the society and environment with attention to the stakeholders, economy, society and environment in a moral and ethical manner using corporate governance principles as a tool to ensure business is operated with integrity, transparency and fairness, taking into account any negative impact on the economy, society, and environment with readiness to reduce such impact toward being a sustainable organization, as follows:

(a) Anti-corruption:

The Company has participated in the declaration of anti-corruption and certified as a member of Private Sector Collective Action Coalition against Corruption. It is committed to translating the policy and procedure into practice as a truly transparent organization.

(b) Fair business operation:

The Company conducts business which reflects fair and equitable competition and respect for intellectual property.

(c) Respect for human rights:

The Company sets a framework and guidelines for business operation which sufficiently covers basic rights according to laws and international standards on human rights.

(d) Fair labor treatment:

The Company has complied with human right laws and relevant international standards without employment discrimination, forced labor, or child labor abuse. Employees have freedom in association and access to social protection and protection of work conditions of employees.

(e) Responsibility toward customers:

The Company has established an efficient customer data collection system, managed relationship with customers before and after business operation, provided

information to customers correctly and comprehensively, and been able to respond to customer needs efficiently and sustainably.

(f) Cooperation in development of community or society:

The Company focuses on strengthening the society encompassing art, culture, tradition, and custom through social and community development activities.

(g) Environment management:

This covers four major areas, i.e.

- (1) pollution control
- (2) sustainable utilization of resources
- (3) reduction of and adaptation to global warming
- (4) environmental protection

(h) Innovation and innovation dissemination:

The Company encourages employees at all levels to take part in organization management by giving opportunity to employees to propose ideas and initiatives toward sustainable value-added innovation.

(i) Preparation of social responsibility report:

The Company has prepared a corporate social responsibility report as part of its annual report.

Board and committees

Board of Directors

The Company has set the structure and relation of directors, independent directors, chairman, and president by defining composition, roles, duties, and responsibilities according to the good corporate governance guidelines as follows:

- **Qualifications and term of office**

Board of Directors is composed of chairman and directors in a total number of not more than 11 persons who shall not have prohibited qualifications according to the law as follows:

- Be or used to be bankrupt.
- Used to be sentenced to imprisonment unless in case of negligence or petty offence.
- Be a political civil officer or hold a position in a political party or be a member or officer of a political party.
- Be or used to be an NPL debtor and status of which has ended for not over 10 years.
- Be incompetent or semi-incompetent.
- Have the age of over 65 years.

Board of Directors has qualifications and term of office according to the Qualifications of State Enterprise Directors and Employees Act B.E. 2518 and amendments.

- **Responsibility of Board of Directors**

Board of Directors has an important role of monitoring and supervising business to bring highest benefits to the Company and the shareholders they represent to perform duties efficiently and independently in making decisions. Duties and responsibilities of Board of Directors are clearly segregated from Management, and focus on defining forward looking direction of the organization and overseeing operation of Management to comply with the relevant laws, rules and regulations with expertise, integrity, and care in the best interests of the Company and the shareholders, and with accountability towards all stakeholders in a balanced manner for a long-term sustainable growth of the Company.

- **Power and duties of Board of Directors**

Board of Directors has power and duties to oversee business operation to be in accordance with the Company's articles of association and the resolutions of the meeting of shareholders including:

- Establish business operation policy, objective, and strategy, as well as consider and approve business plan and annual budget in line with the Company's business operation.
- Supervise and control business administration to comply with the

- Company's policy, objectives, strategy, and business plan to achieve the targets within the budget approved.
- Determine regulations regarding personnel management, finance and accounting, procurement, internal audit, and other operations of the Company.
 - Supervise and ensure the Company's accounting system, financial reporting system and financial audit are reliable and meet international standards to build trust among all stakeholders.
 - Supervise and ensure efficiency in selection and nomination of the Company's president and executives, as well as in determination of remuneration in line with its operating results.
- Supervise and ensure an effective internal control system and appropriate risk management.
 - Supervise and ensure business operation under good corporate governance principles and with social responsibility.
 - Consider the appointment and the determination of scope of duties of committees.
 - Put in place a mechanism to prevent conflict of interest among stakeholders.
 - Supervise and ensure there is accurate, appropriate, complete and timely communication and disclosure of information on various matters to the stakeholders.

Specific committees

To support good corporate governance, the Board of Directors has appointed specific committees to screen matters as necessary, and to work out policy, roles, duties, and responsibilities, as well as to report to the Board of Directors on specific matters to enhance efficiency in the performance of duties of the specific committees. Chairman of the Board shall not be chairman or director of any specific committees as follows:

- 1) Executive Board
- 2) Audit Committee
- 3) Risk Management Committee
- 4) Nomination and Remuneration Committee
- 5) Corporate Governance and Corporate Social Responsibility Committee

The composition of the Company's specific committees is as shown below:

1) Executive Board composed of:

Mr. Bunyong Visatemongkolchai	Chairman
Miss Kornpranom Wongmongkol	Director
Mr. Somphan Eamrungsroj	Director
Mr. Vichan Amornrojanavong	Director
President	Director and Secretary

Power and duties are as follows:

- Define objectives and main business operation policies.
- Consider and approve policy, strategy,

operational guidelines on fund-raising, investment, joint investment, risk management, development and resolution of assets, disposal, and generation of benefits from NPAs in line with economic conditions and competition environment.

- Consider budget plan and corporate governance framework to ensure optimum efficiency and benefits.
- Consider engagement of external persons or agencies to perform works under specific projects.
- Consider the appointment of committees and working committees.

2) Audit committee composed of:

Mr. Vasant Thienhom	Chairman
Mr. Songpol Chevapanyaroj	Director
Mr. Yos Kimsawatde	Director
Mrs. Maneerat Srisaovajati	Director
Vice President of Internal Audit Department	Secretary

Power and duties are as follows:

- Review quarterly financial reports and audit annual financial reports to ensure that they are prepared accurately, completely, and in accordance with generally accepted accounting principles.
- Review the Company's internal control system and internal audit system to ensure appropriateness and effectiveness, and consider independence of Internal Audit Department, as well as approve appointment, transfer, and termination of employment of Internal Audit Department Director and/ or hiring of internal audit company or any other agencies in charge of internal audit function.
- Review and ensure the Company has complied with the securities and exchange law, regulations of the Stock Exchange of Thailand ("SET"), and relevant and applicable laws, criteria, and regulations to the Company's operation at the moment.
- Consider, select, and propose appointment of persons who are independent to serve as auditor of the Company, and propose remuneration for the auditor, as well as attend meetings with the auditor without the Management's participation at least once a year.
- Consider connected transactions or transactions which may have conflicts of interest to comply with the laws and SET regulations and to ensure that the transactions are reasonable and bring highest benefits to the Company.
- Prepare a report of the Audit Committee to be presented in the Company's annual report. The report shall be signed by Chairman of the Audit Committee and contain at least the following information:
 - Opinions on correctness, completeness, and reliability of the financial report of the Company.
 - Opinions on sufficiency of the internal control system of the Company.
 - Opinions on compliance with the laws on securities and exchange, regulations on the stock exchange, or relevant laws to the Company's business.
 - Opinions on the appropriateness of the auditor.
 - Opinions on transactions which may have conflicts of interest.

- Number of Audit Committee meetings and attendance of each Audit Committee member.
- Overall opinions or issues which Audit Committee has observed from performance of duties according to the Charter.
- Other matters Audit Committee may deem appropriate to be acknowledged by shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.
- In performance of duties of Audit Committee, if any of the following transactions or acts are found doubtful or suspicious, which may have material effects on the Company's financial position and operating results, Audit Committee shall report to the Board of Directors for rectification within the period deemed appropriate by Audit Committee:
 - Transactions which may have conflicts of interest.
 - Frauds or major irregularities or defects in the internal control system.
 - Violation of the laws on securities and exchange, regulations of the SET or other relevant laws to the Company's business.
- Perform any other duties as specified in laws, criteria, or regulations applicable to the Company's business operation at that time, or as assigned by the Board of Directors within the scope of duties and responsibilities of Audit Committee.
- Approve Charter of Internal Audit Department, audit plan, and annual budget of Internal Audit Department.
- Prepare Audit Committee Charter in accordance with the scope of responsibilities towards the Company's business operation, which requires approval from the Board of Directors and appropriateness of which shall be reviewed at least once a year.

3) Risk management committee composed of:

Miss Rasa Kachanasai	Chairman
Mr. Somphan Eamrungraj	Director
Miss Kornpranom Wongmongkol	Director
Mr. Sumate Maneewattana	Director
President	Director
Vice President of Organization Development and Risk Management Department	Secretary

Power and duties are as follows:

- Determine risk management procedures at organization, department, section, and office levels, and give advice on risk management.
- Consider and approve risk management criteria and methodology.
- Follow up on development of risk management guidelines and preparation of risk management system in alignment and connection with the corporate strategy.
- Follow up on identification and assessment of major risks of the organization to ensure

If the Board of Directors does not have the above matters improved or corrected within the specified period, any of the Audit Committee members may report the transaction or act in subject to the Securities and Exchange Commission ("SEC") or the SET.

appropriateness and flexibility under the circumstances.

- Consider and approve risk management plan.
- Report risk management progress to the Board.
- Communicate and coordinate with Audit Committee regarding major risks.
- Drive development of personnel capabilities, adjustment of organizational culture, and ongoing improvement of risk management to ensure employees at all levels are aware of risks and risk control of all work units.
- Appoint responsible persons or working committees to ensure risk management appropriateness and effectiveness.
- Perform other tasks as assigned.

4) Nomination and remuneration committee composed of:

Mr. Vasant Thienhom	Chairman
Mr. Sumate Maneewattana	Director
Mr. Amnuay Preemonwong	Director
Vice President of Human Resources Department	Secretary

Power and duties are as follows:

- Define criteria and guidelines on selection and screening of qualified persons, and propose them to Board of Directors for consideration of appointment as below:
 - Directors
 - Directors to replace those vacating positions according to articles of association
 - Members of various committees who are granted power, duties, and responsibilities from Board of Directors

- Executives who have management power according to power and duties of Board of Directors

- Propose performance evaluation criteria and method, and consider performance evaluation, as well as determine remuneration rate for President under employment contract conditions and present them to the Board of Directors for consideration.
- Consider and lay down annual remuneration of directors and criteria or methods on fair and reasonable payment of remuneration and present them to the Board of Directors for further proposal to the meeting of shareholders.
- Consider conditions in relation to the Company's offering for sale of new securities (or warrants) to directors and employees.
- Consider and/or take any other actions as specified by the Board of Directors.

5) Corporate governance and corporate social responsibility committee composed of:

Miss Siriporn Eamrungraj	Chairman
Mr. Manus Suksawasdi	Director
Mr. Amnuay Preemonwong	Director
Executive Vice President, Operation Supporting Group	Secretary

Power and duties are as follows:

- Consider and define policy, work plan, and criteria on good corporate governance, responsibility towards society and environment, and conflicts of interest in line with the Company's business operation and present them to the Board of Directors.

- Supervise and follow up operating results of the Company to be in accordance with the policy and work plans under good corporate governance principles and with responsibility towards society and environment to achieve the targets efficiently.
- Recommend the Company's code of conduct in business operation, and for the Board of Directors, the management, and employees.
- Encourage Board of Directors, executives, and employees to take part in good corporate governance and conduct activities for society and environment on a consistent basis.
- Consider appointment of working committees and working groups to support operation in relation to good corporate governance and corporate social and environmental responsibility as deemed appropriate.
- Support and build opportunities or channels for stakeholders so that they can give feedback, observations and reflect on matters relating to the Company to support improvement and correction for good corporate governance.
- Consider and/or take any other actions as assigned by Board of Directors.

Business administration committees

comprising five committees

1) Employee committee composed of :

President	Chairman
Senior Executive Vice President	Director
Executive Vice President	Director
Vice President of Human Resources Department	Member and Secretary

Power and duties are as follows:

- Regulate and supervise personnel management policies comprising selection, planning and determination of manpower of the organization, employee welfare, remuneration payment and benefits policy, and termination of employment.
- Consider, screen, and give approval on:
 - Determination of criteria and approval of promotion, appointment and transfer of employees from level 8 and below.
 - Appointment and removal of employees assigned by the Company to be
- directors representing the Company in affiliated companies and debtor companies.
- Appointment of disciplinary investigation committee and/or penalty committee as the case may be.
- Consideration of punishment of employees who violate regulations from level 8 and below.
- Consider and enhance personnel quality through:
 - Determination of efficient personnel training and personnel development courses and programs.
 - Supervision and monitoring to ensure compliance with the Company's rules and regulations.
 - Enhance unity, code of ethics, and morality in employees' performance of duties.

- Receive, consider and deal with complaints, and consider appeals of judgment of disciplinary investigation committee and/or supervisors as regards offences of the employees.
- Determine regulations and orders, or revise rules, regulations and orders, relating to personnel management.
- Appoint sub-committees and delegate authority and duties to such sub-committees.
- Perform other tasks as assigned by the Management.

2) NPL Development committee composed of:

President	Chairman
Senior Executive Vice President, Sales Management Group	Member
Senior Executive Vice President, Head office Debt Restructuring Group	Member
Senior Executive Vice President, Regional Debt Restructuring Group	Member
Senior Executive Vice President, Operation Supporting Group	Member
Executive Vice President, Sale Group 1	Member
Executive Vice President, Sale Group 2	Member
Executive Vice President, Regional Debt Restructuring Group 1	Member
Executive Vice President, Regional Debt Restructuring Group 2	Member
Executive Vice President, Business Supporting Group 2	Member
Executive Vice President, Business Supporting Group 1	and Secretary
Vice President of Internal Audit Department	Observer

Power and duties are as follows:

- Lay down debt monitoring and correction policy and strategy.
- Approve or reject debt restructuring applications, and set out NPL remedial guidelines.
- Consider, screen, and give opinions on debt correction in cases beyond approval authority for proposal to Executive Board and/or Board of Directors.
- Define regulations and orders, or revise regulations and orders related to asset development.
- Appoint sub-committees and delegate authority to such sub-committees.

3) NPA management committee composed of:

President	Chairman
Senior Executive Vice President, Sales Management Group	Member
Senior Executive Vice President, Head Office Debt Restructuring Group	Member
Senior Executive Vice President, Regional Debt Restructuring Group	Member
Senior Executive Vice President, Operation Supporting Group	Member
Executive Vice President, Sale Group 1	Member
Executive Vice President, Sale Group 2	Member
Executive Vice President, Regional Debt Restructuring Group 1	Member
Executive Vice President, Regional Debt Restructuring Group 2	Member
Vice President of Property Appraisal Department	Member
Executive Vice President, Business Supporting Group 1	and Secretary

Vice President of Internal Audit Observer
Department

Power and duties are as follows:

- Formulate criteria, method, and approval authority on development, disposal and/or lease of assets before proposal to Executive Board and/or Board of Directors for approval, and make revision as necessary and appropriate or at least once a year.
- Determine policies and guidelines on operation, development, disposal or lease of assets to achieve the target set forth.
- Consider and approve project, work plan, and expenses relating to disposal, development and/or lease of assets, as well as employment of outside parties (outsourcing) to perform works within the scope of authority.
- Set asset selling prices and rental rates, and impose conditions on disposal and/or lease of assets in general cases and/or as the case may be.
- Define criteria, work process, and persons in charge of auction sale of assets.
- Consider and determine purchase prices or rental of assets only as necessary and to facilitate development and disposal of assets.
- Consider disposal and/or lease of assets.
- Consider and accept remaining land from land measuring, and report to Executive Board for acknowledgement.
- Consider and approve eviction and legal proceedings against trespassers and violators of the Company's NPAs.
- Consider and approve compromise of eviction

cases of the Company's NPAs, and settlement of cases to follow the court judgment.

- Appoint sub-committees and delegate authority to such sub-committees.

4) Appraisal committee 1 composed of:

Executive Vice President,	Chairman
Operation Supporting Group 2	
Executive Vice President, Sale Group 1	Member
Vice President of Property Appraisal Department	Member
Vice President of Legal Department 1	Member
Vice President of Sale Group 6	Member
Vice President of Property and Collateral Operation Department	Member
Vice President of Debt Restructuring Department 5	Member
Manager of Property Appraisal Group 1	Secretary

5) Appraisal committee 2 composed of:

Executive Vice President,	Chairman
Operation Supporting Group 2	
Executive Vice President, Sale Group 2	Member
Vice President of Property Appraisal Department	Member
Vice President of Legal Department 2	Member
Vice President of Sale Group 4	Member
Vice President of Account Receivables and Properties for Sale	Member
Vice President of Debt Restructuring Department 2	Member
Manager of Property Appraisal Group 2	Secretary

Appraisal committees 1 and 2's power and duties are as follows:

- Approve, change or set appraisal prices of assets covering both collaterals and non-collaterals, or assets of the Company/ subsidiaries or other assets in the cases within the scope of authority of Asset Development Committee or upper, or propose by Asset Development Department, Asset Management Department, Marketing Department, Asset Disposal Department, or other relevant departments.
- Consider, screen, define, or give opinions to reach settlement of disputes in case where there are any disputes on asset appraisal.
- Consider operating results of survey, inspection and appraisal of asset prices for further proposal or submission to request determination or issuance of any policies or orders relating to price appraisal/asset valuation for the benefits of the Company.
- Appoint sub-committees and delegate authority to such sub-committees.

Remuneration of auditor

Audit fees and non-audit fees

In 2018, Office of the Auditor General was the auditor of BAM with the audit remuneration of 2,100,000 baht, excluding other expenses relevant to work performance.

1. Financial statements for a 3-month period ended 31 March 2018	total	350,000.00 baht
2. Financial statements for a 3-month and 6-month period ended 30 June 2018	total	700,000.00 baht
3. Financial statements for a 3-month and 9-month period ended 30 September 2018	total	350,000.00 baht
4. Financial statements for the year ended 31 December 2018	total	<u>700,000.00</u> baht
The audit remuneration	total	<u>2,100,000.00</u> baht

INTERNAL CONTROL AND RISK MANAGEMENT

Opinions of the Board of Directors on the Company's internal control system

Sufficiency and appropriateness of the Company's internal control system and allocation of sufficient personnel for efficient operation

The Audit Committee of Bangkok Commercial Asset Management Public Company Limited ("BAM" or "the Company") was appointed by the Board of Directors to be composed of four members who are independent directors with expertise in various areas, and adequate knowledge and experiences to review the reliability of the financial statements. In 2018, the Audit Committee performed duties as assigned by the Board of Directors and according to the Charter of the Audit Committee. At the meetings held, the Committee members discussed relevant matters with the Management, the internal auditors and the external auditor, and reported the result of the operation to the Board of Directors on a quarterly basis, the salient points of which were as follows:

1. The Audit Committee reviewed quarterly, half-year and year-end financial reports before and after the review or audit work by the auditor, the opinions of the auditor on the financial reports, important accounting policies and estimates, disclosure of information accompanying financial statements, compliance with financial reporting standards, and analysis of key financial ratios. This was to ensure that the Company's financial



reports had been completely and accurately prepared with reliability and in accordance with the generally accepted accounting principles. The Audit Committee also considered the appointment of auditor for 2018 and attended meetings with the auditor without the management's participation to discuss important issues in the preparation of financial reports, internal control system, and problems as well as obstacles in the operation toward correction and improvement.

2. In the review of efficiency and effectiveness of the internal control, corporate governance and risk management processes, as well as performance in compliance with laws, rules, regulations, guidelines, the Cabinet's resolutions, announcements or orders in relation to the Company's operation, the Audit Committee reviewed internal control report as regulated by the State Audit Commission and result of management and operational reviews, and monitored progress of operational rectification and improvement, and gave opinion as well as recommendation for effective internal control and

risk management to prevent any possible risk and damage. This was to ensure that the Company would have appropriate and sufficient internal control, corporate governance and risk management processes to support its operation to meet the objectives and targets set forth with efficiency. Details were as below:

- 2.1 Priority was given to solving problems and managing issues of audit observations by attending meetings with the management to consider preventive and operation control measures to ensure efficiency and reduce operational errors.
 - 2.2 Priority was given to information technology (IT) system by recommending development of IT to support loan restructuring functions for higher operational efficiency, and increase in 2019 budget for procurement of data analysis tools to improve management efficiency.
 - 2.3 Consideration was made and opinion was given on the Company's related party transactions with persons that may have conflict of interest based on reasonableness of the transactions and with due regard to the interests of all its stakeholders, as well as proper disclosure of information to ensure that the Company's operation is compliant with the rules, procedures and policies on related party transactions.
 - 2.4 Consideration was made on annual compliance plan and review on report of compliance result according to criteria relevant to the Company's business by Legal Department every quarterly, most of the operation of which was found to accord with the relevant regulations in place. The Audit Committee also recommended testing of compliance in various areas pursuant to regulations governing listed companies on Stock Exchange of Thailand to build awareness and prepare the Company toward being listed on the Stock Exchange of Thailand.
 - 2.5 The Committee reviewed the Company's risk management system by following up report on risk management progress on a quarterly basis and risk management plan to assess risk management process which covers major risk factors, ensure sufficient risk management guidelines, and give recommendations beneficial to development of the Company's risk management system.
 - 2.6 The Committee considered "Report on operational results according to significant recommendations by Audit Committee for 2017" as regards asset development and management by considering the preventive measures and control and monitoring system laid down by the management.
3. Monitoring and review of the adequacy of internal audit system was undertaken by reviewing the Charter of Internal Audit Department, considering and approving the annual audit plan, long-term audit plan and annual budget of Internal Audit Department, with focus on key risks in each operational process by a risk-based approach, and supporting audit works such as considering and approving operational manual of Internal Audit Department, revising Internal Audit Department structure and

manpower with IT audit separated as a specific work unit, having in place a plan on internal audit quality assessment by an outside party; and promoting and developing knowledge and capabilities of personnel with focus on supporting employees to earn internal audit certificates on various areas to increase internal audit efficiency up to international standards.

4. The Audit Committee's operation standard was maintained by reviewing the Charter of the Audit Committee to be appropriate and up-to-date, evaluating the Committee's performance through self-assessment on both committee and individual basis to ensure the Committee's operation efficiency and attainment of the objectives stipulated in the Charter of the Audit Committee.
5. Priority was given to the Company's preparation for being listed on the Stock Exchange of Thailand by reviewing and concurring on the following matters:
 - 5.1 Considered and concurred on report on audit result of the general control system and the IT system, and result of assessment

of the internal control system at both organization and process levels by external experts, and concurred on Internal Audit Department's report on monitoring result of remaining issues remarked by external experts.

- 5.2 Gave recommendation on preparation for compliance with regulations in relation to listing on the Stock Exchange of Thailand.

The Audit Committee has performed its duties with prudence, independence and transparency in accordance with corporate governance principles and subject to the Charter of the Audit Committee approved by the Board of Directors. The Audit Committee is of the opinion that the Company has in place an appropriate and reliable process of preparing and disclosing information in the financial reports, and fairly good internal control, corporate governance and risk management systems. Its operational performance is in general compliant with the laws, rules and regulations relevant to its business operation, with certain significant opinions and recommendations given by the Audit Committee for the Company's rectification and improvement towards higher efficiency in its operation.



Overall risk management

BAM gives importance to risk management which is a main component of good corporate governance by focusing on risk management in line with risk management guidelines and criteria appropriate to the Company's business characteristics with a view to growing business and creating returns continuously and stably in the long run. The Company has implemented risk management that covers all key risks, comprising strategic risk, operational risk, financial risk, compliance risk, and other risks.

The Company is a leading AMC which attaches significance to systematic and efficient risk control and management. It has clearly defined risk management structure, policy, and guidelines to cover management of risk in various areas according to the Bank of Thailand regulations and COSO guidelines, which are risk management framework according to international standards. Main principle is linking risk management process to the strategic plan and business opportunities of the Company to integrate the risk management across the organization. The Company has worked out a risk map to identify major risk factors that have both negative and positive impacts on the Company. In addition, key risk indicators (KRIs), risk appetite, and risk tolerance are determined covering all major risk factors of the organization, with analysis and review conducted every year and risk management result followed up to be at acceptable level and in line with the target set by the Company. As such, true causes to risks can be identified and thus preventive

measures and guidelines sought and worked out to enable the Company to achieve the objectives and targets, leading to added value to the Company, shareholders, and other stakeholders on a sustainable basis.

The Board of Directors has appointed Risk Management Committee (RMC) composed of members who have relevant knowledge, expertise and experience to establish the risk management policy according to the principles of the Bank of Thailand and the COSO ERM guidelines, and review risk management appropriateness, propose policies under risk management framework, and put in place the risk monitoring structure in various areas in order to ensure efficient and effective risk management and transparent consideration and decision-making process. The Company has a risk management work unit to supervise, monitor, follow-up, and assess risks, as well as develop risk management tools, and report the results of risk management of the organization to Risk Management Committee, Audit Committee, and Board of Directors on a regular basis.

The Company has risk management process in accordance with the standards set forth, consisting of risk identification, risk assessment, risk management, risk monitoring, and risk reporting with focus on close follow-up, prevention, and handling of possible uncertain events which may affect the organization's achievement of objectives and

targets. Risk management is regarded as instrumental in bringing opportunities and building value added to the organization in a sustainable manner. Moreover, the Company attaches importance to dissemination and creation of risk management awareness among the Company's personnel at all levels, and instilling in them risk management as part of their normal operation.

In 2018, the Company focused on operation to develop risk management system according to risk management master plan to be in line with risk management standards under COSO ERM guidelines to ensure efficiency in the Company's risk management. Major operations can be summarized below:

- Reviewed impact assessment criteria on diverse areas such as finance to suit the financial objective of the Company, and compliance with regulations to accord with the Company's compliance governance guidelines so that risk owners can assess risks appropriately.
- Linked risk management to the Company's strategic plan by determining analysis of organization risks according to its strategic plan on an annual basis to identify major risk factors of which the Company must be aware in order to achieve its objectives according to the strategic plan.
- Reviewed key risk indicators (KRIs) to be able to indicate risks in a leading indicator manner. The Company determined KRIs at corporate level and monitored them, covering important transactions, and reported risk status according to KRIs on a monthly and quarterly basis to

the management, the Risk Management Committee, the Audit Committee, and the Board of Directors for acknowledgement.

- Coordinated with Compliance and Anti-Money Laundering Unit, Legal Department, a newly established work unit to supervise the Company's compliance with anti-money laundering (AMLO) laws by working out methods of reporting risks and damage resulted from non-compliance with anti-money laundering laws and determining KRIs to follow up on preparation and submission of AMLO transaction report to ensure a complete compliance with the AMLO laws.
- Analyzed collection of loss data of the Company since starting of loss data reporting via risk management information system (RMIS) (2015-present) to consider damage incident trends and set out guidelines on prevention of possible damage in future.
- Assessed and analyzed liquidity risk continually to ensure that the Company will have adequate liquidity for operation through liquidity gap analysis and analysis of significant liquidity ratios to be compliant with relevant regulators' assessment criteria.
- Developed stress testing in collaboration with Accounting and Finance Department to determine major risk factors or important assumptions which affect information on the Company's financial position to ensure that liquidity impact incurred is at acceptable level.

- Collected risk data as the basis for ongoing development of risk database and analyzed various perspectives of the organization's risks in future.
- In case of political uncertainty, emergency, and/or natural disasters eruption which may affect business continuity, the Company gave importance to business continuity management (BCM) especially in respect of its database by determining additional development of the IT recovery system by automatically syncing key data from the main computer center of the headquarters to the backup computer center. Also, IT recovery test and business continuity plan (BCP) test were conducted to assure customers and relevant parties of the Company's ability to continue its business despite crisis incidents.
- Developed the early warning report using risk data and transactional data to develop the report to be more efficient so that executives can use the risk data to manage risks appropriately.
- Rationalized major operational procedures to tighten the Company's internal control with review of the operational procedures and provision of training and practices for employees related to significant transactions, and with focus on ensuring employees of branch offices across the country will be able to perform duties in a correct way.
- Paid more attention to cyber risk as the Company may increasingly be exposed to cyber threats as a result of its provision of financial transaction services increasingly through digital channels.
- Studied and prepared IT risk management framework in order that the Company can prevent risks and damage which may occur to its working system (application), information, IT infrastructure, operation, people and process under the IT risk supervision framework specified by the Bank of Thailand as below:
 - Security and confidentiality of the applications and data (security)
 - Integrity of the applications and data (integrity)
 - Availability of IT service (availability)

IT risk management framework



Security

Security and confidentiality of the applications and data



Integrity

Integrity of the applications and data



Availability

Availability of IT service

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BAM ANNIVERSARY

To the future Together
ก้าวสู่อนาคตไปด้วยกัน

CONNECTED TRANSACTIONS

Measures or procedures on approval of related party transactions

The Company gives great importance to good corporate governance in its business operation and management to ensure transparency and prevention of transfer of benefits. To create fairness to all shareholders on an equitable basis, the Company has established policies and procedures regarding

disclosure of information and approval of related party transactions or connected transactions to prevent conflict of interest and to bring about transparent and fair management in case any conflict of interest has taken place.



The Company has put in place operational policies and procedures as follows:

The Company's Board of Directors at its meeting no. 11/2018 on 19 June 2018 considered and approved related party transaction policy. Operational procedures have been laid down according to the related party transaction policy to ensure transparency in the transactions between companies in the group and individuals or juristic persons which may have conflict of interest transparently and to maintain benefits to the Company, as can be summarized below:

- Making related party transactions or connected transactions shall be in accordance with the securities and exchange law, the SET regulations, the SEC notifications, and those of Capital Market Supervisory Board regarding related party transactions or connected transactions, as well as compliance with regulations on disclosure of related party transactions in the notes to financial statements duly audited by the Company's auditor, and annual information form (Form 56-1).
- In principle, the Management may approve the above transactions if they have commercial agreements in the way a reasonable person should do with another party in general under the same situations with negotiating power free from any influence from his/her status or position as director, executive, or related person thereof. Also, the Company has to prepare a summary report of such transactions for submission to the next Board of Directors' meeting.
- In case required by law for the Company to request approval from its Board of Directors' meeting or shareholders' meeting before entering into any connected transaction, the Company shall arrange for the Audit Committee to consider and give opinions on such transaction. Such opinions shall then be submitted to the Board of Directors' meeting or the shareholders' meeting, as the case may be, to ensure the transaction is made in the best interests of the Company.
- In case of the Company's related party transaction with a person that may have conflict of interest or beneficial interests in future, the Audit Committee shall give opinions on the necessity of entering into the transaction and reasonableness of the price of such transaction by considering relevant conditions to be in line with normal business operation in the industry as well as in comparison with market prices or those of outside parties. If the Audit Committee does not have expertise in any related party transaction that may take place, the Company will arrange for an independent expert or the Company's auditor to give opinions on the related party transaction so as to support decision-making of the Board of Directors, Audit Committee or shareholders, as the case may be. Directors, shareholders, or stakeholders shall have no right to vote on the transaction. In addition, all related party transactions shall be disclosed in the notes to financial statements reviewed or audited by the Company's auditor.



DESCRIPTION OF OPERATING RESULTS AND FINANCIAL STATUS

Amid the recovering economy, BAM posted a net profit of 5,202 million baht in 2018, compared with 4,501 million baht in 2017, which was a year-on-year growth of 701 million baht or 15.57%. This was attributable to the Company's implementation of the strategy of generating income from both the main transactions and appropriate financial management to bring about income in line with the economic growth. It recorded interest income of 1,976 million baht and non-interest income of 7,775 million baht which came mainly from gain on investment in receivables worth 4,438 million baht and gain on sales of foreclosed properties worth 3,106 million baht. Meanwhile, interest expenses accounted for 1,769 million baht due to the increase in borrowing from financial institutions and issuance of

debentures to enhance its liquidity for ongoing business expansion. In this regard, BAM has pursued its investment strategy in an appropriate manner and efficiently managed assets acquired to ensure business operation as targeted.

In the financial front, BAM recorded a strong financial position on the back of business base expansion. Its total assets accounted for as high as 107,653 million baht, a growth of 7,720 million baht year-on-year, which reflected a strong and stable growth of the Company. Moreover, with its continued profitability in operation, its shareholders' equity moved up to 41,849 million baht, which represented a year-on-year growth of 790 million baht.

(Unit : Million Baht)

	2018 (Million Baht)	2017 (Million Baht)	2016 (Million Baht)	% Increase / (Decrease)	
				2018	2017
Statement of Financial Position					
Total assets	107,653	99,933	93,637	7.73	6.72
Total liabilities	65,804	58,874	53,114	11.77	10.84
Total shareholders' equity	41,849	41,059	40,523	1.92	1.32
Income Statement					
Interest income	1,976	2,028	1,402	(2.56)	44.65
Non-interest income	7,775	5,598	7,361	38.89	(23.95)
Total income	9,751	7,626	8,763	27.87	(12.98)
Interest expenses	1,769	1,622	1,244	9.06	30.39
Non-interest expenses	2,656	2,262	2,326	17.42	(2.75)
Other operating expenses	124	(759)	289	116.34	(362.63)
Total expenses	4,549	3,125	3,859	45.57	(19.02)
Net profit (loss)	5,202	4,501	4,904	15.57	(8.22)



FINANCIAL STATEMENTS

Report of the Auditor

To Shareholders of Bangkok Commercial Asset Management Plc.

Opinion

We, the Office of the Auditor General of Thailand, have audited the financial statements of Bangkok Commercial Asset Management Plc. ("the Company"), comprised of the statement of financial position as at 31 December 2018, the statement of income and other comprehensive income, the statement of changes in shareholders' equity, and the statement of cash flows for the year then ended, together with notes to the financial statements and a summary of significant accounting policies.

In the Office of the Auditor General of Thailand's opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2018, the operational performance and cash flows for the year then ended of the Company, in accordance with financial reporting standards.

Basis for opinion

The Office of the Auditor General of Thailand has conducted an audit in accordance with the State Audit Standards and Thai Standards on Auditing. The Office of the Auditor General of Thailand's responsibility under those standards is described in "the Auditor's Responsibility for the Audit of the Financial Statements" section of this report. The Office of the Auditor General of Thailand is independent from the audited company in accordance with the State Audit Standards and the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to the audit of the financial statements. The Office of the Auditor General of Thailand has also fulfilled other ethical responsibilities in line with these State Audit Standards and Code of Ethics. The Office of the Auditor General of Thailand believes that the audit evidence that the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Management is responsible for other information which comprises information in the annual report, but does not include the Company's financial statements and the auditor's report appearing in the annual report. The Management will prepare the annual report for the Office of the Auditor General of Thailand after the date of this auditor's report.

The Office of the Auditor General of Thailand's opinion on the Company's financial statements does not cover other information, and the Office of the Auditor General of Thailand will not express any form of assurance on such other information.

The Office of the Auditor General of Thailand's responsibility in relation to the audit of the Company's financial statements is to read and determine whether such other information is materially inconsistent with the financial statements or the knowledge obtained from the Office of the Auditor General of Thailand's audit, or otherwise appears to be materially misstated.

When the Office of the Auditor General of Thailand has read the annual report, if the Office of the Auditor General of Thailand concludes that there is a material misstatement therein, the Office of the Auditor General of Thailand shall communicate the matter to those in charge of governance.

Responsibilities of the Management and those in charge of governance for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards and for such internal control as the Management deems is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing matters related to going concern, as deemed fit, and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or is unable to continue as a going concern.

Those in charge of governance are responsible for overseeing the financial reporting process of the Company.

The Auditor's responsibility for the audit of the financial statements

The Office of the Auditor General of Thailand's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the Office of the Auditor General of Thailand's opinion. Reasonable assurance refers to a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could be reasonably expected to influence, individually or wholly, the economic decisions of users taken on the basis of these financial statements.

As part of the Office of the Auditor General of Thailand's audit in accordance with the State Audit Standards and Thai Standards on Auditing, the Office of the Auditor General of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The Office of the Auditor General of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains

audit evidence that is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's opinion. The risk of not detecting any material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that suit the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Concludes the appropriateness of the going concern basis of accounting used by the Management and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If the Office of the Auditor General of Thailand concludes that a material uncertainty exists, the Office of the Auditor General of Thailand is required to draw attention in the auditor's report by giving observation on the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the Office of the Auditor General of Thailand's opinion. The Office of the Auditor General of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Office of the Auditor General of Thailand communicates with those in charge of governance for significant matters including the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control if the Office of the Auditor General of Thailand has identified during the audit.



(Mrs. Chitra Mekapongpanh)

Director of Financial and Procurement Audit Office No. 5



(Mrs. Pakamas Mangkornpunt)

Auditor, Senior Professional Level

Bangkok Commercial Asset Management Public Company Limited

Statement of Financial Position

As at 31 December 2018

Unit: Baht

Assets	Notes	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)
Cash	9.1	3,614,465.35	4,295,559.06	3,258,387.90
Cash deposits at financial institutions	9.2	1,031,795,622.76	1,158,514,506.39	1,607,506,020.56
Investment in securities - net	9.3	93,936,348.17	139,570,448.52	146,237,607.76
Credit for purchase of receivables	9.4	81,718,994,565.32	79,829,168,399.10	77,975,099,636.93
<u>Less</u> Allowance for doubtful accounts		(6,285,055,237.31)	(6,943,387,782.74)	(8,088,169,972.66)
Credit for purchase of receivables - net		75,433,939,328.01	72,885,780,616.36	69,886,929,664.27
Installment sale receivables	9.5	1,452,841,008.05	1,164,799,882.95	2,398,940,806.13
<u>Less</u> Deferred gross margin from installment sale receivables		(742,325,888.85)	(523,846,811.07)	(836,929,885.49)
<u>Less</u> Allowance for doubtful accounts - installment sale receivables		(2,217,646.95)	-	-
Installment sale receivables - net		708,297,472.25	640,953,071.88	1,562,010,920.64
Properties foreclosed - net	9.6	20,595,824,841.33	17,735,184,920.42	15,082,187,925.21
Accrued income from auction sale - net	9.7	7,115,446,818.61	4,981,488,520.00	3,026,041,211.99
Property, plant, and equipment - net	9.8	1,251,541,982.94	1,332,052,679.94	1,377,126,735.71
Intangible assets - net	9.9	13,282,153.12	10,649,735.36	11,899,195.05
Other assets	9.10	1,405,323,024.20	1,044,922,678.03	933,503,653.92
Total assets		107,653,002,056.74	99,933,412,735.96	93,636,701,323.01

Notes to Financial Statements form an integral part of these Financial Statements.

Bangkok Commercial Asset Management Public Company Limited

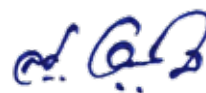
Statement of Financial Position (Cont.)

As at 31 December 2018

Unit: Baht

Liabilities and shareholder's equity	Notes	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)
Liabilities				
Debt issued and borrowing	9.12	57,709,277,417.46	56,868,466,463.52	50,329,105,549.25
Accrued interest payable	9.13	245,358,785.37	277,207,547.77	140,084,840.91
Provisions	9.14	769,519,346.07	751,760,263.07	726,187,489.00
Unearned accrued income from auction sale	9.15	5,342,009,258.02	-	-
Other liabilities	9.16	1,737,822,585.99	976,607,739.21	1,918,640,342.51
Total liabilities		65,803,987,392.91	58,874,042,013.57	53,114,018,221.67
Shareholders' equity				
Share capital				
Authorized share capital				
3,245,000,000 common shares, par value 5 baht each		16,225,000,000.00	16,225,000,000.00	16,225,000,000.00
Issued and paid-up share capital				
2,735,000,000 common shares, par value 5 baht each		13,675,000,000.00	13,675,000,000.00	13,675,000,000.00
Other components of shareholders' equity	9.3.4	(58,017,385.72)	(46,251,730.29)	(43,770,024.35)
Retained earnings				
Appropriated				
Legal reserve		1,622,500,000.00	1,622,500,000.00	1,622,500,000.00
Unappropriated		26,609,532,049.55	25,808,122,452.68	25,268,953,125.69
Total shareholders' equity		41,849,014,663.83	41,059,370,722.39	40,522,683,101.34
Total liabilities and shareholders' equity		107,653,002,056.74	99,933,412,735.96	93,636,701,323.01

Notes to Financial Statements form an integral part of these Financial Statements.


(Mr. Bunyong Visatemongkolchai)
Chairman of Executive Board

(Mr. Somporn Moonsrikaew)
President

Bangkok Commercial Asset Management Public Company Limited

Statement of Comprehensive Income**For the Year Ended 31 December 2018**

Unit: Baht

	2018	2017
Interest income		
Credit for purchase of receivables	1,856,823,858.57	1,877,516,017.11
Investment in securities	3,731,139.11	12,634,084.51
Deposits at financial institutions	10,329,670.76	23,320,016.40
Installment sale receivables	89,185,927.33	104,659,313.84
Others	15,524,188.93	9,913,471.23
Total interest income	1,975,594,784.70	2,028,042,903.09
Interest expenses		
Interest and discount on promissory notes	281,495,503.32	361,071,176.41
Interest paid on loans	439,767,850.53	511,165,386.11
Interest on debentures	1,048,145,295.26	749,752,022.25
Total interest expenses	1,769,408,649.11	1,621,988,584.77
Interest income - net	206,186,135.59	406,054,318.32
Loss on investment in securities - net	(30,309,029.21)	(2,561,187.30)
Gain on credit for purchase of receivables	4,438,345,474.09	3,509,149,933.13
Gain on sale of foreclosed properties	3,105,514,954.01	1,740,885,894.31
Gain on installment sales	115,214,389.16	184,439,896.58
Other operating income		
Dividend income	36,966,721.10	47,504,953.11
Other operating income	109,822,569.16	118,376,864.98
Total other operating income	146,789,290.26	165,881,818.09
Total operating income	7,981,741,213.90	6,003,850,673.13

Notes to Financial Statements form an integral part of these Financial Statements.

Bangkok Commercial Asset Management Public Company Limited

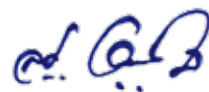
Statement of Comprehensive Income (Cont.)

For the Year Ended 31 December 2018

Unit: Baht

	Notes	2018	2017
Other operating expenses			
Employee expenses		1,836,937,034.72	1,450,709,163.55
Directors' remuneration		10,840,161.29	12,199,500.00
Premises and equipment expenses		221,905,835.41	224,973,637.15
Taxes and duties		517,748,999.91	561,294,998.29
Impairment loss on properties foreclosed (reversal)		(20,496,671.01)	(69,343,176.68)
Properties foreclosed expenses		89,129,763.60	82,183,995.91
Other expenses		278,569,151.90	257,733,716.82
Total other operating expenses		2,934,634,275.82	2,519,751,835.04
Bad debts and doubtful accounts		(162,194,456.12)	(1,024,927,821.08)
Operating profit before income tax expenses		5,209,301,394.20	4,509,026,659.17
Income tax expenses	9.21	7,276,797.33	8,209,832.18
Net profit		5,202,024,596.87	4,500,816,826.99
Other comprehensive income (expenses)			
Items that may be reclassified to profit or loss			
Gain (Loss) on remeasurement of available-for-sale investment		(11,765,655.43)	(2,481,705.94)
Total other comprehensive income (expenses)		(11,765,655.43)	(2,481,705.94)
Total comprehensive income		5,190,258,941.44	4,498,335,121.05
Earnings per share			
Basic earnings per share	9.22	1.90	1.65

Notes to Financial Statements form an integral part of these Financial Statements.


(Mr. Bunyong Visatemongkolchai)
Chairman of Executive Board

(Mr. Somporn Moonsrikaew)
President

Bangkok Commercial Asset Management Public Company Limited

Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2018

Unit: Baht

	Notes	Issued and Paid-up Share Capital	Other Components of Shareholders' Equity	Retained Earnings			Total
				Appropriated		Unappropriated	
				Legal Reserve	Other Reserves		
			Surplus (Deficit) on Revaluation of Investment				
Beginning balance as at 1 January 2017 in former report Cumulative effect of error correction	6						
		13,675,000,000.00	(198,156,037.98)	1,622,500,000.00	-	25,423,339,139.32	40,522,683,101.34
		-	154,386,013.63	-	-	(154,386,013.63)	-
Beginning balance as at 1 January 2017 after revision Dividend paid Total comprehensive income	9.19	13,675,000,000.00	(43,770,024.35)	1,622,500,000.00	-	25,268,953,125.69	40,522,683,101.34
		-	-	-	-	(3,961,647,500.00)	(3,961,647,500.00)
		-	(2,481,705.94)	-	-	4,500,816,826.99	4,498,335,121.05
Ending balance as at 31 December 2017 after revision Beginning balance as at 1 January 2018 in former report Cumulative effect of error correction	6	13,675,000,000.00	(46,251,730.29)	1,622,500,000.00	-	25,808,122,452.68	41,059,370,722.39
		13,675,000,000.00	(200,637,743.92)	1,622,500,000.00	-	25,962,508,466.31	41,059,370,722.39
		-	154,386,013.63	-	-	(154,386,013.63)	-
Beginning balance as at 1 January 2018 after revision Dividend paid Total comprehensive income	9.19	13,675,000,000.00	(46,251,730.29)	1,622,500,000.00	-	25,808,122,452.68	41,059,370,722.39
		-	-	-	-	(4,400,615,000.00)	(4,400,615,000.00)
		-	(11,765,655.43)	-	-	5,202,024,596.87	5,190,258,941.44
Ending balance as at 31 December 2018		13,675,000,000.00	(58,017,385.72)	1,622,500,000.00	-	26,609,532,049.55	41,849,014,663.83

Notes to Financial Statements form an integral part of these Financial Statements.

Bangkok Commercial Asset Management Public Company Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

Unit: Baht

	2018	2017
Cash flows from operating activities		
Operating profit before income tax expenses	5,209,301,394.20	4,509,026,659.17
Items to reconcile operating profit before income tax expenses to cash received (paid) from operating activities		
Depreciation and amortization	141,307,415.26	148,400,831.20
Deferred expenses	73,738,244.72	47,261,996.61
Decrease in accrued revenue	113,404.58	378,387.83
Decrease in deferred revenue	(3,897,667.07)	(3,931,396.40)
Increase in accrued expenses	360,750,314.02	30,575,993.10
Loss from write-off of assets	602.00	1,619,175.49
Allowance for long-term employee benefits	66,095,383.00	71,144,194.07
Gain on fixed asset sales	(13,374,665.27)	(44,999.00)
Gain on repossession of property under installment sales	(2,570,319.97)	(59,881,385.22)
Gain on sales of investment in securities	(6,297,431.71)	(553,116.00)
Decrease in doubtful accounts	(162,194,456.12)	(1,024,927,821.08)
Doubtful accounts - installment sale receivables	2,217,646.95	-
Impairment loss on properties foreclosed (reversal)	(20,496,671.01)	(69,343,176.68)
Impairment loss on investment in securities	36,606,460.92	3,114,303.30
	5,681,299,654.50	3,652,839,646.39
Net interest income	(206,186,135.59)	(406,054,318.32)
Net dividend income	(36,966,721.10)	(47,504,953.11)
Cash received from interest income	1,971,936,078.41	2,015,862,108.35
Cash received from dividend income	43,600,528.80	40,871,145.41
Cash paid for purchase of assets transferred from financial institutions	(7,088,271,954.65)	(4,734,288,764.75)
Cash paid on interest	(1,801,257,411.51)	(1,484,865,877.91)
Cash paid on income tax	(8,797,804.95)	(10,054,607.99)
Profit (Loss) from operation before changes in operating assets and liabilities	(1,444,643,766.09)	(973,195,621.93)
(Increase) Decrease in operating assets		
Credit for purchase of receivables	5,037,033,664.00	4,987,597,693.01
Installment sale receivables	251,193,005.49	834,170,865.96
Properties foreclosed	1,513,872,245.60	898,557,518.50
Accrued income from auction sale	(2,129,465,905.29)	(1,785,469,053.23)
Other assets	(379,248,304.72)	(179,328,710.68)
Increase (Decrease) in operating liabilities		
Unearned accrued income from auction sale	5,342,009,258.02	-
Long-term employee benefits	(48,336,300.00)	(45,571,420.00)
Other liabilities	(34,214,981.20)	79,937,601.90
Net cash provided from operating activities	8,176,628,878.21	3,816,698,873.53

Notes to Financial Statements form an integral part of these Financial Statements.

Bangkok Commercial Asset Management Public Company Limited

Statement of Cash Flows

For the Year Ended 31 December 2018

Unit: Baht

	Notes	2018	2017
Cash flows from investing activities			
Cash paid on purchase of property, plant, and equipment		(78,584,530.67)	(99,366,410.75)
Cash paid on purchase of available-for-sale securities		(5,656,632,024.52)	(10,503,155,865.49)
Cash paid on purchase of intangible assets		(3,046,875.00)	(1,719,159.92)
Decrease in restricted bank deposits		40,000.00	-
Cash received from sales of fixed assets		13,374,766.27	45,000.00
Cash received from investment in available-for-sale securities		5,655,314,902.52	10,515,789,950.00
Cash received from sales of investment in available-for-sale securities		8,607,676.82	553,116.00
Net cash used in investing activities		(60,966,084.58)	(87,853,370.16)
Cash flows from financing activities			
Cash received from bank loans		16,450,000,000.00	30,943,308,342.12
Cash received from debenture issuance		8,000,000,000.00	22,600,000,000.00
Cash received from redemption of bills of exchange		97,064,796.50	-
Cash paid on repayment of loans and debt securities		(21,779,023,757.05)	(45,324,654,333.48)
Cash paid on debenture payment		(6,600,000,000.00)	(8,400,000,000.00)
Cash paid on fee for debenture issuance		(10,416,377.60)	(19,232,775.26)
Cash paid on notes payable aval expense		-	(14,120,289.63)
Cash paid on dividend payment to shareholders		(4,400,615,000.00)	(3,961,647,500.00)
Net cash used in financing activities		(8,242,990,338.15)	(4,176,346,556.61)
Net decrease in cash and cash equivalents		(127,287,544.52)	(447,501,053.24)
Cash and cash equivalents at beginning of year		1,158,859,799.72	1,606,360,852.96
Cash and cash equivalents at end of year	9.26.1	1,031,572,255.20	1,158,859,799.72

Notes to Financial Statements form an integral part of these Financial Statements.

Bangkok Commercial Asset Management Public Company Limited

Notes to Financial Statements

For the Year Ended 31 December 2018

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Bangkok Commercial Asset Management Public Company Limited

Notes to Financial Statements

For the Year Ended 31 December 2018

1. Background

Under the financial institutions development plan devised by the Ministry of Finance pursuant to the Cabinet's resolution dated 14 August 1998, Bangkok Commercial Asset Management Co., Ltd. ("BAM" or "the Company") was established by Bangkok Commerce Plc. (formerly known as Bangkok Bank of Commerce Plc.) while 96.53% of shares of Bangkok Commerce Plc. are owned by the Financial Institutions Development Fund ("FIDF").

On 7 January 1999, BAM was registered as a limited company pursuant to the Civil and Commercial Code, with Bangkok Commerce Plc. owning 99.99% of its shares. On 28 January 1999, it was registered as an asset management company under the Emergency Decree on Asset Management Company B.E. 2541 with the main objective to manage non-performing assets of Bangkok Bank of Commerce Plc.

On 29 March 2002, the Company added more of its objectives in respect of management of non-performing assets and being an agent for debt collection pursuant to the Emergency Decree on Thai Asset Management Corporation B.E. 2544, including custody and management of assets, transfer documents or other documents and all relevant matters.

On 4 February 2003, the official receiver issued a warrant of order no. 1338/2546 which required Bangkok Commerce Plc. to transfer to FIDF all shares in BAM, totaling 546,999,993 shares with a par value of 25 Baht per share at the total book value of 13,674,999,825 Baht, thereby leading FIDF to become a direct shareholder of the Company.

On 25 December 2015, BAM registered a transformation into a public company in the name of Bangkok Commercial Asset Management Public Company Limited, headquartered at No. 99 Surasak Road, Silom, Bang Rak, Bangkok, to operate the business of purchasing or receiving transfer of non-performing loans (NPL) and non-performing assets (NPA) for management or for further disposal or transfer.

2. Basis for Preparation of Financial Statements

These financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Profession Act B.E. 2547 and the financial reporting standards, and are presented in conformity with the Bank of Thailand ("BOT") Notification No. SorNorSor. 22/2558 dated 4 December 2015 regarding preparation and announcement of financial statements of finance and creditfoncier companies.

An English language version of the financial statements has been prepared based on the Thai version of the financial statements. Where there is any conflict in either the substance or the interpretation between the two languages, the Thai language financial statements shall prevail.

The financial statements have been prepared based on historical cost unless stated otherwise in accounting policies.

3. Financial Reporting Standards

3.1 Financial reporting standards taking effect in current year

In 2018, the Company adopted the accounting standards, financial reporting standards, interpretation of the accounting standards, and interpretation of the revised (2017) financial reporting standards, as well as new accounting practice guidelines issued by the Federation of Accounting Professions (FAP) and enforceable to financial statements of the accounting periods beginning on or after 1 January 2018 in relation to the Company's transactions. These financial reporting standards have been revised or prepared with the content to be on a par with those of international financial reporting standards, mostly involving modification of wording and terminology, interpretation, and provision of standard accounting practice guidelines to users. Adoption of these financial reporting standards has no material effect on the Company's financial statements.

3.2 Financial reporting standards to take effect in future

The FAP announced the adoption of accounting standards, financial reporting standards, interpretation of the accounting standards, interpretation of the revised (2018) financial reporting standards, and several new standards that have become effective for financial statements of the accounting periods beginning on or after 1 January 2019 and 1 January 2020. These financial reporting standards have been revised or prepared with the content to be on a par with those of international financial reporting standards, mostly involving revision of the 2017 standards, as follows:

3.2 Financial reporting standards to take effect in future (cont.)

Standards taking effect on or after 1 January 2019

Thai Accounting Standards

TAS 1	(Revised 2018)	Presentation of Financial Statements
TAS 2	(Revised 2018)	Inventories
TAS 7	(Revised 2018)	Statement of Cash Flows
TAS 8	(Revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2018)	Events after the Reporting Period
TAS 12	(Revised 2018)	Income Taxes
TAS 16	(Revised 2018)	Property, Plant and Equipment
TAS 17	(Revised 2018)	Leases
TAS 19	(Revised 2018)	Employee Benefits
TAS 20	(Revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2018)	Effects of Changes in Foreign Exchange Rates
TAS 23	(Revised 2018)	Borrowing Costs
TAS 24	(Revised 2018)	Related Party Disclosures
TAS 26	(Revised 2018)	Accounting and Reporting of Retirement Benefit Plans
TAS 27	(Revised 2018)	Separate Financial Statements
TAS 28	(Revised 2018)	Investment in Associates and Joint Ventures
TAS 29	(Revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33	(Revised 2018)	Earnings per Share
TAS 34	(Revised 2018)	Interim Financial Reporting
TAS 36	(Revised 2018)	Impairment of Assets
TAS 37	(Revised 2018)	Provisions, Contingent Liabilities, and Contingent Assets
TAS 38	(Revised 2018)	Intangible Assets
TAS 40	(Revised 2018)	Investment Property
TAS 41	(Revised 2018)	Agriculture

3.2 Financial reporting standards to take effect in future (cont.)

Standards taking effect on or after 1 January 2019

Thai Financial Reporting Standards

TFRS 1	(Revised 2018)	First-time Adoption of Thai Financial Reporting Standards
TFRS 2	(Revised 2018)	Share-based Payment
TFRS 3	(Revised 2018)	Business Combinations
TFRS 4	(Revised 2018)	Insurance Contract
TFRS 5	(Revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	(Revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 8	(Revised 2018)	Operating Segment
TFRS 10	(Revised 2018)	Consolidated Financial Statements
TFRS 11	(Revised 2018)	Joint Arrangements
TFRS 12	(Revised 2018)	Disclosure of Interests in Other Entities
TFRS 13	(Revised 2018)	Fair Value Measurement
TFRS 15		Revenue from Contracts with Customers

Interpretation of Accounting Standards

TSIC 10	(Revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15	(Revised 2018)	Operating Leases - Incentives
TSIC 25	(Revised 2018)	Income Taxes - Changes in the Tax Status of An Entity or Its Shareholders
TSIC 27	(Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	(Revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32	(Revised 2018)	Intangible Assets - Website Costs

Interpretation of Financial Reporting Standards

TFRIC 1	(Revised 2018)	Changes in Existing Decommissioning, Restoration, and Similar Liabilities
TFRIC 4	(Revised 2018)	Determining whether an Arrangement Contains a Lease
TFRIC 5	(Revised 2018)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

3.2 Financial reporting standards to take effect in future (cont.)

Standards taking effect on or after 1 January 2019

Interpretation of Financial Reporting Standards

TFRIC 7	(Revised 2018)	Applying the Restatement Approach under TAS 29 (Revised 2018): Financial Reporting in Hyperinflationary Economies
TFRIC 10	(Revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12	(Revised 2018)	Service Concession Arrangements
TFRIC 14	(Revised 2018)	Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction for TAS 19 (Revised 2018): Employee Benefits
TFRIC 17	(Revised 2018)	Distribution of Non-Cash Assets to Owners
TFRIC 20	(Revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	(Revised 2018)	Remittance to National Income
TFRIC 22		Foreign Currency Transactions and Advance Consideration

BAM Management has assessed that the accounting standards, the financial reporting standards, the interpretation of the accounting standards, and the interpretation of the financial reporting standards, which have been issued and revised, will pose no material impact on the Company's financial statements in the years they are adopted.

Standards taking effect on or after 1 January 2020

Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Interpretation of Financial Reporting Standards

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

As of now, BAM Management is assessing the impact on the Company's financial statements of the year in which the adoption of standards taking effect on or after 1 January 2020 commences.

4. Significant Accounting Policies

4.1 Recognition of income

a) Interest income from credit for purchase of receivables

The Company recognizes interest income from non-performing loans (NPLs) acquired or transferred from other financial institutions when debt payments are made by debtors, divided into two cases below:

Case of NPLs with debt restructuring or compromising agreements

The Company recognizes interest income when paid by debtors by the individual rate of return approach where the rate of return is calculated from cash flow projected to be paid from each acquired receivable based on debt restructuring or compromising agreements. In case the agreement requires asset transfer for debt settlement, the Company will use the estimated value of the transferred asset for debt settlement as the projected cash inflow for calculation of the individual rate of return. However, if the debt restructuring agreement requires auction of the collateral asset, the Company will not use the estimated value from the auction as part of the cash flow projection due to uncertainty of the value to be received.

On the date of receipt of the debtor's payment, the Company will recognize interest income with calculation made on the overdue period from the date of execution of the debt restructuring or compromising agreements, or the date of the latest receipt of payment, until the date of receipt of the payment, based on the yield rate calculated above. Recognition of interest income will not be in the amount exceeding the amount of payment received from the debtor, with the difference thereof after the recognition of interest income to be deducted from the cost of credit for purchase of receivables.

Case of NPLs without debt restructuring or compromising agreements

Debt payment received from each debtor in whatsoever case (cash received from debtor's debt settlement or payment received from auction of the collateral asset) will be entirely deducted from principal debt. Difference arising from the amount received exceeding the cost of credit for purchase of receivables will be presented as gain on credit for purchase of receivables. The Company will recognize this item as below:

- In case of receipt of cash from the debtor, income recognition will be made on the date of receipt of such cash payment.
- In case a collateral asset of debtor is put up for auction sale at Legal Execution Department, the Company will record the deduction of debt on the date when the buyer has completed its payment to Legal Execution Department and will record accrued income from auction sale at Legal Execution Department as an account receivable.

- In case of receipt of the transferred asset of the debtor coming from the auction of the collateral asset or the transfer of asset for debt settlement, such transferred asset will be recorded at the bidding price or the price agreed upon with the debtor deducted by the cost of credit for purchase of receivables. Also, in case the value of the transferred asset exceeds the amount of outstanding credit for purchase of receivables, the difference will be presented as revaluation of properties foreclosed so that the value of the asset recorded in the financial statements would not exceed the cost of credit for purchase of receivables. Income recognition will be made on the date of receipt of the transferred asset.

b) Interest income from deposits at financial institutions

Interest income from deposits at financial institutions is recognized on an accrual basis.

c) Fee and service income

Fee and service income is recognized on an accrual basis.

d) Interest and dividend income from investment

Interest income is recognized on an accrual basis. Dividend income is recognized upon having the right to receipt of dividend.

e) Gain (loss) on investment

Gain (loss) on investment is recognized as income or expense on the transaction date.

4.2 Recognition of expenses

a) Interest expense

Interest expense is recognized as an expense on an accrual basis. In case interest is included in notes payable, the interest will be recognized as deferred interest payable and amortized as expense by the individual rate of return method throughout the tenor of the notes.

b) Other expenses are recognized on an accrual basis.

4.3 Investment in securities

Investment in all kinds of debt securities and marketable equity securities which are classified as available-for-sale securities is presented at fair value. Any change in the fair value of such securities is separately presented in other comprehensive income in the statements of income and other comprehensive income, and transferred to other components of shareholders' equity in the statement of changes in shareholders' equity. It will be recognized as profit or loss in the statement of income upon disposal of the investment.

Investment in held-to-maturity debt securities is presented at cost value. The Company writes off surplus/deficit of debt securities value based on the individual rate of return. This written-off/recognized amount will be presented as adjusted interest receivable.

Investment in non-marketable equity securities in which the Company does not have control power, directly and indirectly, is regarded as general investment and presented at cost net of allowance for impairment of investments (if any).

Fair value of marketable securities is calculated based on the final quoted price at the end of the last business day of the year. Meanwhile, fair value of debt securities is calculated based on the yield rate announced by the Thai Bond Market Association or other markets, or the yield rate of the government bond adjusted with appropriate risk value, as the case may be.

The Company will recognize impairment loss (if any) of available-for-sale securities, investment in held-to-maturity securities, and general investment in the part of profit or loss in the statement of income or other comprehensive income.

In the disposal of investment, the difference between net consideration received and book value of investment will be recorded in the part of profit or loss in the statement of comprehensive income and other comprehensive income. In case where only partial disposal of investment is made, book value per unit to be used in calculating the cost of disposed investment is figured out on a weighted average basis.

In case of investment acquired from debt restructuring or transfer of assets for debt payment, the Company will recognize the cost of investment at the agreed price but not exceeding the book value of outstanding credit for purchase of receivables. In case the Company holds shares more than 20% or 50% but does not have control power or influence in such entity, the Company will still classify the investment in such entity as general investment and it will not be presented as investment in associated or subsidiary company.

4.4 Credit for purchase of receivables

NPLs acquired or transferred from each financial institution are recorded at acquisition cost or transfer cost plus expenses incurred from the acquisition or transfer of such NPLs, and will be entirely itemized as credit for purchase of receivables. Credit for purchase of receivables are presented in an amount net of allowance for doubtful accounts (if any), and doubtful accounts recognized in the part of profit or loss in the statements of income and other comprehensive income.

4.5 Allowance for doubtful accounts of credit for purchase of receivables

The Company has estimated the allowance for doubtful accounts of credit for purchase of receivables by adopting the Regulations on Assets Classification and Provision of Financial Institutions according to the Notification of the Bank of Thailand no. SorNorSor. 5/2559 dated 10 June 2016, where applicable to the Company's transactions. Under the said regulations, debts are mainly classified by the overdue period and adjusted with additional amount of payment expected to be non-collectible from the debtors based on the analysis and assessment of the status of debtors as experienced in the consideration of risk and collateral value. The increased (decreased) amount of allowance for doubtful accounts is recognized as expenses during the year. Classification criteria are as below:

Classification	Overdue Period	Basis of Allowance for Doubtful Accounts
Class 1 Normal Class 2 Special Mention	0 - 30 days 31 - 90 days	Allowance for doubtful accounts is set at the highest value derived from any of the following: 1) 100% of the difference between credit for purchase of receivables, which are higher, and the lowest of 1) 90% of collateral value, 2) mortgage value and 3) debt on an accrual basis, or 2) The difference between credit for purchase of receivables, which are higher, and cash flow from debt restructuring expected to be received in the future, discounted to present value by using the interest rate under the debt restructuring agreement (MLR) as the discount rate.
Class 3 Substandard Class 4 Doubtful Class 5 Doubtful of Loss	91 - 180 days 181 days - 12 months over 12 months	Allowance for doubtful accounts is set at the highest value between 100% of the difference between credit for purchase of receivables, which are higher, and the lowest of 1) present value of cash flow expected to be received from disposal of collaterals (discounted according to debtor ageing and status), 2) mortgage value and 3) debt on accrual basis.

4.5 Allowance for doubtful accounts of credit for purchase of receivables (cont.)

All newly acquired NPLs are classified as doubtful of loss (Class 5) as they as they formerly are NPLs of financial institutions and the Company has not taken any action on such NPLs. After executing debt restructuring agreements with the debtors, the Company will reclassify them. Those classified as doubtful of loss (Class 5) or doubtful (Class 4) will be upgraded to substandard (Class 3). If they are able to comply with the debt restructuring agreements for at least three consecutive months or three consecutive installments, whichever is longer, they will be upgraded to normal (Class 1).

4.6 Debt restructuring

In case of debt restructuring in which the Company gives relaxation on debt payment conditions, the Company calculates fair value of post-restructuring debt based on the present value of cash flow expected to be received in future discounted by loan interest rate according to the debt restructuring agreements (MLR). The difference between the fair value so calculated which is lower and the previous outstanding amount of the debt will be recognized as allowance for doubtful accounts and regarded as an expense in full amount in the part of profit or loss in the statement of income or other comprehensive income in the debt restructuring year. Such allowance for doubtful accounts will be reviewed using the present value of cash flow expected to be received in the remaining period and adjusted with doubtful accounts.

In case of debt restructuring with acceptance of transfer of asset or equity interest, the Company records the asset or equity interest so transferred as the cost of asset at the agreed value but not exceeding the book value of outstanding credit for purchase of receivables.

Loss from debt restructuring due to reduction of the book value of outstanding principal is recognized as loss in the part of profit or loss when there is a debt restructuring.

4.7 Properties foreclosed

Properties foreclosed include properties received from acquisition/transfer from asset management companies and financial institutions, asset transfer by debtors for debt settlement, and auction of debtors' assets for debt settlement.

Properties foreclosed received from acquisition/transfer from asset management companies and financial institutions are presented at transfer price (acquisition cost) together with transfer expenses for such asset acquisition.

4.7 Properties foreclosed (cont.)

Properties foreclosed acquired from financial institutions through auction with payment made in form of non-interest bearing promissory notes are recorded at cost price of cash equivalence excluding interest. The difference between the cost price of cash equivalence and the amount payable is presented as deferred interest payable and amortized as expense throughout the tenor of promissory notes.

Properties foreclosed acquired from asset transfers by debtors and properties foreclosed acquired from auction of debtors' assets for debt settlement are presented at cost price (based on transfer price from debtors or auction price or purchase price but not exceeding the book value of outstanding credit for purchase of receivables on the asset acquisition date) together with transfer expenses for such asset acquisition, or the value expected to be recovered, whichever is lower. The value expected to be recovered is based on the latest appraisal price deducted by selling expense estimates.

Profit or loss from disposal of properties foreclosed is recognized in the part of profit or loss in the statements of income and other comprehensive income when there is a disposal. Impairment loss is recognized as expense in the part of profit or loss in the statements of income and other comprehensive income when it actually occurs.

4.8 Installment sale receivables

Installment sale receivables arise from selling properties foreclosed on an installment payment basis. The Company records the difference between the selling price and the cost of properties foreclosed as deferred gross margin from installment sale and will recognize it as income when the aggregate amount of cash received from the debtor exceeds the cost of properties foreclosed. The profit recognized will not exceed the aggregate amount of cash received which is higher than the cost of properties foreclosed.

The Company sets aside the allowance for doubtful accounts of installment sale receivables using the difference between the book value of debt and the price expected for sale of properties, which are paid by installments, based on the latest appraisal price after deduction of discount and expense estimates.

4.9 Accrued income from auction sale

This item arises from sales at auction of collateral assets of debtors at Legal Execution Department. There are two cases as below:

1. In case an outside party wins the auction:

In case a collateral asset of debtor is put up for auction and an outside party wins the auction, such item will be recorded as accrued income from auction sale on the date when the buyer has made full payment to Legal Execution Department, provided that such collateral asset is under first mortgage only. The Company will record the estimated operating expense to be collected by Legal Execution Department at the rate of 7% of the auction price. The estimated auction expense is presented as a deduction item from accrued income from auction sale.

2. In case the Company wins the auction like an outside party

In case the Company is the buyer of the collateral asset of a debtor and has already made full payment to Legal Execution Department, this item will be recognized as accrued income from auction sale at the auction price less purchase fee of 3.5% of the auction price.

4.10 Property, plant, and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for asset impairment (if any). Depreciation is calculated by the straight-line method over the estimated useful life of each type of assets as follows:

	Depreciation calculation method	Percentage (%)
Building	Straight-line	5
Building improvement	Daily straight-line	10 - 15
Equipment	Straight-line	20
Car	Straight-line	20
Computer	Straight-line	33.33

Equipment consists of furniture, decorations, and office equipment.

The calculation methods for depreciation, useful life and residual value of the assets are reviewed at least at the end of every accounting year and are adjusted as deemed appropriate.

Depreciation is taken into account in the calculation of operating results. The Company does not calculate depreciation for property and work in process.

4.10 Property, plant, and equipment and depreciation (cont.)

Property, plant and equipment will be written off upon disposal thereof or no economic benefits expected from the use or disposal thereof in future. Profit or loss from asset disposal (difference between net consideration received from disposal of the asset and book value thereof) will be recognized in the part of profit or loss in the statements of income and other comprehensive income.

4.11 Intangible assets and amortization

Intangible assets, comprising computer software, are stated at cost less accumulated amortization and allowance for impairment (if any).

The Company amortizes intangible assets with limited useful life systematically throughout the useful life period of such assets, and evaluates impairment of such assets when there is any indication of impairment thereof. The Company will review the amortization period and method of intangible assets at least every year-end. Amortization and allowance for impairment are recognized as expense in the part of profit or loss in the statements of income and other comprehensive income.

Intangible assets with limited useful life have a useful life of approximately five years and there is no amortization of work in process.

4.12 Impairment of assets

On the last day of each reporting period, the Company will assess whether there is any indication of impairment of its assets. If there is any indication thereof, the Company will figure out the impairment and recognize impairment loss when the asset value expected to be recovered is lower than the asset book value. In this regard, the asset value expected to be recovered refers to the asset fair value less asset selling cost or asset usage value, whichever is higher.

The Company will recognize impairment loss in the part of profit or loss in the statements of income and other comprehensive income. In the assessment of asset impairment, if there is any indication that impairment loss recognized in the previous year has decreased or no longer existed, the Company will figure out the value expected to be recovered of such assets and will reverse impairment loss recognized in the previous year provided that there is a change in the projection to determine the value expected to be recovered after the latest recognition of impairment loss. The increase in the asset book value as resulting from such reversal of impairment loss must not exceed the justifiable book value. In case of no recognition of impairment loss in the previous years, the Company will immediately reverse and recognize impairment loss in the part of profit or loss.

4.13 Related party transactions

Related person or party of the Company means a person or business that has control power over the Company, or is controlled by the Company, directly or indirectly, or is under the same control as the Company.

In addition, related person or party also includes a person or business possessing the voting right, directly or indirectly, which has significant influence on the Company, its key management, directors or employees who have controlling power in the Company's operation.

4.14 Corporate income tax

The Royal Decree issued by virtue of the Revenue Code regarding Tax Exemption (No. 362) B.E. 2542 provides that Bangkok Commercial Asset Management Plc. shall be exempted from corporate income taxes for net profit earned from management of non-performing assets acquired or transferred from financial institutions.

4.15 Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonuses and provident fund contributions as expenses when they actually occur.

Post-employment benefits

Provident fund project

The Company and employees have jointly set up a provident fund consisting of money contributions made by the employees and the Company on a monthly basis. Provident fund assets are separated from those of the Company. The portion contributed by the Company to the provident fund is recorded as an expense in the accounting period when the transaction occurs.

Post-employment benefit project

The Company is liable to pay compensation to employees upon their employment termination in accordance with the announcement of the State Enterprise Labor Relations Committee on minimum standards of working conditions in state enterprises and other staff benefit programs. They are regarded as post-employment benefits for the employees. Moreover, other long-term employee benefits are made available, such as leave days that can be carried forward to the following year, etc.

4.15 Employee benefits (Cont.)

The Company calculates liability under such post-employment benefits and other long-term employee benefit projects by the projected unit credit method. Assessment of contingent liability is undertaken by an independent expert on an actuarial basis.

Actuarial gains or losses in relation to post-employment benefits are recognized immediately in other comprehensive income, and gains or losses in relation to other long-term benefit projects are recognized immediately in profit or loss.

4.16 Provisions

Provisions are recognized in the statement of financial position when the Company incurs debt as a result of past events and with possibility to lose economic benefits from payment of such debt as well as based on its reliable assessment of such obligation. Provisions that are recognized in the statement of financial position include provisions for post-employment benefits, possible damages from prosecution, and other provisions.

Provisions are recorded as other operating expenses and as provisions in the statement of financial position. The Company reviews provisions regularly and records changes in provisions by increasing or decreasing other operating expenses.

4.17 Building and equipment lease contracts

Most of the Company's building and equipment lease contracts where risks and equity interests are not passed on to the lessees are regarded as operating lease contracts. The amounts paid under the contracts are recognized as expenses in the part of profit or loss by the straight-line method throughout the lease contractual terms.

4.18 Fair value measurement

Fair value means the price expected to be received from the sale of assets or the price to be paid for transfer of assets to other parties. The transaction occurs under normal circumstances between the buyer and the seller (market participants) on the date of fair value measurement. The Company uses the quoted price in the market with liquidity for fair value measurement of assets and liabilities which are required by relevant financial reporting standards to be measured at fair value except in case where the market has no liquidity for assets or liabilities of the same nature or no quoted price in the market with liquidity can be identified, the Company will then work out the fair value by using the valuation approaches considered suitable under the circumstances, and try to use noticeable information in relation to the assets or liabilities to be measured as much as possible.

4.18 Fair value measurement (Cont.)

Hierarchy of fair value for measurement and disclosure of fair value of assets and liabilities in financial statements is in three levels by type of information used in measurement as below:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Other observable inputs of assets or liabilities, directly or indirectly
- Level 3 Unobservable inputs such as data on projected future cash flows

On the last day of each reporting period, the Company will assess the necessity of the transfer of transactions between levels of fair value of assets and liabilities held as of the last day of each reporting period in which fair value measurement regularly takes place.

5. Exercise of Discretion and Important Accounting Projection

In preparation of financial statements according to financial reporting standards, Management is always required to exercise discretion and make projection of uncertain issues. Such exercise of discretion and projection have effects on the amount stated in the financial statements and information presented in the notes to financial statements. Actual figures may differ from the estimates. Exercise of discretion and important projection are as follows:

5.1 Recognition of interest income from credit for purchase of receivables

The Company uses individual rate of return in calculation of interest income from credit for purchase of receivables in case of debtors with debt restructuring agreement. In calculation of the individual rate of return, management is required to exercise discretion when considering various factors such as cash flow expected to be received from each debtor with reference to the debt restructuring or compromising agreement, cost of receivables for which the Company pays, debtors' capability to comply with the debt restructuring or compromising agreement, payment receipt schedule, and overall economic conditions, etc. Changes in projected cash flow to be received as resulting from debtors' inability to pay debts according to the agreement, debtors' request for revision of the debt restructuring agreement, or the Company's termination of the debt restructuring agreement due to debtors' inability to comply with the debt restructuring agreement, will affect recognition of income of the Company during the year.

5.2 Recognition and write-off of assets and liabilities

In recognition and write-off of assets and liabilities, management must exercise its discretion to see whether the Company has transferred or has been transferred risks and benefits in assets and liabilities based on the information to "the best of my knowledge under the circumstances."

5.3 Allowance for doubtful accounts of credit for purchase of receivables

Allowance for doubtful accounts of credit for purchase of receivables occurs from adjustment of credit for purchase of receivables due to possible credit risk. Management uses allowance for doubtful accounts criteria based on those of the Bank of Thailand in conjunction with exercise of discretion in estimation of losses expected to occur when debtors have principal and interest payment problems by analyzing each debtor's status, possibility of default, collateral value, and economic conditions.

5.4 Fair value of financial instruments

In estimation of fair value of financial instruments not traded on the market and those without quoted price in the active market, management has to exercise discretion over assessment of fair value of the financial instruments by valuation techniques and models. Variables used in the model come from comparison of market variables taking into account credit risk, liquidity, relationship information, and changes in the value of financial instruments in the long term. Changes in assumptions in relation to variables used in the calculation may affect fair value and disclosure of hierarchy of fair value.

5.5 Allowance for impairment of investment in securities

The Company sets aside allowance for impairment of investment in available-for-sale securities and general investment when there is any indication of impairment. To conclude whether the investment has an indication of impairment requires discretion of Management.

5.6 Allowance for impairment of properties foreclosed

The Company considers allowance for impairment of properties foreclosed when it finds out that the value expected to be recovered of properties foreclosed has decreased to be lower than book value. Management exercises discretion over estimation of losses from impairment by considering the latest estimated price and the type and characteristics of assets.

5.7 Calculation of depreciation

In calculation of depreciation of plant and equipment, Management needs to estimate the useful life and residual value after use of such plant and equipment, and review of the useful life and residual value must be made if there are any changes.

Moreover, Management needs to review impairment of property, plant, and equipment in each period, and record losses from impairment if the value expected to be recovered is lower than the book value. In this regard, Management needs to exercise discretion over estimation of future income and expenses in relation to such assets.

5.8 Post-employment benefits according to benefit projects

Liabilities under post-employment benefit projects for employees are estimated on an actuarial basis which requires various assumptions for use in estimation, such as discount rate, future salary increment rate, mortality rate, and employee turnover rate, etc.

5.9 Provisions for litigation cases

The Company has contingent liabilities from lawsuits filed by others for damages. Management thus needs to exercise discretion over assessment of lawsuit results. In case management is confident that no damages will be incurred, the Company will not record provisions for such case.

5.10 Lease contracts

In considering whether a lease contract is an operating lease contract or a financial lease contract, management exercises discretion over assessment of conditions and details of the contract to see whether the Company has transferred or has been transferred risks and benefits of such leased asset.

6. Cumulative Effect of Error Correction

During the year, the Company considered impairment of the investment in available-for-sale securities and found an indication of impairment of some items from the past to present, of which the fair value had long been significantly lower than cost and the amount was considered to be significant. Thus, the Company reviewed the record of allowance for impairment of investment in available-for-sale securities retrospectively to the date of such indication and recognized such item retrospectively according to the applicable financial reporting standards. In this respect, if the Company records allowance for impairment of investment in available-for-sale securities from the period in which such indication is found, the Company is required to record impairment loss on investment in securities in the statement of income of that period. The Company has made retrospective adjustment to the financial statements presented for comparative purposes by adjusting gain (loss) on remeasurement of available-for-sale investment previously recorded in other comprehensive income (expenses) and recording such adjusted item in the unappropriated retained earnings. Therefore, the amounts of the error correction are as follows:

6. Cumulative Effect of Error Correction (cont.)

Unit : Million Baht

	Before adjustment 31 December 2017	Adjusted item 31 December 2017	After adjustment 31 December 2017
<u>Statement of financial position</u>			
Other components of shareholders' equity	(200.64)	154.39	(46.25)
Unappropriated retained earnings	25,962.51	(154.39)	25,808.12

Unit : Million Baht

	Before adjustment 1 January 2017	Adjusted item 1 January 2017	After adjustment 1 January 2017
<u>Statement of financial position</u>			
Other components of shareholders' equity	(198.16)	154.39	(43.77)
Unappropriated retained earnings	25,423.34	(154.39)	25,268.95

7. Basic Earnings per Share

Basic earnings per share are calculated by dividing the annual net profit on the shareholders' portion (excluding other comprehensive profit/loss) with the weighted average number of ordinary shares issued during the year.

8. Financial Instruments

The Company's financial instruments, as defined in TAS 107 "Disclosure and Presentation of Financial Instruments", consist of cash, deposits at financial institutions, investment in securities, credit for purchase of receivables, installment sale receivables, accrued revenue from auction sale, and debt issued and borrowing. The Company is subject to risks related to the aforementioned financial instruments and has a policy on risk management as below:

8.1 Risk Management

The Company implements its risk management that covers all key risks, which are divided into four categories consisting of strategic risk, operational risk, financial risk and compliance risk, so that it could determine approaches to or tools for efficient risk management, as follows:

8.1.1 Strategic Risk

These are risks arising from unsuitable strategic plans, resulting from insufficient adaptation of strategy to deal with internal and external environment, which may adversely affect the achievement of organizational goals in accordance with strategic and operational plans set by the Company and impact its revenue, financial status, competitiveness and business sustainability.

8.1.2 Operational Risk

These are risks of damage arising from insufficient 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.

8.1.3 Financial Risk

a) Liquidity risk

These are risks arising from inability to pay debts and meet obligations when due, because of inability to timely convert assets into cash or obtain sufficient funds to meet the funding needs, or ability to obtain funds but at the too high cost. These risks may affect the Company's income and financial position.

Tools for managing liquidity risks

The Company has established a policy for management of liquidity, control of liquidity risk limits/levels, and putting in place tools for monitoring and controlling liquidity risks by relevant management personnel and committees, i.e. Assets and Liabilities Management Working Committee and Risk Management Committee. The tools used for liquidity risk management include estimation of the cash inflows and outflows to assess the liquidity gap for various periods of time, analysis of key financial ratios and stress tests for financial liquidity.

Furthermore, the Company has laid down guidelines for the preparation of a contingency funding plan for normal and emergency situations to ensure timely access to adequate funds and cash flow in the event of a liquidity crisis.

Maturity dates of financial tools from the dates in the statements of financial position as of 31 December 2018 and 2017 are as below:

Tools for managing liquidity risks (cont.)

Unit : Million Baht

Items	2018				
	At call	Less than 1 year	More than 1 - 10 years	Not specified	Total
Financial assets					
Cash	3.61	-	-	-	3.61
Deposits at financial institutions	731.56	300.24	-	-	1,031.80
Investment in securities	-	-	-	482.76	482.76
Credit for purchase of receivables*	76,631.00	1,599.45	3,488.54	-	81,718.99
Installment sale receivables	41.54	691.11	720.19	-	1,452.84
Accrued revenue from auction sale	-	-	-	7,115.45	7,115.45
Financial liabilities					
Debt issued and borrowing	-	19,045.33	38,663.95	-	57,709.28

Unit : Million Baht

Items	2017				
	At call	Less than 1 year	More than 1 - 10 years	Not specified	Total
Financial assets					
Cash	4.30	-	-	-	4.30
Deposits at financial institutions	1,158.31	0.20	-	-	1,158.51
Investment in securities	-	-	-	504.65	504.65
Credit for purchase of receivables*	76,332.12	1,384.88	2,112.17	-	79,829.17
Installment sale receivables	241.64	456.82	466.34	-	1,164.80
Accrued revenue from auction sale	-	-	-	4,981.49	4,981.49
Financial liabilities					
Debt issued and borrowing	1,200.00	18,734.44	36,934.03	-	56,868.47

Tools for managing liquidity risks (cont.)

- * The amount due of credit for purchase of receivables that have not undergone debt restructuring or those that are under debt restructuring but classified as Class 3 - Substandard, Class 4 - Doubtful and Class 5 - Doubtful of Loss is classified as at call. Meanwhile, the amount of credit for purchase of receivables which have undergone debt restructuring and classified as Class 1 - Normal and Class 2 - Special Mention is presented with reference to debt restructuring agreement. However, the amount to be received by the Company under the agreement is in accordance with the right to demand payment, which will be higher than or equal to the booked amount of credit. The Company has thus presented the amount to be received at not exceeding the cost of the receivables.

b) Credit risk

Credit risks for asset management companies (AMC) whose revenues do not arise from extending loan facilities to clients, but from management and disposal of NPLs/NPAs, are mainly asset quality risks.

Tools for managing asset quality risks

- The Company determines prices for NPLs/NPAs based on NPLs/NPAs related factors comprising debtor status/track record, indebtedness, quality of collateral security, quality of NPAs, and such external environment as competition and economic conditions, etc., to estimate income from debt collection and disposal of such assets.
- The Company manages debtors under debt restructuring agreements who may not be able to settle debts as agreed upon or under the conditions set forth. The Company considers and reviews the debt servicing capability of each debtor with an aging system in place to give early warning before debtor's default of payment. Debtor in default of payment shall be subject to legal proceeding as specified. This aims to reduce risks associated with debtors who cannot perform their obligations under the debt restructuring agreements.

Possible maximum risk exposure

Maximum value of credit risks will come from a combination of book value of credit for purchase of receivables and installment sale receivables, deducted by allowance for doubtful accounts and allowance for impairment loss as presented in the statement of financial position.

c) Market risk

Market risks are risks arising from changes in market prices. The Company may be at risk of damage caused by changes in interest rates and securities prices which affect its investment position. In addition, as the Company's business focuses on management of NPAs, market risks also include risks arising from changes in market price of collateral assets of debtors.

1) Interest rate risk

Interest rate risk is risk incurred from changes in prices of financial instruments, i.e. both financial assets and financial liabilities, in line with changing trends of market interest rates as below:

Financial assets and liabilities classified by type of interest rates as of 31 December 2018 and 2017 are as follows:

Unit : Million Baht

Items	2018			
	Floating interest rates	Fixed interest rates	No interest	Total
Financial assets				
Cash	-	-	3.61	3.61
Deposits at financial institutions	669.71	300.24	61.85	1,031.80
Investment in securities	-	-	482.76	482.76
Credit for purchase of receivables	7,531.32	74,187.67	-	81,718.99
Installment sale receivables	1,258.67	194.17	-	1,452.84
Accrued income from auction sale	-	-	7,115.45	7,115.45
Financial liabilities				
Debt issued and borrowing	16,675.70	37,604.35	3,429.23	57,709.28

1) Interest rate risk (cont.)

Unit : Million Baht

Items	2017			
	Floating interest rates	Fixed interest rates	No interest	Total
Financial assets				
Cash	-	-	4.30	4.30
Deposits at financial institutions	915.73	0.20	242.58	1,158.51
Investment in securities	-	-	504.65	504.65
Credit for purchase of receivables	4,668.49	75,160.68	-	79,829.17
Installment sale receivables	971.80	193.00	-	1,164.80
Accrued income from auction sale	-	-	4,981.49	4,981.49
Financial liabilities				
Debt issued and borrowing	16,250.13	37,772.64	2,845.70	56,868.47

Financial instruments with fixed interest rates and definite period of determining new interest rate or maturity date (whichever is earlier) from the date shown in the statements of financial position are as follows:

Unit : Million Baht

Items	2018						
	Period of determining new interest rate or maturity date					Total	Interest rate Percentage
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Deposits at financial institutions	-	300.24	-	-	-	300.24	0.85 - 1.30
Credit for purchase of receivables*	74,187.67	-	-	-	-	74,187.67	-
Installment sale receivables	-	-	-	194.17	-	194.17	6.00 - 7.20
Financial liabilities							
Debt issued and borrowing	-	4,620.69	5,091.46	14,041.12	13,851.08	37,604.35	2.03-4.30

1) Interest rate risk (cont.)

Unit : Million Baht

Items	2017						
	Period of determining new interest rate or maturity date					Total	Interest rate Percentage
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Deposits at financial institutions	-	0.20	-	-	-	0.20	0.85
Credit for purchase of receivables*	75,160.68	-	-	-	-	75,160.68	-
Installment sale receivables	-	-	-	-	193.00	193.00	6.00
Financial liabilities							
Debt issued and borrowing	-	773.71	8,751.08	12,271.09	15,976.76	37,772.64	1.00 - 3.92

* The Company does not make any recognition of interest income from credit for purchase of receivables without debt restructuring. Payment received from the debtor will be used to deduct principal debt in full. Difference of the amount received, which is higher, and the cost of credit for purchase of receivables will be presented as gain on credit for purchase of receivables.

1) Interest rate risk (cont.)

In addition, the Company recorded financial assets/liabilities which generated income and incurred expenses the average balances of which are calculated by averaging from interim balances of such financial assets and liabilities and average income and expenses for the year ended 31 December 2018 and 2017 as follows:

Unit : Million Baht

	2018		
	Average remaining balance	Income/ Expenses	Average rate (percentage) per year
Income-generating financial assets			
Cash	5.06	-	-
Deposits at financial institutions	1,564.76	10.33	0.66
Investment in securities	431.64	10.39	2.41
Credit for purchase of receivables	74,753.55	6,295.17	8.42
Installment sale receivables	659.77	204.40	30.98
Expense-incurring financial liabilities			
Debt issued and borrowing	59,050.41	1,769.41	3.00

Unit : Million Baht

	2017		
	Average remaining balance	Income/ Expenses	Average rate (percentage) per year
Income-generating financial assets			
Cash	5.62	-	-
Deposits at financial institutions	2,327.25	23.32	1.00
Investment in securities	1,233.01	57.58	4.67
Credit for purchase of receivables	70,571.39	5,386.67	7.63
Installment sale receivables	1,026.16	289.10	28.17
Expense-incurring financial liabilities			
Debt issued and borrowing	55,873.88	1,621.99	2.90

2) Risk from changes in market prices of equity instruments

Risk from changes in market prices of equity instruments refers to risk arising from changes in prices of equity instruments or equity shares which cause changes in value of equity instruments and may trigger fluctuations in income or value of the Company's financial assets at present and in future.

However, investment in securities of the Company is mostly in equity securities or equity shares obtained from transfer of assets for debt settlement or those allowing debtors to exercise buyback rights, not securities in trading portfolio. Even though securities prices change in line with market prices in each period, the Company has no policy to hold such securities for profit speculation. It would gradually dispose of such securities with criteria and conditions in place to appropriately dispose of the securities in each period, and would follow up to recognize marked-to-market value of investment in securities at the end of each accounting period.

3) Risk from changes in market prices of collateral assets

Risk from changes in market prices of collateral assets refers to risk arising from changes in market prices of collateral assets of debtors. Such risk is incurred from changes in value of securities in line with market conditions leading to income increase or decrease. The Company considers appraisal prices determined by the Bank of Thailand and reviews valuation prices of collaterals that are NPAs every three years or when relevant situations change significantly. Also, allowance for doubtful accounts of credit for purchase of receivables are adequately set aside to accommodate any possible damage from depreciation/impairment of collaterals that are NPAs.

8.1.4 Compliance Risk

These are risks arising from failure to comply with the laws, rules, regulations, standards, orders, and guidelines applicable to the Company's transactions, which may cause financial damage or lead to legal action or damage to its reputation and image.

9. Additional Information

9.1 Cash

Unit : Million Baht

	2018	2017
Cash	3.61	4.30
Total	3.61	4.30

As at 31 December 2018 and 2017, cash and cash equivalent items disclosed in the statement of cash flows were as below:

Unit : Million Baht

	2018	2017
Cash	3.61	4.30
Deposits in transit	9.89	3.37
Deposits at domestic banks		
Current and saving deposits	1,021.61	1,154.77
Fixed deposits	0.20	0.20
Total cash and deposits at banks	1,035.31	1,162.64
<u>Less</u> Deposits under guarantee obligation	(3.74)	(3.78)
Cash and cash equivalent items	1,031.57	1,158.86

9.2 Deposits at financial institutions

Unit : Million Baht

	2018	2017
Deposits in transit	9.89	3.37
Deposits at domestic banks		
Current and savings deposits	1,021.61	1,154.77
Fixed deposits	0.20	0.20
Accrued interest	0.10	0.17
Total deposits at domestic banks	1,021.91	1,155.14
Total	1,031.80	1,158.51

9.2 Deposits at financial institutions (cont.)

Unit : Million Baht

	2018		
	At call	Tenor	Total
<u>Domestic</u>			
Commercial banks	718.06	300.20	1,018.26
Specialized financial institutions	3.55	-	3.55
Total deposits	721.61	300.20	1,021.81
Accrued interest	0.06	0.04	0.10
Total deposits at domestic banks	721.67	300.24	1,021.91

Unit : Million Baht

	2017		
	At call	Tenor	Total
<u>Domestic</u>			
Commercial banks	1,147.53	0.20	1,147.73
Specialized financial institutions	7.24	-	7.24
Total deposits	1,154.77	0.20	1,154.97
Accrued interest	0.17	-	0.17
Total deposits at domestic banks	1,154.94	0.20	1,155.14

As at 31 December 2018, savings and fixed deposits carried interest rates of between 0.125% and 1.30% per annum (31 December 2017: from 0.125% to 1.00% per annum). In addition, as at 31 December 2018, the Company had savings deposits of 3.74 million Baht for electricity use guarantee (31 December 2017: 3.78 million Baht).

9.3 Investment in securities – net

9.3.1 Classified by type of investment

Unit : Million Baht

	2018		2017	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
<u>Available-for-sale securities</u>				
Domestic marketable equity securities	342.58	87.00	339.84	107.91
Warrant	-	1.15	-	1.23
<u>Less</u> Revaluation of investment in securities	(30.06)	-	(30.06)	-
<u>Less</u> Revaluation allowance	(58.02)	-	(46.25)	-
<u>Less</u> Allowance for impairment	(166.35)	-	(154.39)	-
Total	88.15	88.15	109.14	109.14
<u>Held-to-maturity debt securities</u>				
Private sector securities	49.70		49.70	
<u>Less</u> Revaluation of investment in securities	(49.70)		(49.70)	
Total	-		-	
<u>General investment</u>				
Non-marketable equity securities	715.37		715.37	
<u>Less</u> Revaluation of investment in securities	(545.13)		(520.49)	
<u>Less</u> Allowance for impairment	(164.45)		(164.45)	
Total	5.79		30.43	
Total investment in securities - net	93.94		139.57	

9.3 Investment in securities – net (cont.)

9.3.2 Classified by remaining maturity period

As at 31 December 2018 and 2017, investment in debt instruments classified by maturity period was as follows:

Unit : Million Baht

	2018 and 2017				
	At call	Not over 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities					
Private sector debt securities	49.70	-	-	-	49.70
<u>Less</u> Revaluation of investment in securities	(49.70)	-	-	-	(49.70)
Total debt securities	-	-	-	-	

As at 31 December 2018 and 2017, the above investment in debt securities is transfer of debentures of Manager Media Group Public Company Limited from Bangkok Commerce Plc. upon which the Central Bankruptcy Court issued a receivership order in 2002. In 2008, data showed that Manager Media Group Public Company Limited had a bankruptcy status. Thus, the net book value of investment in such company was equal to zero as from the acquisition date.

9.3.3 Investment in securities in which the Company has 10% or more shareholding

As at 31 December 2018 and 2017, investment in securities in which the Company has held 10% or more of the total shares sold, but not regarded as investment in subsidiary or associated companies, can be classified by industrial sector as follows:

Unit : Million Baht

	2018	2017
Agriculture and mining	13.13	13.13
Manufacturing and commerce	63.19	63.19
Real estate and construction	10.02	10.02
Public utility and service	159.42	159.42
Financial intermediary	12.23	12.23
Total	257.99	257.99

9.3.3 Investment in securities in which the Company has 10% or more shareholding (cont.)

As at 31 December 2018 and 2017, domestic non-marketable debt securities which were classified as general investment of 715.37 million Baht and 715.37 million Baht respectively included investment in ordinary shares of Rojthip Co., Ltd. at the cost of 0.95 million Baht (equal to 99.94% shareholding). As the Company had no controlling power, either directly or indirectly, such investment was classified as general investment. Moreover, with Rojthip Co., Ltd. having investment in another 20 entities, the Company had total direct and indirect investment in 21 businesses. However, Rojthip Co., Ltd. and most companies in its group were under liquidation process, the Company thus set aside allowance for impairment of investment in full.

9.3.4 Capital surplus (deficit) from changes in investment value

As at 31 December 2018 and 2017, capital surplus (deficit) from changes in investment value and movements of capital surplus (deficit) from changes in investment value were as below:

Unit : Million Baht

	2018	2017
Capital surplus from changes in investment value		
Available-for-sale investment - equity securities	27.92	29.86
Total capital surplus from changes in investment value	27.92	29.86
Capital deficit from changes in investment value		
Available-for-sale investment - equity securities	(85.94)	(76.11)
Total capital deficit from changes in investment value	(85.94)	(76.11)
Total capital deficit from changes in investment value-net	(58.02)	(46.25)

Change in capital surplus (deficit) from change in investment value for the year ended 31 December 2018 and 2017 were as follows:

Unit : Million Baht

	2018	2017
Capital surplus (deficit) from changes in investment value		
Beginning balance of the year	(46.25)	(43.77)
Profit (loss) on valuation of investment during the year	(11.77)	(2.48)
Ending balance of the year	(58.02)	(46.25)

9.4 Credit for purchase of receivables

Unit : Million Baht

	2018	2017
Credit for purchase of receivables	81,718.99	79,829.17
<u>Less</u> Allowance for doubtful accounts	(6,285.05)	(6,943.39)
Credit for purchase of receivables - net	75,433.94	72,885.78

Changes in credit for purchase of receivables for the years ended 31 December 2018 and 2017 were as follows:

Unit : Million Baht

	2018	2017
Credit for purchase of receivables brought forward to beginning period	79,913.98	78,080.21
<u>Add</u> Acceptance of additional purchase	10,971.26	10,252.63
<u>Less</u> Receipt of debt payment and adjustment - net	(9,081.44)	(8,418.86)
Balance of credit for purchase of receivables before adjustment	81,803.80	79,913.98
<u>Less</u> Revaluation of credit for purchase of receivables	(84.81)	(84.81)
Balance of credit for purchase of receivables	81,718.99	79,829.17
<u>Less</u> Allowance for doubtful accounts	(6,285.05)	(6,943.39)
Credit for purchase of receivables - net	75,433.94	72,885.78

During the year, the Company purchased right of claim for credit for purchase of receivables from financial institutions in a total amount of 10,971.26 million Baht (31 December 2017: 10,252.63 million Baht).

As at 31 December 2018 and 2017, the Company had total credit for purchase of receivables - net of 75,433.94 million Baht and 72,885.78 million Baht respectively. Meanwhile, the Company had right of claim from debtors as specified under the agreements in a total amount of 454,965.71 million Baht and 442,052.55 million Baht respectively.

9.4.1 Allowance for doubtful accounts

As at 31 December 2018 and 2017, allowance for doubtful accounts of credit for purchase of receivables was as below:

Unit : Million Baht

	2018	2017
Balance brought forward to beginning of year	6,943.39	8,088.17
Write-off of bad debt	(496.15)	(119.85)
Addition (Reversal) of allowance in this period	(162.19)	(1,024.93)
Total	6,285.05	6,943.39

Reconciliation of allowance for doubtful accounts, classified by type of debts, was as below:

Unit : Million Baht

	2018					
	Minimum Percentage according to BOT Criteria					Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	
Beginning balance of the year	173.23	14.09	68.25	6.05	6,681.77	6,943.39
Write-off debts	-	-	-	-	(496.15)	(496.15)
Increase (Decrease) during the year	11.12	26.80	72.51	(5.50)	(267.12)	(162.19)
Ending balance of the year	184.35	40.89	140.76	0.55	5,918.50	6,285.05

Unit : Million Baht

	2017					
	Minimum Percentage according to BOT Criteria					Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	
Beginning balance of the year	156.26	29.96	15.55	0.65	7,885.75	8,088.17
Write-off debts	-	-	-	-	(119.85)	(119.85)
Increase (Decrease) during the year	16.97	(15.87)	52.70	5.40	(1,084.13)	(1,024.93)
Ending balance of the year	173.23	14.09	68.25	6.05	6,681.77	6,943.39

9.4.2 Classified by currency and domicile of debtors

As at 31 December 2018 and 2017, the entire amount of credit for purchase of receivables was credit for purchase of receivables purchased from other financial institutions. All debtors were debtors in baht currency and having domicile both domestically and abroad, details of which were as follows:

Unit : Million Baht

	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	81,694.66	24.33	81,718.99	79,804.84	24.33	79,829.17
Total	81,694.66	24.33	81,718.99	79,804.84	24.33	79,829.17

9.4.3 Classified by type of debtors and debtor classification

As at 31 December 2018 and 2017, credit for purchase of receivables classified by type and classification were as below:

Unit : Million Baht

	2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Juristic persons	1,062.39	372.38	1,209.40	1.39	31,593.75	34,239.31
Individuals	2,915.29	737.93	1,215.25	15.98	42,595.23	47,479.68
Total	3,977.68	1,110.31	2,424.65	17.37	74,188.98	81,718.99

Unit : Million Baht

	2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Juristic persons	741.18	345.65	332.24	35.24	32,746.06	34,200.37
Individuals	1,989.03	421.19	747.83	50.52	42,420.23	45,628.80
Total	2,730.21	766.84	1,080.07	85.76	75,166.29	79,829.17

9.4.4 Debt restructuring

During the years ended 31 December 2018 and 2017, the Company entered into debt restructuring agreements of credit for purchase of receivables in various forms with details as below:

Unit : Million Baht

Debt restructuring form	2018				
	Number of debtors	Book balance before debt restructuring	Book balance after debt restructuring	Type of assets to be received from transfer under agreements	Value of assets to be received from transfer under agreements
Change in debt payment conditions	5,495	11,831.00	11,831.00	Empty land	73.20
Transfer of assets and/or change in debt payment conditions	86	325.91	325.91	Machinery	1.83
				Ownership of condominium units	13.71
				Land and constructions	298.40
Total	5,581	12,156.91	12,156.91		387.14

Unit : Million Baht

Debt restructuring form	2017				
	Number of debtors	Book balance before debt restructuring	Book balance after debt restructuring	Type of assets to be received from transfer under agreements	Value of assets to be received from transfer under agreements
Change in debt payment conditions	3,130	5,300.96	5,300.96	Empty land	113.98
Transfer of assets and/or change in debt payment conditions	90	205.37	205.37	Ownership of condominium units	43.21
				Land and constructions	213.37
Total	3,220	5,506.33	5,506.33		370.56

9.4.4 Debt restructuring (cont.)

Credit for purchase of receivables acquired from transfer under debt restructuring agreements during the years ended 31 December 2018 and 2017 with contractual term counting from remaining tenor of debts were as follows:

Unit : Million Baht

Period	2018		2017	
	Number of debtors	Book balance after debt restructuring	Number of debtors	Book balance after debt restructuring
- Default after agreement execution/termination	1,178	6,275.57	446	986.72
- Payment due				
Less than 5 years	3,440	4,927.01	2,582	4,288.80
5 - 10 years	829	805.68	192	230.81
More than 10 years	134	148.65	-	-
Total	5,581	12,156.91	3,220	5,506.33

Debtors with debt restructuring for the years ended 31 December 2018 and 2017 classified by installment payment tenor according to debt restructuring agreements were as follows:

Unit : Million Baht

Installment payment tenor according to debt restructuring agreement	2018		2017	
	Number of debtors	Book balance after debt restructuring	Number of debtors	Book balance after debt restructuring
Less than 5 years	3,445	9,484.10	2,643	4,683.16
5 - 10 years	1,773	2,275.57	532	769.16
More than 10 years	363	397.24	45	54.01
Total	5,581	12,156.91	3,220	5,506.33

9.4.4 Debt restructuring (cont.)

Data for the years ended 31 December 2018 and 2017 regarding credit for purchase of receivable with debt restructuring was as follows:

Unit : Million Baht

	2018	2017
Interest income from credit for purchase of receivables	1,856.82	1,877.52
Gain on credit for purchase of receivables	1,711.95	1,690.55
Cash received from credit for purchase of receivables	6,385.77	6,981.30
Assets transferred from debtors	349.34	329.22
Revaluation of properties foreclosed obtained from transfer	110.38	182.30

The Company had outstanding balance of credit for purchase of receivables after debt restricting at end of year as follows:

	Total Debtors	
	2018	2017
Number of debtors (debtors)	86,710	84,156
Outstanding balance of distressed debt assets (million baht)	81,718.99	79,829.17

	Debtors with Debt Restructuring	
	2018	2017
Number of debtors (debtors)	5,672	3,379
Outstanding balance of distressed debt assets (million baht)	7,531.32	4,668.49

As at 31 December 2018 and 2017, the Company had no outstanding obligations agreed as additional loans for credit for purchase of receivables after debt restructuring.

9.4.5 Classified by classification type

As at 31 December 2018 and 2017, the Company had credit for purchase of receivables that were classified debtors and relevant provisions based on criteria in notifications of the Bank of Thailand as follows:

Unit : Million Baht

	2018			
	Credit for purchase of receivables	Credit after deduction of collateral	Rate applicable for allowance for doubtful accounts	Allowance for doubtful accounts
Pass *	3,977.68	179.88	100.00	184.35
Special mention *	1,110.31	40.54	100.00	40.89
Substandard	2,424.65	140.76	100.00	140.76
Doubtful	17.37	0.55	100.00	0.55
Doubtful of loss	74,188.98	5,918.50	100.00	5,918.50
Total	81,718.99	6,280.23		6,285.05

Unit : Million Baht

	2017			
	Credit for purchase of receivables	Credit after deduction of collateral	Rate applicable for allowance for doubtful accounts	Allowance for doubtful accounts
Pass *	2,730.21	167.14	100.00	173.23
Special mention *	766.84	13.92	100.00	14.09
Substandard	1,080.07	68.25	100.00	68.25
Doubtful	85.76	6.05	100.00	6.05
Doubtful of loss	75,166.29	6,681.77	100.00	6,681.77
Total	79,829.17	6,937.13		6,943.39

* Allowance for doubtful accounts is calculated on the basis as mentioned in Note 4.5 which takes into account the present value of discounted cash flow from debt restructuring expected to be received in future.

9.4.6 Outstanding credit for purchase of receivables on accrual basis and collateral value

As at 31 December 2018 and 2017, outstanding balance of credit for purchase of receivables and collateral value calculated based on the latest valuation prices after discount according to the Bank of Thailand criteria was as follows:

Unit : Million Baht

	2018			
	Debt amounts under original agreements (right obligations)	Credit for purchase of receivables (equity obligations)	Collateral value before discount according to the BOT's criteria *	Collateral value after discount according to the BOT's criteria **
Credit for purchase of receivables with debt restructuring				
- 0 - 1 month overdue	6,197.53	3,977.68	12,977.11	11,680.47
- Overdue over 1 - 3 months	2,127.53	1,110.31	3,641.25	3,277.21
- Overdue over 3 - 6 months	4,229.15	2,424.65	6,424.98	4,056.08
- Overdue over 6 months	61.71	18.68	85.48	51.41
Total	12,615.92	7,531.32	23,128.82	19,065.17
Credit for purchase of receivables without debt restructuring	442,349.79	74,187.67	169,065.50	117,311.58
Total	442,349.79	74,187.67	169,065.50	117,311.58
Grand total	454,965.71	81,718.99	192,194.32	136,376.75

* This is Calculated based on the appraisal price in accordance with the latest resolution of the committee on the appraisal price (notwithstanding the price having already been appraised for more than 3 years). If collateral has been put up for auction sale and has already been purchased, the bidding price less an expense estimate will be employed. Also, the collateral value will be based on the appraisal price before the debt on accrual basis between the Company and a debtor is considered and before the mortgage value is considered.

** This is Calculated by the collateral value less discount according to the Bank of Thailand criteria, and the collateral value shall not be used, provided that the appraisal has occurred longer than 3 years after the appraisal price was approved.

9.4.6 Outstanding credit for purchase of receivables on accrual basis and collateral value (cont.)

Unit : Million Baht

	2017			
	Debt amounts under original agreements (right obligations)	Credit for purchase of receivables (equity obligations)	Collateral value before discount according to the BOT's criteria *	Collateral value after discount according to the BOT's criteria **
Credit for purchase of receivables with debt restructuring				
- 0 - 1 month overdue	4,165.66	2,730.21	9,120.62	8,195.36
- Overdue over 1 - 3 months	1,115.53	766.84	2,232.56	2,008.59
- Overdue over 3 - 6 months	4,154.15	1,080.07	4,039.32	2,540.91
- Overdue over 6 months	251.00	91.37	250.39	156.74
Total	9,686.34	4,668.49	15,642.89	12,901.60
Credit for purchase of receivables without debt restructuring				
	432,366.21	75,160.68	176,344.83	121,033.61
Total	432,366.21	75,160.68	176,344.83	121,033.61
Grand total	442,052.55	79,829.17	191,987.72	133,935.21

9.5 Installment sale receivables

Unit : Million Baht

	2018	2017
Balance brought forward to beginning period	1,164.80	2,398.94
<u>Add</u> Additional items during the year	670.03	103.09
<u>Less</u> Received during the year	(366.41)	(1,018.61)
<u>Less</u> Sale cancellation	(15.58)	(318.62)
Ending balance of the year	1,452.84	1,164.80
<u>Less</u> Deferred gross profits of installment receivables	(742.33)	(523.85)
<u>Less</u> Allowance for doubtful debts - installment sale receivables	(2.21)	-
Installment sale receivables - net	708.30	640.95

As at 31 December 2018 and 2017, installment sale receivables classified by overdue period were as below:

Unit : Million Baht

	2018	2017
Overdue period		
Not overdue	797.30	817.18
Overdue 1 - 30 days	413.24	49.92
Overdue 31 - 90 days	200.76	56.06
Overdue 91 - 180 days	30.48	21.24
Overdue 181 days - 12 months	4.66	218.96
Overdue for more than 12 months	6.40	1.44
Total	1,452.84	1,164.80

9.5 Installment sale receivables (cont.)

9.5.1 Debt restructuring

During the years ended 31 December 2018 and 2017, the Company entered into debt restructuring agreements of installment sale receivables in various forms with details as below:

Unit : Million Baht

Debt restructuring from	2018		
	Number of debtors	Book balance before debt restructuring	Book balance after debt restructuring
Change in debt payment conditions	54	581.67	581.67
Total	54	581.67	581.67

Debt restructuring from	2017		
	Number of debtors	Book balance before debt restructuring	Book balance after debt restructuring
Change in debt payment conditions	51	1,285.67	1,285.67
Total	51	1,285.67	1,285.67

9.5.1 Debt restructuring

Unit : Million Baht

	2018		2017	
	Number of debtors	Book balance after debt restructuring	Number of debtors	Book balance after debt restructuring
- Account closed	14	1.46	13	658.83
- Payment due				
Less than 5 years	33	578.28	33	623.57
5-10 years	7	1.93	5	3.27
Total	54	581.67	51	1,285.67
Installment payment tenor according to debt restructuring agreement				
Less than 5 years	47	579.74	43	1,281.54
5-10 years	7	1.93	8	4.13
Total	54	581.67	51	1,285.67

9.5 Installment sale receivables (cont.)

9.5.1 Debt restructuring

During the years ended 31 December 2018 and 2017, the Company entered into debt restructuring agreements of installment sale receivables in various forms with details as below:

Unit : Million Baht

	2018	2017
Interest income from installment sale receivables	64.03	79.80
Gain on installment sales	14.28	151.19
Cash received from installment sale receivables	200.26	1,009.92

The Company had remaining installment sale receivables after debt restructuring at end of year as follows:

	Total debtors	
	2018	2017
Number of debtors (debtors)	1,734	1,398
Outstanding balance of installment sale receivables (million baht)	1,452.84	1,164.80

	Debtors with Debt Restructuring	
	2018	2017
Number of debtors (debtors)	76	74
Outstanding balance of installment sale receivables (million baht)	849.57	654.52

9.6 Properties foreclosed - net

Properties foreclosed consisted of movable and immovable properties acquired from debt settlement by debtors and purchase from asset management companies and financial institutions as follows:

Unit : Million Baht

	2018			
	Bid from financial institutions	Transfer of properties for debt repayment/ Bid from debtors	Branches not in operation	Total
9.6.1 Immovable properties				
Beginning balance	5,391.46	17,475.17	-	22,866.63
Increase	1,117.06	5,914.09	25.57	7,056.72
Decrease	(851.75)	(2,395.18)	-	(3,246.93)
Ending balance	5,656.77	20,994.08	25.57	26,676.42
9.6.2 Movable properties				
Beginning balance	3.97	290.39	-	294.36
Increase	-	53.15	-	53.15
Ending balance	3.97	343.54	-	347.51
Total ending balance	5,660.74	21,337.62	25.57	27,023.93
Less Revaluation of properties foreclosed				(5,905.55)
Less Allowance for impairment of properties foreclosed				(522.56)
Properties foreclosed - net				20,595.82

9.6 Properties foreclosed - net (cont.)

Unit : Million Baht

	2017		
	Bid from financial institutions	Transfer of properties for debt repayment/ Bid from debtors	Total
9.6.1 Immovable properties			
Beginning balance	5,601.98	13,621.28	19,223.26
Increase	269.64	5,101.14	5,370.78
Decrease	(480.16)	(1,247.25)	(1,727.41)
Ending balance	5,391.46	17,475.17	22,866.63
9.6.2 Movable properties			
Beginning balance	3.97	133.39	137.36
Increase	-	157.00	157.00
Ending balance	3.97	290.39	294.36
Total ending balance	5,395.43	17,765.56	23,160.99
<u>Less</u> Revaluation of properties foreclosed			(4,882.75)
<u>Less</u> Allowance for impairment of properties foreclosed			(543.06)
Properties foreclosed - net			17,735.18

As at 31 December 2018, the appraised value of the immovable and movable properties foreclosed was 48,024.43 million Baht and 458.21 million Baht respectively (31 December 2017: 43,668.23 million Baht and 412.81 million Baht respectively).

As at 31 December 2018, the Company granted debtors the buyback rights for the properties foreclosed of 213.09 million Baht (31 December 2017: 189.63 million Baht).

9.6 Properties foreclosed - net (cont.)

Properties foreclosed on the part appraised by an external appraiser and that by the internal appraiser as at 31 December 2018 and 2017 were as follows:

Unit : Million Baht

	2018	2017
Appraised by external appraiser	23,911.56	20,003.54
Appraised by internal appraiser	3,112.37	3,157.45
Total	27,023.93	23,160.99

9.7 Accrued income from auction sale - net

Unit : Million Baht

	2018	2017
External buyers	5,463.42	4,215.25
<u>Less</u> Estimated auction sale expenses	(390.67)	(298.93)
External buyers - net	5,072.75	3,916.32
Company as buyer	2,042.70	1,065.17
Accrued income from auction sale - net	7,115.45	4,981.49

As at 31 December 2018 and 2017, accrued income from auction sale classified by outstanding period was as follows:

Unit : Million Baht

	2018		
	External buyers*	Company as buyer	Total
Overdue period			
Within 1 year	1,550.51	1,161.14	2,711.65
Over 1 year but not over 3 years	2,073.94	814.30	2,888.24
Over 3 years but not over 5 years	758.92	66.18	825.10
Over 5 years	1,080.05	1.08	1,081.13
Total	5,463.42	2,042.70	7,506.12

Unit : Million Baht

	2017		
	External buyers*	Company as buyer	Total
Overdue period			
Within 1 year	1,567.00	641.11	2,208.11
Over 1 year but not over 3 years	1,124.17	422.99	1,547.16
Over 3 years but not over 5 years	876.62	-	876.62
Over 5 years	647.46	1.07	648.53
Total	4,215.25	1,065.17	5,280.42

* The Company will record accrued income from auction sale on the day when the buyer has made full payment to Legal Execution Department.

9.8 Property, plant and equipment - net

Property, plant and equipment as at 31 December 2018 and 2017 consisted of:

Unit : Million Baht

Items	2018								
	Cost value				Accumulated depreciation value				Net book value
	Beginning balance	Increased/Received from transfer	Disposed/transfer	Ending balance	Beginning balance	Depreciation	Disposed	Ending balance	
1. Land	780.03	20.79	22.62	778.20	-	-	-	-	778.20
2. Buildings	434.07	4.35	6.50	431.92	227.55	21.57	3.55	245.57	186.35
3. Building improvement	415.28	44.14	9.45	449.97	248.30	49.94	9.45	288.79	161.18
4. Equipment	619.17	33.42	41.20	611.39	461.37	65.83	41.20	486.00	125.39
5. Work in process	20.72	20.68	40.98	0.42	-	-	-	-	0.42
Total	2,269.27	123.38	120.75	2,271.90	937.22	137.34	54.20	1,020.36	1,251.54

9.8 Property, plant and equipment - net (cont.)

Unit : Million Baht

Items	2017								
	Cost value				Accumulated depreciation value				Net book value
	Beginning balance	Increased/Received from transfer	Disposed/transfer	Ending balance	Beginning balance	Depreciation	Disposed	Ending balance	
1. Land	780.03	-	-	780.03	-	-	-	-	780.03
2. Buildings	434.07	-	-	434.07	205.84	21.71	-	227.55	206.52
3. Building improvement	400.83	17.15	2.70	415.28	201.07	48.31	1.08	248.30	166.98
4. Equipment	563.10	64.16	8.09	619.17	395.12	74.34	8.09	461.37	157.80
5. Work in process	1.13	36.24	16.65	20.72	-	-	-	-	20.72
Total	2,179.16	117.55	27.44	2,269.27	802.03	144.36	9.17	937.22	1,332.05

As at 31 December 2018 and 2017, the Company had certain building improvement, equipment and vehicles which had been fully depreciated but were still in use. The cost value before accumulated depreciation value amounted to 395.91 million Baht and 359.14 million Baht respectively.

9.9 Intangible assets - net

Intangible assets as of 31 December 2018 and 2017 comprised:

Unit : Million Baht

Items	2018								
	Cost value				Accumulated depreciation value				Net book value
	Begin- ning balance	Increased/ Received from transfer	Disposed/ transfer	Ending balance	Begin- ning balance	Depreci- ation	Disposed/ transfer	Ending balance	
1. Computer software	69.02	5.45	-	74.47	58.37	3.97	-	62.34	12.13
2. Work in process	-	1.84	0.69	1.15	-	-	-	-	1.15
Total	69.02	7.29	0.69	75.62	58.37	3.97	-	62.34	13.28

Unit : Million Baht

Items	2017								
	Cost value				Accumulated depreciation value				Net book value
	Begin- ning balance	Increased/ Received from transfer	Disposed/ transfer	Ending balance	Begin- ning balance	Depreci- ation	Disposed/ transfer	Ending balance	
1. Computer software	66.01	3.01	-	69.02	54.33	4.04	-	58.37	10.65
2. Work in process	0.22	0.25	0.47	-	-	-	-	-	-
Total	66.23	3.26	0.47	69.02	54.33	4.04	-	58.37	10.65

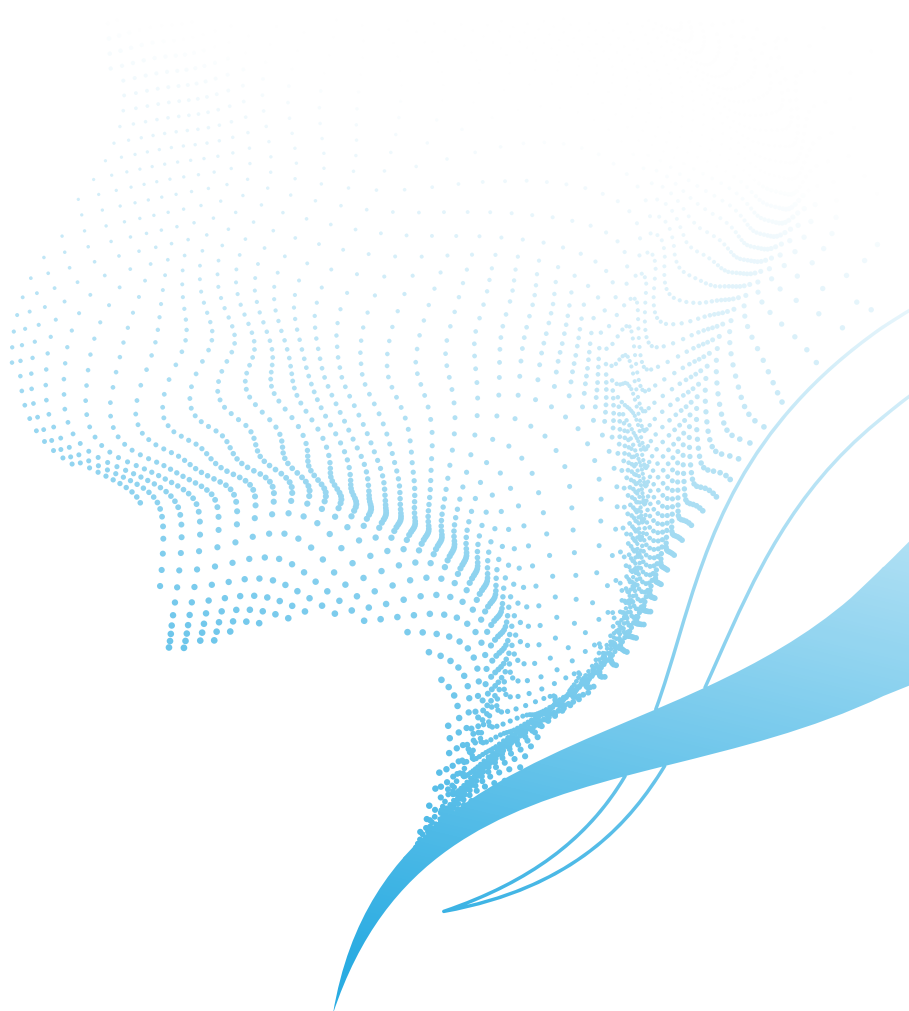
As at 31 December 2018 and 2017, the Company had a certain amount of intangible assets which had been fully amortized but were still in use. The cost value before accumulated amortization value amounted to 50.77 million Baht and 49.36 million Baht respectively.

9.10 Other assets

Other assets as of 31 December 2018 and 2017 were as below:

Unit : Million Baht

	2018	2017
Prepaid expenses and deferred expenses	57.11	57.54
Accrued income, interest and dividend receivable	36.20	42.95
Advance for litigation expenses	18.91	36.71
Advance for expenses on asset acquisition, registration fees and others	1,217.28	825.16
Employee welfare receivables	58.43	68.50
Others	17.39	14.06
Total	1,405.32	1,044.92



9.11 Classified assets/asset quality

As at 31 December 2018 and 2017, the Company's classified assets consisted of investment in securities, credit for purchase of receivables, installment sale receivables, and properties foreclosed which were classified according to the Bank of Thailand criteria, including analysis of debtors of each type and assessment of each debtor's status, as follows:

Unit : Million Baht

	2018				
	Investment in securities	Credit for purchase of receivables	Installment sale receivables	Properties foreclosed	Total
Asset classification					
Normal	-	3,977.68	1,210.54	-	5,188.22
Special mention	-	1,110.31	200.76	-	1,311.07
Substandard	-	2,424.65	30.48	-	2,455.13
Doubtful	-	17.37	4.66	-	22.03
Doubtful of loss	416.74	74,188.98	6.40	522.56	75,134.68
Total	416.74	81,718.99	1,452.84	522.56	84,111.13

Unit : Million Baht

	2017				
	Investment in securities	Credit for purchase of receivables	Installment sale receivables	Properties foreclosed	Total
Asset classification					
Normal	-	2,730.21	867.10	-	3,597.31
Special mention	-	766.84	56.06	-	822.90
Substandard	-	1,080.07	21.24	-	1,101.31
Doubtful	-	85.76	218.96	-	304.72
Doubtful of loss	394.95	75,166.29	1.44	543.06	76,105.74
Total	394.95	79,829.17	1,164.80	543.06	81,931.98

9.12 Debt issued and borrowing

As at 31 December 2018 and 2017, notes payable, borrowings and debentures broken down by type and maturity were as follows:

Unit : Million Baht

	2018			
	Interest rate (Percentage)	Maturity	Interest payment	Amount
<u>Notes payable</u>				
Short term	0 - 2.30	2019	Interest payment upon maturity	2,281.40
Long term	0 - 2.30	2020 - 2026	Interest payment upon maturity	2,259.39
<u>Less</u> Deferred interest expense				(220.40)
Notes payable aval expense				(7.79)
Total notes payable				4,312.60
<u>Borrowing</u>				
Shot term	2.70 - 3.55	2019	Interest payment every month-end/ upon maturity/ every 3 months/ every 6 months	9,547.45
Long term	2.70 -3.55	2020 - 2023	Interest payment every month-end/ upon maturity/ every 3 months/ every 6 months	11,686.44
<u>Less</u> Deferred credit fee				(1.65)
Total borrowing				21,232.24
Total notes payable and borrowing				25,544.84
<u>Debentures</u>				
Series No. 1/2016	Fixed 2.71 and 3.79	22 Dec 19 and 23	Interest payment every 6 months	2,100.00
Series No. 1/2017	Fixed 2.38, 3.41, 3.64 and 3.92	23 Jun 20, 22, 24 and 27	Interest payment every 6 months	5,100.00
Series No. 1/2017	Fixed 2.03, 2.53, 3.44, 3.73 and 3.91	8 Mar 19, 8 Sep 21, 23, 25 and 27	Interest payment every 6 months	17,000.00
Series No. 1/2018	Fixed 2.18, 2.50, 3.88 and 4.30	21 Dec 19, 21 Jun 21, 25 and 28	Interest payment every 6 months	8,000.00
Total				32,200.00
<u>Less</u> Debenture issue expense				(35.56)
Total debentures				32,164.44
Grand total				57,709.28

9.12 Debt issued and borrowing (cont.)

Unit : Million Baht

	2017			
	Interest rate (Percentage)	Maturity	Interest payment	Amount
<u>Notes payable</u>				
Short term	0 - 2.50	2018	Interest payment upon maturity	2,534.22
Long term	0 - 2.30	2019 - 2026	Interest payment upon maturity	2,163.99
<u>Less</u> Deferred interest expense				(138.27)
Notes payable aval expense				(24.81)
Total notes payable				4,535.13
<u>Borrowing</u>				
Shot term	2.00 - 3.50	2018	Interest payment every month-end/ upon maturity/ every 3 months/ every 6 months	10,812.47
Long term	2.85 - 3.50	2019 - 2021	Interest payment every month-end/ upon maturity/ every 3 months/ every 6 months	10,761.22
<u>Less</u> Deferred credit fee				(2.99)
Total borrowing				21,570.70
Total notes payable and borrowing				26,105.83
<u>Debentures</u>				
Series No. 1/2015	Fixed 2.75	17 Dec 18	Interest payment every 6 months	1,800.00
Series No. 1/2016	Fixed 2.41, 2.71 and 3.79	22 Jun 18, 22 Dec 19 and 23	Interest payment every 6 months	6,400.00
Series No. 1/2017	Fixed 2.17, 2.38, 3.41, 3.64 and 3.92	23 Dec 18, 23 Jun 20, 22, 24 and 27	Interest payment every 6 months	5,600.00
Series No. 2/2017	Fixed 2.03, 2.53, 3.44, 3.73 and 3.91	8 Mar 19, 8 Sep 21, 23, 25 and 27	Interest payment every 6 months	17,000.00
Total				30,800.00
<u>Less</u> Debenture issue expense				(37.36)
Total debentures				30,762.64
Grand total				56,868.47

9.12 Debt issued and borrowing (cont.)

Debentures worth 32,200 million Baht consisted of:

1. The Company issued Debenture No. 1/2015 on 17 December 2015, divided into two series as follows:
 - Debenture Series No. 1 of 3.90 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 3,900 million Baht. The debenture has a maturity period of 2 years, due for redemption on 17 December 2017. At present, the debenture was due for redemption already.
 - Debenture Series No. 2 of 1.80 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,800 million Baht. The debenture has a maturity period of 3 years, due for redemption on 17 December 2018. At present, the debenture was due for redemption already.

The above two debenture series are offered for sale to institutional investors and/or major investors. The debentures are of a name-registered, non-subordinated and unsecured type with no debenture holders' representative. Interest is payable every six months on 17 June and 17 December of each year. First interest payment date is 17 June 2016 and last interest payment date will fall on the redemption date of 17 December 2018.

2. The Company issued Debenture No. 1/2016 on 22 December 2016, divided into three series as follows:
 - Debenture Series No. 1 of 4.30 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 4,300 million Baht. The debenture has a maturity period of 1 year and 6 months, due for redemption on 22 June 2018. At present, the debenture was due for redemption already.
 - Debenture Series No. 2 of 1.00 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,000 million Baht. The debenture has a maturity period of 3 years, due for redemption on 22 December 2019. Interest rate is equal to a fixed rate of 2.71% per annum. As at 31 December 2018, accrued interest payable was 0.74 million Baht.
 - Debenture Series No. 3 of 1.10 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,100 million Baht. The debenture has a maturity period of 7 years, due for redemption on 22 December 2023. Interest rate is equal to a fixed rate of 3.79% per annum. As at 31 December 2018, accrued interest payable was 1.14 million Baht.

9.12 Debt issued and borrowing (cont.)

The above three debenture series are offered for sale to institutional investors and/or major investors. The debentures are of a name-registered, non-subordinated and unsecured type with no debenture holders' representative. Interest is payable every six months on 22 June and 22 December of each year. First interest payment date is 22 June 2017 and last interest payment date will fall on the redemption date of 22 December 2023. As at 31 December 2018, total accrued interest payable was 1.88 million Baht.

3. The Company issued Debenture No. 1/2017 on 23 June 2017, divided into five series as follows:
 - Debenture Series No. 1 of 0.50 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 500 million Baht. The debenture has a maturity period of 1 year and 6 months, due for redemption on 23 December 2018. At present, the debenture was due for redemption already.
 - Debenture Series No. 2 of 0.80 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 800 million Baht. The debenture has a maturity period of 3 years, due for redemption on 23 June 2020. Interest rate is equal to a fixed rate of 2.38% per annum. As at 31 December 2018, accrued interest payable was 0.47 million Baht.
 - Debenture Series No. 3 of 1.40 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,400 million Baht. The debenture has a maturity period of 5 years, due for redemption on 23 June 2022. Interest rate is equal to a fixed rate of 3.41% per annum. As at 31 December 2018, accrued interest payable was 1.18 million Baht.
 - Debenture Series No. 4 of 1.40 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,400 million Baht. The debenture has a maturity period of 7 years, due for redemption on 23 June 2024. Interest rate is equal to a fixed rate of 3.64% per annum. As at 31 December 2018, accrued interest payable was 1.26 million Baht.
 - Debenture Series No. 5 of 1.50 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,500 million Baht. The debenture has a maturity period of 10 years, due for redemption on 23 June 2027. Interest rate is equal to a fixed rate of 3.92% per annum. As at 31 December 2018, accrued interest payable was 1.45 million Baht.

9.12 Debt issued and borrowing (cont.)

The above five debenture series are offered for sale to institutional investors and/or major investors. The debentures are of a name-registered, non-subordinated and unsecured type with no debenture holders' representative. Interest is payable every six months on 23 June and 23 December of each year. First interest payment date is 23 December 2017 and last interest payment date will fall on the redemption date of 23 June 2027. As at 31 December 2018, total accrued interest payable was 4.36 million Baht.

4. The Company issued Debenture No. 2/2017 on 8 September 2017, divided into five series as follows:

- Debenture Series No. 1 of 4.00 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 4,000 million Baht. The debenture has a maturity period of 1 year and 6 months, due for redemption on 8 March 2019. Interest rate is equal to a fixed rate of 2.03% per annum. As at 31 December 2018, accrued interest payable was 25.58 million Baht.
- Debenture Series No. 2 of 1.00 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 1,000 million Baht. The debenture has a maturity period of 4 years, due for redemption on 8 September 2021. Interest rate is equal to a fixed rate of 2.53% per annum. As at 31 December 2018, accrued interest payable was 7.97 million Baht.
- Debenture Series No. 3 of 3.80 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 3,800 million Baht. The debenture has a maturity period of 6 years, due for redemption on 8 September 2023. Interest rate is equal to a fixed rate of 3.44% per annum. As at 31 December 2018, accrued interest payable was 41.19 million Baht.
- Debenture Series No. 4 of 3.20 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 3,200 million Baht. The debenture has a maturity period of 8 years, due for redemption on 8 September 2025. Interest rate is equal to a fixed rate of 3.73% per annum. As at 31 December 2018, accrued interest payable was 37.61 million Baht.
- Debenture Series No. 5 of 5.00 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 5,000 million Baht. The debenture has a maturity period of 10 years, due for redemption on 8 September 2027. Interest rate is equal to a fixed rate of 3.91% per annum. As at 31 December 2018, accrued interest payable was 61.59 million Baht.

9.12 Debt issued and borrowing (cont.)

The above five debenture series are offered for sale to institutional investors and/or major investors. The debentures are of a name-registered, non-subordinated and unsecured type with no debenture holders' representative. Interest is payable every six months on 8 March and 8 September of each year. First interest payment date is 8 March 2018 and last interest payment date will fall on the redemption date of 8 September 2027. As at 31 December 2018, total accrued interest payable was 173.94 million Baht.

5. The Company issued Debenture No. 1/2018 on 21 June 2018, divided into four series as follows:
 - Debenture Series No. 1 of 2.23 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 2,230 million Baht. The debenture has a maturity period of 1 year and 6 months, due for redemption on 21 December 2019. Interest rate is equal to a fixed rate of 2.18% per annum. As at 31 December 2018, accrued interest payable was 1.47 million Baht.
 - Debenture Series No. 2 of 3.00 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 3,000 million Baht. The debenture has a maturity period of 3 years, due for redemption on 21 June 2021. Interest rate is equal to a fixed rate of 2.50% per annum. As at 31 December 2018, accrued interest payable was 2.26 million Baht.
 - Debenture Series No. 3 of 0.37 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 370 million Baht. The debenture has a maturity period of 7 years, due for redemption on 21 June 2025. Interest rate is equal to a fixed rate of 3.88% per annum. As at 31 December 2018, accrued interest payable was 0.43 million Baht.
 - Debenture Series No. 4 of 2.40 million units with a par value of 1,000 Baht per unit at an offer price of 1,000 Baht per unit, totaling 2,400 million Baht. The debenture has a maturity period of 10 years, due for redemption on 21 June 2028. Interest rate is equal to a fixed rate of 4.30% per annum. As at 31 December 2018, accrued interest payable was 3.11 million Baht.

The above four debenture series are offered for sale to institutional investors and/or major investors. The debentures are of a name-registered, non-subordinated and unsecured type with no debenture holders' representative. Interest is payable every six months on 21 June and 21 December of each year. First interest payment date is 21 December 2018 and last interest payment date will fall on the redemption date of 21 June 2028. As at 31 December 2018, total accrued interest payable was 7.27 million Baht.

9.13 Accrued interest payable

Unit : Million Baht

	2018	2017
Promissory notes	4.14	18.64
Loans	53.77	73.25
Debentures	187.45	185.32
Total	245.36	277.21

9.14 Provisions

As at 31 December 2018 and 2017, provisions consisted of:

Unit : Million Baht

	2018	2017
Provisions for employee benefits	744.05	726.29
Provisions for liabilities arising from lawsuits	25.47	25.47
Total	769.52	751.76

9.14.1 Provisions for long-term employee benefits

Provisions for long-term employee benefits which are post-employment compensation for employees were presented as below:

Unit : Million Baht

	2018	2017
Provisions for long-term employee benefits in beginning period	726.29	705.99
Recognized to profit or loss:		
Current service cost	44.81	45.16
Interest cost	21.28	20.71
Benefits paid during the period	(48.33)	(45.57)
Provisions for long-term employee benefits in ending period	744.05	726.29

9.14.1 Provisions for long-term employee benefits (cont.)

Under the employee benefit project, the Company pays a post-employment compensation to its employees according to the employment agreement. Provisions for employee benefits are calculated by an actuary by the projected unit credit method, using statistical data as a factor in estimating present value of cash flow of future benefits payable and using a discount rate based on yield on government bond that has the duration period compatible with the period of such provisions. The calculated amount is presented as part of the provisions. The actuarial gains (losses) are recognized in the statement of other comprehensive income.

Key assumptions for actuarial estimates can be summarized below:

	Unit : % per year	
	2018	2017
Discount rate	3.07	3.07
Salary increase rate	8.00	8.00
Inflation rate	2.50	2.50

Employee turnover rate classified by age group:

	Unit : % per year	
	2018	2017
Less than 30 years	8.00	8.00
30 years - less than 40 years	2.00	2.00
40 years - less than 50 years	1.00	1.00
50 years and above	-	-

The Company expected to pay long-term employee benefits in the next one year in a total amount of approximately 53.79 million Baht (31 December 2017: 49.28 million Baht).

As of 31 December 2018, the weighted average period of payment of long-term employee benefits was approximately 10.9 years (31 December 2017: 10.9 years).

9.14.1 Provisions for long-term employee benefits (cont.)

Effects of the change in important assumptions on the present value of long-term employee benefit obligations as at 31 December 2018 and 2017 can be summarized as follows:

Unit : Million Baht

	2018			
	Liabilities increase		Liabilities decrease	
Discount rate	Down 1%	64.86	Up 1%	56.41
Salary increase rate	Up 1%	74.82	Down 1%	66.09
Employee turnover rate	Down 20%	5.11	Up 20%	4.92

Unit : Million Baht

	2017			
	Liabilities increase		Liabilities decrease	
Discount rate	Down 1%	65.45	Up 1%	56.88
Salary increase rate	Up 1%	67.85	Down 1%	60.18
Employee turnover rate	Down 20%	4.37	Up 20%	4.22

However, there are risks or special incidents that could be crucial to the estimation such as a significant change or movement in the number of employees and change in economic conditions that could affect the government bond yield and the discount rate used in the estimation. If any of these incidents takes place, the Company will re-estimate the employee benefit obligations in order to recognize the impact thereof on its financial statements.

On 13 December 2018, the National Legislative Assembly has approved the new draft amendment to the Labour Protection Act which is to be published in the Government Gazette. This new Labour Protection Act specifies a severance benefit, for employees having 20 or more years of service, to be at 400 days of the latest wage that an employee receives, or higher. This amendment is considered as the modification of the structure of post-employment benefits and poses no impact on the Company because the Company abides by State Enterprise Labour Relations Act, B.E. 2543 to which no changes related to the matter have been made.

9.14.1 Provisions for long-term employee benefits (cont.)

Moreover, the Company established Sinthavi Provident Fund, which was registered on 13 May 1999 in accordance with the Provident Fund Act, B.E. 2530, as another type of welfare for its employees, with BBL Asset Management Co., Ltd. as the Fund manager. According to the Fund regulation, the Company's employees may voluntarily apply for the Fund membership upon being recruited as permanent staff. Fund member has to pay monthly contribution to the Fund at a rate of 3%-15% of his/her salary depending on his/her years of service. The Company later co-established K Master Pooled Fund, registered on 1 May 2014, with Kasikorn Asset Management Co., Ltd. as the Fund manager. Such Fund allows members to select more than one investment policy to best meet their individual requirements, hence another option for the employees. The Company and the employees make contributions to the Fund at the designated rates. The employees will obtain benefits according to the Fund regulation.

For the year ended 31 December 2018, the Company paid 95.08 million Baht to the provident funds, regarded as expenses on the statement of income (31 December 2017: 94.04 million Baht).

9.14.2 Provisions for litigation cases

Unit : Million Baht

	2018	2017
Beginning balance of the year	25.47	20.20
Additional provisions	-	5.27
Ending balance of the year	25.47	25.47

9.15 Unearned accrued income from auction sale

On 31 July 2018, the Company received proceeds of 5,342.01 million Baht from an auction sale of collateralized asset of one of its debtor from Legal Execution Department. The Company, as the preferential creditor, had submitted a request to receive the proceeds from the auction of such collateralized asset because the debtor and the creditors No. 3 and No. 150 filed a petition for withdrawal of such auction with the Central Bankruptcy Court.

However, in making such payment to the Company, Legal Execution Department imposed a condition requiring the Company to issue a written confirmation that, in the event that the court orders the withdrawal of such auction, the Company shall return such proceeds to the debtor property fund (Legal Execution Department) within the designated date. The Company already issued and submitted the letter of confirmation to abide by such condition to the Legal Execution Department.

Later on, the Court of First Instance ordered a dismissal of the petition for withdrawal of the auction lodged by the debtor and the two creditors. However, the debtor and the two creditors may seek permission to file an appeal to the Appeal/Supreme Court. The Company is currently getting updates on the result of the Court's consideration.

Therefore, BAM Management views that the legal process cannot be deemed complete until documents indicating the completion are received.

9.16 Other liabilities

Unit : Million Baht

	2018	2017
Tax payable and accrued expenses	734.83	380.15
Deposit and marginal deposit	297.68	110.13
Liabilities between Bangkok Commerce Plc and the Company	19.16	19.16
Suspense account and clearing cheque	154.96	96.32
Suspense account for debt repayment	145.95	351.58
Financial creditors selling right to claim	364.64	-
Others	20.60	19.27
Total	1,737.82	976.61

As at 31 December 2018 and 2017, part of deposit and marginal deposit of 89.17 million Baht and 103.41 million Baht respectively was deposit from sale of properties foreclosed.

9.16 Other liabilities (cont.)

As at 31 December 2018, the financial creditor selling right to claim totaling 364.64 million Baht was the outstanding amount payable for purchase of NPAs under the asset transfer agreement dated 25 December 2018, with 5% of the purchase price already paid in cash on the date of agreement signing and the remaining amount to be paid by promissory notes within 45 days from the date of agreement signing.

9.17 Share capital

As of 31 December 2018 and 2017, the Company had registered and paid-up capital as follows:

	2018		2017	
	Number of shares (Million shares)	Amount (Million Baht)	Number of shares (Million shares)	Amount (Million Baht)
Registered capital				
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
Issued and paid-up capital				
Issued and paid-up capital at beginning of the year	2,735	13,675	2,735	13,675
Issued and paid-up capital at end of the year	2,735	13,675	2,735	13,675

9.18 Legal reserves

Under Section 116 of Public Limited Company Act B.E. 2535, the Company is required to set aside a portion of annual net profit as reserves of not less than 5% of annual net profit less accumulated loss brought forward (if any) until the reserves become not less than 10% of its registered capital. Legal reserves cannot be used for dividend payment. At present, the Company has made full appropriation to the legal reserves.

9.19 Profit appropriation and dividend payment

Dividend	Approved by	Dividend paid (Million Baht)	Dividend paid per share (Baht)
Special dividend	Annual General Meeting 2018 on 27 April 2018	1,700.08	0.6216
Dividend for 2017	Annual General Meeting 2018 on 27 April 2018	2,700.54	0.9874
		4,400.62	
Special dividend	Extraordinary General Meeting No. 2/2017	1,000.19	0.3657
Dividend for 2016	Annual General Meeting 2017 on 29 April 2017	2,961.46	1.0828
		3,961.65	

9.20 Capital management

The main objective of capital management is to ensure an appropriate capital structure is in place to support the Company's business operation and enhance the shareholding value for the shareholders. As of 31 December 2018, the Company had the debt to equity ratio of 1.57: 1 (31 December 2017: 1.43: 1).

9.21 Income tax

Income tax for the years ended 31 December 2018 and 2017 can be summarized below:

Unit : Million Baht

	2018	2017
Current income tax :		
Corporate income tax for the year	7.28	8.21
Income tax stated in statements of income and other comprehensive income	7.28	8.21

Reconciliation between the income tax and the accounting profit multiplied by tax rate applicable for the years ended 31 December 2018 and 2017 is presented below:

Unit : Million Baht

	2018		
	Tax-exempted profit	Taxable profit	Total
Book profit before corporate income tax	5,154.46	54.85	5,209.31
Corporate income tax rate		20%	
Book profit before corporate income tax multiplied by tax rate	-	10.97	10.97
Tax impact			
Prohibited expenses	-	0.04	0.04
Additional deductible expenses	-	(0.04)	(0.04)
Tax-exempted income	-	(3.69)	(3.69)
Income tax in statements of income and other comprehensive income	-	7.28	7.28

9.21 Income tax (cont.)

Unit : Million Baht

	2017		
	Tax-exempted profit	Taxable profit	Total
Book profit before corporate income tax	4,444.82	64.21	4,509.03
Corporate income tax rate		20%	
Book profit before corporate income tax multiplied by tax rate	-	12.84	12.84
Tax impact			
Prohibited expenses	-	0.16	0.16
Additional deductible expenses	-	(0.04)	(0.04)
Tax-exempted income	-	(4.75)	(4.75)
Income tax in statements of income and other comprehensive income	-	8.21	8.21

For the years ended 31 December 2018 and 2017, the Company had a net profit of 5,154.46 million Baht and 4,444.82 million Baht respectively which were exempted from corporate income tax pursuant to the Royal Decree issued by virtue of the Revenue Code regarding Tax Exemption (No. 362) B.E. 2542 stating that asset management companies with not less than 95% shareholding by the Financial Institutions Development Fund shall be exempted from corporate income tax for net profit earned from management of NPAs acquired or transferred from financial institutions.

9.22 Basic earnings per share

Basic earnings per share are calculated by dividing the annual net profit on the shareholders' portion (excluding other comprehensive profit/loss) with the weighted average number of issued ordinary shares during the year.

Calculation of basic earnings per share is presented below:

Earnings for the year ended 31 December		Weighted average number of ordinary shares		Earnings per share	
2018	2017	2018	2017	2018	2017
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
5,202.02	4,500.82	2,735.00	2,735.00	1.90	1.65

9.23 Related persons or parties

For the purpose of financial statement preparation, related persons or parties of the Company refer to persons or parties, over whom the Company has direct or indirect controlling power or significant influence with respect to their financial and managerial decisions, or which are under common control or significant influence with the Company. Such relation may be on an individual basis or corporate basis. In the consideration of each related party transaction, the Company focuses more on the essence of the relation than on the legal form of the relation.

Relations between the Company and related entities are as follows:

List of related entities	Relations with the Company
Financial Institutions Development Fund	Major shareholder
Krungthai Bank Plc.	Having common shareholders
KT Zmico Securities Co., Ltd.	Having common shareholders
Krungthai-AXA Life Insurance Plc.	Having common shareholders
Krungthai Panich Insurance Plc.	Having common shareholders
Bahoma Co., Ltd.	Having common shareholders
Big SPV Co., Ltd.	Having common shareholders
Sathathorn Co., Ltd.	Having common shareholders

During the year, the Company had related person or party transactions which were undertaken in accordance with trading conditions and criteria agreed upon between the Company and the related persons or parties as in normal course of business, details of which can be summarized below:

9.23 Related persons or parties (cont.)

Outstanding amounts between the Company and related companies as at 31 December 2018 and 2017

Unit : Million Baht

	2018	2017
<u>Statement of financial position</u>		
Deposits at financial institutions		
Common shareholders	16.65	11.94
Investment in securities - net		
Common shareholders	2.15	2.15
Other assets - Accrued dividends		
Common shareholders	35.81	42.44
Statement of financial position		
Debt issued and borrowing - Note payable and borrowing		
Common shareholders	1,098.18	88.00
Debt issued and borrowing - Debentures		
Common shareholders	1,107.70	124.90
Accrued interest payable		
Common shareholders	2.23	0.79
Other liabilities - Rent guarantee		
Common shareholders	0.10	0.10

9.23 Related persons or parties (cont.)

Unit : Million Baht

	2018	2017	Pricing policy
<u>Statements of income and other comprehensive income</u>			
Interest income - Deposits at financial institutions			As mutually agreed
Common shareholders	0.04	0.04	
Dividend income			As mutually agreed
Common shareholders	36.77	47.30	
Other operating income - Rent and utilities			As mutually agreed
Common shareholders	0.52	0.65	
Gain on sale of properties foreclosed			As mutually agreed
Related persons*	2.47	-	
Interest expenses			As in the prospectus
Common shareholders	22.44	4.72	and as mutually agreed

* Related persons refer to those having close relationship with the related persons, directors and executives.

9.23 Related persons or parties (cont.)

Debt issued and borrowing from related entities

Movements of debt issued and borrowing transactions and financial creditors selling right of claim between the Company and related parties as at 31 December 2018 and 2017 were as follows:

Unit : Million Baht

	2018			
	Beginning balance	Increase	Decrease	Ending balance
Debt issued and borrowing				
Krungthai Bank Plc.	208.00	1,631.23	195.05	1,644.18
Krungthai-AXA Life Insurance Plc.	4.90	527.00	0.20	531.70
Krungthai Panich Insurance Public Company Limited	-	30.00	-	30.00
Total	212.90	2,188.23	195.25	2,205.88

Unit : Million Baht

	2017			
	Beginning balance	Increase	Decrease	Ending balance
Debt issued and borrowing				
Krungthai Bank Plc.	107.73	812.98	712.71	208.00
Krungthai-AXA Life Insurance Plc.	-	4.90	-	4.90
Total	107.73	817.88	712.71	212.90

9.24 Remuneration paid to executives

For the years ended 31 December 2018 and 2017, remuneration paid to key executives in accordance with TAS 24 (Revised 2017): Related Party Disclosures, comprising directors, executives at Executive Vice President level and higher and executives in accounting or finance function line at department head level and higher, was as follows:

Unit : Million Baht

	2018	2017
Short-term benefits	101.27	76.96
Post-employment benefits	8.30	7.84
Total	109.57	84.80

9.25 Financial status and operation results classified by operating section

The Company's core business is asset management and the business operations are carried out through key geographical operating sections in Thailand. The Board of Directors has the ultimate decision-making authority with regard to the operations. The Company divides its operating sections by products and services as follows:

1. Acquisition and receipt of transfer of NPLs from financial institutions for management, based mainly on debt compromise practices to ensure the optimum benefit for both parties.
2. Acquisition and receipt of transfer of NPAs from financial institutions, transfer of assets for debt settlement from debtors, and bid for collateralized assets of debtors from Legal Execution Department for management by focusing on improvement of the properties to be in a ready-to-use condition and increase their value added, thereby ensuring the assets will meet the demand of target groups.

9.25.1 Financial status classified by operating section

Unit : Million Baht

	2018		
	Asset Management Business		
	NPLs	NPAs and investment in securities	Total
Investment in securities - net	-	93.94	93.94
Credit for purchase of receivables - net	75,433.94	-	75,433.94
Installment sale receivables - net	-	708.30	708.30
Properties foreclosed - net	-	20,595.82	20,595.82
Total	75,433.94	21,398.06	96,832.00
Cash			3.61
Deposits at financial institutions			1,031.80
Accrued income from auction sale - net			7,115.45
Property, plant, and equipment - net			1,251.54
Intangible assets - net			13.28
Other assets			1,405.32
Total assets			107,653.00
Debt issued and borrowing			57,709.28
Accrued interest payable			245.36
Provision			769.52
Unearned accrued income from auction sale			5,342.01
Other liabilities			1,737.82
Total liabilities			65,803.99

9.25.1 Financial status classified by operating section (cont.)

Unit : Million Baht

	2017		
	Asset Management Business		
	NPLs	NPAs and investment in securities	Total
Investment in securities - net	-	139.57	139.57
Credit for purchase of receivables - net	72,885.78	-	72,885.78
Installment sale receivables - net	-	640.95	640.95
Properties foreclosed - net	-	17,735.18	17,735.18
Total	72,885.78	18,515.70	91,401.48
Cash			4.30
Deposits at financial institutions			1,158.51
Accrued income from auction sale - net			4,981.49
Property, plant, and equipment - net			1,332.05
Intangible assets - net			10.65
Other assets			1,044.92
Total assets			99,933.40
Debt issued and borrowing			56,868.47
Accrued interest payable			277.21
Provision			751.76
Other liabilities			976.61
Total liabilities			58,874.05

9.25.2 Operation results classified by operating section

Unit : Million Baht

	2018			
	Performance of NPL	Performance of NPA and investment in securities	Other performance	Total
Interest income	1,856.82	92.92	25.85	1,975.59
Loss from investment in securities	-	(30.31)	-	(30.31)
Profits from credit from purchase of receivables	4,438.35	-	-	4,438.35
Profits from sale of available-for-sale assets	-	3,105.51	-	3,105.51
Profits from installment sale	-	115.21	-	115.21
Other operating income	57.87	73.50	15.42	146.79
Total operating income	6,353.04	3,356.83	41.27	9,751.14
Interest expenses	1,155.95	613.46	-	1,769.40
Other operating expenses				
Loss of available-for-sale impairment (reversal)	-	(20.50)	-	(20.50)
Other operating expenses	1,929.15	1,023.77	2.20	2,955.12
Total operating expenses	3,085.10	1,616.73	2.20	4,704.03
Doubtful and doubtful of loss	(162.19)	-	-	(162.19)
Operating profits before income tax	3,430.13	1,740.10	39.07	5,209.30
Income tax	-	-	7.28	7.28
Net profits	3,430.13	1,740.10	31.79	5,202.02

9.25.2 Operation results classified by operating section (cont.)

Unit : Million Baht

	2017			
	Performance of NPL	Performance of NPA and investment in securities	Other performance	Total
Interest income	1,877.52	117.29	33.23	2,028.04
Loss from investment in securities	-	(2.56)	-	(2.56)
Profits from credit from purchase of receivables	3,509.15	-	-	3,509.15
Profits from sale of available-for-sale assets	-	1,740.89	-	1,740.89
Profits from installment sale	-	184.44	-	184.44
Other operating income	14.48	141.17	10.23	165.88
Total operating income	5,401.15	2,181.23	43.46	7,625.84
Interest expenses	1,162.52	459.47	-	1,621.99
Other operating expenses				
Loss of available-for-sale impairment (reversal)	-	(69.34)	-	(69.34)
Other operating expenses	1,850.57	731.42	7.10	2,589.09
Total operating expenses	3,013.09	1,121.55	7.10	4,141.74
Doubtful and doubtful of loss	(1,024.93)	-	-	(1,024.93)
Operating profits before income tax	3,412.99	1,059.68	36.36	4,509.03
Income tax	-	-	8.21	8.21
Net profits	3,412.99	1,059.68	28.15	4,500.82

Information on geographical region

The Company operates business in one geographical region which is Thailand. As such, income and assets presented in the financial statements are regarded as reporting according to the geographical region.

9.25.2 Operation results classified by operating section (cont.)

Information on major customers

For the year ended 31 December 2018, the Company had income of 1,073 million baht (the amount equal to or exceeding 10% of the Company's revenue) from one major customer which was from the result of the operation of non-performing loans (NPLs). (In 2017: The Company had no income from any customer in the amount equal to or exceeding 10% of the Company's revenue.)

9.26 Additional information about cash and important items not related to cash

9.26.1 Cash and cash equivalents in statement of cash flow

Unit : Million Baht

	2018	2017
Cash	3.61	4.30
Deposits in transit	9.89	3.37
Current, saving, and fixed deposits	1,021.81	1,154.97
<u>Less</u> Deposits under guarantee obligation	(3.74)	(3.78)
Cash and cash equivalent items in cash flow statement	1,031.57	1,158.86

9.26.2 Cash paid for property, plant and equipment

Unit : Million Baht

	2018	2017
Creditors from purchase of property, plant, and equipment brought forward	4.85	3.32
Fees on purchase of property, plant, and equipment	76.02	100.90
<u>Less</u> Cash paid for property, plant, and equipment	(78.58)	(99.37)
Creditors from purchase of property, plant and equipment carried forward	2.29	4.85

9.26.3 Cash paid for intangible assets

Unit : Million Baht

	2018	2017
Creditors from purchase of intangible assets brought forward	1.28	0.21
Intangible assets purchase fees	6.60	2.79
<u>Less</u> Cash paid for intangible assets	(3.05)	(1.72)
Creditors from purchase of intangible assets carried forward	4.83	1.28

9.27 Assets with obligations

9.27.1 Obligations on operating lease agreements and long-term service agreements

The Company entered into operating lease agreements in relation to lease of land, building space, and equipment. Contractual terms range from 1 to 10 years.

As of 31 December 2018 and 2017, the Company had future payment obligation under the operating lease agreements which cannot be terminated in the minimum amount as below:

Unit : Million Baht

	2018	2017
Payment		
Within 1 year	5.41	3.22
Over 1 year but not over 5 years	1.39	2.24
Total	6.80	5.46

9.27.2 Obligations on capital expenditure

As of 31 December 2018 and 2017, the Company had obligations on capital expenditure for elevator maintenance with the contractual term of over 1 year as shown below:

Unit : Million Baht

	2018	2017
Payment		
Within 1 year	-	18.19
Total	-	18.19

9.28 Guarantee

As at 31 December 2018, the Company had letters of guarantee issued by banks under the name of the Company in a total amount of 3.74 million Baht (31 December 2017 : 3.78 million Baht) to guarantee use of electricity and others.

9.29 Contingent liabilities

As at 31 December 2018, the Company faced lawsuits with a total disputed amount of 779.40 million Baht (31 December 2017: 5,626.07 million Baht). All of such lawsuits are civil cases involving claims for damages, which resulted from its normal course of business. The Company believes that when these cases have become final, they will not materially affect its financial status and operation. Therefore, the Company has not yet recognized such potential consequential damages as its expenses.

9.30 Fair value measurement of financial instruments

9.30.1 Fair value hierarchy

To adopt fair value measurement technique, the business must use noticeable information related to assets or liabilities aimed for fair value measurement as much as possible. TFRS 13 regarding fair value measurement has classified fair value into three levels according to type of data used for measuring fair value as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Other observable inputs of assets or liabilities, directly or indirectly

Level 3 Unobservable inputs such as data on projected future cash flows

9.30.2 Assets and liabilities presented in fair value

As at 31 December 2018 and 2017, the Company had assets presented in fair value, classified by fair value hierarchy, as follows:

Unit : Million Baht

	2018				
	Net book value	Fair value			
		Level 1	Level 2	Level 3	Total
Asset value presented in fair value					
Investment in securities					
Equity securities in domestic market demand	88.15	88.15	-	-	88.15

9.30.2 Assets and liabilities presented in fair value (cont.)

Unit : Million Baht

	2017				
	Net book value	Fair value			
		Level 1	Level 2	Level 3	Total
Asset value presented in fair value					
Investment in securities					
Equity securities in domestic market demand	109.14	109.14	-	-	109.14

During the current year, there has been no transfer of transactions along the fair value hierarchy.

As at 31 December 2018 and 2017, the Company had financial assets and liabilities presented at cost with fair value presentation, classified by fair value hierarchy, as below:

Unit : Million Baht

	2018				
	Net book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets with fair value presentation					
Cash	3.61	3.61	-	-	3.61
Deposits at financial institutions	1,031.80	1,031.80	-	-	1,031.80
Investment in securities - net					
Held-to-maturity debt instrument	-	-	-	-	-
General investment	5.79	-	-	653.07	653.07
Credit for purchase of receivable - net	75,433.94	-	-	116,566.13	116,566.13
Installment sale receivables - net	708.30	-	-	1,632.40	1,632.40
Accrued income from auction sale - net	7,115.45	-	-	7,115.45	7,115.45
Financial liabilities with fair value presentation					
Debt issued and borrowing	57,709.28	-	-	58,064.18	58,064.18

9.30.2 Assets and liabilities presented in fair value (cont.)

Unit : Million Baht

	2017				
	Net book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets with fair value presentation					
Cash	4.30	4.30	-	-	4.30
Deposits at financial institutions	1,158.51	1,158.51	-	-	1,158.51
Investment in securities - net					
Held-to-maturity debt instrument	-	-	-	-	-
General investment	30.43	-	-	615.16	615.16
Credit for purchase of receivable - net	72,885.78	-	-	116,436.21	116,436.21
Installment sale receivables - net	640.95	-	-	1,384.41	1,384.41
Accrued income from auction sale - net	4,981.49	-	-	4,981.49	4,981.49
Financial liabilities with fair value presentation					
Debt issued and borrowing	56,868.47	-	-	57,385.78	57,385.78

The Company has estimated fair value of financial instruments according to the following criteria:

- (a) Financial assets to be matured in a short period of time or financial assets bearing interest rates comparable to market rates include cash, deposits at financial institutions and accrued income from auction sale. Fair value of such assets is estimated at book value presented in the statement of financial position as they will be matured in a short period.

9.30.2 Assets and liabilities presented in fair value (cont.)

- (b) Fair value of credit for purchase of receivables duly undergoing debt restructuring can be calculated as follows:
 - 1. Classified debtors classes 1 and 2 are calculated from cash flow from debt settlement plan with discount on MLR.
 - 2. Classified debtors classes 3, 4 and 5 are calculated from cash flow from sale of collateral assets. The year in which sale is expected is calculated from litigation status with discount on MLR, provided that the amount to be received must not exceed debt obligation on accrual basis.
- (c) For fair value of credit for purchase of receivables not yet undergoing debt restructuring, present value of future cash flow is calculated from sale of collaterals. The year in which sale is expected is calculated from litigation status with discount on MLR, provided that the amount to be received must not exceed debt obligation on accrual basis.
- (d) Fair value of installment sale receivables is calculated as follows:
 - 1. Installment sale receivables with 0-3 months overdue payment are estimated from cash flow from debt settlement plan with discount on MLR.
 - 2. Installment sale receivables with over 3 months overdue payment are estimated from cash flow from sale of collaterals. The year in which sale is expected is calculated based on past sale experience with discount on MLR.
- (e) Fair value of debt issued and borrowing in the type of subordinated and unsubordinated debts is calculated by using return rate announced by the Thai Bond Market Association. Fair value of issued debt instruments and floating interest-bearing loans will be estimated with reference to book value of those with fixed interest-bearing and calculated based on present value of projected paid cash flow in future discounted by estimated interest rate in the current market for loans with similar conditions.
- (f) Fair value of securities not listed on the stock market will be calculated using book value (BV) in the latest financial statements.

9.31 Reclassification

The financial statements for the year ended 31 December 2017 presented herein for comparative purposes include reclassification of some items to be consistent with the presentation of the financial statements for the year ended 31 December 2018. This reclassification has no effect on the operating results of the Company presented in the former report. The items are as follows:

Unit : Million Baht

	Before reclassification	Reclassification Increase (decrease)	After reclassification
<u>Income statement</u>			
Gain on sale of properties foreclosed	1,768.84	(27.95)	1,740.89
Premises and equipment expenses	307.16	(82.18)	224.98
Impairment loss on properties foreclosed (reversal)	(41.39)	(27.95)	(69.34)
Properties foreclosed expense	-	82.18	82.18

9.32 Approval of the financial statements

These financial statements were approved for issuing by the Board of Directors of the Company on 27 February 2019.

20th

 ANNIVERSARY

To the future Together

ก้าวสู่อนาคตไปด้วยกัน

BAM SUSTAINABLE DEVELOPMENT



The stability of the nation comes from a quality population that based on the foundation of a happy life, good living, having a home, having a career. We are ready to support activities that make Thai society to sustainable development.

1. General corporate information

1.1 Business operation philosophy

Bangkok Commercial Asset Management Public Company Limited (BAM) is confident that good business operation takes all stakeholders into consideration. Its success concept is BAM TOUCH

which is anchored on corporate culture and values that are concrete, clear and practical, and consistent with the vision and mission to drive the Company's business toward sustainable development.



BAM TOUCH is a practical approach for executives and employees to drive business operation in the same direction and create value of goodness by supporting and building knowledge and understanding of corporate culture and values for adherence organization-wide. Merits of this concept are in five perspectives, i.e. merit to

employees, shareholders, customers (creditors, competitors, trading counterparts), society (community, environment), and that to the country, which will push the organization toward its targets firmly and sustainably and clearly reflect good image of the organization embracing corporate governance.

1.2 Corporate social responsibility policy toward sustainable success

BAM has put in place a corporate social responsibility policy aiming business operation sustainability in economic, social, and environmental terms in

linkage to stakeholders. The policy is anchored on sustainability in three areas, i.e. good people, good product, and good society.

- **Good People**
- **Good Product**
- **Good Society**

Good Product

BAM holds on to the concept of responsibility toward consumers and society, with product innovation and quality services in response to customer needs without adverse impact on the society and the environment and infringement of intellectual property rights.

Good People

BAM emphasizes on encouraging personnel to be good citizens living and working with honesty and taking no advantage of stakeholders, the society, and the country, and with adherence to anti-corruption and anti-fraud policy and procedure, so that personnel are developed to have potential and capabilities to perform duties with continuous progress.

Good Society

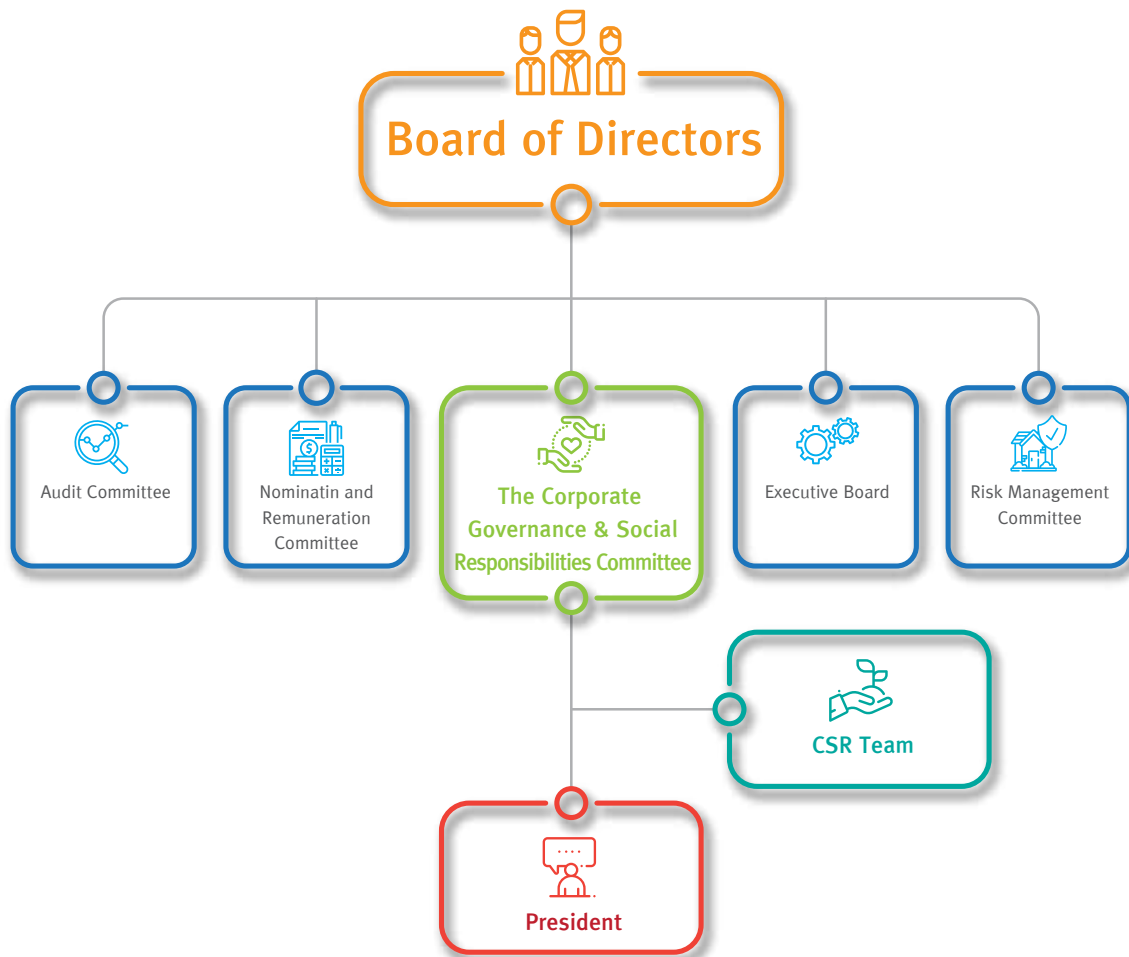
BAM encourages personnel to have responsibility toward the society and the environment by supporting activities that promote efficient utilization of resources to preserve the environment, and enable the underprivileged to earn a living and build a strong community.



1.3 Organization structure and sustainable development

The Board of Directors has established Corporate Governance and Social Responsibility Committee to support the Company's operation in defining

policy, criteria, and guidelines in accordance with the corporate governance and corporate social responsibility principles for the sustainable success of the Company.



1.4 Business direction

BAM has clearly defined its vision and mission to suit the surrounding environment and respond to long-term business trends, which are instrumental to driving the organization to sustainability.

Vision :

To be the best asset management company of the country

Mission :

- Have excellent management with consistent and sustainable growth
- Develop products and services that cater to customers' needs
- Focus on bringing satisfaction to parties concerned
- Have good corporate governance
- Encourage personnel to develop knowledge and expertise as well as service mindedness
- Play a role in the country's economic and social development

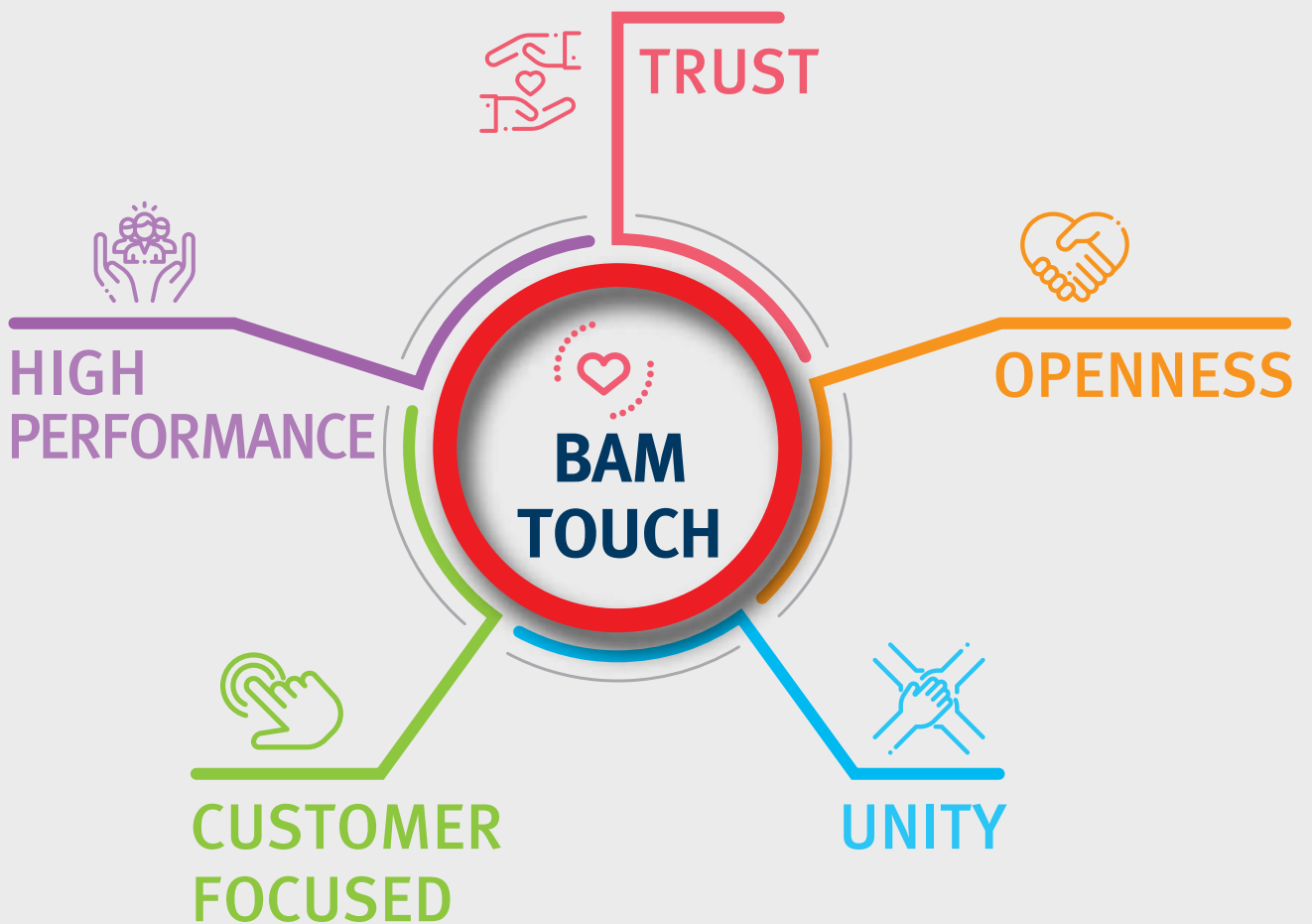
Organization objectives :

Be committed to perform as the public sector mechanism in managing NPLs/NPAs by helping turn around faithful debtors' creditability, jointly solving NPL problems in the financial institution system, and rehabilitating property sector NPA development to boost asset standard and potential to meet market demand.

BAM



BAM TOUCH



TOUCH



Trust (“wang jai”)



Trustworthy means adhering to righteousness in accordance with professional standards, behaving with belief in honesty, doing as promised to create mutual trust, clarifying and disclosing information in a sincere and transparent manner, which will bring about a work environment under mutual corporate governance practice.

Openness (“poet jai”)



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 (“ruam jai”)



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 (“khao jai”)



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 (“sai jai”)



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.

1.5 Major recognition and awards (2016 - 2018)



4 October 2018

Received a plaque of honor "Excellent CSR Organization" from Ministry of Social Development and Human Security as an organization contributing to social benefits.



27 August 2018

Won an outstanding award of Thailand Energy Awards 2018 in the category of personnel, working team of energy management of control buildings, from Department of Alternative Energy Development and Efficiency, Ministry of Energy.

7 June 2018

Received a member certificate of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for efficient and transparent business governance.



21 August 2017

Earned an outstanding award of Thailand Energy Awards 2017 in the category of personnel, working team of energy management of control buildings, from Department of Alternative Energy Development and Efficiency, Ministry of Energy.



6 December 2016

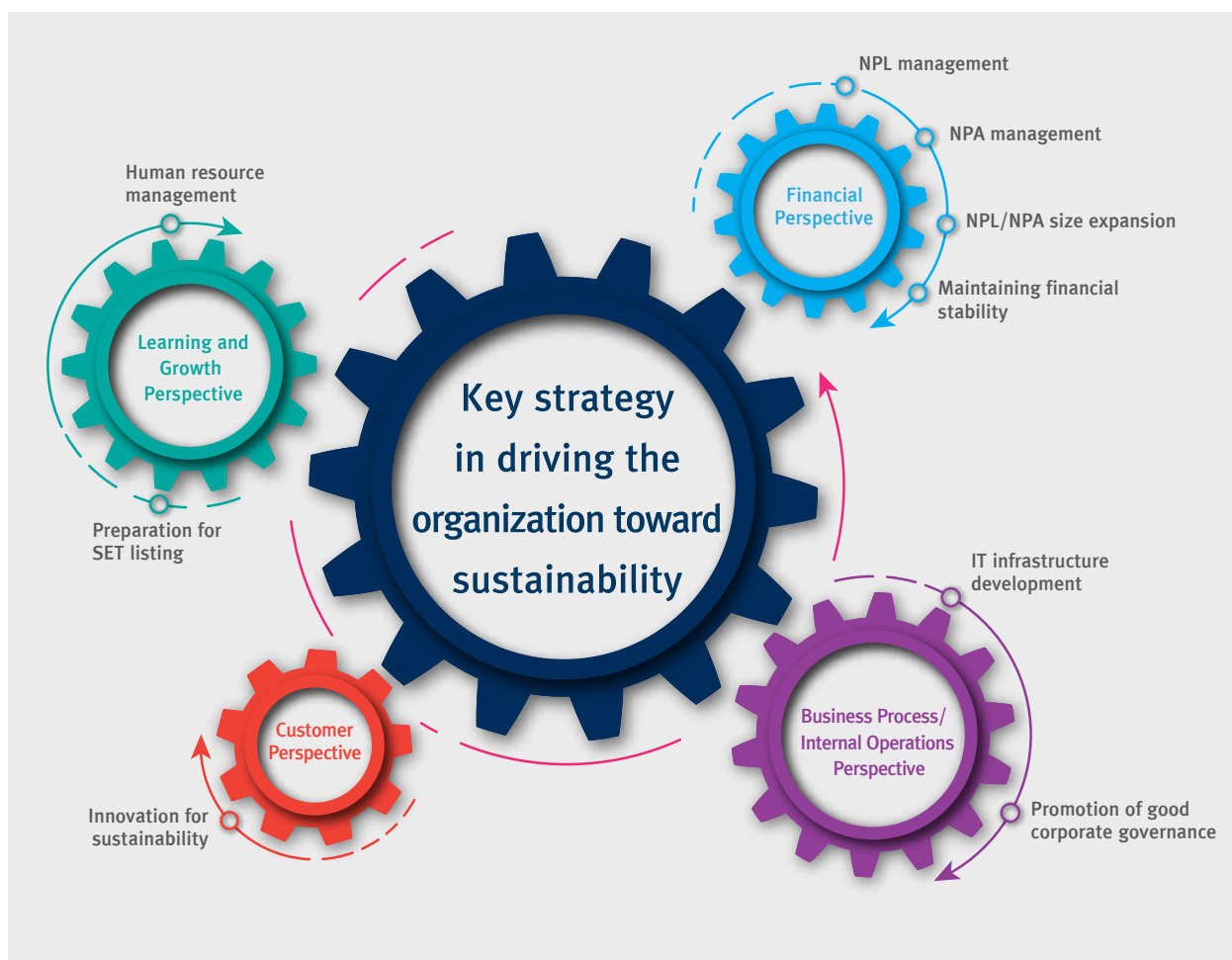
Earned an outstanding award of Thailand Energy Awards 2016 in the control buildings category from Department of Alternative Energy Development and Efficiency, Ministry of Energy.

1.6 Key strategy in driving the organization toward sustainability

Sustainable development

BAM has pursued its vision to be the best asset management company of the country with excellent management, development of products and services to cater to customers' needs with a view to building satisfaction among stakeholders, development and promotion of corporate governance principles for transparent and honest business operation, and

enhancement of personnel's knowledge and expertise as well as service mindedness. The Company aims to take part in the country's social and economic development under the main strategy of driving the organization toward sustainability in four perspectives, i.e. finance, business process/internal operations, customers, and learning and growth.

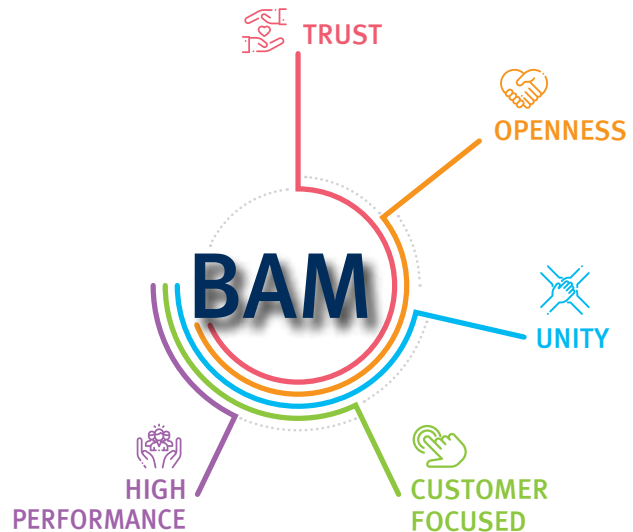


BAM SUSTAINABLE DEVELOPMENT



2. Corporate social responsibility and sustainable development policy

BAM believes that its BAM TOUCH success concept which is based on the term “jai,” meaning “mind” in Thai, corresponds with the areas “Good People, Good Product, Good Society” on which the Company’s corporate social responsibility policy is anchored through the Trust, Openness, Unity, Customer-focused, and High-performance process.



3. Operation in relation to stakeholders



BAM has identified and prioritized its stakeholders based on its core business of NPL/ NPA management with the guidelines to make decision in line with the objectives of its stakeholders. The Company considers their needs, interest, and direct and indirect impacts from its operation policies, as well as generation of mutual benefits between business and stakeholders. Stakeholders related to its business process comprise of employees, shareholders, customers, creditors, competitors, trade partners, the society, the community, the environment, and the country.

4. About report

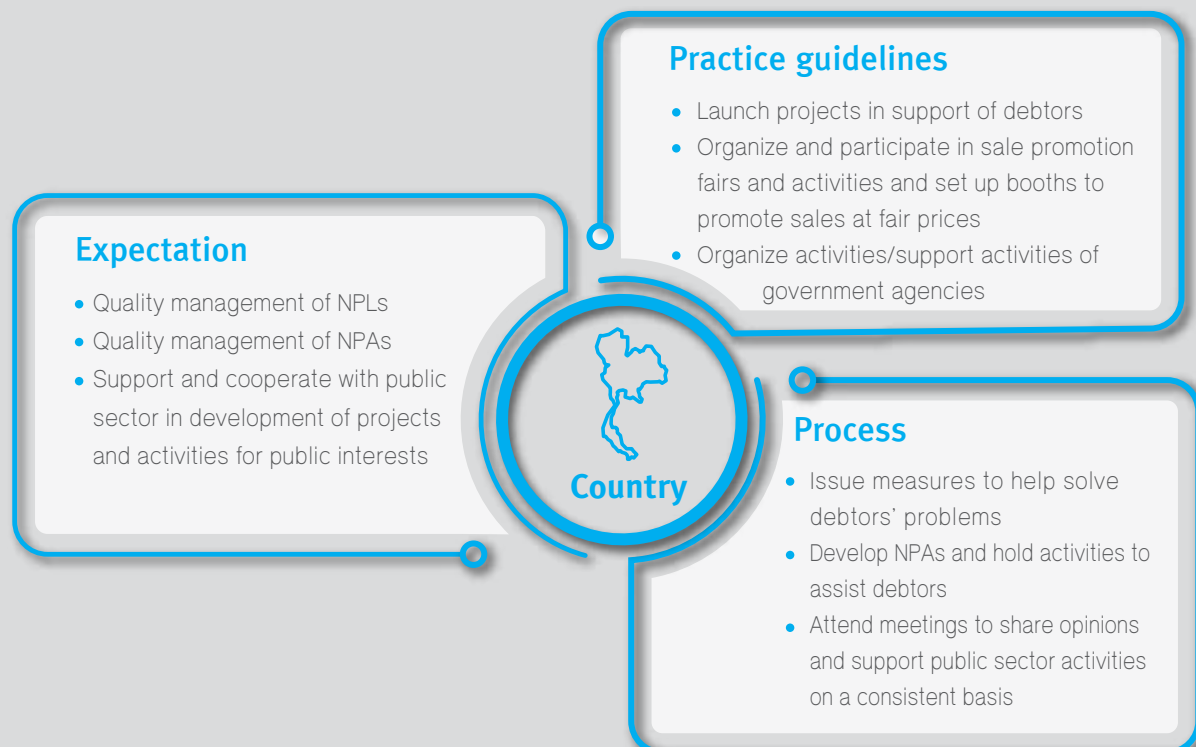
Scope of report :

This Sustainability Report has been prepared to present the Company's operating results in 2018 (1 January - 31 December 2018) on the part of management for sustainability which is related to the economy, the society, and the environment. Its operation guidelines accord with the sustainable development master plan under the corporate social responsibility policy which is anchored on three areas: "Good People, Good Product, Good Society." BAM has prepared and disseminated information regarding its report with reference to the indicators of Global Reporting Initiative Version Standard 2018

(GRI Standard 2018) and UN sustainability development goals. Contents of the 2018 report mainly focus on the operation in accordance with its business operation direction, vision, corporate strategy, good corporate governance, and concrete practical guidelines of work philosophy, as well as caring for employees, development of employees to be good people, creation of value added to business, and bringing opportunities to the society and the community on a sustainable basis by linking the above context to the economic, social, and environmental sustainability in international context.

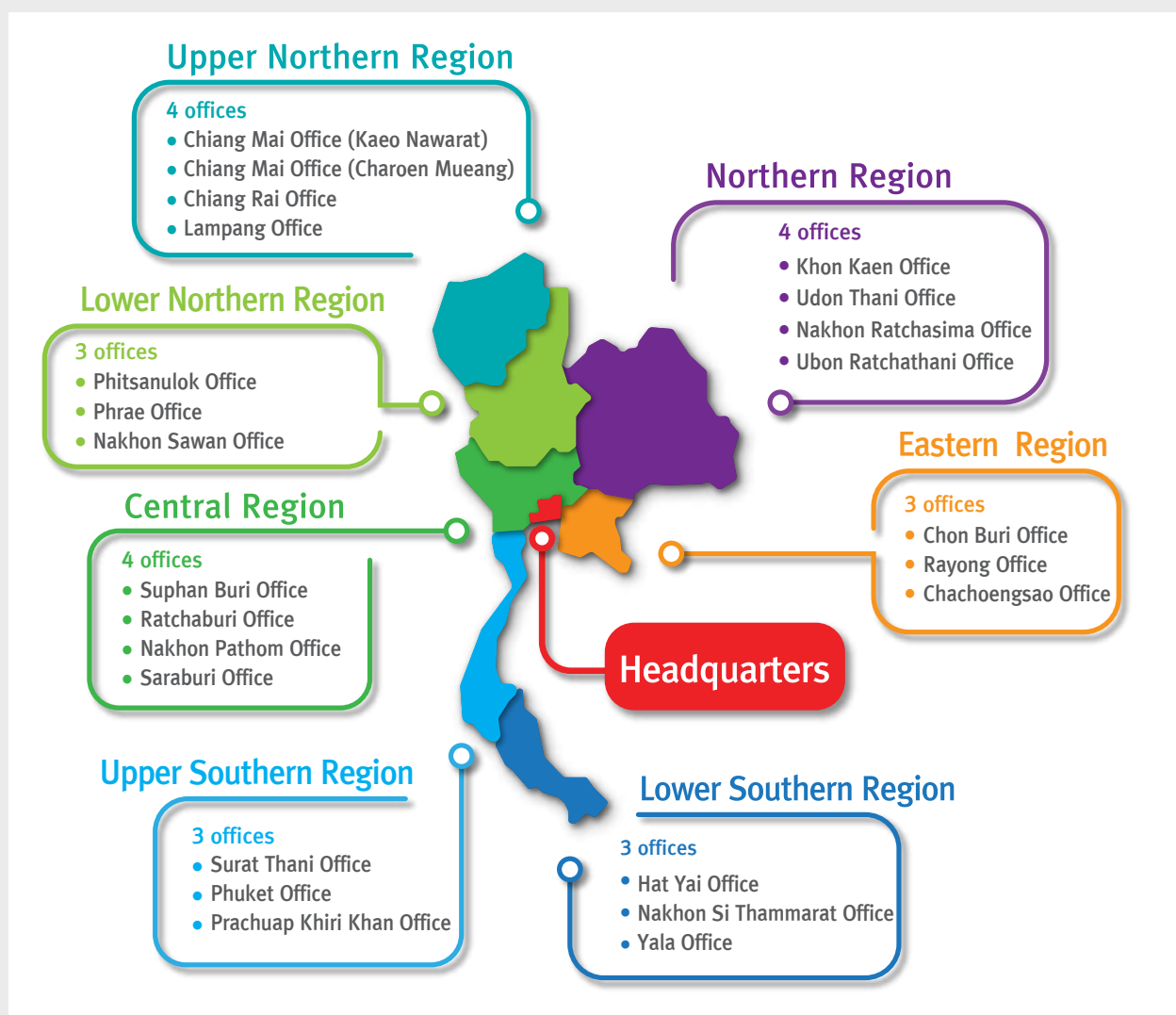






5. Reporting scope

The Sustainability Report 2018 exhibits BAM's operating results covering all work processes of the headquarters and regional offices as follows:



Information inquiry: For more information and suggestions, please contact Corporate Communications Department

Bangkok Commercial Asset Management Public Company Limited
 99 Surasak Road, Silom Subdistrict, Bang Rak District, Bangkok 10500
 Tel: 0 2267 1900 E-mail: webmaster@bam.co.th

6. Important sustainability issues

BAM has compiled important information for analyzing trends and direction of major changes to support its review of policies or action plans to align with the situations so that the Company can maintain its capabilities to achieve the targets according to its sustainability development roadmap (SD Roadmap) under the corporate social responsibility policy in three areas: “Good People, Good Product, Good Society” and link its key sustainability issues to the economic, social, and environmental sustainability, as categorized according to the GRI Standard 2018 and UN sustainability development goals.

- **Determination of important reporting issues**

The Company adheres to the principle of participation by stakeholders and to which it considers factors that can respond in the viewpoints of stakeholders which may affect the Company’s sustainability issues in respect of the economy, the society, and the environment.

- **Identification of important issues**

Internal : Persons in charge of important sustainability issues and corporate strategy, as well as risk management which is subject to short-term, medium-term, and long-term assessment to ensure attainment of targets set forth.

External : Persons in charge in collaboration with stakeholders to find out factors that may affect stakeholders’ decision-making by surveying opinions, assessing various areas, or official and unofficial compilation of data like dialogues, seminars, etc.

- **Prioritization**

Issues of material respect to the Company and stakeholders are analyzed in comparison with issues and indicators under the GRI Standard 2018 with focus on importance of each issue to the Company through assessment of opportunities and threats, and to the stakeholders through assessment of degrees of impacts or threats, details of which are as follows:

Issues of material respect to the Company



Corporate social responsibility policy toward sustainability

BAM has a policy in place to operate its business with priority attached to social and environmental responsibility in both CSR-in-process and CSR-after-process, focusing on conduct of business in conjunction with environmental preservation

and living with the community sustainably, resulting in the integration of social and environmental responsibility to the concept in the areas of "Good People, Good Product (Service), Good Society."



Development of good people

BAM focuses on promotion and development of personnel to be good people with the characteristics of being the givers who sacrifice and have concentrated mind, and development of skills and knowledge to build good and great personnel who love the organization and who can help drive the organization toward success by encouraging the employees to boost their expertise and efficiency in work performance and mutually develop their attitude and cultivate characters to build corporate culture which can help the Company grow and progress sustainably.

"Good People" of BAM have the following characteristics:

1. **Being a giver** Instill generosity and sense of willing contribution and sharing of happiness in employees to assist and support the society.
2. **Being a sacrificer** Encourage employees to have public mind, give cooperation and make sacrifice, to build social value and benefits.
3. **Having concentrated mind** Encouraging employees to practice themselves to be concentrated and determined to uphold the code of conduct and ethics in development of their work and services.

Being a giver through the following activities:



organizing Kathin ceremony

Hold activities to encourage employees to participate in supporting the society through monetary and non-monetary donations, such as organizing Kathin ceremony to support Buddhism, blood donation activity, and annual donation of old calendars of employees for further donation to schools for the blind and technology centers for the blind.



Donation activity

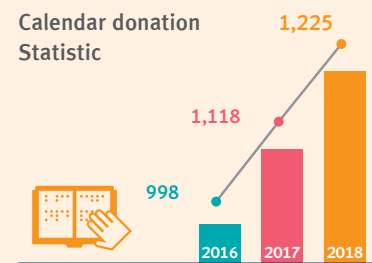


blood donation activity



Calendar donation for the blind.

**Calendar donation
Statistic**



Being a sacrificer through the following activities:

Support and promote employees' good deeds which help employees to deeply understand the meaning of sacrifice so that they will develop themselves to have a good heart and human relations.

Invite employees to join forces to contribution to the society through holding the "CA Rally CSR" charitable rally activity in which staff jointly planted trees to preserve the environment at Sirindhorn International Environmental Park, Phetchaburi province.



Staff jointly planted trees

Having concentrated mind

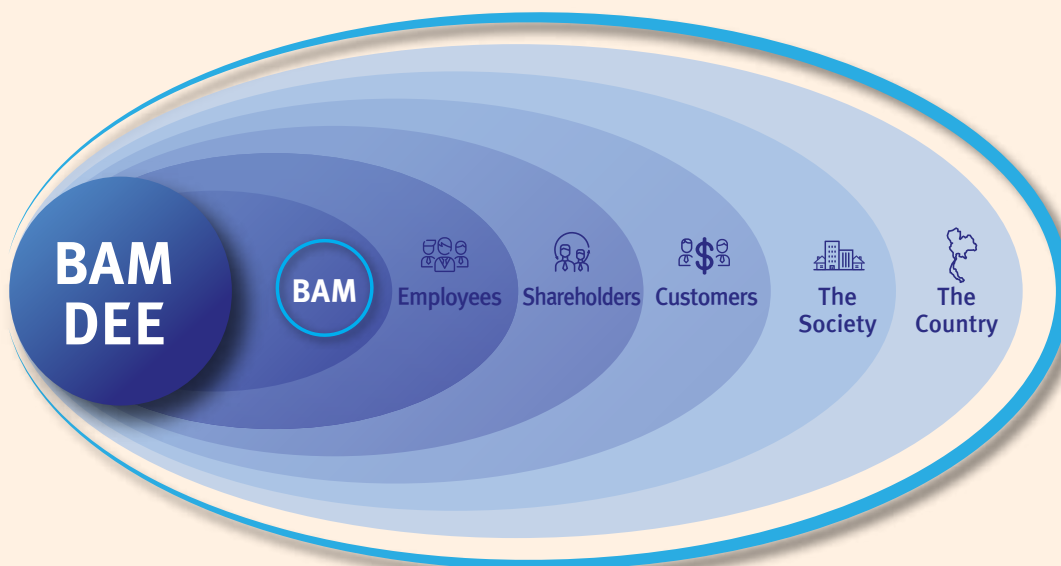
through the following activities:



Holding dharma lecture activity, practice dharma to enhance concentration in order to remind employees to be determined in doing good deeds.

BAM has organized activities to provide employees with knowledge on various areas including working skills and others such as lectures and seminars to enhance their knowledge about the organization, mindset toward success, as well as projects to support being good people. Activities are arranged in the form of instilling employees' sense of giving and consciousness to sacrifice to the public, and adhering to morality and ethics in performance of duties which will be beneficial to employees and the society in overall. All employees are encouraged to participate in these activities.

In addition to being good people, BAM has also linked to the BAM DEE ("BAM Good") project anchored on such behaviors as doing good toward employees, shareholders, customers, creditors, competitors, trading partners, the society, the community, the environment, and the country, as below:





1. Good toward employees

- Hold activities to promote employees' good health, unity and good relationship, as well as recreational clubs, e.g. sports club, music club, etc. for employees' participation and further for social benefits.



2. Good toward shareholders



- Organize the shareholders' meeting to report the Company's operating results and targets.



3. Good toward customers (creditors, competitors, trading partners)



- Organize activities to strengthen relationship with customers and build understanding of joint contribution to the society such as planting of artificial coral reefs in Chonburi province, and a visit to BAM's Baan Suan Suk Jai project, as well as giving lecture on knowledge of energy-saving houses.



4. Good toward the society (community, environment)



- Encourage employees to have a volunteering public mind and do good deeds for the community and society which will raise employees' awareness of the importance of sacrifice, collaboration, and unity for mutual purpose, i.e. community development, hence good relationship between the organization and the community. Those who regularly do activities for the community will be able to develop themselves to have a good heart and good human relations. Activities organized by the Company include forestation, preservation of aquatic animals, and knowledge on sorting garbage to protect the environment.



5. Good toward the country

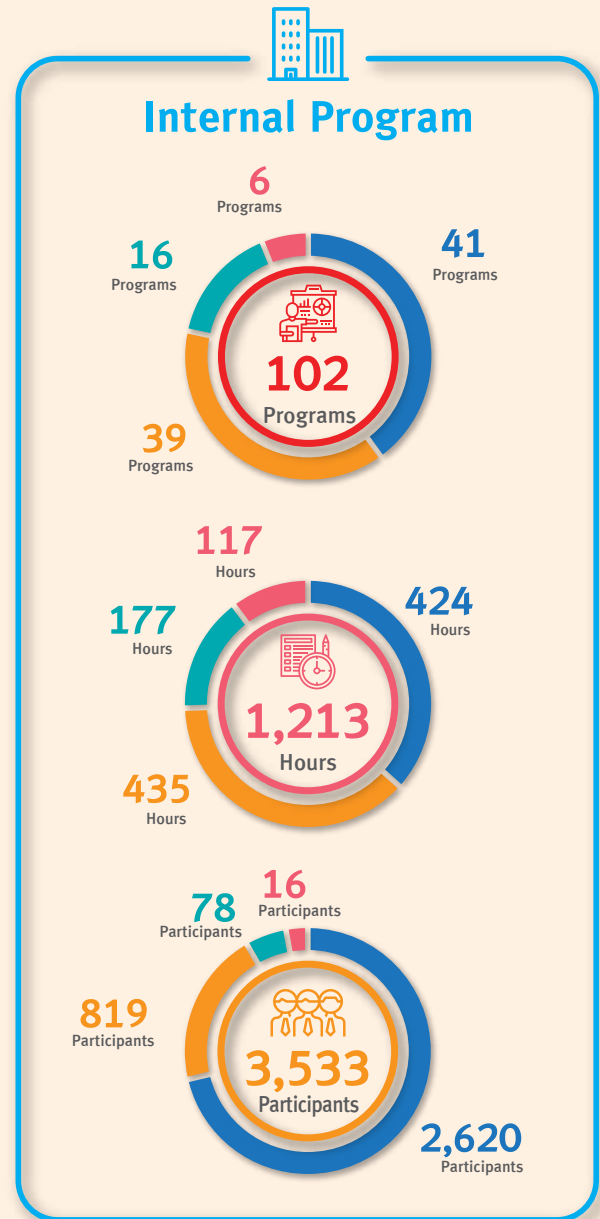


- Manage NPLs/NPAs by launching projects to help debtors get their property back and to help customers buy property at fair prices, which will partly contribute to national economic stability.

Talent development (Great People)

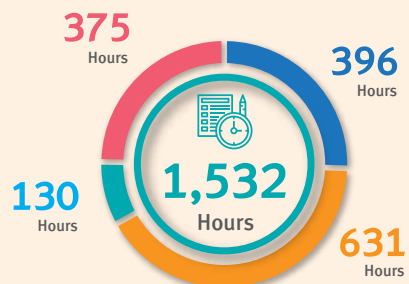
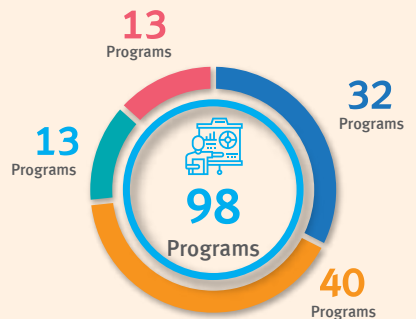
Employees are a valuable resource which will lead the organization to success. Therefore, the Company focuses on supporting, training, and developing knowledge and capabilities of its employees to ensure their professional security and allow for their career advancement according to their potential, as well as encouraging them to take part in setting operational direction, and using IT in selection of personnel and development of their potential for their career advancement with an objective of becoming a leading Thai company.

Personnel are instrumental to BAM being able to efficiently compete with other organizations and operating business to achieve the vision, mission, and targets. The Company has thus focused on supporting, training, and developing knowledge and capabilities of employees for their professional security and career advancement based on their potential, as well as encouraging them to participate in determining operational direction, and using IT and communication in selection of personnel and development of their potential for their career advancement. Internal and external training programs comprise:



- Officer
- Deputy Manager - Manager
- Senior Director
- Executive Vice President and higher

External Program



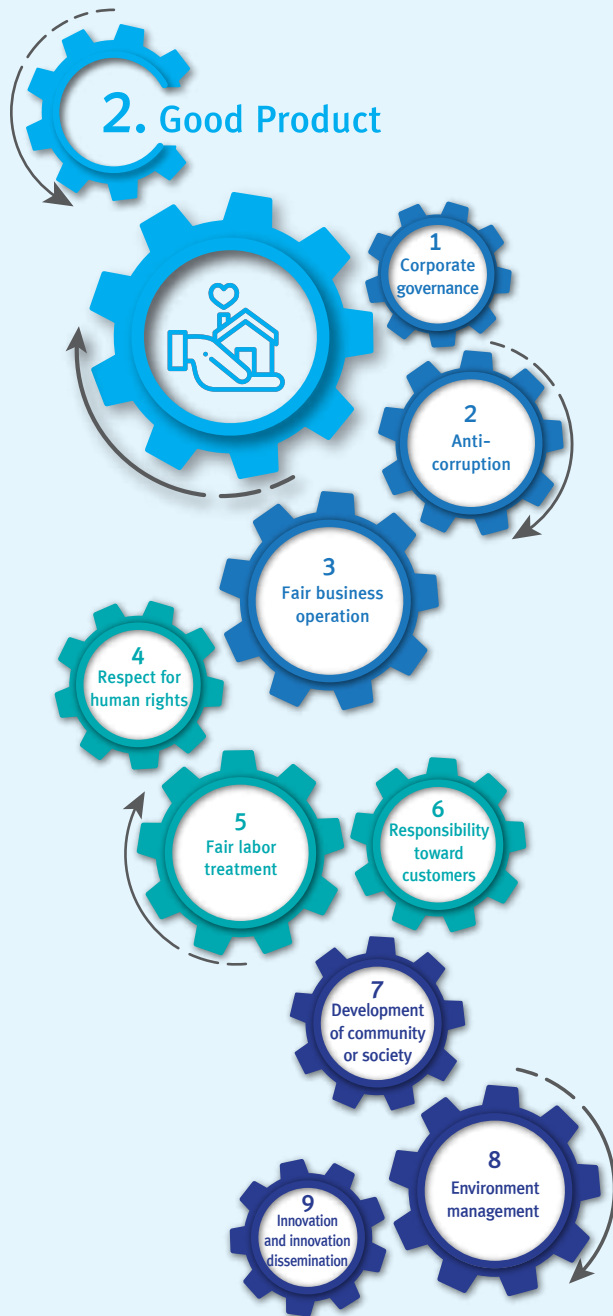
- Officer
- Deputy Manager - Manager
- Senior Director
- Executive Vice President and higher



In addition, “Great People” mean employees who are able to share or pass on their skills, knowledge, and capabilities to other employees, the community, and the society.



Hold lectures to give knowledge to university students or general public about business operation in the area of NPL/NPA management.



BAM adheres to responsibility toward consumers and the society to create innovation and quality services to respond to customers' needs without impact on the society and the environment nor infringement of intellectual property rights, and with sufficient and qualified public utility system and development to achieve the targets.

1. Corporate governance

The Board meeting resolved to boost the Company's good corporate governance level for use as practical guidelines by improving the former five sections to eight principles to be in line with the corporate governance principles (revised version) of the Securities and Exchange Commission.





2. Anti-corruption

In 2018, BAM participated in the declaration of anti-corruption and certified as a member of Private Sector Collective Action Coalition against Corruption (CAC) of Thai Institute of Directors (IOD) with determination to translate the policy and procedure into practice as a truly transparent organization.

3. Fair business operation

In business operation which reflects fair and equitable competition and respect toward intellectual property, BAM purchase NPAs on a first come first serve basis with consideration based on purchase conditions or auction bidding as appropriate according to the procedures and at its discretion.



4. Respect for human rights

BAM realizes that employees are a key factor in driving the business to success. It has thus given importance to fair treatment of employees in respect of giving opportunity, remuneration, appointment, transfer, and development of potential in combination with development of morality so that they are capable and good people of the society.



Talent group training



5. Fair labor treatment

The Company has complied with human right laws and relevant international standards without employment discrimination, forced labor, or child labor abuse. Employees have freedom in association and access to social protection and protection of work conditions of employees, support for and opportunity given to employees to apply for a representative position in labor relations committee.

6. Responsibility toward customers

The Company has established an efficient customer data collection system, managed relationship with customers before and after business operation, provided information to customers correctly and comprehensively, and been able to respond to customer needs efficiently and sustainably. It held an activity in collaboration with Garden Home Bangkok Village to look after the central area together with the village members and organized the Big Cleaning Day activity to make available the playground for the village.



7. cooperation in development of community or society

BAM has defined a framework and guidelines on development of community and society with focus on strengthening the society to live happily together, bringing opportunities for education, art and culture in accordance with the development direction of the public sector and the community way of life for better quality of life and community economy on a sustainable basis.



Energy saving campaign - holding activities to give knowledge to employees and people in the community so that they cooperate in protection and preservation of natural resources and the environment.

8. Environment management

This covers four major areas, i.e.

- (1) pollution control
- (2) sustainable utilization of resources
- (3) reduction of and adaptation to global warming, and
- (4) environmental protection



9. Innovation and innovation dissemination

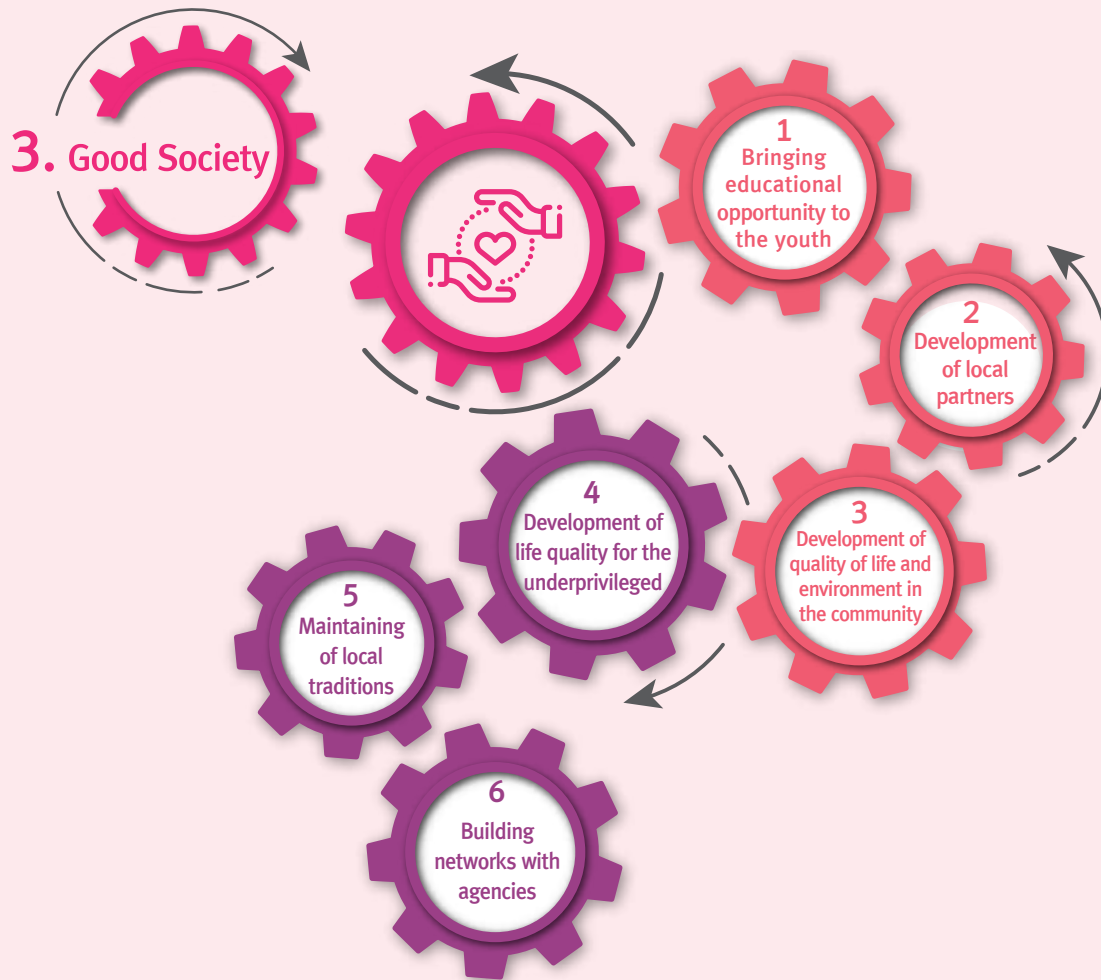
BAM encourages its employees at all levels to take part in organization management by giving opportunity to employees to propose ideas and initiatives toward sustainable value-added innovation.

Baan Suan Suk Jai project features building of residence with focus on energy saving, application of health-focused organic agriculture which is environmentally friendly, and combination of Smart Home and Smart Farm technologies, as well as a friendly design and use of energy from solar cells.



Preparation of Corporate Social Responsibility Report

In 2018, BAM prepared the corporate social responsibility report as part of its annual report.



BAM encourages its personnel to have responsibility toward the society and the environment in all dimensions by promoting corporate governance activities for efficient use of resources as a way to maintain and protect the environment and helping the underprivileged to earn income and build a robust community, supporting occupational health, sanitation and safety development, and promoting healthcare and work environment of employees and nearby community.

The Company has regularly sponsored activities beneficial to the society to build a strong society with stakeholders taken into consideration, and supported the underprivileged so that they can sustainably earn income on their own and build a strong community, as below:

1. Bringing educational opportunity to the youth



- 1.1 Scholarship granting project, 11th year, for junior school children nationwide: 1,000 scholarships a year worth 3,000 baht each.



- 1.2 Provision of scholarships in educational support on special occasions such as on the National Children's Day to hilltribe students in Chiang Mai province, to students in the communities, etc.

- 1.3 Refurbishment of school buildings, libraries, canteens and playgrounds, and provision of educational tools and computers to various schools.



- 1.4 Provision of books to libraries of 144 schools in various regions across the country such as bilingual story books (Thai-English), books on Royal initiative projects, etc

2. Development of local partners

Holding meetings with property developers with participation by contractor entrepreneurs to listen to guidelines on collaboration with BAM and criteria on selection of entrepreneurs under a transparent policy and with fair and equitable treatment of all parties.



3. Development of quality of life and environment in the community



- 3.1 "Dream comes true... Together" (Term Fun Baan Mai) activity for the community along the canal to support development of the Baan Munkong Latprao Samukkee community, with presentation of a budget for building a multipurpose ground and procurement of fitness equipment together with 50 scholarships to children in the community.

- 3.2 "We take care of the world - The world takes care of you" activity to give knowledge about garbage sorting and safe seawater swimming by giving four sets of sorting garbage bins and 100 life vests to Chao Samran beach entrepreneur club, Phetchaburi province.



4. Development of life quality for the underprivileged



- 4.1 "Term Fun Pan Nam Jai with BAM" project, 11th year, to give donations to support the disabled, the poor, and the underprivileged children.



- 4.2 Support activities on the National Children's Day of various youth centers and schools.

- 4.3 Donation of sports equipment, learning equipment and computers to needy agencies and schools.



5. Maintaining of local traditions



- 5.1 Support for Thai art and culture preservation activity, by carving the Buddhist Lent festival candles at Pasukaram temple, Ubon Ratchathani province.



- 5.2 Support for the Valentine's event "Season of Love at Bang Rak" of Bang Rak Cultural Council, Bang Rak district, Bangkok.

- 5.3 Support for local music contest (Ponglang), Loei province



6. Building networks with agencies

Provision of ambulances and life-saving equipment worth 1,900,000 baht to Walailak University Hospital for moving emergency patients.

Operation Summary

In 2018, BAM was committed to being a key mechanism for the public sector in managing NPLs by supporting debtors and solving financial institution problems, rehabilitating real estate business by developing potential assets to reach the acceptable standards and become more marketable. Its operation is aimed at corresponding to the economic, social, and environmental growth by linking various activities of

stakeholders to the corporate strategy to be part of operation under the sustainability development policy anchored on the areas: “Good People, Good Product, Good Society,” as well as instilling the corporate values in employees under the BAM TOUCH concept as a major part of personnel quality enhancement in its sustainable development operation in 2018.



“Good People”

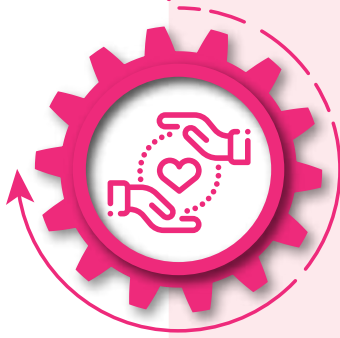
BAM focuses on building BAM personnel to be good and great people by supporting and developing them to be “good people” with the characteristics of being the givers who sacrifice and have concentrated mind, with the target to mutually develop their attitude and cultivate characters to build corporate culture which can help the Company grow and progress sustainably.

“Good Product”

BAM receives transfer of NPLs from financial institutions for management to reduce bad debts in the country’s economic system. For debtors or customers who are in trouble from debt obligations, BAM has solved the problem for the customers to get assets back to resume use as their residences or business operation as usual through a number of projects, e.g. voluntary basis restructuring, retail debtor (credit card) assistance, asset transfer for debt set-off project, disaster victim assistance project, and asset return project.

For the NPA management and disposal, the Company focuses on disposing assets by holding property events, setting up booths, sale promotion events, special campaigns and promotions, and asset purchase assistance for its customers, such as property purchase via installment payment for retail buyers to enable low-income people to have their own residence and be able to access financial source, and public price condo project to help low-income earners who want to have their own residence at reasonable prices and ready-to-live quality. Assets in various areas are on sale at special prices with a great number of privileges. Moreover, an energy-saving house project has been launched using design and refurbishment materials that take into account energy saving and environmental impact reduction. There is also a safe home project specially designed for residents who are the elderly.





Good Society”

BAM is determined to give back to the society to emphasize its CSR commitment. Therefore, it has a policy to promote, support, develop, and initiate projects and activities covering all areas nationwide to pay back to the community, the society, and the environment as well as managing assets with focus on national economic development anchored on four areas, i.e. support for education, bringing opportunity to those in trouble in the society, giving opportunity to the underprivileged, and support for organizations, agencies, and foundations through organizing activities for public charity, music, sports, religion, art and culture, and the environment.

Throughout the period of sustainable development operation according to the “Good People, Good Product, Good Society” policy, the BAM TOUCH concept is upheld to facilitate stakeholders’ participation in the sustainable development operation in economic, social, and environmental respects.

This report has been prepared based on the framework and guidelines on sustainability development report preparation under the GRI Standard and UN sustainable development goals, with the Company’s intention to develop it to reach the international standards. In 2018, the Company remained steadfast in operating its business with sustainability under the GRI Standard and UN sustainable development goals as much as possible.



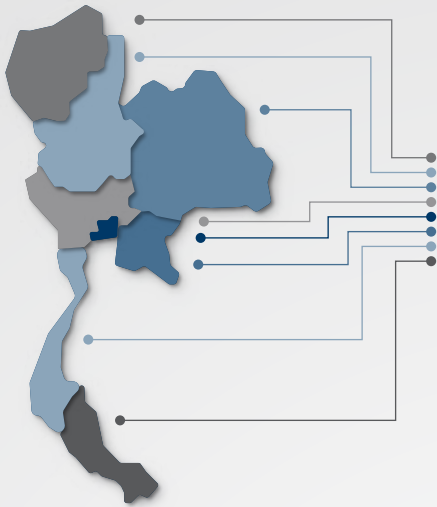
ADDRESS OF HEAD OFFICE AND BRANCH

Department/Office	Address	Telephone	Fax
Bangkok Office	99 Surasak Rd., Silom Sub-district, Bang Rak District, Bangkok 10500	(02) 267-1900	(02) 266-3377
Regional Loan Restructuring and Sales Department (Upper Northern Region)	207/11 Kaeo Nawarat Rd., Wat Ket Sub-district, Mueang District, Chiang Mai 50000	(053) 246-621-2	(053) 246-619
Chiang Mai Office (Kaeo Nawarat)	207/11 Kaeo Nawarat Rd., Wat Ket Sub-district, Mueang District, Chiang Mai 50000	(053) 266-472-5	(053) 266-476
Chiang Mai Office (Charoen Mueang)	115 Charoen Mueang Rd., Wat Ket Sub-district, Mueang District, Chiang Mai 50000	(053) 244-075-6	(053) 244-077
Chiang Rai Office	246 Thanalai Rd., Wiang Sub-district, Mueang District, Chiang Rai 57000	(053) 711-003 (053) 711-763 (053) 711-773 (053) 711-146	(053) 711-503
Lampang Office	399/7-8 Lampang-Ngao Highway Rd., Suan Dok Sub-district, Mueang District, Lampang 52100	(054) 217-127 (054) 217-321 (054) 228-380	(054) 226-641
Regional Loan Restructuring and Sales Department (Lower Northern Region) (Temporary)	168/1, 168/2 Sanambin Rd., Nai Mueang Sub-district, Mueang District, Phitsanulok 65000	(055) 247-333 (055) 247-477	(055) 247-476
Phitsanulok Office (Temporary)	168/1, 168/2 Sanambin Rd., Nai Mueang Sub-district, Mueang District, Phitsanulok 65000	(055) 247-488 (055) 247-489	(055) 247-487
Phrae Office	235 Charoen Mueang Rd., Nai Wiang Sub-district, Mueang District, Phrae 54000	(054) 511-049 (054) 511-546 (054) 621-121	(054) 511-782
Nakhon Sawan Office (Temporary)	163/61 Matulee Soi 11 Rd., Pak Nam Pho Sub-district, Mueang District, Nakhon Sawan 60000	(053) 372-107-8	(053) 372-109

Department/Office	Address	Telephone	Fax
Regional Loan Restructuring and Sales Department (Northeastern Region)	292 Na Mueang Rd., Nai Mueang Sub-district, Mueang District, Khon Kaen 40000	(043) 225-226-8	(043) 225-229
Khon Kaen Office	292 Na Mueang Rd., Nai Mueang Sub-district, Mueang District, Khon Kaen 40000	(043) 225-226-8	(043) 226-219
Udon Thani Office	165,167 Pho Si Rd., Mak Kaeng Sub-district, Mueang District, Udon Thani 41000	(042) 240-538-40	(042) 221-158
Nakhon Ratchasima Office	30 Pho Klang Rd., Nai Mueang Sub-district, Mueang District, Nakhon Ratchasima 30000	(044) 244-288 (044) 244-388 (044) 255-726	(044) 241-594 (044) 259-386
Ubon Ratchathani Office	7 Kantharaluk Rd., Warin Chamrap Sub-district, Warin Chamrap District, Ubon Ratchathani 34190	(045) 321-161 (045) 321-382 (045) 269-422	(045) 321-062
Regional Loan Restructuring and Sales Department (Central Region)	330/1-3 Moo 5, Phaikwang-Ladtan Rd., Tha Rahat Sub-district, Mueang District, Suphan Buri 72000	(035) 524-183-5	(035) 521-372
Suphan Buri Office	330/1-3 Moo 5, Phaikwang-Ladtan Rd., Tha Rahat Sub-district, Mueang District, Suphan Buri 72000	(035) 524-183-5 (035) 522-993	(035) 524-186
Ratchaburi Office	194/2 Songphol Rd., Ban Pong Sub-district, Ban Pong District, Ratchaburi 70110	(032) 211-045 (032) 211-934 (032) 301-021	(032) 221-892
Nakhon Pathom Office	603 Phet Kasem Rd., Huai Chorakhe Sub-district, Mueang District, Nakhon Pathom 73000	(034) 243-381-3	(034) 243-384
Saraburi Office	127 Phahon Yothin Rd., Pak Phraio Sub-district, Mueang District, Saraburi 18000	(036) 221-871 (036) 223-989	(036) 223-733
Regional Loan Restructuring and Sales Department (Eastern Region)	83/5-7 Moo 2, Sukhumvit Rd., Samet Sub-district, Mueang District, Chon Buri 20000	(038) 144-130-2	(038) 144-138
Chon Buri Office	83/5-7 Moo 2, Sukhumvit Rd., Samet Sub-district, Mueang District, Chon Buri 20000	(038) 144-130-2	(038) 144-135

Department/Office	Address	Telephone	Fax
Rayong Office	79 Sukhumvit Rd., Tha Pradu Sub-district, Mueang District, Rayong 21000	(038) 611-028 (038) 611-591 (038) 612-836	(038) 612-837
Chachoengsao Office	108/16-17 Mahachakaphat Rd., Na Mueang Sub-district, Mueang District, Chachoengsao 24000	(038) 512-900-1	(038) 512-902
Regional Loan Restructuring and Sales Department (Upper Southern Region)	14-14/1-2 Talat Mai Rd., Talat Sub-district, Mueang District, Surat Thani 84000	(077) 272-186 (077) 273-289 (077) 288-472	(077) 222-286
Surat Thani Office	14-14/1-2 Talat Mai Rd., Talat Sub-district, Mueang District, Surat Thani 84000	(077) 284-961-3 (077) 288-962	(077) 281-287
Phuket Office (Temporary)	14-14/1-2 Talat Mai Rd., Talat Sub-district, Mueang District, Surat Thani 84000	(077) 204-861-3	(077) 204-864
Prachuap Khiri Khan Office	41 Moo 2, Phet Kasem Rd., Khao Noi Sub-district, Pran Buri District, Prachuap Khiri Khan 77120	(032) 622-039 (032) 621-499 (032) 622-050	(032) 622-051
Regional Loan Restructuring and Sales Department (Lower Southern Region)	257 Phet Kasem Rd., Hat Yai Sub-district, Hat Yai District, Songkhla 90110	(074) 262-825-7	(074) 262-577
Hat Yai Office	257 Phet Kasem Rd., Hat Yai Sub-district, Hat Yai District, Songkhla 90110	(074) 261-501-4	(074) 262-572
Nakhon Si Thammarat Office	101/8 Phattanakan Khu Kwang Rd., Khlang Sub-district, Mueang District, Nakhon Si Thammarat 80000	(075) 344-770-2	(075) 344-773
Yala Office	79,81 Phiphit Phakdi Rd., Sateng Sub-district, Mueang District, Yala 95000	(073) 223-740-2	(073) 223-743

Remark : Regional Loan Restructuring Department has been renamed Regional Loan Restructuring and Sales Department according to the latest organization chart, effective from 1 January 2019.



BAM network

We serve you from our head office and regional offices nationwide







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