Thanachart Capital Public Company Limited
and its subsidiaries
Report and financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Thanachart Capital Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thanachart Capital Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanachart Capital Public Company Limited and its subsidiaries and of Thanachart Capital Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss on loans to customers

As discussed in Note 13 to the consolidated financial statements, as at 31 December 2022, the Group had loans to customers of Baht 65,107 million (accounting for 41 percent of total assets) and allowance for expected credit loss of Baht 2,724 million, which are material to the financial statements. In determining an allowance for expected credit loss, the Group has developed models to calculate the allowance for expected credit loss, the models required complex calculation and involves significant judgements and estimates from the management. The areas of significant management's judgement include the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of expected credit loss, the selection of future economic variables to be incorporated into the models and the management overlay adjustment to the allowance for expected credit loss due to limitations of the models. Because of the significant and the extent of judgement and estimates, I addressed the adequacy of the allowance for expected credit loss of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increases in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. I compared accounting policies of the Group with financial reporting standards and assessed the adequacy of disclosure in accordance with the relevant financial reporting standards. Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification based on the change in credit risk since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income

For the year 2022, the Group recognised interest income on hire-purchase and financial lease receivables amounting to Baht 3,503 million (accounting for 20 percent of total income).
The Group recognises interest income using the effective interest rate method, and interest income is generated from loans provided to a large number of customers with a high volume of transactions. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, interest income recognition and loan collection, by inquiring of management to gain an understanding, assessing the methods applied by the management, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of loans to customers as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Impairment of investment in associated companies

The group has investment in associated companies amounting to Baht 56,986 million (accounting for 36 percent of total assets), as at 31 December 2022. I have focused on considering the impairment of investment in associated companies because the impairment assessment on investment in associated companies is a significant accounting estimate requiring the management to exercise judgment in estimating the recoverable amounts of assets, which is the higher of their fair value less costs to sell and their value in use. This includes identification of the cash generating units and estimates of expected future cash inflows, and the setting of an appropriate discount rate and long-term growth rate, which creates a risk of investment in associated companies being presented at an inappropriate amount.

I gained an understanding of and assessed the identification of cash generating units and the financial models selected by the Group’s management by gaining an understanding of the management’s decision-making process to determine whether the decisions were consistent with how the assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised in the future, through comparison of those assumptions with information from both internal and external sources and a review of the cash flow projections in comparison to actual operating results in order to assess the reliability of the cash flow projections. I also considered the reasonableness of discount rate and long-term growth rate used by the management and tested the calculation of the realisable values of the assets.

Insurance contract liabilities

As discussed in Note 24 to the consolidated financial statements, as at 31 December 2022, the Group has life policy reserves of Baht 4,823 million and outstanding claims from insurance contracts of Baht 2,143 million that are treated as part of the insurance / life insurance contract liabilities in the financial statements. Life reserves are the accumulated reserves for insurance policies in force from the inception of the insurance contracts to the end of the reporting period, and are calculated by the subsidiaries' management under an actuarial method which applies several assumptions that are best estimates of obligations under the insurance contracts at that time. The loss reserves and outstanding claims are estimates of claims incurred and reported and claims incurred but not reported made by the management of the subsidiaries, also using actuarial methods and assumptions that are determined with reference to historical data.
The assumptions require management to exercise judgment. Changes in these assumptions will affect the balances of non-life and life reserves. I therefore focused my audit on the adequacy of these reserves.

I gained an understanding of, assessed, and tested the effectiveness of the internal controls relevant to claims, loss adjustments, claims reserves and outstanding claims and life policy reserves by making enquiry of responsible executives and gaining an understanding of the assumptions used in the estimates made by the actuary. I also randomly selected data used by the actuary in calculating the reserves and claims reserve, performed random tests on major claims, analysed historical data on claims frequency and the severity of loss per claim and analysed movement of the reserves. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserves recognised, assessed the assumptions and methods used in the calculation of reserves, tested the historical data used by the actuary and compared the assumptions to those used in the prior year.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

I am responsible for the audit resulting in this independent auditor's report.

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 21 February 2023

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022 and 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets					
Cash		4,560	4,477	-	-
Interbank and money market items - net					
- deposits at financial institutions	*7*	4,828,482	8,946,827	1,847,920	1,347,849
Financial assets measured at fair value through profit or loss	*8*	2,489,925	2,780,747	175,967	376,023
Derivatives assets	*9*	131,801	206,359	128,890	193,524
Investments - net	*10*	18,623,405	13,124,068	2,065,500	1,861,337
Investments in subsidiaries	*11*	-	-	19,763,320	14,705,371
Investments in associated companies and joint venture	*12*	56,986,216	52,955,094	55,617,233	51,637,656
Loans to customers and accrued interest receivables - net	*13*	62,382,747	55,220,642	5,164,135	4,722,198
Property foreclosed - net	*15*	3,853,623	3,679,488	2,371,228	2,299,705
Land, buildings, equipment and right-of-use assets - net	*16*	682,287	755,575	131,181	157,254
Intangible assets - net	*17*	227,010	245,481	2,952	3,409
Deferred tax assets	*18*	1,112,073	1,024,545	-	-
Receivables from purchase and sale of securities		2,001,373	842,654	826	-
Other assets - net	*19*	3,765,530	2,948,631	49,043	31,958
Total assets		157,089,032	142,734,588	87,318,195	77,336,284

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2022 and 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Liabilities and equity					
Interbank and money market items					
- borrowings from financial institutions	*21*	16,414,904	15,984,296	-	-
Derivatives liabilities	*9*	2,721	17,655	-	-
Debts issued and borrowings	*22*	47,729,801	34,307,745	20,015,926	11,695,749
Provisions	*23*	305,257	324,264	33,616	51,904
Deferred tax liabilities	*18*	235,020	243,501	195,026	192,210
Insurance contracts liabilities	*24*	12,543,254	11,414,278	-	-
Other liabilities	*25*	7,327,462	6,301,807	310,468	282,444
Total liabilities		84,558,419	68,593,546	20,555,036	12,222,307
Equity					
Share capital	*26*				
Registered, issued and paid-up					
13,006 preferred shares of Baht 10 each		130	130	130	130
1,145,649,697 common shares of Baht 10 each					
(2021: 1,165,116,697 common shares of Baht 10 each)		11,456,497	11,651,167	11,456,497	11,651,167
		11,456,627	11,651,297	11,456,627	11,651,297
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Other components of equity	*27*	(3,757,366)	(3,228,898)	(3,757,366)	(3,228,898)
Retained earnings					
Appropriated - statutory reserve	*28*	1,277,830	1,277,830	1,277,830	1,277,830
- treasury shares reserve	*26*	4,863,089	5,863,053	4,863,089	5,863,053
Unappropriated		55,720,423	53,348,103	55,720,423	53,348,103
Less: Treasury shares - common shares	*26*	(4,863,089)	(5,863,053)	(4,863,089)	(5,863,053)
Equity attributable to owners of the Company		66,763,159	65,113,977	66,763,159	65,113,977
Non-controlling interests		5,767,454	9,027,065	-	-
Total equity		72,530,613	74,141,042	66,763,159	65,113,977
Total liabilities and equity		157,089,032	142,734,588	87,318,195	77,336,284

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

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Directors

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Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit or loss					
Interest income	*30*	4,562,892	4,026,686	312,108	168,381
Interest expenses	*31*	(1,558,609)	(1,355,450)	(582,155)	(426,153)
Net interest income		3,004,283	2,671,236	(270,047)	(257,772)
Fees and service income		1,476,572	1,886,819	985	1,157
Fees and service expenses		(363,246)	(432,393)	(630)	(1,046)
Net fees and service income	*32*	1,113,326	1,454,426	355	111
Gain on financial instruments measured at fair value through profit or loss	*33*	461,269	527,265	400,485	371,609
Gain (loss) on investments	*34*	(21,127)	(3,026)	1,310	53
Share of profit from investments accounted for under equity method - subsidiaries	*11*	-	-	2,075,190	2,530,677
Share of profit from investment accounted for under equity method - associated companies and joint venture	*12*	3,233,123	1,986,341	3,169,876	1,587,266
Gain on repayment/assets transferred for debt settlement		132,803	738,663	95	550,012
Gain on property foreclosed and other assets		115,373	849,500	90,712	749,389
Non-life insurance/Life insurance income	*35*	8,709,180	8,148,356	-	-
Dividend income		140,283	145,382	11,285	55,887
Other operating income		409,198	403,214	112,297	132,980
Total operating income		17,297,711	16,921,357	5,591,558	5,720,212
Non-life insurance/Life insurance expenses	*36*	(6,329,435)	(5,737,095)	-	-
Net operating income		10,968,276	11,184,262	5,591,558	5,720,212
Other operating expenses					
Employee's expenses		2,027,582	2,051,760	191,587	199,787
Directors' remuneration	*37*	87,972	87,349	47,649	47,869
Premises and equipment expenses		275,824	272,845	22,969	30,328
Taxes and duties		28,683	40,339	1,175	17,797
Other expenses		855,596	690,610	53,181	56,809
Total other operating expenses		3,275,657	3,142,903	316,561	352,590
Expected credit loss	*38*	493,027	482,865	57,024	75,219
Profit before income tax		7,199,592	7,558,494	5,217,973	5,292,403
Income tax	*18.2*	(772,060)	(836,219)	1,867	(5,223)
Profit for the year		6,427,532	6,722,275	5,219,840	5,287,180

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Other comprehensive income					
Transactions that will be reclassified subsequently to profit or loss					
Gain (loss) on debt securities measured at fair value through other comprehensive income		38,089	(45,606)	(2,655)	(625)
Share of other comprehensive income of subsidiaries (loss)		-	-	70,960	(20,662)
Share of other comprehensive income of associated companies and joint venture (loss)		(103,596)	(190,582)	(100,909)	(189,970)
Income tax relating to components of other comprehensive income (loss)		(8,050)	9,121	531	125
		(73,557)	(227,067)	(32,073)	(211,132)
Transactions that will never be reclassified subsequently to profit or loss					
Gain (loss) on investments in equity designated to be measured at fair value through other comprehensive income		5,866	(161,520)	26,072	33,685
Share of other comprehensive income of subsidiaries (loss)		-	-	38,376	(73,854)
Share of other comprehensive income of associated companies and joint venture (loss)		(16,143)	128,454	(15,979)	126,594
Actuarial gain on defined benefit plan		33,020	47,937	3,161	11,189
Income tax relating to components of other comprehensive income (loss)		10,396	9,360	(5,214)	(8,854)
		33,139	24,231	46,416	88,760
Total other comprehensive income (loss)		(40,418)	(202,836)	14,343	(122,372)
Total comprehensive income		6,387,114	6,519,439	5,234,183	5,164,808
Total profit attributable to:					
The Company		5,219,840	5,287,180	5,219,840	5,287,180
Non-controlling interests		1,207,692	1,435,095		
		6,427,532	6,722,275		
Total comprehensive income attributable to:					
The Company		5,234,183	5,164,808	5,234,183	5,164,808
Non-controlling interests		1,152,931	1,354,631		
		6,387,114	6,519,439		
Earnings per share of the Company	*39*				
Basic earnings per share (Baht per share)		4.98	5.04	4.98	5.04
Diluted earnings per share (Baht per share)		4.98	5.04	4.98	5.04

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	7,199,592	7,558,494	5,217,973	5,292,403
Adjustments to reconcile profit before income tax to net cash received by (paid from) operating activities				
Share of profit from investments accounted for under equity method - subsidiaries	-	-	(2,075,190)	(2,530,677)
Share of profit from investments accounted for under equity method - associated companies and joint venture	(3,233,123)	(1,986,341)	(3,169,876)	(1,587,266)
Depreciation and amortisation	240,781	228,110	26,420	30,872
Expected credit loss	493,027	482,865	57,024	75,219
Increase (decrease) in provisions	41,094	(8,867)	2,765	8,797
Increase (decrease) in allowance for impairment of property foreclosed	40,655	(771,301)	(48,904)	(765,961)
Increase (decrease) in allowance for impairment of equipment/other assets	17,423	(18,616)	-	-
Gain and interest income from assets transferred for debt settlement	-	(206)	-	-
Gain on financial instruments measured at fair value through profit or loss	(277,392)	(137,731)	(372,463)	(59,325)
Loss (gain) on disposal of equipment and intangible assets	13,764	918	(1,480)	(1,316)
Decrease (increase) in accrued other income receivable	75,536	(104,746)	(4,183)	26,691
	4,611,357	5,242,579	(367,914)	489,437
Net interest income	(3,004,283)	(2,671,236)	270,047	257,772
Dividend income	(140,283)	(145,382)	(11,285)	(55,887)
Cash received from interest on operating activities	4,297,376	3,841,100	290,524	137,462
Cash paid for interest on operating activities	(248,638)	(262,534)	(4)	-
Cash paid for income tax	(954,977)	(1,215,688)	(6,674)	(7,325)
Income from operating activities before changes in operating assets and liabilities	4,560,552	4,788,839	174,694	821,459

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items - deposits at financial institutions	4,118,814	(1,134,647)	(500,071)	(1,175,945)
Derivatives assets	-	(102,887)	(450)	-
Financial assets measured at fair value through profit or loss	222,451	634,560	200,584	851,224
Loans to customers	(8,299,150)	(5,975,270)	(454,620)	(3,952,383)
Property foreclosed	697,380	799,358	(22,619)	63,766
Receivables from purchase and sale of securities	(1,158,719)	404,234	(826)	-
Other assets	(874,076)	557,598	(9,899)	18,760
Increase (decrease) in operating liabilities				
Interbank and money market items - borrowings from financial institutions	430,608	2,671,949	-	-
Derivatives liabilities	(14,934)	3,437	-	-
Payable from purchase and sales of securities	(195,377)	(819,437)	-	-
Insurance contract liabilities	1,128,976	(816,774)	-	-
Other liabilities	1,327,785	(479,076)	(7,417)	(516,154)
Net cash flows from (used in) operating activities	1,944,310	531,884	(620,624)	(3,889,273)
Cash flows from investing activities				
Decrease (increase) in investments in securities	(5,648,689)	7,780,644	(120,648)	6,842,813
Cash paid for purchase of investment in subsidiaries and associated companies	(6,277,856)	(4,206,014)	(6,167,343)	(3,913,511)
Cash received from capital return from subsidiary companies	-	-	149,971	1,125,525
Cash received from interest	140,602	204,084	5,796	11,275
Cash received from dividend	1,656,583	1,064,403	2,135,546	2,420,859
Cash paid for purchase of premises and equipment/intangible assets	(137,117)	(219,196)	(3,179)	(5,040)
Cash received from disposal of equipment	2,464	3,840	85	2,233
Net cash flows from (used in) investing activities	(10,264,013)	4,627,761	(3,999,772)	6,484,154

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Cash received from debts issued and borrowings	28,124,555	7,485,988	16,934,983	995,310
Cash paid for debts issued and borrowings	(14,702,498)	(7,065,268)	(8,650,000)	-
Cash paid for interest expenses on debts issued and borrowings	(1,209,353)	(1,103,215)	(502,847)	(422,300)
Cash paid to the non-controlling interests from the decreases of registered share capital of subsidiary companies	-	(167)	-	-
Cash paid for dividend	(3,142,622)	(3,144,513)	(3,142,622)	(3,144,513)
Cash paid for lease liabilities	(116,874)	(118,106)	(19,118)	(23,378)
Cash paid for dividend to non-controlling interests	(633,422)	(1,212,358)	-	-
Net cash flows from (used in) financing activities	8,319,786	(5,157,639)	4,620,396	(2,594,881)
Net increase in cash	83	2,006	-	-
Cash at beginning of the year	4,477	2,471	-	-
Cash at end of the year	4,560	4,477	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans to customers	912,170	653,517	-	-
Payable from purchase of assets	8,675	100,557	-	-
Right-of-use assets	110,962	71,374	16,228	40,378

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in equity

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements													
	Equity attributable to the Company's shareholders													
				Other components of equity										
	Issued and paid-up share capital		Premium	Surplus from the change in the ownership interests in	Revaluation	Revaluation	Share of other comprehensive income of associated	Share of surplus from the change in the ownership interests	Retained earnings					
									Appropriated					
	Preferred shares	Common shares	on common share	investments in subsidiaries/ associated companies	surplus on investments	surplus on assets	companies and joint venture (loss)	in subsidiaries of an associate	Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	Non-controlling interests	Total
Balance as at 1 January 2021	132	11,651,165	2,065,645	(4,304,393)	1,071,533	62,735	388,215	80,810	1,277,830	5,863,053	51,016,932	(5,863,053)	9,457,550	72,768,154
Conversion of preferred shares into common shares	(2)	2	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	1,337	-	-	1,337
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,212,427)	(1,212,427)
Surplus from the change in the ownership interests of investments	-	-	-	(213,059)	-	473	-	(4,336)	-	-	-	-	(572,689)	(789,611)
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets to retained earnings	-	-	-	-	2,283	(2,773)	(123,287)	-	-	-	123,777	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,287,180	-	1,435,095	6,722,275
Other comprehensive income for the year (loss)	-	-	-	-	(88,797)	-	(98,302)	-	-	-	64,727	-	(80,464)	(202,836)
Balance as at 31 December 2021	130	11,651,167	2,065,645	(4,517,452)	985,019	60,435	166,626	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	9,027,065	74,141,042
Balance as at 1 January 2022	130	11,651,167	2,065,645	(4,517,452)	985,019	60,435	166,626	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	9,027,065	74,141,042
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	3,228	-	-	3,228
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(633,422)	(633,422)
Surplus from the change in the ownership interests of investments	-	-	-	(438,754)	-	156	-	(3,781)	-	-	-	-	(3,779,120)	(4,221,499)
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets to retained earnings	-	-	-	-	4,227	(2,785)	(75,167)	-	-	-	73,725	-	-	-
Capital reduction from cancellation of treasury shares (Note 26)	-	(194,670)	-	-	-	-	-	-	-	(999,964)	194,670	999,964	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,219,840	-	1,207,692	6,427,532
Other comprehensive income for the year (loss)	-	-	-	-	109,706	-	(122,070)	-	-	-	26,707	-	(54,761)	(40,418)
Balance as at 31 December 2022	130	11,456,497	2,065,645	(4,956,206)	1,098,952	57,806	(30,611)	72,693	1,277,830	4,863,089	55,720,423	(4,863,089)	5,767,454	72,530,613

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

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Separate financial statements													
				Other components of equity										
	Issued and paid-up share capital			Surplus from the change in the ownership interests in investments in subsidiaries/ associated companies	Revaluation surplus on investments	Revaluation surplus on assets	Share of other comprehensive income of subsidiaries (loss)	Share of other comprehensive income of associated companies and joint venture (loss)	Share of surplus from the change in the ownership interests in subsidiaries of an associate	Retained earnings				
										Appropriated				
	Preferred shares	Common shares	Premium on common share							Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	Total
Balance as at 1 January 2021	132	11,651,165	2,065,645	(4,304,393)	487,970	41,060	605,238	388,215	80,810	1,277,830	5,863,053	51,016,932	(5,863,053)	63,310,604
Conversion of preferred shares into common shares	(2)	2	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	1,337	-	1,337
Surplus from the change in the ownership interests of investments	-	-	-	(213,059)	-	-	473	-	(4,336)	-	-	-	-	(216,922)
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets to retained earnings	-	-	-	-	10,584	(1,842)	(11,725)	(120,794)	-	-	-	123,777	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	5,287,180	-	5,287,180
Other comprehensive income for the year (loss)	-	-	-	-	24,331	-	(111,880)	(99,550)	-	-	-	64,727	-	(122,372)
Balance as at 31 December 2021	130	11,651,167	2,065,645	(4,517,452)	522,885	39,218	482,106	167,871	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	65,113,977
Balance as at 1 January 2022	130	11,651,167	2,065,645	(4,517,452)	522,885	39,218	482,106	167,871	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	65,113,977
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	3,228	-	3,228
Surplus from the change in the ownership interests of investments	-	-	-	(438,754)	-	-	156	-	(3,781)	-	-	-	-	(442,379)
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets to retained earnings	-	-	-	-	-	(1,842)	(1,136)	(70,747)	-	-	-	73,725	-	-
Capital reduction from cancellation of treasury shares (Note 26)	-	(194,670)	-	-	-	-	-	-	-	-	(999,964)	194,670	999,964	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	5,219,840	-	5,219,840
Other comprehensive income for the year (loss)	-	-	-	-	18,734	-	88,183	(119,281)	-	-	-	26,707	-	14,343
Balance as at 31 December 2022	130	11,456,497	2,065,645	(4,956,206)	541,619	37,376	569,309	(22,157)	72,693	1,277,830	4,863,089	55,720,423	(4,863,089)	66,763,159

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

Thanachart Capital Public Company Limited and its subsidiaries
Notes to financial statements
For the year ended 31 December 2022

1. General information

1.1 General information of the Company

Thanachart Capital Public Company Limited ("the Company") is incorporated as a public limited company and operated its business in Thailand. The Company is mainly engaged in investment holding and the registered office of the Company is at 444, 16-17th Floor, MBK Tower, Phayathai Road, Wangmai, Pathumwan, Bangkok.

All subsidiaries are registered limited or public limited companies under Thai laws and operate their business in Thailand. The subsidiaries' businesses include non-performing assets management business, securities business, leasing and hire purchase business, non-life insurance business, life insurance business, and others.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, impacting various businesses and industries. This situation could create uncertainties and may be impacting the Group's operating results and cash flows in the future, but the impact cannot be reasonably estimated at this stage. However, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and also cash flows management of the Group. Therefore, the management has used estimates and judgements in respect of various matters in order to continuously assess the impact as the situation evolves.

2. Basis for preparation of the financial information

2.1 These financial statements for the year ended 31 December 2022 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547. The presentation of the financial statements has been made in format which is in accordance with the BOT's Notification relating to the preparation and format of the financial statements of commercial banks and holding company of financial business groups, dated 31 October 2018 because the major business of the group is asset management.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of preparation of the consolidated financial information

a) The consolidated financial statements included the financial statements of the Company and the following subsidiary companies. ("the subsidiaries").

	Type of business	Percentage of holding by the Company		Percentage of holding by the subsidiaries	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Subsidiaries directly held by the Company					
NFS Asset Management Co., Ltd.	Non-performing asset management	100.00	100.00	-	-
Thanachart SPV 1 Co., Ltd.	Holding	100.00	100.00	-	-
T Life Assurance Plc. *(1)*	Life insurance	100.00	100.00	-	-
T Broker Co., Ltd. *(2)*	Life insurance/ non-life insurance broker	100.00	100.00	-	-
MT Service 2016 Co., Ltd.	Service	100.00	100.00	-	-
Thanachart Plus Co., Ltd.	Lending	100.00	100.00	-	-
TS Asset Management Co., Ltd.	Non-performing asset management	99.99	99.99	-	-
Thanachart SPV 2 Co., Ltd.	Holding	99.98	99.98	-	-
NASSET Property Fund 6	In liquidation process	99.80	99.80	-	-
Max Asset Management Co., Ltd.	Non-performing asset management	83.44	83.44	-	-
Thanachart Securities Plc.	Securities business	89.96	50.96	-	-
Thanachart Insurance Plc.	Non-life insurance	89.96	50.96	-	-
Subsidiaries indirectly held by the Company					
Ratchthani Leasing Plc.	Hire purchase and leasing business	3.77	3.77	56.84	56.39
Thanachart Group Leasing Co., Ltd.	In liquidation process	-	-	100.00	100.00
Thanachart Management and Services Co., Ltd.	Services	-	-	100.00	100.00
Thanachart Training and Development Co., Ltd.	Dissolution	-	-	-	100.00
Security Scib Services Co., Ltd.	In liquidation process	-	-	100.00	100.00
RTN Insurance Broker Co., Ltd.	Life insurance/ non-life insurance broker	-	-	60.61	60.16

(1) T Life Assurance Plc. has changed its name from MBK Life Assurance Plc. since 6 July 2022

(2) T Broker Co., Ltd. has changed its name from TM Broker Co., Ltd. since 21 December 2022

b) Total assets and net operating income of the subsidiaries that have significant impact to and are included in the consolidated financial statements as at 31 December 2022 and 2021 and for the years then ended, after eliminating significant intercompany transactions, are as follows:

(Unit: Million Baht)

	Total assets		Net operating revenues for the years	
	2022	2021	2022	2021
Thanachart Securities Plc.	10,264	8,679	1,308	1,692
Thanachart Insurance Plc.	16,833	14,866	2,364	2,332
T Life Assurance Plc.	5,747	6,350	249	278
Ratchthani Leasing Plc.	53,318	48,646	2,985	2,927

c) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

d) All subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

e) The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using the same significant accounting policies. In case where there are different accounting policies, the Company has adjusted the effect of these in the consolidated financial statements.

f) The outstanding balances and significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The investments in subsidiaries as recorded in the Company's and subsidiaries' books of accounts have been eliminated against equity of the subsidiaries.

h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary and associated companies under the equity method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

3.3 Accounting Guidance that become effective in the current year

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1). For this type of debt restructuring, the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions as follows:

   - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.

   - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.

   - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.

   - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due, counting from the due date.

   - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.

2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2). For this type of debt restructuring, the Group is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

During the year 2022, a subsidiary company provides assistance type 2 to debtors, then the subsidiary has adopted the staging assessment and the setting aside of provisions in accordance with the related financial reporting standards.

4. Significant accounting policies

4.1 Revenue recognition - Income from loans to customers

a) Interest income and discounts on loans

Hire purchase and finance lease receivables

The subsidiary company recognises interest income from hire purchase and finance lease on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of the hire purchase receivables and finance lease receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

And when the hire purchase receivables and finance lease receivables subsequently become credit-impaired, the subsidiary recognises interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on book value.

Initial direct income/expenses at the inception of hire purchase/financial lease contracts are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Loans purchased of receivables

The Company and its subsidiaries recognised interest on loans purchased of non-performing receivables based on the cost net of allowance for expected credit loss, using an effective interest rate adjusted to reflect the credit risk, and recognised on an accrual basis.

The credit risk-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of purchase or originated credit-impaired financial assets. In estimating the net expected cash inflows, reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost of an acquired NPL receivable has been fully amortised, the Company and its subsidiaries still has the right to demand the debtor make payment under the contract. When such payments are received from a debtor, the Company and its subsidiaries recognise such amount as gain on debt settlement.

Other Loans

The Company and its subsidiary recognised interest income from loan on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

For loan subsequently become credit-impaired, the Company and its subsidiary recognised interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on initial book value.

b) Interest and dividends on investments

Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends are recognised as income when the right to receive the dividends is established.

c) Brokerage fee on trading of securities income

Brokerage fees on trading of securities and brokerage fees on derivatives are recognised as income on the transaction date.

d) Interest on margin loans for purchase of securities

Interest on margin loans for purchases of securities is recognised as income using the effective interest rate method with the calculation based on the gross carrying amounts of margin loans, and when the receivables become credit-impaired, the subsidiary company recognises interest income with the calculation based on the net carrying amount of the receivables (gross book value net of allowance for expected credit losses). If the receivables are not credit-impaired, the subsidiary company recognises interest income with the calculation based on initial book value.

e) Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognised as income/ expenses on the transaction date.

f) Fees and service income

Fees and service income are recognised on an accrual basis. Exception of fees that included in calculation in part of the effective interest rate.

g) Insurance/life insurance premium income

Non-life insurance contract

Premium income consists of direct premium and reinsurance premium less premium of cancelled policies and premiums refunded to policy holders, and adjusted with unearned premium reserve.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium is recorded as unearned items, and recognised as income over the coverage year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts.

Life insurance contract

Premium income is recognised as income on the date the insurance policy comes into effect, after deducting premium ceded and refunded. For renewal policy, premium income is recognised as income when the premium is dued, only if the policy is still in force at the year-end date.

h) Gain (loss) on financial instruments measured at fair value through profit or loss

Gain (loss) on financial instruments measured at fair value through profit or loss consists of gain (loss) from trading, gain (loss) from changes in the fair value of derivatives, gain (loss) on changes in the fair value of financial assets that are measured at fair value through profit or loss, and gain (loss) on sales of financial assets that are measured at fair value through profit or loss and derivatives, which the Company and its subsidiaries recognise income or expenses on the transaction date.

i) Fee and commission income from reinsurers

Fee and commission income from reinsurers are recognised when the insurance risk is transferred to another insurer.

Fee and commission income from reinsurers with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

4.2 Expenses recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis, using the effective interest method. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

b) Commission and direct expenses charged on hire purchase/financial leases

Initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Interest income received in advance and deferred fee revenues on hire purchase/ financial leases is presented net of commission expenses and initial direct cost on the inception of the contracts.

c) Fees and service expenses

Fees and service expenses are recognised as expenses on an accrual basis.

d) Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepayment item and recognised as expenses over the coverage period each year.

e) Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance for both reported claim and not reported claim, and include the amounts of the claims, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from related reinsurers.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claim notified by the insured and estimates made by the Company's management. The maximum value of claim estimated shall not exceed the sum-insured under the relevant policy. Claim and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice with the subsidiaries companies.

Claim recovery from reinsurers is recognised when recording of claim and loss adjustment expenses in related with reinsurance contract.

Benefit payments under life policies are recorded as expenses when notices of claims have been received or when conditions in policies are met.

f) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepayment item and recognised as expenses over the coverage period each year.

4.3 Financial asset - Investments

Financial asset - debt instruments

The Company and its subsidiaries classify its investment in debt securities as subsequently measured at amortised cost or fair value in accordance with the Company's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. The classification based on the facts and circumstances available on the date that the financial reporting standards were initially applied or the date of acquisition, classified as follows:

a) Financial assets measured at fair value through profit or loss

Investments in debt instruments held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Company and its subsidiaries classify these as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are recognised in profit or loss.

At the period end, investments in debt instruments measured at fair value through profit or loss are presented in statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company and its subsidiaries classify these as financial assets measured at fair value through other comprehensive income. These investments are initially recorded at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is presented as a separate item in other comprehensive income until disposal. Gain or loss on disposal of the instruments are recognised in profit or loss. Expected credit loss and interest income calculated using the effective interest rate method are recognised in profit or loss.

At the period end, investments in debt instruments measured at fair value through other comprehensive income are presented in statement of financial position at fair value.

c) Financial assets measured at amortised cost

Investments in debt securities whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified date to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These investments are initially recorded at fair value on trade date.

At the end of reporting period, investments in debt instruments measured at amortised cost presented in statement of financial position at amortised cost net of allowance for expected credit loss (if any).

Despite the foregoing, this financial asset - debt instruments may be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The selection is not irrevocable.

Financial asset - equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position, classified as follows:

a) Financial assets measured at fair value through profit or loss

Investments in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, unrealised gain or loss arising from changes in fair value are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

b) Financial assets designated to be measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or are investments in securities with high market volatility are classified as financial assets designated to be measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company and its subsidiaries also classify investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated to be measured at fair value through other comprehensive income, according to the notification of the Federation of Accounting Professions on Interpretation for Investment in the unit of Property Fund, Real Estate Investment Trust (REIT), Infrastructure Fund and Infrastructure Trust which registered and established in Thailand.

After initial recognition, unrealised gain or loss arising from changes in the fair value of investments are separately presented in other comprehensive income.

At the end of the reporting period, investments in equity instruments designated to be at fair value through other comprehensive income are presented in the statement of financial position at fair value.

Investments in equity instruments are designated to be measured at fair value through other comprehensive income without requiring impairment assessment.

Fair value

The fair value of marketable equity securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable equity securities is calculated using book value or adjusted book value. The fair value of government and state enterprise securities and private sector debt securities is calculated using the yield of the Thai Bond Market Association. The fair value of unit trusts is calculated based on the net asset value.

Income from investments and disposals of investments

Gain or loss on disposals of investments are recognised in profit or loss in statement of comprehensive income on the transaction date, except for gain or loss from sales of investments in equity securities designated to be measured at fair value through other comprehensive income will be recognised in retained earnings. The Company and its subsidiaries use the weighted average method to calculate the costs of investments.

Dividends on investments are recognised in profit or loss in statement of comprehensive income unless the dividends are clearly expressed as a return on investment cost.

Changes in classification of investments in debt instruments

When the business model in managing the financial assets of the Company and its subsidiaries changes, the Company and its subsidiaries have to classify investments in debt by adjusting the value of the investment in such debt instrument using the fair value on the date of the transaction to change the type of investment in debt instrument. The difference between the book value and the fair value on the transfer date is recorded in profit or loss or other comprehensive, depending on the classification of investments in debt that have been transferred.

4.4 Investments in subsidiaries, associated companies, and joint venture

Investments in subsidiaries, associated companies, and joint venture are accounted for under the equity method. Under this method, investments are initially recorded at acquisition cost and are adjusted to reflect the attributable shares of the net income from the operations of the subsidiaries, associated companies and joint venture in proportion to the investments.

4.5 Loans to customers

Loans to customers are stated at the principal balances, excluding accrued interest receivables. Interest income received in advance and deferred fee revenues on loans are deducted from the loan balances.

Hire purchase and finance lease receivables are stated at outstanding balance, net of advances received from hire purchase and finance lease receivables. Deferred income and fee revenue which is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts is presented as deduction from hire purchase and finance lease receivables.

The Company's and its subsidiaries' operations involve the acquisition and receipt of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as financial assets that are credit-impaired upon initial acquisition, and presented at amortised cost. Costs of financial assets that are credit-impaired upon initial acquisition mean cash paid for acquisition (the fair value on the transaction date is equal to or close to the acquisition price).

Securities and derivatives business receivables comprise the net balances of securities business receivables and derivatives business receivables. Securities business receivables comprise credit balance receivables (for which the securities purchased are used as collateral), securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for borrowers of securities or Thailand Securities Depository) as well as other receivables, such as overdue amounts in cash accounts and receivables which are under legal proceedings, are undergoing restructuring, or are being settled in installments. The receivable balances of cash accounts are presented as "Receivables from purchase and sale of securities".

4.6 Allowance for expected credit loss on financial assets

<u>Loans purchased of receivables</u>

The Company and its subsidiaries record allowance for expected credit loss when there are changes in the estimated cash inflows expected from receivables discounting the projected cash flows with reference to historical data and adjusts it on the basis of current observable data.

The Company and its subsidiaries recognise changes in expected credit loss as gain or loss on impairment in profit or loss. And are required to recognise positive changes in expected credit loss as reversal of impairment, to the extent that they do not exceed the expected credit loss recognised in the past.

Other financial assets

The Company and its subsidiaries use general approach to calculate expected credit loss on other financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables (not including loans purchased of receivables). The Company and its subsidiaries classify the financial assets into three groups (three-stage approach) to measure the value of the expected credit loss, with the classification determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company and its subsidiaries recognise the expected credit loss at an amount equal to 12-month expected credit loss. And for financial assets with maturity of less than 12 months, the Company and its subsidiaries will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company and its subsidiaries recognise the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company and its subsidiaries recognise the expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company and its subsidiaries assess whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company and its subsidiaries may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual or group of contract of financial assets.

Financial assets are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidence that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company and its subsidiaries will change from recognising the lifetime expected credit loss to recognising the 12-month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company and its's subsidiary consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable, provided it can be shown to be statistically related, as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statement of comprehensive income. The Company and its subsidiaries have a policy to write-off receivables when they are determined that such receivables may not be collectible.

For other financial assets or contract assets that do not contain a significant financing component, the subsidiary applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Furthermore, the subsidiary company applied the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance To Debtors Impacts by Situations that Affect the Thai Economy in accordance with the BOT's as discussed in Note 13.2 to financial statement for staging assessment and setting aside of provisions for qualify debtors.

4.7 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified or debt is restructured or existing financial assets are replaced with new financial assets because the debtor is having financial problems, the Company and its subsidiaries assess whether to derecognise the financial assets and measures the expected credit loss as follows:

- If the modification of terms does not result in derecognition of the financial assets, the Company and its subsidiaries calculate the gross book value of the new financial assets as the present value of the new or modified cash flows, discounted at the original effective interest rate of the financial asset, and recognises gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial assets, the fair value of the new financial assets is the latest cash flows of the original financial asset as at the date of derecognition. The difference between book value and new fair value of financial assets will be recognised in profit or loss.

If the debt restructuring does not meet the criteria for derecognition as of the restructuring date, the debtor continues to be classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period; or continues to be classified as a financial asset that is credit-impaired (Stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period, before being able to be reclassified as a financial asset with a significant increase in credit risk (Stage 2), and if the debtor is able to make payment for additional 9 consecutive months or installments, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered as financial asset with no significant increase in credit risk (Performing or Stage 1).

4.8 Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.9 Classification and measurement of financial liabilities

The Company and its subsidiaries classify and measures its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

4.10 Borrowing and lending of securities

The subsidiary who engaged in securities borrowing and lending, whereby the subsidiary acts as a principal or an agent of the borrowers and lenders of securities.

At the transaction date, the subsidiary records its obligations to return borrowed securities which it has lent as “Payable under securities borrowing and lending business” and securities lent to customers are recorded as “Receivable under securities borrowing and lending business” in the statement of financial position. At the end of the reporting period, the balance of payable and receivable under securities borrowing and lending business are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day. Changes in the value arising from such adjustment is included in profit or loss. The subsidiary records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables” and cash received as collateral for securities lending as “Guarantee deposit payable”. Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

4.11 Receivable from/payable to Clearing House

Receivable from/payable to Clearing House comprise the net balance receivable/ payable in respect of securities trades settled and derivatives business. These also include amounts pledged with Thailand Clearing House as security for derivatives trading.

4.12 Recognition and amortisation of customers' assets

Assets which customers have placed with the subsidiary company for securities trading, in term of cash accounts and credit balance accounts, including amounts which customers have placed as security for derivative trading, are recorded as assets and liabilities of the subsidiary company for internal control purpose. As at the reporting date, the subsidiary company eliminates those amounts which there are no guarantee obligations from both assets and liabilities and present only those assets which belong to the subsidiary company.

4.13 Property foreclosed

Property foreclosed is stated at the lower of cost (fair value with reference to appraisal value, providing this does not exceed the legally claimable amount of debt) or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses and taking into consideration the type and the nature of the assets.

Gain (loss) on disposal and impairment loss of property foreclosed are recognised as income or expense in part of profit or loss in the statement of comprehensive income.

4.14 Land, premises and equipment and depreciation

a) Land is stated at revalued amount less allowance for impairment (if any). No depreciation is provided on land. Buildings are stated at revalued amount less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by reference to their revalued amount on a straight-line basis over the following estimated useful lives:

Buildings and building improvement	15 - 20 years

The Company and its subsidiaries initially record land and buildings at its cost on the acquisition date, and subsequently have it revalued by an independent professional appraiser, and state it at the revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

b) Assets under installation are stated at cost, and depreciation is not provided.

c) Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Furniture, fixtures and equipment	5	years
Motor vehicles	5	years

d) Depreciation of the part calculated from the cost and the depreciation of the revaluation amount is included in determining income.

e) Land, premises and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of these assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the statement of comprehensive income.

f) The Company and its subsidiaries derecognise the revaluation surplus on an asset upon disposal or when no future economic benefits are expected from its use or disposal. The revaluation surplus remaining upon derecognition is transferred directly to retained earnings.

4.15 Intangible assets and amortisation

The Company and its subsidiaries initially recognised intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any).

The Company and its subsidiaries amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense and loss on impairment are recognised as expenses in part of profit or loss in the statements of comprehensive income.

The intangible assets with finite useful lives including computer software, membership fees for Thailand Futures Exchange and others have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

4.16 Classification of insurance contracts

Subsidiary companies classify insurance contracts and reinsurance contracts based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the subsidiaries classify it as an investment contract. Investment contracts are those contracts that transfer significant financial risk but not significant insurance risk. Financial risk is the risk arising from the change in interest rate risk, foreign exchange rate risk and securities prices.

In classifying insurance contracts, subsidiary companies assess the significance of the insurance risk on the basis of individual contracts. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the year, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Subsidiary companies that operate in non-life insurance businesses classifies all non-life insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as critical illness, personal accident, health insurance, fire insurance and other miscellaneous insurance, that have coverage periods of more than 1 year and the subsidiaries can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

4.17 Premium receivables and allowance for doubtful accounts

Premium receivables from direct insurance are stated at its net realisable value. Subsidiary companies set up an allowance for doubtful accounts based on the estimated loss that may be incurred in the collection of the premium due, on the basis of collection experiences and a review of current status of the premium receivables as at the end of reporting period.

For individual policy, whose cash value is greater than the amount of premium receivable, overdue longer than the grace period granted by the subsidiaries, the premium receivable will be settled by granting automatic premium loans.

Increase (decrease) in allowance for doubtful account is recognised as expenses during the year.

4.18 Reinsurance assets and liabilities

a) Reinsurance assets represent amounts due from reinsurers (consisting of reinsurance receivable, commission and brokerage expense and various other items receivable from reinsurers), amounts deposited on reinsurance and insurance reserve refundable from reinsurers. Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of loss reserve and outstanding claims made in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

When indication of impairment incurred, the subsidiaries record allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience, aged of balance and the status of receivables from reinsurers as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

b) Amounts due to reinsurers are stated at the outstanding balances payable to reinsurance and amounts withheld on reinsurance. Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers.

4.19 Insurance contract liabilities

a) Life insurance reserve

Life insurance reserve is the cumulative reserve amount from the start of insurance coverage until the end of the reporting period for the policies in force. The subsidiary record life insurance reserves under the Gross Premium Insurance (GPV) method, which is actuarial method, calculated using a method consistent with the criteria specified in the Notification of the Office of Insurance Commission ("OIC") regarding the valuation of assets and liabilities of life insurance companies. The main assumptions use in the calculation is relate to mortality rates, lapse and surrender rates, selling and administrative expenses and discount rates.

b) Loss reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the subsidiaries' management. The maximum value of claims estimate shall not exceed the sum-insured of the related insurance policies.

Claims reserves were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occurred before or as at the reporting date, covering both reported and not reported loss, and including claims handling expenses, after deducting salvage values and other recoverable values. Differences between the calculated claims reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

c) Premium reserve

Premium reserve consists of unearned premium reserve and unexpired risk reserve.

c.1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over 6 months	-	100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	-	Monthly average basis (the one-twenty fourth basis)

Unearned premium reserve of reinsurance is calculated based on ceded premium for reinsurer as the same method with direct insurance that transfer insurance risk to reinsurer throughout the period of insurance coverage.

c.2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected to be incurred during the remaining period of coverage based on historical claims data.

At the end of reporting period, the subsidiaries compare the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is presented in the financial statements.

d) Unpaid policy benefits and other insurance liabilities

Unpaid policy benefits are recorded when notices of the claims are received or when conditions in the policies are met.

Other insurance liabilities are advance premiums from policy holders and other amounts that have to pay to policy holders but are not included in unpaid policy benefits, and recorded on the transaction date.

4.20 Leases

At inception of contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company and its subsidiaries recognise right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments. The Company and its subsidiaries applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term, as follow:

Buildings and building improvement	2 - 7	years
Vehicles	1 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.21 Derivatives

The Company and its subsidiaries initially recognised investment in listed warrants at fair value. After initial recognition, gain or loss on changes in fair value are recognised in profit or loss. At the period end, warrants are presented in statement of financial position at fair value. The fair value is calculated based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day of the year.

The subsidiary that operates in securities business is initially recognised derivatives at fair value on the date of the derivative contract (trading date) and classified as held for sale. They are subsequently remeasured at fair value, with changes in fair value recognised in profit or loss.

Derivative financial instruments held for trading are initially recognised as off-balance transactions on the date on which derivative contracts are entered into, and derivative warrants are recorded as liabilities items. Subsequently gain (loss) from changes in the fair value of derivatives is included in profit or loss. The fair value of futures contracts and options is based on the daily settlement price at the end of the last working day of the year. The fair value of derivative warrants is based on the latest offer price at the end of the last working day of the year as quoted on the Stock Exchange of Thailand. In event that the fair value of derivatives cannot be determined from the market, a valuation technique and model will be used and the input to this model will be derived from observable markets and adjusted with credit risk of each counter party.

4.22 Related party transactions

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

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

4.23 Impairment of non-financial assets

At the end of each reporting date, the Company and its subsidiaries assess whether there is an indication that a non-financial asset may be impaired. The Company and its subsidiaries perform impairment review whenever events or changes in circumstances indicate that an asset may be impaired. Loss on impairment is recognised when the asset's recoverable amount is less than the book value. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell reflects the amount that the Company and its subsidiaries could obtain at the financial reporting date from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company and its subsidiaries recognise impairment loss as expenses in part of profit or loss in the statement of comprehensive income, except in the case of assets which applied revaluation method and recorded in equity, impairment loss is recognised in equity to the extent that they do not exceed the revaluation surplus previously recorded in respect of the same asset.

In assessing impairment of asset other than goodwill, if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss for assets other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined in case that no impairment loss been recognised for the asset in prior years. Such reversal is recognised in part of profit or loss in the statement of comprehensive income.

4.24 Structured notes

Structured notes are debentures which a subsidiary offered to customers, who are institutional investors or high net worth investors. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission (SEC), and the underlying assets are securities listed on the Stock Exchange of Thailand.

The notes are recorded at amortised cost, adjusted by the discount on the notes. The discount is amortised by the effective rate method with the amortised amount presented as interest expenses in profit or loss.

Embedded derivatives are recorded as derivative assets at fair value and the changes in fair value are recorded in profit or loss. In determining the fair value, the subsidiary uses a valuation technique and theoretical model. The input to the model is derived from observable market conditions that include liquidity, dividend, interest rate, and the price and the volatility of the underlying asset.

4.25 Employee benefits

Short-term employee benefits

The Company and its subsidiaries recognised short-term employee benefits, such as salary, wages, bonuses, contributions to the social security fund, and vacation leave, as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund, and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

4.26 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and unused tax losses can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.27 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Company and its subsidiaries have transferred substantially all risks and rewards of ownership. If the Company and its subsidiaries neither transfers nor retain substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Company and its subsidiaries continue to recognise the financial assets to the extent of its continuing involvement. Financial liabilities are derecognised when they are extinguished e.g. when the obligation specified in the contract is discharged, cancelled or expired.

4.28 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.29 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

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

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Allowance for expected credit loss

Management is required to exercise judgment in estimating allowance for the expected credit loss of financial assets. The calculation of expected credit loss is based on a complex model, the use of assumptions, development of a model and estimates related to incremental credit risk and the selection of forward-looking information. These estimates involve a large number of relevant variables, so actual results may differ from the estimates.

5.3 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both of its fair value less costs of disposal and its value in use. The recoverable amount is based on available data or observable market prices or a discounted cash flow model. The cash flows are derived from the expected future cash-inflows. Changes in assumption relevant to the factors using to calculation may affect to the assessment of impairment.

5.4 Fair value of financial instruments

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

5.5 Allowance for impairment of property foreclosed

The Company and its subsidiaries assess allowance for impairment of property foreclosed when net realisable value falls below the book value. The management uses judgment to estimate impairment loss, taking into consideration the latest appraisal value, the type and the nature of the assets.

5.6 Land, premises and equipment and depreciation

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

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by the independent appraisers using the market approach for land and using the depreciated replacement cost approach, market approach and income approach for buildings. The valuation involves certain assumptions and estimates as described in Note 16 to the financial statements.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis, and record impairment loss when it is determined that their recoverable amounts are lower than the carrying amounts. This requires judgments in terms of forecasting future revenues and expenses relating to the assets subject to the review.

5.7 Lease agreement

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

In addition, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.8 Deferred tax assets

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

5.9 Unearned premium/Life insurance premium reserve

Unexpired risk reserve is calculated under an actuarial method, which reflects the best estimate of loss expected and related expenses to be incurred over the remaining period of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at the time.

Life insurance premium reserve is calculated under an actuarial method, which reflects current assumptions and assumption established at inception of the contract. Such reserve requires the management to exercise judgment in order to reflect the best estimates at that time. The main assumptions used relate to the mortality rate, selling and administrative expenses, surrender or lapse rates and discount rates. Use of different assumptions may affect the amount of insurance reserve so an adjustment of the insurance reserve may occur in the future.

5.10 Loss reserve and outstanding claims

At the end of each reporting date, subsidiaries estimate loss reserves and outstanding claims in two parts; loss incurred for which the claims advice has been received from the insured, and loss incurred but not reported (IBNR). The IBNR reserve is calculated using an international standard actuarial method. The estimation of main assumptions underlying these techniques relate to historical claims experience, including development of estimates of paid and incurred loss, average costs per claim, and claim numbers. Such estimates require the management to exercise judgment in order to reflect the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual result could differ.

5.11 Post-employment benefits under defined benefit plans

Obligations under the defined benefit plan are determined by using actuarial technique. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate, based on their best knowledge of current situation.

5.12 Litigation and contingent liabilities

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgment to assess of the results of such transactions, and in case where they believe that there will be no loss, no provisions are recorded as at the end of the reporting period.

6. Classification of financial assets and liabilities

(Unit: Million Baht)

	Consolidated financial statements			
	2022			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets				
Cash	-	-	5	5
Interbank and money market items - net	-	-	4,828	4,828
Financial assets measured at fair value through profit or loss				
Debt securities	303	-	-	303
Equity securities	2,187	-	-	2,187
Derivatives assets	132	-	-	132
Investments - net				
Debt securities	-	13,815	1,319	15,134
Equity securities	-	3,489	-	3,489
Loans to customers and accrued interest receivables - net	6	-	62,377	62,383
Receivables from purchase and sale of securities	-	-	2,001	2,001
Other assets - receivable from clearing house	-	-	112	112
Other assets - accrued interest receivables	-	-	161	161
Other assets - others	-	-	341	341
Financial liabilities				
Interbank and money market items	-	-	16,415	16,415
Derivatives liabilities	3	-	-	3
Debt issued and borrowings	-	-	47,730	47,730
Other liabilities - payables from purchase and sale of securities	64	-	1,005	1,069
Other liabilities - payable to clearing house	-	-	740	740
Other liabilities - accrued interest payables	-	-	272	272
Other liabilities - lease liabilities	-	-	346	346

(Unit: Million Baht)

	Consolidated financial statements			
	2021			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets				
Cash	-	-	4	4
Interbank and money market items - net	-	-	8,947	8,947
Financial assets measured at fair value through profit or loss				
Debt securities	653	-	-	653
Equity securities	2,128	-	-	2,128
Derivatives assets	206	-	-	206
Investments - net				
Debt securities	-	10,416	-	10,416
Equity securities	-	2,708	-	2,708
Loans to customers and accrued interest receivables - net	24	-	55,197	55,221
Receivables from purchase and sale of securities	-	-	843	843
Other assets - receivable from clearing house	-	-	275	275
Other assets - accrued interest and dividend receivables	-	-	105	105
Other assets - others	-	-	317	317
Financial liabilities				
Interbank and money market items	-	-	15,984	15,984
Derivatives liabilities	18	-	-	18
Debt issued and borrowings	-	-	34,308	34,308
Other liabilities - payables from purchase and sale of securities	89	-	1,175	1,264
Other liabilities - accrued interest payables	-	-	220	220
Other liabilities - lease liabilities	-	-	387	387

(Unit: Million Baht)

	Separate financial statements			
	2022			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets				
Interbank and money market items - net	-	-	1,848	1,848
Financial assets measured at fair value through profit or loss				
Debt securities	49	-	-	49
Equity securities	127	-	-	127
Derivatives assets	129	-	-	129
Investments - net				
Debt securities	-	162	-	162
Equity securities	-	1,904	-	1,904
Loans to customers and accrued interest receivables - net	-	-	5,164	5,164
Receivables from purchase and sale of securities	-	-	1	1
Other assets - accrued interest receivables	-	-	1	1
Other assets - others	-	-	13	13
Financial liabilities				
Debt issued and borrowings	-	-	20,016	20,016
Other liabilities - accrued interest payables	-	-	121	121
Other liabilities - lease liabilities	-	-	63	63

(Unit: Million Baht)

	Separate financial statements			
	2021			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets				
Interbank and money market items - net	-	-	1,348	1,348
Financial assets measured at fair value through profit or loss				
Debt securities	251	-	-	251
Equity securities	125	-	-	125
Derivatives assets	194	-	-	194
Investments - net				
Debt securities	-	247	-	247
Equity securities	-	1,614	-	1,614
Loans to customers and accrued interest receivables - net	-	-	4,722	4,722
Other assets - accrued interest and dividend receivables	-	-	2	2
Other assets - others	-	-	11	11

(Unit: Million Baht)

	Separate financial statements			
	2021			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial liabilities				
Debt issued and borrowings	-	-	11,696	11,696
Other liabilities - accrued interest payables	-	-	82	82
Other liabilities - lease liabilities	-	-	83	83

7. Interbank and money market items - deposits at financial institutions

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	At call	Term	Total	At call	Term	Total
Commercial banks	3,883	16	3,899	3,139	3,209	6,348
Specialised financial institutions	-	914	914	-	2,584	2,584
Total	3,883	930	4,813	3,139	5,793	8,932
Add: Accrued interest receivables	-	15	15	14	4	18
Less: Allowance for expected credit loss	-	-	-	-	(3)	(3)
Total	3,883	945	4,828	3,153	5,794	8,947

(Unit: Million Baht)

	Separate financial statements					
	2022			2021		
	At call	Term	Total	At call	Term	Total
Commercial banks	1,848	-	1,848	1,348	-	1,348
Total	1,848	-	1,848	1,348	-	1,348

8. Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Fair value	Fair value	Fair value	Fair value
Financial assets designated to be measured at fair value through profit or loss				
Government and state enterprises securities	233	303	-	-
Private debt securities	21	21	-	-
Others				
Private debt securities	-	200	-	200
Unit trusts	49	129	49	51
Domestic marketable equity securities	1,830	1,778	-	-
Domestic non-marketable equity securities	357	350	127	125
Total	2,490	2,781	176	376

9. Derivatives assets/derivatives liabilities

As at 31 December 2022 and 2021, the notional amount and the fair value of trading derivatives were classified by type of risk as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	Fair value		Notional	Fair value		Notional
Types of risk	Assets	Liabilities	amount	Assets	Liabilities	amount
Exchange rate						
Forward contract	-	1	16	-	-	-
Others						
Derivatives for trading	-	-	1,594	-	-	1,728
Options contracts on derivative bonds	-	-	9	-	-	-
Derivatives warrants	-	2	210	-	18	1,611
Warrants	132	-	-	206	-	-
Total	132	3	1,829	206	18	3,339

(Unit: Million Baht)

	Separate financial statements					
	2022			2021		
	Fair value		Notional	Fair value		Notional
Types of risk	Assets	Liabilities	amount	Assets	Liabilities	amount
Others						
Warrants	129	-	-	194	-	-
Total	129	-	-	194	-	-

10. Investments

10.1 Classified by type of investments

As at 31 December 2022 and 2021, investments classified by type of investments are as follows;

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Amortised cost/ Fair value	Amortised cost/ Fair value	Amortised cost/ Fair value	Amortised cost/ Fair value
Investments in debt securities measured at amortised cost				
Government and state enterprises securities	113	-	-	-
Private debt securities	1,207	-	-	-
Less: Allowance for expected credit loss	(1)	-	-	-
Total	1,319	-	-	-
Investments in debt securities measured at fair value through other comprehensive income				
Government and state enterprises securities	6,760	8,898	-	-
Private debt securities	7,055	1,518	162	247
Total	13,815	10,416	162	247
Allowance for expected credit loss	211	244	58	31
Investments in equity securities designated to be measured at fair value through other comprehensive income				
Domestic marketable equity securities	2,805	2,434	1,621	1,445
Domestic non-marketable equity securities	277	274	231	169
Perpetual subordinated bond	407	-	52	-
Total	3,489	2,708	1,904	1,614
Total	18,623	13,124	2,066	1,861

10.2 During the years ended 31 December 2022 and 2021, the Company and its subsidiaries disposed of their investments in equity securities designated to be measured at fair value through other comprehensive income so the change in the fair value of these investments through other comprehensive income are transferred to retained earnings as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	For the years ended 31 December							
	2022				2021			
	Fair value at the written-off date	Dividend received	Retained gain (loss) (net of income tax) (1)	Reason for written-off	Fair value at the written-off date	Dividend received	Retained gain (loss) (net of income tax) (1)	Reason for written-off
Domestic marketable equity securities	792	4	(4)	Disposal	390	1	(2)	Disposal
Total	792	4	(4)		390	1	(2)	

(1) Only the Company portion

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2022				2021			
	Fair value at the written-off date	Dividend received	Retained gain (loss) (net of income tax)	Reason for written-off	Fair value at the written-off date	Dividend received	Retained gain (loss) (net of income tax)	Reason for written-off
Domestic marketable equity securities	-	-	-	-	13	-	(11)	Disposal
Total	-	-	-		13	-	(11)	

In addition, during the years ended 31 December 2022 and 2021, the Company and its subsidiaries received dividends from other equity securities designated to be measured at fair value through other comprehensive income by Baht 60 million and Baht 99 million, respectively (separate financial statements: Baht 6 million and Baht 52 million, respectively).

10.3 Investments in companies having problems relating to financial position and operating results

As at 31 December 2022 and 2021, investments in securities of the Company and its subsidiary included investments in companies having problems relating to financial position and operating results, amounting to Baht 206 million and Baht 243 million, respectively. The Company and its subsidiary have already set aside allowance for expected credit loss for the full amount. (separate financial statements: Baht 58 million (including investment in debt securities that was purchased from its subsidiary during the year 2022) and Baht 30 million, respectively).

10.4 Investments in securities in which the Company and its subsidiaries hold not less than 10 percent

As at 31 December 2022 and 2021, the Company and its subsidiaries have investments in other securities in which the Company and its subsidiaries hold not less than 10 percent, separated by type of business, presented by fair value as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Utilities and services	1,499	1,337	1,499	1,329
Real estate rental	167	162	167	162

11. Investments in subsidiaries

11.1 Separate financial statements

As at 31 December 2022 and 2021, investments in subsidiaries in the separate financial statements consist of investments in ordinary shares as follow:

(Unit: Million Baht)

			Separate financial statements					
			Percentage of holding (%)		Value of investments			
	Paid-up share capital				Cost method		Equity method	
Company's name	2022	2021	2022	2021	2022	2021	2022	2021
Subsidiaries								
NFS Asset Management Co., Ltd.	175	175	100.00	100.00	175	175	519	551
Thanachart SPV 1 Co., Ltd.	12,704	12,704	100.00	100.00	12,704	12,704	7,583	6,606
T Life Assurance Plc.	1,000	1,000	100.00	100.00	1,081	1,081	1,111	975
T Broker Co., Ltd.	20	20	100.00	100.00	24	24	17	29
MT Service 2016 Co., Ltd.	50	50	100.00	100.00	30	30	7	10
Thanachart Plus Co., Ltd.	250	250	100.00	100.00	250	250	400	268
TS Asset Management Co., Ltd.	125	125	99.99	99.99	459	459	396	369
Thanachart SPV 2 Co., Ltd.	84	234	99.98	99.98	559	709	288	441
NASSET Property Fund 6	5	5	99.80	99.80	4	4	41	41
Max Asset Management Co., Ltd.	40	40	83.44	83.44	33	33	291	329
Thanachart Securities Plc.	3,000	3,000	89.96	50.96	3,219	1,771	3,160	1,859
Thanachart Insurance Plc.	4,930	4,930	89.96	50.96	5,364	2,697	5,495	2,801
Ratchthani Leasing Plc.	5,663	5,663	3.77	3.77	815	815	455	426
Total investments in subsidiaries					24,717	20,752	19,763	14,705
Less: Allowance for impairment					(454)	(454)		
Total investments in subsidiaries - net					24,263	20,298		

During the year 2021, the Company and its subsidiaries have changed their shareholding/ investments in subsidiaries as follows:

a) The Company and its subsidiaries purchased additional shares of subsidiaries as details below.

Company's name	Number	Value of investments under the cost method	Percentage of holding
	(Shares)	(Million Baht)	(%)
The Company purchased			
T Life Assurance Plc.	49,000,000	468	49.00
Ratchthani Leasing Plc.	36,376,200	147	0.64
T Broker Co., Ltd.	980,000	14	49.00
MT Service 2016 Co., Ltd.	2,450,000	4	49.00
Thanachart plus Co., Ltd. (newly establish)	24,999,997	250	100.00
The subsidiaries purchased			
Ratchthani Leasing Plc.	37,528,300	152	0.66

b) The following subsidiaries paid a capital return to the Company. Details are as follows:

Company's name	Number	Value of investment
	(Share)	(Million Baht)
Paid by decrease the register capital of the subsidiaries		
Thanachart SPV 2 Co.,Ltd.	70,065,628	700
TS Asset Management Co., Ltd.	37,496,862	375
Paid by non-decrease the register capital of the subsidiaries		
NASSET Property Fund 6	-	50

In this regard, receiving such capital refund has no effect on the shareholding proportion.

During the year 2022, the Company and its subsidiaries have changed their shareholding/ investments in subsidiaries as follows:

a) The Company and its subsidiaries purchased additional shares of subsidiaries as details below.

Company's name	Number	Value of investments under the cost method	Percentage of holding
	(Shares)	(Million Baht)	(%)
The Company purchased			
Thanachart Securities Plc.	1,169,978,547	1,448	39.00
Thanachart Insurance Plc.	192,266,203	2,667	39.00
The subsidiaries purchased			
Ratchthani Leasing Plc.	25,240,400	103	0.45

b) Thanachart SPV 2 Co., Ltd. decrease the number of ordinary shares issued and paid back to shareholders totaling Baht 150 million according to the registered value.

11.2 Share of profit from investments in subsidiaries

During the years ended 31 December 2022 and 2021, the Company recognised share of profit (loss) from investments in subsidiaries for the separate financial statements as follows:

(Unit: Million Baht)

Subsidiaries	Separate financial statements					
	For the years ended 31 December					
	Share of profit (loss)		Share of other comprehensive income (loss)		Dividend received	
	2022	2021	2022	2021	2022	2021
NFS Asset Management Co., Ltd.	18	85	(19)	(2)	31	-
Thanachart SPV 1 Co., Ltd.	1,031	1,333	2	1	-	508
T Life Assurance Plc.	101	176	35	(46)	-	-
T Broker Co., Ltd.	(13)	1	1	1	-	-
MT Service 2016 Co., Ltd.	(3)	-	-	1	-	-
Thanachart Plus Co., Ltd.	132	18	-	-	-	-
TS Asset Management Co., Ltd.	58	44	-	-	31	24
Thanachart SPV 2 Co., Ltd.	6	46	-	(2)	9	27
NASSET Property Fund 6	-	2	-	-	-	-
Max Asset Management Co., Ltd.	51	27	-	-	89	-
Thanachart Securities Plc.	235	344	1	6	396	398
Thanachart Insurance Plc.	394	391	89	(55)	60	455
Ratchthani Leasing Plc.	65	64	-	1	36	34
Total	2,075	2,531	109	(95)	652	1,446

11.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the years		Other comprehensive income (loss) allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)								
Thanachart Securities Plc.	10.04	49.04	353	1,782	205	324	-	5	174	382
Thanachart Insurance Plc.	10.04	49.04	613	2,696	301	376	(56)	(52)	58	438
Ratchathani Leasing Plc.	39.39	39.84	4,523	4,328	624	630	1	1	383	392

11.4 Summarised financial information of subsidiaries that have material non-controlling interests based on amounts before inter-company elimination

Summarised information about financial position as at 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2022	2021	2022	2021	2022	2021
Total assets	10,265	8,679	17,478	14,899	53,629	48,956
Total liabilities	6,751	5,045	11,370	9,402	41,439	37,533

Summarised information about comprehensive income for the years ended 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2022	2021	2022	2021	2022	2021
Net operating income	1,301	1,686	2,096	2,215	3,211	3,029
Profit for the years	448	661	697	768	1,726	1,679
Other comprehensive income (loss)	2	10	32	(108)	4	1
Total comprehensive income	450	671	729	660	1,730	1,680

Summarised information about cash flow for the years ended 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2022	2021	2022	2021	2022	2021
Cash flow from (used in) operating activities	574	925	4,881	288	(11,776)	1,526
Cash flow from (used in) investing activities	(4)	(145)	(4,845)	633	(24)	(13)
Cash flow from (used in) financing activities	(570)	(780)	(36)	(921)	11,800	(1,511)
Net increase in cash	-	-	-	-	-	2

12. Investments in associated companies and joint venture

12.1 Detail of investments in associated companies and joint venture

As at 31 December 2022 and 2021, investment in associated companies and joint venture consists of investments in ordinary shares of the following companies which operate in Thailand as follow:

(Unit: Million Baht)

				Consolidated financial statements			
		Percentage of holding (%)		Value of investments			
				Cost method		Equity method	
Company's name	Nature of business	2022	2021	2022	2021	2022	2021
Associated companies							
TMBThanachart Bank Plc.	banking	24.85	23.32	47,602	45,643	52,830	48,902
MBK Plc.	property rental, hotel and services	23.32	23.32	2,563	2,085	4,154	4,049
Joint Venture							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	2	4
Total investments in associated companies and joint venture				50,168	47,731	56,986	52,955

(Unit: Million Baht)

				Separate financial statements			
		Percentage of holding (%)		Value of investments			
				Cost method		Equity method	
Company's name	Nature of business	2022	2021	2022	2021	2022	2021
Associated companies							
TMBThanachart Bank Plc.	banking	24.30	22.76	47,065	45,106	51,839	47,954
MBK Plc.	property rental, hotel and services	21.56	21.56	5,342	4,900	3,776	3,680
Joint Venture							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	2	4
Total investments in associated companies and joint venture				52,410	50,009	55,617	51,638

TMBThanachart Bank Plc.

During the year 2021, the Company and its subsidiaries gradually purchased 3,139 million additional ordinary shares of TMBThanachart Bank Plc., amount to Baht 3,567 million, resulting in an increase of 3.21 percent, representing a total shareholding of 23.32 percent (Separate financial statements: purchase of additional 2,602 million ordinary shares, amount to Baht 3,030 million, resulting in an increase of 2.65 percent, representing total shareholding of 22.76 percent). In purchasing additional shares, the Company and its subsidiaries have assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date. The fair value is calculated according to the proportion paid by the Company and its subsidiaries, total amount of Baht 6,472 million (referring to the latest financial statement available on the date of acquisition). The portion of the fair value of the investment that is higher than the cost of Baht 2,905 million is recognised as a gain on purchase in the consolidated financial statements. At the same time, the Company and its subsidiaries have recognised losses from the purchase price in the past which higher than the fair value of net assets that was previously recognised as part of the cost of investment as expenses in the financial statements.

During the year 2022, the Company purchased 1,522 million ordinary shares of TMBThanachart Bank Plc., amount to Baht 1,959 million, increasing its shareholding by 1.57 percent, representing a total shareholding of 24.85 percent. (Separate financial statements: 24.30 percent) and at the same time TMBThanachart Bank Plc. has issued shares to support the conversion of warrants. In order to purchase additional shares, the Company has assessed the net fair value of identifiable assets and liabilities acquired on the acquisition date. The fair value is calculated according to the proportion paid by the Company, total amount of Baht 1,959 million (referring to the latest financial statement available on the date of acquisition).

MBK Plc.

During the year 2021, the subsidiary has exercised warrants to purchase ordinary shares of MBK Plc. of 31 million shares, amount to Baht 381 million or 1.77 percent. Meanwhile MBK Plc. has issued shares to support the exercise of warrants. As of 31 December 2021, the Company and its subsidiaries have a total shareholding of 23.32 percent (Separate financial statements: Company holding 21.56 percent of shares). The subsidiary has assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date, the fair value in proportion to which the subsidiary acquired was Baht 269 million (referring to the latest financial statements available on the date of acquisition) and the value of the investment paid for the purchase was higher than the fair value of the net assets of Baht 112 million, which was presented as part of investments.

During the year 2022, the Company and its subsidiaries exercised warrants to purchase 34 million ordinary shares of MBK Plc., amount to Baht 478 million (Separate financial statements: 31 million shares, amount to Baht 442 million). Meanwhile MBK Plc. has issued shares to support the exercise of warrants. In purchasing additional shares, the Company and its subsidiaries have assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date, the fair value in proportion to which the Company and its subsidiaries acquired was Baht 100 million (referring to the latest financial statements available as of acquired) and the value of the investment paid for the purchase was higher than the fair value of the total net assets of Baht 378 million (Separate financial statements: the fair value was calculated in proportion to the purchase amount of Baht 93 million (referring to the latest financial statements available as of acquired) and the value of the investment paid for the purchase is higher than the fair value of the total net assets of Baht 349 million), which is presented as part of investments.

12.2 Share of profit from investments in associated companies and joint venture

(Unit: Million Baht)

	Consolidated financial statements							
	For the years ended 31 December							
	Share of profit (loss)		Share of other comprehensive income (loss)		Share of surplus from the change in the ownership interests in subsidiaries of an associate		Dividend received	
Company's name	2022	2021	2022	2021	2022	2021	2022	2021
Associated companies								
TMBThanachart Bank Plc.	3,427	2,256	(121)	(62)	-	-	1,337	919
MBK Plc.	(194)	(271)	2	-	(4)	(4)	177	-
Joint Venture								
TM Communications and Brand Management Co., Ltd.	-	1	-	-	-	-	2	-
Total	3,233	1,986	(119)	(62)	(4)	(4)	1,516	919

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	Share of profit (loss)		Share of other comprehensive income (loss)		Share of surplus from the change in the ownership interests in subsidiaries of an associate		Dividend received	
Company's name	2022	2021	2022	2021	2022	2021	2022	2021
Associated companies								
TMBThanachart Bank Plc.	3,349	1,844	(118)	(62)	-	-	1,305	919
MBK Plc.	(179)	(258)	1	(1)	(4)	(4)	164	-
Joint Venture								
TM Communications and Brand Management Co., Ltd.	-	1	-	-	-	-	2	-
Total	3,170	1,587	(117)	(63)	(4)	(4)	1,471	919

12.3 Summarised financial information of associated companies

a) Summarised financial information of significant associated companies as at 31 December 2022 and 2021 and for the years then ended are as follows:

Summarised information about financial position

(Unit: Million Baht)

	TMBThanachart Bank Plc.		MBK Plc.	
	31 December 2022	31 December 2021	31 December 2022 (1)	30 September 2021 (1)
Total assets	1,826,279	1,758,170	58,207	59,632
Total liabilities	(1,607,271)	(1,547,334)	(33,781)	(35,677)
Other equity items of associated companies	(166)	(209)	68	192
Net assets	218,842	210,627	24,494	24,147
Shareholding percentage (%)	24.85	23.32	23.32	23.32
Share of net assets	54,382	49,118	5,712	5,631
Elimination entries	-	-	(2,504)	(2,150)
Goodwill	-	-	946	568
Others	(1,552)	(216)	-	-
Carrying amounts of associate based on equity method	52,830	48,902	4,154	4,049

(1) Presents in the amount after adjustment for the effect of differences in accounting policies and before inter-company adjustment transactions.

Summarised information about comprehensive income

(Unit: Million Baht)

	TMBThanachart Bank Plc.		MBK Plc.	
	For the years ended		For the years ended	
	31 December 2022	31 December 2021	31 December 2022 (1)	30 September 2022 (1)
Revenue	83,497	82,718	8,506	8,420
Profit for the year	14,195	10,474	208	(380)
Other comprehensive income year (loss)	(550)	(274)	186	528
Total comprehensive income for the year	13,645	10,200	394	148

(1) Presents in the amount after adjustment for the effect of differences in accounting policies and before inter-company adjustment transactions.

The share of profit (loss) of the associate under the equity method for the year ended 31 December 2022 was determined based on the budgeting of financial report for the year ended 31 December 2022 prepared by the management of the Company and for the year ended 31 December 2021 calculated from the financial statements for the year ended 30 September 2021 due to limitation of information.

b) Fair value of investments in associated companies

As at 31 December 2022 and 2021, the fair value of investments in associated companies which are listed on the Stock Exchange of Thailand is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
TMBThanachart Bank Plc.	33,911	33,117	33,153	32,328
MBK Plc.	7,821	5,505	7,233	5,091

13. Loans to customers and accrued interest receivables

13.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loans to customers				
Loans	4,843	2,609	5,094	3,647
Loans purchased of receivables	953	1,046	203	206
Notes receivables	7	7	7	1,007
Hire purchase receivables	59,059	54,175	-	-
Financial lease receivables	505	611	-	-
Less: Unearned revenues and deferred fee of hire purchase and financial lease	(6,112)	(5,387)	-	-
Less: Interest income received in advance and deferred fee revenues	(172)	(132)	(12)	(11)
Total loans to customers net of unearned revenues	59,083	52,929	5,292	4,849
Add: Accrued interest receivables	231	153	74	46
Total loans to customers and accrued interest receivables net of unearned revenues	59,314	53,082	5,366	4,895
Less: Allowance for expected credit loss	(2,724)	(2,615)	(202)	(173)
Loans to customers and accrued interest receivables - net	56,590	50,467	5,164	4,722
Securities business receivables				
Credit balances receivables	5,787	4,730	-	-
Other receivables	6	24	-	-
Total securities business receivables	5,793	4,754	-	-
Less: Allowance for expected credit loss	-	-	-	-
Securities business receivables - net	5,793	4,754	-	-
Total loans to customers and accrued interest receivables - net	62,383	55,221	5,164	4,722

13.2 Debt restructuring

As at 31 December 2022 and 2021, the Company and its subsidiaries have restructured receivables balances (principal and accrued interest receivable) as follow:

	Restructured receivables			
	Number of receivables		Outstanding balances	
	2022	2021	2022	2021
			Million Baht	Million Baht
Thanachart Capital Plc.	11	13	15	17
MAX Asset Management Co., Ltd.	43	45	144	143
Other subsidiaries	37	46	56	115

In addition to debtors who have entered into debt restructuring agreements above. A subsidiary has entered into an assistance program for hire-purchase debtors affected by the Coronavirus Disease 2019. As at 31 December 2022, the balance of debtors under assistance was 2.43 percent of the debtors according to the hire-purchase contract. The subsidiary company has followed the accounting guidelines on Guidelines for Assisting Debtors Affected by Coronavirus Disease 2019 by classifying and setting aside provisions in accordance with relevant financial reporting standards. For under-performing debtors, debtors can be reclassified as performing debtors only when debtors are able to comply with new repayment conditions for 3 consecutive months or 3 payment installments, whichever is longer. And if the debtor who is helping is a non-performing debtor (NPL), the debtor can be upgraded to the Performing class only if the debtor is able to comply with the new repayment conditions for 12 consecutive months or 12 payment installments, whichever is longer period.

13.3 Classified by classification

As at 31 December 2022 and 2021, the Company and its subsidiaries classified loans and related allowances as summarised below.

(Unit: Million Baht)

	Consolidated financial statements			
	2022		2021	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	56,428	300	49,670	247
Receivables with a significant increase in credit risk (Under-performing)	6,132	846	5,084	689
Receivables with credit impairment (Non-performing)	1,369	874	1,887	1,005
Receivables with purchased or originated credit impairment (Non- performing purchased or originated credit impaired)	1,178	704	1,195	674
Total	65,107	2,724	57,836	2,615

(Unit: Million Baht)

	Separate financial statements			
	2022		2021	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	5,067	32	4,622	31
Receivables with a significant increase in credit risk (Under-performing)	-	-	-	-
Receivables with credit impairment (Non-performing)	22	19	22	19
Receivables with purchased or originated credit impairment (Non- performing purchased or originated credit impaired)	277	151	251	123
Total	5,366	202	4,895	173

13.4 Hire purchase/financial lease receivables classified by aging

As at 31 December 2022 and 2021, the subsidiaries, which are engaged in hire purchases and financial leases businesses, have hire purchase and financial lease receivables. These mostly comprise hire purchase agreements or financial lease agreements for cars, trucks and motorcycles. The terms of the agreements are generally between 2 and 5 years and they carry interest at fixed rates stipulated in the agreements.

(Unit: Million Baht)

	Consolidated financial statements						
	2022						
	Amounts due under lease agreements						
	Not over 1 year [1]	Over 1 year but not over 2 years	Over 2 years but not over 3 years	Over 3 years but not over 4 years	Over 4 years but not over 5 years	Over 5 years	Total
Gross investment in the lease	22,286	16,359	11,887	6,794	2,181	57	59,564
Less: Unearned finance income [2]	(3,022)	(1,791)	(919)	(327)	(52)	(1)	(6,112)
Present value of minimum lease payments receivables	19,264	14,568	10,968	6,467	2,129	56	53,452
Allowance for expected credit loss							(1,988)
Hire purchase/financial lease receivables - net							51,464

(1) Hire purchase/financial lease receivables due within one year included credit impaired receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

(Unit: Million Baht)

	Consolidated financial statements						
	2021						
	Amounts due under lease agreements						
	Not over 1 year [1]	Over 1 year but not over 2 years	Over 2 years but not over 3 years	Over 3 years but not over 4 years	Over 4 years but not over 5 years	Over 5 years	Total
Gross investment in the lease	21,941	15,428	10,102	5,615	1,672	28	54,786
Less: Unearned finance income [2]	(2,697)	(1,592)	(786)	(269)	(43)	-	(5,387)
Present value of minimum lease payments receivables	19,244	13,836	9,316	5,346	1,629	28	49,399
Allowance for expected credit loss							(1,916)
Hire purchase/financial lease receivables - net							47,483

(1) Hire purchase/financial lease receivables due within one year included credit impaired receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

As at 31 December 2022 and 2021, hire purchase and financial lease receivables balances and allowance for expected credit loss of that subsidiary are classified by credit risk as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2022		2021	
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	45,976	288	42,452	241
Receivables with a significant increase in credit risk (Under-performing)	6,129	845	5,084	689
Receivables with credit impairment (Non-performing)	1,347	855	1,863	986
Total	53,452	1,988	49,399	1,916

13.5 Loans to companies which have settlement problems

As at 31 December 2022 and 2021, loans and accrued interest receivables of the Company and its subsidiaries included amounts due from companies with weak financial positions and poor operating results, as follows:

	Consolidated financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2022	2021	2022	2021	2022	2021	2022	2021
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	7	9	1	5	-	-	1	5
2. Companies which have loan settlement problems or have defaulted on the repayment	494	643	1,426	1,708	258	344	815	795

	Separate financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2022	2021	2022	2021	2022	2021	2022	2021
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	71	71	117	106	33	47	89	77

14. Allowance for expected credit loss

Movement of allowance for expected credit loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2022					
	Allowance for expected credit loss					
	Financial assets with credit risk					
	Stage 1 (1)	Stage 2 (2)	Stage 3 (3)	POCI (4)	Simplified (5)	Total
Interbank and money market items (assets)						
Beginning balance	3	-	-	-	-	3
Changes due to re-measurement of allowance for credit loss	(3)	-	-	-	-	(3)
Ending balance	-	-	-	-	-	-
Investments in debt securities measured at amortised cost						
Beginning balance	-	-	-	-	-	-
Changes due to re-measurement of allowance for credit loss	1	-	-	-	-	1
Ending balance	1	-	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income						
Beginning balance	-	-	244	-	-	244
Changes due to re-measurement of allowance for credit loss	5	-	-	-	-	5
Eliminate financial assets	-	-	(38)	-	-	(38)
Ending balance	5	-	206	-	-	211

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2022					
	Allowance for expected credit loss					
	Financial assets with credit risk					
	Stage 1 (1)	Stage 2 (2)	Stage 3 (3)	POCI (4)	Simplified (5)	Total
Loans to customers and accrued interest receivables						
Beginning balance	247	689	1,005	674	-	2,615
Changes due to re-measurement of allowance for credit loss	(241)	(58)	495	40	-	236
Changes due to reclassification	139	(82)	(57)	-	-	-
New financial assets purchased or acquired	155	296	96	-	-	547
Eliminated financial assets	-	-	-	(10)	-	(10)
Written-off	-	-	(279)	-	-	(279)
Transfer assets type	-	-	(385)	-	-	(385)
Ending balance	300	845	875	704	-	2,724
Other assets						
Beginning balance	-	1	1,061	-	32	1,094
Changes due to re-measurement of allowance for credit loss	-	-	(147)	-	-	(147)
New financial assets purchased or acquired	-	-	-	-	18	18
Eliminated financial assets	-	-	-	-	-	-
Written-off	-	-	(42)	-	-	(42)
Transfer assets type	-	-	385	-	-	385
Ending balance	-	1	1,257	-	50	1,308

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2021					
	Allowance for expected credit loss					
	Financial assets with credit risk					
	Stage 1 (1)	Stage 2 (2)	Stage 3 (3)	POCI (4)	Simplified (5)	Total
Interbank and money market items (assets)						
Beginning balance	3	-	-	-	-	3
Changes due to re-measurement of allowance for credit loss	-	-	-	-	-	-
Ending balance	3	-	-	-	-	3
Investments in debt securities measured at fair value through other comprehensive income						
Beginning balance	1	1	272	-	-	274
Changes due to re-measurement of allowance for credit loss	(1)	-	(29)	-	-	(30)
Change due to reclassification	-	(1)	1	-	-	-
Ending balance	-	-	244	-	-	244
Loans to customers and accrued interest receivables						
Beginning balance	183	643	857	659	-	2,342
Changes due to re-measurement of allowance for credit loss	(131)	11	573	53	-	506
Changes due to reclassification	86	(120)	34	-	-	-
New financial assets purchased or acquired	109	155	45	-	-	309
Eliminated financial assets	-	-	-	(38)	-	(38)
Written-off	-	-	(239)	-	-	(239)
Transfer assets type	-	-	(265)	-	-	(265)
Ending balance	247	689	1,005	674	-	2,615
Other assets						
Beginning balance	-	1	977	-	36	1,014
Changes due to re-measurement of allowance for credit loss	-	-	(150)	-	-	(150)
New financial assets purchased or acquired	-	-	-	-	14	14
Eliminated financial assets	-	-	-	-	(18)	(18)
Written-off	-	-	(31)	-	-	(31)
Transfer assets type	-	-	265	-	-	265
Ending balance	-	1	1,061	-	32	1,094

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Separate financial statements				
	For the year ended 31 December 2022				
	Allowance for expected credit loss				
	Financial assets with credit risk				
	Stage 1 (1)	Stage 2 (2)	Stage 3 (3)	POCI (4)	Total
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	1	-	30	-	31
New financial assets purchased or acquired	(1)	-	28	-	27
Ending balance	-	-	58	-	58
Loans to customers and accrued interest receivables					
Beginning balance	31	-	19	123	173
Changes due to re-measurement of allowance for credit loss	1	-	-	28	29
Ending balance	32	-	19	151	202
Other assets					
Beginning balance	-	-	2	-	2
Changes due to re-measurement of allowance for credit loss	-	-	-	-	-
Ending balance	-	-	2	-	2

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(Unit: Million Baht)

	Separate financial statements				
	For the year ended 31 December 2021				
	Allowance for expected credit loss				
	Financial assets with credit risk				
	Stage 1 (1)	Stage 2 (2)	Stage 3 (3)	POCI (4)	Total
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	1	-	-	-	1
New financial assets purchased or acquired	-	-	30	-	30
Ending balance	1	-	30	-	31
Loans to customers and accrued interest receivables					
Beginning balance	7	-	19	98	124
Changes due to re-measurement of allowance for credit loss	24	-	-	25	49
Ending balance	31	-	19	123	173
Other assets					
Beginning balance	-	-	5	-	5
Changes due to re-measurement of allowance for credit loss	-	-	(3)	-	(3)
Ending balance	-	-	2	-	2

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

15. Property foreclosed

The Company and its subsidiaries' property foreclosed consist of immovable assets (External appraised) and movable assets as follow:

(Unit: Million Baht)

	Consolidated financial statements			
	2022			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	1,681	1	(11)	1,671
Movable assets	136	912	(679)	369
Assets purchase by bid on the open market				
Immovable assets	2,359	50	(58)	2,351
Others				
Immovable assets	392	-	-	392
Total property foreclosed	4,568	963	(748)	4,783
Less: Allowance for impairment	(889)	(51)	11	(929)
Property foreclosed - net	3,679	912	(737)	3,854

(Unit: Million Baht)

	Consolidated financial statements			
	2021			
	Balance - beginning of the year	Additions	Disposals	Balance - End of the year
Assets transferred for settlement of debts				
Immovable assets	1,729	6	(54)	1,681
Movable assets	102	651	(617)	136
Assets purchase by bid on the open market				
Immovable assets	2,481	30	(152)	2,359
Others				
Immovable assets	402	-	(10)	392
Total property foreclosed	4,714	687	(833)	4,568
Less: Allowance for impairment	(1,660)	678	93	(889)
Property foreclosed - net	3,054	1,365	(740)	3,679

(Unit: Million Baht)

	Separate financial statements			
	2022			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	936	1	(7)	930
Assets purchase by bid on the open market				
Immovable assets	1,596	28	-	1,624
Others				
Immovable assets	243	-	-	243
Total property foreclosed	2,775	29	(7)	2,797
Less: Allowance for impairment	(475)	49	-	(426)
Property foreclosed - net	2,300	78	(7)	2,371

(Unit: Million Baht)

	Separate financial statements			
	2021			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	972	-	(36)	936
Assets purchase by bid on the open market				
Immovable assets	1,624	14	(42)	1,596
Others				
Immovable assets	243	-	-	243
Total property foreclosed	2,839	14	(78)	2,775
Less: Allowance for impairment	(1,241)	714	52	(475)
Property foreclosed - net	1,598	728	(26)	2,300

16. Land, buildings, equipment and right-of-use assets

(Unit: Million Baht)

	Consolidated financial statements								
	For the year ended 31 December 2022								
	Revaluation basis		Cost basis						
						Right-of-use assets			
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets Under installation	Land	Buildings	Vehicles	Total
Cost/Revaluation									
1 January 2022	32	178	648	25	1	17	496	68	1,465
Additions/new contracts	-	56	25	7	7	-	90	21	206
Transfers/disposals/ change in contract term	(6)	(52)	(49)	2	(4)	-	(119)	(18)	(246)
31 December 2022	26	182	624	34	4	17	467	71	1,425
Accumulated depreciation									
1 January 2022	-	44	419	21	-	10	178	37	709
Transfers/disposals/ change in contract term	-	(3)	(50)	2	-	-	(85)	(15)	(151)
Depreciation for the year	-	10	63	3	-	1	94	14	185
31 December 2022	-	51	432	26	-	11	187	36	743
Net book value									
31 December 2022	26	131	192	8	4	6	280	35	682
Depreciation charged for the year									185

(Unit: Million Baht)

	Consolidated financial statements								
	For the year ended 31 December 2021								
	Revaluation basis		Cost basis						
						Right-of-use assets			
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets Under installation	Land	Buildings	Vehicles	Total
Cost/Revaluation									
1 January 2021	32	178	497	32	4	-	441	71	1,255
Transfer type	-	-	-	-	-	17	-	-	17
Additions/new contracts	-	-	47	-	148	-	66	5	266
Transfers/disposals/ change in contract term	-	-	104	(7)	(151)	-	(11)	(8)	(73)
31 December 2021	32	178	648	25	1	17	496	68	1,465
Accumulated depreciation									
1 January 2021	-	29	411	25	-	-	85	27	577
Transfer type	-	-	-	-	-	9	-	-	9
Transfers/disposals	-	-	(44)	(6)	-	-	(5)	(7)	(62)
Depreciation for the year	-	15	52	2	-	1	98	17	185
31 December 2021	-	44	419	21	-	10	178	37	709
Net book value									
31 December 2021	32	134	229	4	1	7	318	31	756
Depreciation charged for the year									185

(Unit: Million Baht)

	Separate financial statements								
	For the year ended 31 December 2022								
	Revaluation basis	Cost basis							
						Right-of-use assets			
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets under installation	Land	Buildings	Vehicles	Total
Cost/Revaluation									
1 January 2022	23	46	62	6	-	17	114	9	277
Additions/new contracts	-	-	3	-	-	-	10	6	19
Transfers/disposals	-	-	(1)	-	-	-	(31)	-	(32)
31 December 2022	23	46	64	6	-	17	93	15	264
Accumulated depreciation									
1 January 2022	-	8	57	5	-	10	35	5	120
Transfers/disposals	-	-	(1)	-	-	-	(12)	-	(13)
Depreciation for the year	-	3	2	1	-	1	17	2	26
31 December 2022	-	11	58	6	-	11	40	7	133
Net book value									
31 December 2022	23	35	6	-	-	6	53	8	131
Depreciation charged for the year									26

(Unit: Million Baht)

	Separate financial statements								
	For the year ended 31 December 2021								
	Revaluation basis	Cost basis							
						Right-of-use assets			
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets under installation	Land	Buildings	Vehicles	Total
Cost/Revaluation									
1 January 2021	23	46	60	17	-	-	74	9	229
Transfer type	-	-	-	-	-	17	-	-	17
Additions/new contracts	-	-	2	-	-	-	40	-	42
Transfers/disposals	-	-	-	(11)	-	-	-	-	(11)
31 December 2021	23	46	62	6	-	17	114	9	277
Accumulated depreciation									
1 January 2021	-	5	56	13	-	-	13	3	90
Transfer type	-	-	-	-	-	9	-	-	9
Transfers/disposals	-	-	-	(10)	-	-	-	-	(10)
Depreciation for the year	-	3	1	2	-	1	22	2	31
31 December 2021	-	8	57	5	-	10	35	5	120
Net book value									
31 December 2021	23	38	5	1	-	7	79	4	157
Depreciation charged for the year									31

As at 31 December 2022 and 2021, the Company and its subsidiaries have building improvement, office equipment and vehicles which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment, amounting to approximately Baht 339 million and Baht 368 million, respectively (separate financial statements: Baht 60 million and Baht 54 million, respectively).

The Company and its subsidiaries arranged for an independent professional appraiser to appraise the value of certain assets in 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Building was revalued using the depreciated replacement cost approach, market approach and income approach.

Had the land and buildings been carried in the financial statements on a historical cost basis, its net book value as of 31 December 2022 and 2021 would have been as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land				
Cost	6	12	3	3
Buildings				
Cost	187	183	45	45
Accumulated depreciation	(119)	(117)	(37)	(37)
Net book value	68	66	8	8

Key assumptions used in the valuation are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	6,500 - 51,000	51,000	Increase in fair value
Building price cost per square meter (Baht)	5,054 - 75,000	5,054 - 75,000	Increase in fair value

Surplus on revaluation of assets

Movements in surplus on revaluation of assets arising from revaluation of land and buildings of the Company and its subsidiaries during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance - beginning of the year	76	78	49	51
Increase during the year	-	1	-	-
Transfer out during the year	(4)	(3)	(2)	(2)
Balance - end of the year (Before related income tax)	72	76	47	49

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend distribution.

17. Intangible assets

Movement of intangible assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the year ended 31 December 2022						
	Consolidated financial statements				Separate financial statements		
	Computer software	Membership fees for Thailand Futures Exchange and others	Computer software under development	Total	Computer software	Computer software under development	Total
Cost							
1 January 2022	457	7	32	496	12	-	12
Additions	24	-	27	51	-	-	-
Transfers/disposals	29	-	(42)	(13)	-	-	-
31 December 2022	510	7	17	534	12	-	12
Accumulated amortisation							
1 January 2022	244	7	-	251	9	-	9
Transfers/disposals	-	-	-	-	-	-	-
Amortisation for the year	56	-	-	56	-	-	-
31 December 2022	300	7	-	307	9	-	9
Net book value							
31 December 2022	210	-	17	227	3	-	3
Remaining amortisation year	0-10 years	1-2 years	-		0-9 years	-	
Amortisation for the year				56			-

(Unit: Million Baht)

	For the year ended 31 December 2021						
	Consolidated financial statements				Separate financial statements		
	Computer software	Membership fees for Thailand Futures Exchange and others	Computer software under development	Total	Computer software	Computer software under development	Total
Cost							
1 January 2021	327	8	37	372	9	-	9
Additions	37	-	90	127	2	1	3
Transfers/disposals	93	(1)	(95)	(3)	1	(1)	-
31 December 2021	457	7	32	496	12	-	12
Accumulated amortisation							
1 January 2021	200	8	-	208	8	-	8
Transfers/disposals	-	(1)	-	(1)	-	-	-
Amortisation for the year	44	-	-	44	1	-	1
31 December 2021	244	7	-	251	9	-	9
Net book value							
31 December 2021	213	-	32	245	3	-	3
Remaining amortisation year	0 - 10 years	1 - 5 years	-		0 - 9 years	-	
Amortisation for the year				44			1

As at 31 December 2022 and 2021, the Company and its subsidiaries have computer software which have been fully amortised but are still in use with the gross carrying amount, before deducting accumulated amortisation and allowance for impairment, amounting to approximately Baht 158 million and Baht 128 million, respectively (separate financial statements: Baht 8 million and Baht 8 million, respectively).

18. Deferred tax assets/liabilities and income tax

18.1 Deferred tax assets/liabilities

As at 31 December 2022 and 2021, deferred tax assets/liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	1,112	1,025	-	-
Deferred tax liabilities	(235)	(244)	(195)	(192)
Net	877	781	(195)	(192)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss for the years	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	680	640	46	58
Allowance for impairment of properties foreclosed	27	8	19	1
Employee benefits	47	48	4	(2)
Accrued expenses	6	12	-	1
Insurance contract liabilities	434	403	31	28
Financial lease liabilities / other liabilities	9	1	1	-
Others	21	15	6	10
Deferred tax assets	1,224	1,127	107	96
Deferred tax liabilities				
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(104)	(91)	(13)	2
Unrealised gain from measurement of investments	(186)	(176)	(20)	(9)
Unrealised gain from measurement of derivatives	(27)	(50)	23	(17)
Surplus on revaluation of assets	(21)	(20)	(1)	-
Others	(9)	(9)	-	(1)
Deferred tax liabilities	(347)	(346)	(11)	(25)
Net	877	781	96	71

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss for the years	
	2022	2021	2022	2021
Deferred tax liabilities				
Unrealised gain from measurement of investments	(160)	(142)	(13)	5
Unrealised gain from measurement of derivatives	(25)	(39)	14	(11)
Surplus on revaluation of assets	(10)	(10)	-	-
Others	-	(1)	1	1
Deferred tax liabilities	(195)	(192)	2	(5)

As at 31 December 2022 and 2021, the Company and its subsidiaries have deductible temporary differences and unused tax loss totaling Baht 3,129 million and Baht 3,043 million, respectively (separate financial statements: Baht 1,622 million and Baht 1,399 million, respectively) on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow full utilisation of the temporary differences and unused tax loss.

The unused tax loss amounting to Baht 1,409 million in the consolidated financial statements and Baht 955 million in the separate financial statement will expire by 2023 - 2027.

18.2 Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Corporate income tax charge for the year	870	905	-	-
Adjustment in respect of income tax from previous year	(5)	2	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(96)	(71)	(2)	5
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	3	-	-	-
Income tax expenses reported in statements of comprehensive income	772	836	(2)	5

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax relating to:				
Gain (loss) on changes in value of debt securities measured at fair value through other comprehensive income	8	(9)	-	-
Gain (loss) on changes in value of equity securities designated to be measure at fair value through other comprehensive income	(15)	(16)	5	9
Actuarial gain on defined benefit plan	5	7	-	-
	(2)	(18)	5	9

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	7,200	7,558	5,218	5,292
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,440	1,512	1,044	1,058
Adjustment in respect of income tax from previous year	(5)	2	-	-
Effects of non-taxable revenue and non-deductible expenses - net	(617)	(361)	(1,023)	(769)
Utilised tax loss during the period	-	(157)	-	(141)
Expense treated as non-deductible which are temporary differences and not expected to utilised (reversal)	(46)	(160)	(23)	(143)
Income tax expenses reported in statements of comprehensive income	772	836	(2)	5

19. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accrued premium insurance	717	749	-	-
Accrued income	30	103	6	2
Estimated insurance claims recoveries	233	203	-	-
Receivable from clearing house	112	275	-	-
Prepaid brokerage fee	274	271	-	-
Prepaid expenses	369	258	17	7
Reinsurance assets	1,118	489	-	-
Corporate income tax refundable	53	46	18	11
Accrued interest and dividend receivables	164	108	1	2
Other receivables	34	40	5	5
VAT refundable	188	76	-	-
Other receivables - VAT paid in advance for customers	52	47	-	-
Deposits	27	31	4	6
Other receivables - hire purchase receivables	1,211	1,019	-	-
Others	493	329	-	1
Total	5,075	4,044	51	34
Less: Allowance for impairment	(1)	(1)	-	-
Allowance for expected credit loss	(1,308)	(1,094)	(2)	(2)
Other assets - net	3,766	2,949	49	32

20. Classification of assets

As at 31 December 2022 and 2021, the financial assets are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	2022						
	Interbank and money market items	Debt securities measured at amortised cost	Debt securities measured at fair value through other comprehensive income	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets classified by credit risk							
Stage 1 (1)	4,828	1,320	13,815	56,428	2,001	332	78,724
Stage 2 (2)	-	-	-	6,132	-	26	6,158
Stage 3 (3)	-	-	-	1,369	-	1,270	2,639
POCI (4)	-	-	-	1,178	-	-	1,178
Simplified (5)	-	-	-	-	-	294	294
Total	4,828	1,320	13,815	65,107	2,001	1,922	88,993

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Consolidated financial statements						
	2021						
	Interbank and money market items	Debt securities measured at amortised cost	Debt securities measured at fair value through other comprehensive income	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets classified by credit risk							
Stage 1 (1)	8,950	-	10,416	49,670	843	455	70,334
Stage 2 (2)	-	-	-	5,084	-	21	5,105
Stage 3 (3)	-	-	-	1,887	-	1,084	2,971
POCI (4)	-	-	-	1,195	-	-	1,195
Simplified (5)	-	-	-	-	-	231	231
Total	8,950	-	10,416	57,836	843	1,791	79,836

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Separate financial statements					
	2022					
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets classified by credit risk						
Stage 1 (1)	1,848	162	5,067	1	14	7,092
Stage 2 (2)	-	-	-	-	-	-
Stage 3 (3)	-	-	22	-	2	24
POCI (4)	-	-	277	-	-	277
Total	1,848	162	5,366	1	16	7,393

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(Unit: Million Baht)

	Separate financial statements					
	2021					
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets classified by credit risk						
Stage 1 (1)	1,348	247	4,622	-	13	6,230
Stage 2 (2)	-	-	-	-	-	-
Stage 3 (3)	-	-	22	-	2	24
POCI (4)	-	-	251	-	-	251
Total	1,348	247	4,895	-	15	6,505

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

21. Interbank and money market items - borrowings from financial institutions

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	At call	Term	Total	At call	Term	Total
Bill of Exchange	-	12,135	12,135	-	11,584	11,584
Long term borrowings	-	2,000	2,000	-	2,450	2,450
Promissory notes	680	1,600	2,280	850	1,100	1,950
Total	680	15,735	16,415	850	15,134	15,984

As at 31 December 2022, interbank and money market items - borrowings from financial institutions in the consolidated financial statements included borrowings of a subsidiary company amounting to Baht 4,280 million, consisting of (i) a borrowing of Baht 2,000 million, repayable in full within 4 years from the date of the loan drawdown, carrying interest at a fixed rate per annum and payable monthly, (ii) borrowing in the form of promissory notes, amounting to Baht 2,280 million, with principal repayment due as specify in each promissory note and carrying interest at a fixed rates per annum and payable monthly. In addition, the subsidiary has to comply with the terms and conditions specified in the loan agreements, such as maintenance of a debt-to-equity ratio (2021: included loans of a subsidiary company amounting to Baht 4,400 million).

22. Debt issued and borrowings

As at 31 December 2022 and 2021, the balance of domestic debt issued and borrowings, stated in Baht, are as follows:

Instrument	Types of borrowings	Issue period	Year of maturity	Interest rate	Face Value per unit	Issuance unit		Consolidated financial statements		Separate financial statements	
						2022	2021	2022	2021	2022	2021
				(Percent per annum)	(Baht)	(Thousand unit)	(Thousand unit)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1	Unsubordinated debentures	Year 2012	Year 2022	4.60	1,000	-	3,000	-	3,000	-	3,000
2	Unsubordinated debentures	Year 2013	Year 2023	4.85, 5.00	1,000	1,800	1,800	1,800	1,800	1,800	1,800
3	Unsubordinated debentures	Year 2013	Year 2025	4.95	1,000	900	900	800	900	900	900
4	Unsubordinated debentures	Year 2019	Year 2022	2.94, 3.30	1,000	-	3,815	-	3,685	-	-
5	Unsubordinated debentures	Year 2019	Year 2022	2.96, 3.00, 3.10	1,000	-	1,995	-	1,995	-	-
6	Unsubordinated debentures	Year 2019	Year 2023	3.40	1,000	486	486	486	456	-	-
7	Unsubordinated debentures	Year 2019	Year 2024	3.50	1,000	594	594	594	554	-	-
8	Unsubordinated debentures	Year 2019	Year 2029	3.01	1,000	5,000	5,000	5,000	5,000	5,000	5,000
9	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	2,000	2,000	2,000	2,000	-	-
10	Unsubordinated debentures	Year 2020	Year 2023	3.20	1,000	3,439	3,439	3,439	3,439	-	-
11	Unsubordinated debentures	Year 2020	Year 2024	2.80	1,000	2,000	2,000	2,000	2,000	-	-
12	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	200	200	200	200	-	-
13	Unsubordinated debentures	Year 2020	Year 2025	3.40	1,000	1,593	1,593	1,593	1,593	-	-
14	Unsubordinated debentures	Year 2020	Year 2026	3.50	1,000	700	700	700	657	-	-
15	Unsubordinated debentures	Year 2020	Year 2027	3.70	1,000	1,300	1,300	1,300	1,300	-	-
16	Unsubordinated debentures	Year 2021	Year 2024	2.00	1,000	3,000	3,000	3,000	3,000	-	-
17	Unsubordinated debentures	Year 2021	Year 2025	2.35	1,000	1,500	1,500	1,500	1,500	-	-
18	Unsubordinated debentures	Year 2022	Year 2025	1.78, 1.99	1,000	3,000	-	3,000	-	-	-
19	Unsubordinated debentures	Year 2022	Year 2026	2.46	1,000	1,000	-	880	-	-	-
20	Unsubordinated debentures	Year 2022	Year 2024	2.47	1,000	400	-	400	-	400	-
21	Unsubordinated debentures	Year 2022	Year 2025	3.00	1,000	3,100	-	3,100	-	3,100	-
22	Unsubordinated debentures	Year 2022	Year 2025	3.26	1,000	2,000	-	1,950	-	-	-
23	Unsubordinated debentures	Year 2022	Year 2024	2.47, 2.55, 2.57	1,000	700	-	672	-	672	-

Instrument	Types of borrowings	Issue period	Year of maturity	Interest rate	Face Value per unit	Issuance unit		Consolidated financial statements		Separate financial statements	
						2022	2021	2022	2021	2022	2021
				(Percent per annum)	(Baht)	(Thousand unit)	(Thousand unit)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
24	Unsubordinated debentures	Year 2022	Year 2026	3.60	1,000	1,300	-	1,230	-	-	-
25	Unsubordinated debentures	Year 2022	Year 2026	3.50	1,000	2,000	-	1,870	-	-	-
26	Unsubordinated debentures	Year 2022	Year 2029	4.42	1,000	1,300	-	1,300	-	1,300	-
27	Unsubordinated debentures	Year 2022	Year 2026	3.63	1,000	2,330	-	2,220	-	2,330	-
28	Unsubordinated debentures	Year 2022	Year 2030	4.36	1,000	2,570	-	2,270	-	2,570	-
29	Unsubordinated debentures	Year 2022	Year 2024	2.88	1,000	500	-	500	-	-	-
30	Unsubordinated debentures	Year 2022	Year 2025	2.88, 3.30	1,000	2,000	-	1,751	-	-	-
31	Structured Notes		Year 2023					9	-	-	-
32	Promissory Notes		At Call	MLR-1				21	32	-	-
33	Promissory Notes		Year 2023 - 2026	3.00, 3.30, 3.50				201	201	-	-
34	Bill of Exchange	Year 2021	Year 2022	0.94, 0.95				-	996	-	996
35	Bill of Exchange	Year 2022	Year 2023	1.42, 1.52, 1.665				1,944	-	1,944	-
	Total debt issued and borrowings							47,730	34,308	20,016	11,696

Instruments 1) to 3), 8), 20), 21) and 26) to 28) are name-registered, unsubordinated, unsecured debenture with no debentures holders' representative, paying interest semi-annually.

Instruments 23) and 30) are name-registered, unsubordinated, unsecured debenture with no debentures holders' representative, paying interest at call at a discount rate.

Instruments 5), 10), 11), 13) to 19), 22), 24) and 29) are name-registered, unsubordinated, unsecured debentures with no debenture holders' representative, paying interest semi-annually. The subsidiary has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a debt-to-equity ratio.

Instruments 4), 6), 7), 9), 12) and 25) are name-registered, unsubordinated, unsecured debentures with no debenture holders' representative, paying interest quarterly. The subsidiary has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a debt-to-equity ratio.

23. Provisions

(Unit: Million Baht)

	Consolidated financial statements		
	For the year ended 31 December 2022		
	Employee benefits	Demolition cost	Total
As at 1 January 2022	313	11	324
Increase (decrease) during the year	(2)	10	8
Decrease from actual utilised	(27)	-	(27)
As at 31 December 2022	284	21	305

(Unit: Million Baht)

	Consolidated financial statements		
	For the year ended 31 December 2021		
	Employee benefits	Demolition cost	Total
As at 1 January 2021	401	9	410
Increase (decrease) during the year	(48)	2	(46)
Increase from the intercompany transfer	4	-	4
Decrease from actual utilised	(44)	-	(44)
As at 31 December 2021	313	11	324

(Unit: Million Baht)

	Separate financial statements		
	For the year ended 31 December 2022		
	Employee benefits	Demolition cost	Total
As at 1 January 2022	47	5	52
Decrease during the year	-	(2)	(2)
Decrease from actual utilised	(16)	-	(16)
As at 31 December 2022	31	3	34

(Unit: Million Baht)

	Separate financial statements		
	For the year ended 31 December 2021		
	Employee benefits	Demolition cost	Employee benefits
As at 1 January 2021	56	3	59
Increase (decrease) during the year	(7)	2	(5)
Increase from the intercompany transfer	4	-	4
Decrease from actual utilised	(6)	-	(6)
As at 31 December 2021	47	5	52

Long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Defined benefit obligation at the beginning of the year	313	401	47	56
Recognised in profit and loss:				
Current service cost	25	30	2	3
Interest cost	8	7	1	1
Past service costs and differences arising from the payment of benefits	(2)	(37)	-	-
Recognised in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	(13)	(28)	(2)	(11)
- Financial assumptions changes	(30)	(24)	(2)	-
- Experience adjustments	10	4	1	-
Employee benefits increase from intercompany transfers	-	4	-	4
Employee benefits paid during the year	(27)	(44)	(16)	(6)
Defined benefit obligation at the end of the year	284	313	31	47

As at 31 December 2022 and 2021, the Company and its subsidiaries expect to pay Baht 23 million and Baht 30 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 4 million and Baht 16 million, respectively).

The principal actuarial assumptions used to calculate the defined benefit obligations are as follows:

(Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	3.05 - 3.45	2.28 - 2.92	3.40	2.32
Future salary increase rate	4.58 - 5.00	4.89 - 5.00	5.00	5.00
Average staff turnover rate (depending on age)	0.00 - 24.00	0.00 - 19.00	0.00 - 18.00	0.00 - 19.00

The result of sensitivity analysis for significant assumptions that affect the increasing in present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

		2022	
	Change	Consolidated financial statements	Separate financial statements
Discount rate	Decrease 0.5%	12	1
Future salary increase rate	Increase 0.5%	12	1
Average staff turnover rate	Decrease 0.5%	14	1

(Unit: Million Baht)

		2021	
	Change	Consolidated financial statements	Separate financial statements
Discount rate	Decrease 0.5%	15	1
Future salary increase rate	Increase 0.5%	14	1
Average staff turnover rate	Decrease 0.5%	16	1

As at 31 December 2022 and 2021, the weighted average durations of the liabilities for long-term employee benefit of the Company and its subsidiaries are 12 - 20 years and 13 - 22 years, respectively (separate financial statements: 14 years and 14 years respectively).

24. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	Insurance contract liabilities	Reinsurance assets	Net	Insurance contract liabilities	Reinsurance assets	Net
Life policy reserves	4,823	-	4,823	5,101	-	5,101
Loss reserves and outstanding claims	2,143	(269)	1,874	1,883	(152)	1,731
Unearned premium reserve	5,468	(849)	4,619	4,336	(337)	3,999
Unpaid policy benefits	17	-	17	14	-	14
Other liabilities under insurance policies	92	-	92	80	-	80
Total	12,543	(1,118)	11,425	11,414	(489)	10,925

24.1 Life policy reserves for long-term insurance contracts

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Balance - beginning of the year	5,101	5,812
Insurance policy reserves increased from new policies and enforced policies (decreased)	154	(8)
Insurance policy reserves decreased from benefit paid, lapse, surrender and others	(436)	(699)
Assumptions changes	(202)	(162)
Experience adjustments	206	158
Balance - end of the year	4,823	5,101

Principles and main assumptions used in the estimating life reserve for long-term contracts

Life reserve for long-term contracts incorporate a number of relevant elements, use a number of uncertain assumption and actual results may differ from expectations due to fluctuations. However, the estimates were made using an actuarial method, which is a generally accepted method, and efforts have been made to set assumptions and reduce uncertainty as far as possible. Details of assumptions used in calculating the life reserve for long-term contracts are (i) Mortality rate which determined based on actual historical claims data, the industry mortality rate and TMO 2017. Assumptions are differentiated by the type of product, sex and age of the insured, the credibility of data, and the underwriting process; (ii) Related expenses rates which are both fixed expenses and variable expenses that relate to policy maintenance and adjusted appropriately for inflation; (iii) Lapse and surrender rates which determines based on actual historical lapse and surrender rates, taking into account the product type, distribution channel and the credibility of data; and (iv) Discount rate which using the risk free rate as at the valuation date, which is the higher of the rate of the return on non-interest bearing Thai governments bonds at the valuation date and average rate of return on non-interest bearing Thai governments bonds at the end of each of the eight quarters in the past before the valuation date.

The sensitivity analysis that affects to insurance contract liabilities for long-term contracts

The result of sensitivity analysis for significant assumptions that affect the present value of the insurance contract liabilities as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
		Insurance contract liabilities for long - term contracts			
	Change	Gross reinsurance increase (decrease)	Net reinsurance increase (decrease)	Profit before tax increase (decrease)	Equity increase (decrease)
Mortality rate	Increase 10%	17	17	(17)	(17)
Expenses rate	Increase 10%	9	9	(9)	(9)
Lapse and surrender rates	Increase 10%	(8)	(8)	8	8
Discount rate	Increase 0.10%	(25)	(25)	25	25
Mortality rate	Decrease 10%	(16)	(16)	16	16
Expenses rate	Decrease 10%	(9)	(9)	9	9
Lapse and surrender rates	Decrease 10%	8	8	(8)	(8)
Discount rate	Decrease 0.10%	25	25	(25)	(25)

(Unit: Million Baht)

	Consolidated financial statements				
	2021				
		Insurance contract liabilities for long - term contracts			
	Change	Gross reinsurance increase (decrease)	Net reinsurance increase (decrease)	Profit before tax increase (decrease)	Equity increase (decrease)
Mortality rate	Increase 10%	15	15	(15)	(15)
Expenses rate	Increase 10%	9	9	(9)	(9)
Lapse and surrender rates	Increase 10%	(18)	(18)	18	18
Discount rate	Increase 0.10%	(30)	(30)	30	30
Mortality rate	Decrease 10%	(15)	(15)	15	15
Expenses rate	Decrease 10%	(9)	(9)	9	9
Lapse and surrender rates	Decrease 10%	19	19	(19)	(19)
Discount rate	Decrease 0.10%	30	30	(30)	(30)

24.2 Loss reserves and outstanding claims

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Balance - beginning of the year	1,883	1,839
Claim expenses for the year	4,805	4,035
Change in loss reserves and outstanding in claims and assumptions	315	629
Claim expenses paid during the year	(4,860)	(4,620)
Balance - end of the year	2,143	1,883

Principles and assumptions used in the assessment of loss reserves and outstanding claims

Reserve for insurance liabilities estimates incorporate a number of uncertain elements and actual results may differ from expectations due to fluctuations. However, the estimates were made using an actuarial method, which is a generally accepted method, and efforts have been made to set assumptions and reduce uncertainty as far as possible. In general, the estimates do not take into account catastrophes, and insurance contract liabilities are extinguished upon completing the claims settlement. Details of assumptions used in calculating the reserve for liabilities are assumption relating to claims experience (including economic assumptions, loss development factors, historical claims paid and claims incurred pattern, allocated loss adjustment expenses, qualitative and quantitative factors which have been taken into consideration to produce incurred but not report claims (IBNR), provision for adverse deviations in accordance with announcement of relevant regulator, and assumptions of related expenses (unallocated loss adjustment expenses - ULAE). Insurance risk is the risk that fluctuations in the frequency and severity of incidents will deviate from the assumptions used in determining premium rates, calculating claims liabilities and the underwriting process.

Sensitivity analysis that affects to loss reserves and outstanding claims

The sensitivity test is the risk analysis of insurance contract liabilities that may be increased or decreased as a result of change in assumptions used in calculation, which may impact on both gross and net claim reserves. The risks may be caused by the frequency of loss, value of loss and claims, or loss adjustment expenses that are not as expected.

The impact on the best estimate of insurance liabilities of changes in key variables as at 31 December 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
		Insurance liabilities			
	Change in assumption	Gross liabilities increase (decrease)	Net liabilities increase (decrease)	Profit before tax increase (decrease)	Equity increase (decrease)
Ultimate loss ratio	Increase 2%	223	200	(200)	(161)
Loss adjustment expenses	Increase 2%	13	15	(15)	(12)
Ultimate loss ratio	Decrease 2%	(212)	(188)	188	151
Loss adjustment expenses	Decrease 2%	(17)	(17)	17	14

(Unit: Million Baht)

	Consolidated financial statements				
	2021				
		Insurance liabilities			
	Change in assumption	Gross liabilities increase (decrease)	Net liabilities increase (decrease)	Profit before tax increase (decrease)	Equity increase (decrease)
Ultimate loss ratio	Increase 2%	208	195	(195)	(156)
Loss adjustment expenses	Increase 2%	18	18	(18)	(14)
Ultimate loss ratio	Decrease 2%	(186)	(180)	180	144
Loss adjustment expenses	Decrease 2%	(17)	(17)	17	14

24.3 Unearned premium reserves

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Balance - beginning of the year	4,336	4,483
Premium written for the year	10,473	8,496
Premium earned during the year	(9,341)	(8,643)
Balance - end of the year	5,468	4,336

24.4 Insurance/Life insurance risk

Life insurance

Insurance risk is the risk that actual claim and benefit payments under life policies will differ from expectations because fluctuations in frequency, violence and the timing result cause them to deviate from the assumptions that were used in determining premium rate, insurance reserve calculation and the underwriting process. Insurance risk is classified into 3 categories based on the source of risk which are insurance product development and product pricing risk, underwriting risk, and claims management risk.

From the risk above, the subsidiary company manages the risk by designing new products that are competitive and meet customer needs, adjusting premium rates and conditions for underwriting processes so that they reflect the level of risk, and managing the amounts of short-term and long-term investments so that they are appropriate and in line with the situation in the money market and the capital market and the insurance maturity profile. It also reviews the correctness and appropriateness of the models used in the design of products, reviews the principles applied in the underwriting process to ensure they are current and consistent for each risk factor, review the reasonableness of the main assumptions used in estimating long-term insurance policy reserves and test the adequacy of the reserves by designing possible scenarios, such as changes in interest rates that would affect the discount rate, in order to ensure that the subsidiary company has adequate reserves to meet its obligations to its policyholders.

Non-life insurance

Insurance risk is the risk that fluctuations in the frequency and severity of incidents will deviate from the assumptions used in determining premium rates, calculating claims liabilities and the underwriting process. The subsidiaries have insurance risk management guidelines, the objective of which are to support the achievement of the subsidiaries' business goals, and these are divided based on the type of risk to ensure clear coverage of the management process and consistency with the strategy of the subsidiaries, as product development and pricing risk, underwriting risk and claims management risk.

From the risk above, the subsidiaries developed tools to assess risk based on the adequacy of the statistical data and actuarial assumptions for the calculation of risk indicators by evaluating the ratio of claims and operating expenses to ensure coverage of the core activities of product design and development and the setting of premium rates to ensure that premium cover benefits paid and claim, by assessing the maximum potential loss that could be incurred by the subsidiaries as a result of damage caused by catastrophe relate statistical data both inside and outside for estimate risk and by assessing the risks related to the adequacy of claims reserves. As a result of these risk monitoring activities, the subsidiaries monitor and report risk to the Board of Directors, executives and related departments, for acknowledgement or set up an appropriate process to responses the risks in a timely manner.

25. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other payables	341	391	5	16
Suspense cash received from accounts receivable	145	159	-	-
Income received in advance	18	11	-	-
Accrued interest expenses	272	220	121	82
Corporate income tax payable	373	447	-	-
Accrued personnel expenses	475	517	66	57
Accrued other expenses	554	453	21	9
Insurance premium received in advance	1,594	1,520	-	-
Due to reinsures	1,085	468	-	-
Payables from purchase and sale of securities	1,069	1,264	-	-
Lease liabilities	346	387	63	83
Payable to clearing house	740	-	-	-
Others	315	465	34	35
Total other liabilities	7,327	6,302	310	282

26. Share capital/Treasury stocks

During the year ended 31 December 2022, there is no conversion of preferred shares to the Company's common shares. Therefore, as at 31 December 2022, 13,006 preferred shares remained unconverted. Each preferred share can convert to 1 common share. The conversion right is unconditional and does not expire.

On 25 February 2022, the Board of Directors of the Company approved a decrease of share capital under the repurchase program of 19,467,000 shares, or Baht 1,000 million, from the Company's registered share capital which was over the 3 years from the repurchased date, but the Company did not sell it. So, the Company decreased its register share capital of Baht 195 million and registered the decrease in its share capital with the Ministry of Commerce on 8 March 2022 resulting in a decline in the issued and fully paid-up share capital from Baht 11,651 million to Baht 11,457 million. The difference between the treasury stock value and the par value, amounting to Baht 805 million, was recognised as a deduction against retained earnings. Moreover, the Company reversed the appropriation of retained earnings as a reserve for treasury shares amounting Baht 1,000 million to unappropriated retained earnings.

As at 31 December 2022, there are remaining of 97,045,970 treasury shares with a total value of Baht 4,863 million. The repurchase program requires that the treasury shares be sold out within 3 years from the repurchase date (within 2023). Moreover, the Company has allocated retained earnings amount equivalent to treasury shares as a treasury share reserve (2021: there are 116,512,970 treasury shares with a total value of Baht 5,863 million).

27. Other components of equity

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Surplus from the change in the ownership interests of investments in subsidiaries/ associated companies	(4,956)	(4,517)	(4,956)	(4,517)
Revaluation surplus on investments				
Debt instruments	167	2	1	4
Equity instruments	1,338	1,319	705	684
Total	1,505	1,321	706	688
Revaluation deficit on investments				
Debt instruments	(74)	-	-	-
Equity instruments	(193)	(206)	(29)	(34)
Total	(267)	(206)	(29)	(34)
Total revaluation surplus on investments	1,238	1,115	677	654
Less: Effect of deferred tax	(139)	(130)	(135)	(131)
Net revaluation surplus on investments	1,099	985	542	523
Revaluation surplus on assets	72	75	47	49
Less: Effect of deferred tax	(14)	(15)	(10)	(10)
Net revaluation surplus on assets	58	60	37	39
Share of other comprehensive income of subsidiaries companies	-	-	569	483
Share of other comprehensive income of associated companies and joint venture	(31)	167	(22)	167
Share of surplus from the change in the ownership interests in subsidiaries of an associated company	73	76	73	76
Total	(3,757)	(3,229)	(3,757)	(3,229)

28. Statutory reserve

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

As at 31 December 2022, the statutory reserve has fully been set aside.

29. Dividends

During the years ended 31 December 2022 and 2021, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment	Dividend per share	Payment date
		Million Baht	Baht	
Interim dividend of 2022	The Company's Board of Director Meeting on 3 October 2022	1,258	1.20	28 October 2022
Dividend of second half-year 2021	The Company's Annual General Shareholders' Meeting on 8 April 2022	1,888	1.80	6 May 2022
		3,146	3.00	
Interim dividend of 2021	The Company's Board of Director Meeting on 30 August 2021	1,258	1.20	28 September 2021
Interim dividend of 2020	The Company's Board of Director Meeting on 19 April 2021	1,888	1.80	19 May 2021
		3,146	3.00	

30. Interest income

Interest income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items				
- deposits at financial institutions	72	81	21	14
Financial assets measured at fair value through profit or loss	14	27	-	1
Investments in debt securities measured at amortised cost	12	1	-	-
Investments in debt securities measured at fair value through other comprehensive income	183	115	5	15
Loans to customers	779	372	286	138
Hire purchase and financial lease	3,503	3,430	-	-
Total interest income	4,563	4,026	312	168

31. Interest expenses

Interest expenses for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items				
- borrowings from financial institutions	248	255	-	-
Debts issued and borrowings				
- Unsubordinated debentures/short-term debentures	1,243	1,062	548	422
- Others	37	9	29	1
Borrowings cost	18	16	3	1
Others	13	13	2	2
Total interest expenses	1,559	1,355	582	426

32. Fees and service income

Fees and service income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Fees and service income				
Brokerage fee from securities/derivatives	933	1,269	-	-
Hire purchase fee income	214	178	-	-
Insurance brokerage fee income	190	194	-	-
Others	139	245	1	1
Total fees and service income	1,476	1,886	1	1
Fees and service expenses	(363)	(432)	(1)	(1)
Net fees and service income	1,113	1,454	-	-

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

Gain on financial instruments measured at fair value through profit or loss for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Debt securities	(1)	(1)	-	(4)
Equity securities	(115)	63	2	8
Unit trusts	(10)	10	1	6
Others	587	455	397	362
Total	461	527	400	372

34. Gain (loss) on investments

Gain (loss) on investments for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Gain on derecognition				
Investments in debt securities measured at fair value through other comprehensive income	(21)	(13)	1	-
Investments in debt securities measured at amortised cost	-	10	-	-
Total	(21)	(3)	1	-

35. Non-life insurance/Life insurance income

Non-life insurance/life insurance income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Gross premium written	11,008	8,795
Less : Premium ceded to reinsurers	(1,679)	(732)
Net insurance premium income	9,329	8,063
Add (less): Unearned premium reserve decreased (increased) from previous year	(620)	85
Total	8,709	8,148

36. Non-life insurance/Life insurance expenses

Non-life insurance expenses for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Gross claim and loss adjustment expenses	4,651	4,293
Less: Claims recovery from reinsurers	(717)	(460)
Benefit payments under life policies and claims	601	813
Less: Benefit payment under life policies and claims refundable from reinsurers	(3)	(4)
Commissions and brokerages expenses	1,680	1,323
Less: Commissions and brokerages income from reinsurers	(491)	(209)
Long-term insurance policy reserves decrease	(278)	(711)
Other underwriting expense	886	692
Total	6,329	5,737

37. Directors' remuneration

Directors' remuneration represents the benefits paid to the directors of the Company and public subsidiary companies in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive positions but including the payment of remuneration amounting to Baht 48 million (separate financial statement: Baht 31 million), which were approved by the Annual General Meeting of Shareholders of the Company and its subsidiaries.

38. Expected credit loss

Expected credit loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Expected credit loss (reversal)				
Interbank and money market items	(3)	-	-	-
Investments in debt securities measured at amortised cost	1	-	-	-
Investments in debt securities measured at fair value through other comprehensive income	(33)	(30)	27	30
Loans to customers and accrued interest	671	659	30	48
Other assets	(129)	(154)	-	(3)
Gain from changing conditions	(14)	-	-	-
Loss on disposal of loans to customers	-	8	-	-
Total	493	483	57	75

39. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common shares issued during the year, netting of treasury shares held by the Company.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of common shares outstanding during the year, netting of treasury shares held by the Company, plus the weighted average number of common shares that would be required to be issued to convert all potential common shares to common shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential common shares were issued.

	Consolidated and separate financial statements					
	For the years ended 31 December					
	Profit for the year		Weighted average number of common shares		Earnings per share	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to the Company	5,219,840	5,287,180	1,048,604	1,048,604	4.98	5.04
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	5,219,840	5,287,180	1,048,617	1,048,617	4.98	5.04

40. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at rates of 2 - 15 percent of their basic salaries, and the Company and its subsidiaries contributed to the fund at stipulated rates. The fund will be paid to the employees upon termination of employment in accordance with the fund rules. During the year 2022, the Company and its subsidiaries contributed Baht 68 million to the fund (separate financial statements: Baht 10 million) (2021: Baht 69 million in the consolidated financial statements and Baht 11 million in the separate financial statements).

41. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2022	2021	2022	2021	(For the year 2022)
Transactions occurred during the years					
Subsidiary companies					
Purchase of equity securities	-	-	51	-	At the amount agreed under the contract
Purchase of debt securities	-	-	28	-	At the amount agreed under the contract
Investment in common share of subsidiary companies	-	-	4,115	883	At the amount agreed under the contract
Capital returned from subsidiary companies (No gain)	-	-	150	1,076	At cost
Interest income	-	-	241	101	At interest rate of 1.39 - MLR-1, MLR percent per annum
Rental and other service income	-	-	105	132	At the rate agreed under the contract
Associated companies					
Purchase of equity securities	101	-	101	-	At market price
Purchase of debt securities	5,826	5,409	-	670	At market price
Sales of debt securities	2,482	1,599	-	1,134	At market price
Investments in ordinary share of associated and joint venture	2,437	3,948	2,401	3,030	At the amount agreed under the contract
Interest income	25	4	21	4	At interest rate of 0.05 - 0.65 percent per annum
Non-life insurance premium/life insurance premium income	76	71	-	-	At the rate agreed under the contract
Other income	6	2	5	2	
Interest expenses	67	17	-	-	At interest rate of 1.00 - MLR-1 percent per annum
Dividend paid	479	390	404	390	As declared
Non-life insurance/life insurance expenses	944	864	-	-	At the rate agreed under the contract
Other expenses	84	81	21	23	

Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2022	2021	2022	2021	(For the year 2022)
Transactions occurred during the years (continued)					
Related companies					
Purchase of debt securities	-	5,134	-	2,330	
Sales of debt securities	-	906	-	245	
Interest income	-	17	-	11	
Dividend income	7	57	2	50	As declared
Non-life insurance premium/life insurance premium income	6	27	-	-	At the rate agreed under the contract
Other income	-	90	-	3	
Interest expenses	-	3	-	-	
Dividend payment	163	803	-	-	As declared
Project management expenses	22	22	12	12	At the contract price calculated by reference to estimated usage time
Non-life insurance/life insurance expenses	387	284	-	-	At the rate agreed under the contract
Other expenses	55	133	2	3	

The outstanding balances of the above transactions during the years ended 31 December 2022 and 2021 have been shown at the average balance at the end of each month as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Subsidiary companies				
Loans to customers	-	-	4,744	2,159
Debts issued and borrowings	-	-	72	-
Associated companies				
Interbank and money market items (assets)	5,208	499	3,471	780
Investments in debt securities	-	145	-	-
Interbank and money market items (liabilities)	3,215	861	-	-
Debt issued and borrowings	107	172	-	-
Related companies				
Interbank and money market items (assets)	-	3,483	-	2,154
Investments in debt securities	21	23	-	-
Interbank and money market items (liabilities)	-	302	-	-

As at 31 December 2022 and 2021, the significant outstanding balances of the transactions with subsidiaries, associated companies, or related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2022					
	Assets			Liabilities		
	Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities
Associated companies						
TMBThanachart Bank Plc.	3,483	-	68	2,200	-	108
MBK Plc.	-	-	9	-	21	67
Related companies						
Other related companies	-	-	351	-	-	185
	3,483	-	428	2,200	21	360

(Unit: Million Baht)

	Consolidated financial statements					
	2021					
	Assets			Liabilities		
	Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities
Associated companies						
TMBThanachart Bank Plc.	2,687	-	84	2,700	-	-
MBK Plc.	-	-	13	-	150	96
Related companies						
Other related companies	-	-	91	-	-	240
	2,687	-	188	2,700	150	336

(Unit: Million Baht)

	Separate financial statements					
	2022					
	Assets			Liabilities		
	Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities
Subsidiary companies						
NFS Asset Management Co., Ltd.	-	214	6	-	-	-
Thanachart SPV 1 Co., Ltd.	-	673	-	-	-	-
T Broker Co., Ltd.	-	10	-	-	-	-
Thanachart Plus Co., Ltd.	-	3,813	-	-	-	-
TS Asset Management Co., Ltd.	-	113	-	-	-	-
Max Asset Management Co., Ltd.	-	104	-	-	-	-
Thanachart Securities Plc.	-	-	2	-	-	-
Thanachart Insurance Plc.	-	-	-	-	210	2
TLife Assurance Plc.	-	-	-	-	300	1
Associated companies						
TMBThanachart Bank Plc.	1,848	-	-	-	-	1
MBK Plc.	-	-	4	-	-	58
	1,848	4,927	12	-	510	62

(Unit: Million Baht)

	Separate financial statements					
	2021					
	Assets			Liabilities		
	Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities
Subsidiary companies						
NFS Asset Management Co., Ltd.	-	300	-	-	-	-
Thanachart SPV 1 Co., Ltd.	-	1,087	-	-	-	-
T Broker Co., Ltd.	-	3	-	-	-	-
Thanachart Plus Co., Ltd.	-	1,724	-	-	-	-
TS Asset Management Co., Ltd.	-	200	1	-	-	-
Max Asset Management Co., Ltd.	-	160	-	-	-	-
Thanachart Securities Plc.	-	1,000	-	-	-	-
Ratchthani Leasing Plc.	-	-	245	-	-	-
Associated companies						
TMBThanachart Bank Plc.	1,348	-	-	-	-	1
MBK Plc.	-	-	5	-	-	94
	1,348	4,474	251	-	-	95

As at 31 December 2022 and 2021, the Company has loans to subsidiary companies as follows:

(Unit: Million Baht)

Company's name	Interest rate	Outstanding balances	
		2022	2021
	(For the year 2022)		
NFS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc.	214	300
Thanachart SPV 1 Co., Ltd.	MLR of TMBThanachart Bank Plc.	673	1,087
T Broker Co., Ltd.	MLR of TMBThanachart Bank Plc.	10	3
Thanachart Plus Co., Ltd.	MLR of TMBThanachart Bank Plc.	3,813	1,724
TS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc.	113	200
Max Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	104	160
Thanachart Securities Plc.	-	-	1,000
Total		4,927	4,474

As at 31 December 2022, the Company and its subsidiaries have investments in related companies in which they are related by means of members of their management being shareholders and/or directors of those companies amounting to Baht 2,023 million (separate financial statements: Baht 1,793 million) (2021: Baht 1,850 million in the consolidated financial statements and Baht 1,616 million in the separate financial statements).

Directors and management's remuneration

During the years ended 31 December 2022 and 2021, the Company and its subsidiaries recorded the following benefits to their key management personnel, including directors:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	478	315	142	158
Post-employment benefits	6	10	1	2
	484	325	143	160

42. Financial information classified by operating segments

The Group is organised into business units based on its business. During the current year, there was no change in the composition of reporting segments.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

	2022								
	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other businesses	Eliminations	Consolidated
Net interest income	(270)	245	98	157	32	2,589	153	-	3,004
Other operating income	5,862	1,055	143	1,939	262	529	940	(2,766)	7,964
Other operating expenses	(317)	(745)	(139)	(1,381)	(123)	(529)	(174)	133	(3,275)
Expected credit loss	(57)	-	(1)	161	(9)	(469)	(6)	(112)	(493)
Profit before income tax	5,218	555	101	876	162	2,120	913	(2,745)	7,200
Income tax	2	(107)	-	(179)	(23)	(394)	(71)	-	(772)
Profit before non-controlling interests	5,220	448	101	697	139	1,726	842	(2,745)	6,428

(Unit: Million Baht)

	2021								
	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other business	Eliminations	Consolidated
Net interest income	(258)	171	94	103	20	2,522	19	-	2,671
Other operating income	5,978	1,515	77	2,112	306	504	885	(2,864)	8,513
Other operating expenses	(353)	(859)	(139)	(1,227)	(127)	(454)	(146)	162	(3,143)
Expected credit loss	(75)	-	74	(26)	(3)	(495)	(3)	45	(483)
Profit before income tax	5,292	827	106	962	196	2,077	755	(2,657)	7,558
Income tax	(5)	(166)	4	(194)	(32)	(398)	(46)	1	(836)
Profit before non-controlling interests	5,287	661	110	768	164	1,679	709	(2,656)	6,722

The segment assets of the Company and its subsidiaries as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other businesses	Eliminations	Consolidated
Segment assets									
As at 31 December 2022	87,318	10,265	6,254	17,478	1,807	53,629	18,951	(38,613)	157,089
As at 31 December 2021	77,336	8,679	6,353	14,899	2,067	48,956	16,731	(32,286)	142,735

Information about major customers

For the years 2022 and 2021, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

43. Encumbrance of assets

As at 31 December 2022 and 2021, the Company and its subsidiaries have the following encumbrance assets, presented at book value as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items (assets)				
Placed at insurance registrar	614	2,174	-	-
Placed at court	1	1	-	-
Placed at the Office of Insurance Commission	4	4	-	-
Placed for EDC machine	1	1	-	-
Investments in securities				
Placed at insurance registrar	1,514	21	-	-
Property foreclosed				
Immovable assets subject to buyback options or first rights refusal	8	8	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	25	29	-	8
	2,167	2,238	-	8

44. Commitments and contingent liabilities

As at 31 December 2022 and 2021, significant commitments and contingent liabilities consisted of:

44.1 Guarantees

As at 31 December 2022, the Company had letter of guarantees issued by banks on behalf of the Company amounting approximately Baht 1 million placed for electricity usage, and a subsidiary has issued letters of guarantee to investigating officers, public prosecutors, courts or persons authorised to grant provisional releases, as bonds for insured parties that have been charged or are defendants in various cases, in the amount of approximately Baht 9 million.

In addition, the subsidiaries have commitments in respect of derivative contracts as mentioned in Note 9 to the financial statements.

44.2 Operating lease commitments

As at 31 December 2022, the Company and its subsidiaries have commitments to pay the service fees in relation to property foreclosed, information technology system services and other services, including commitments in respect of office rental and service fee which are short-term leases or leases of low-value assets as follows:

(Unit: Million Baht)

Year	Consolidated financial statements	Separate financial statements
2023	100	3
2024	42	-
2025 onward	87	-

44.3 Contingent liabilities/litigation

As at 31 December 2022, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 176 million (separate financial statements: Baht 44 million) in respect of litigation. However, the Company and its subsidiaries have already made certain provisions for contingent loss, and for the remaining portion the Company's and its subsidiaries' management believes that no loss will result and therefore no liabilities are currently recorded.

45. Financial instruments

45.1 Credit risk

Credit risk is the risk that receivables or the party to a financial instrument will fail to fulfill an obligation, causing the Company and its subsidiaries to incur a financial loss. The maximum amount of credit risk exposure is the carrying amount of the financial assets before deducting allowance for expected credit loss.

Credit Risk Guidelines

The Company and its subsidiaries manage the credit risk related to receivables, insurance and investment assets as follows:

1. Credit risk for insurance

   1.1 Credit risk for reinsurance: The subsidiaries attach importance to the distribution of insurance risk. In transferring risk to reinsurers, the subsidiaries therefore take into account the financial strength of the reinsurers and their ability to meet their obligations when due, with reinsurance to be made with Thai reinsurers with a capital adequacy ratio of at least 150% (Risk Grade 3) and with overseas reinsurers with credit ratings of at least A-.

   1.2 Credit risk from collection of premium receivable: The subsidiaries maintain the proportion of outstanding premiums at an appropriate level, in accordance with the guidelines of the OIC, and submit regular risk status reports to the Board of Directors for the information of and to facilitate action by the relevant departments.

2. Credit risk from investment assets

   The Company and its subsidiaries diversify investment in order to spread risk across a range of assets, in accordance with the investment strategy and investment policy. In diversifying investment in debt instruments, significant consideration is given to the credit rating of the bond or the issuer, and the Company and its subsidiaries has a policy to invest in debt instruments with credit ratings of not less than A-.

   The criteria used by the Company and its subsidiaries' in measurement of expected credit loss over the next 12 months are as follows:

Stage 1 Financial assets with no significant increase in credit risk (12 -month ECL) are financial assets with a credit rating of BBB- (investment grade) or higher, at low risk of non-compliance and of for which negative fluctuations in long-term economic conditions will not reduce ability to cover contractual cash flows.

Stage 2 Financial assets with a significant increase in credit risk (Lifetime ECL-not credit impaired) are the financial assets that are downgraded to a credit risk below the investment grade, BBB-.

Stage 3 Financial assets with credit impairment (Lifetime ECL- credit impaired) are the financial assets that are downgraded to the credit rating of BBB- or lower (below the investment grade), or with the interest or principal payments that are over 1 day past due, or issuer having significant financial problems, or high probability that the issuer of financial assets will be bankrupt or under financial restructuring.

3. Credit risk from loan granted

The Company and its subsidiaries are exposed to credit risk primarily with respect to loans to customers and manage the risk by adopting appropriate credit control policies and procedures, meaning careful consideration of credit approval process, analysis of risk factors and the ability to service debt of customers, and a credit review process that examines and reviews the quality of the loan portfolio so as to prevent and provide remedies for problem loans in the future. The Company and its subsidiaries therefore do not expect to incur material financial loss. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of the loans and receivables less allowance for expected credit loss as stated in the statements of financial position.

The maximum exposure to credit risk

As of 31 December 2022 and 2021, the maximum exposure to credit risk of financial instruments (excluding insurance assets) is the gross carrying amount before allowance for expected credit loss, and before both the effect of mitigation through use of master netting and collateral arrangements. The maximum exposures to credit risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Financial assets				
Interbank and money market items (assets)	4,828	8,950	1,848	1,348
Investments in debt securities measured at amortised cost	1,320	-	-	-
Investments in debt securities measured at fair value through other comprehensive income	13,815	10,416	162	247
Loans to customers and accrued interest receivables	65,107	57,836	5,366	4,895
Receivables from purchase and sale of securities	2,001	843	1	-
Other assets	1,922	1,791	16	15
Total maximum exposure to credit risk	88,993	79,836	7,393	6,505

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. The Company and its subsidiaries have adopted a policy to manage this risk by performing credit analysis based on customer information and consistently monitoring customer status.

The table below shows the credit quality of financial assets. The amounts presented for financial assets are the gross carrying amount (before deducting allowance for expected credit loss).

(Unit: Million Baht)

	Consolidated financial statements					
	2022					
	Financial assets with credit risk					
	Stage 1 [1]	Stage 2 [2]	Stage 3 [3]	POCI [4]	Simplified [5]	Total
Interbank and money market items - deposits at financial institutions						
Investment grade	4,828	-	-	-	-	4,828
Allowance for expected credit loss	-	-	-	-	-	-
Investments in debt securities measured at amortised cost						
Investment grade	1,320	-	-	-	-	1,320
Allowance for expected credit loss	1	-	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income						
Investment grade	13,815	-	-	-	-	13,815
Allowance for expected credit loss	5	-	206	-	-	211
Loans to customers and accrued interest receivables						
Not overdue	50,195	-	-	22	-	50,217
Overdue 1 - 30 days	6,233	-	-	-	-	6,233
Overdue 31 - 60 days	-	4,162	-	-	-	4,162
Overdue 61 - 90 days	-	1,970	-	-	-	1,970
Overdue more than 90 days	-	-	1,369	1,156	-	2,525
Total	56,428	6,132	1,369	1,178	-	65,107
Allowance for expected credit loss	300	845	875	704	-	2,724
Receivables from purchase and sale of securities						
Receivables from purchase and sale of securities	2,001	-	-	-	-	2,001
Allowance for expected credit loss	-	-	-	-	-	-
Other assets						
Other assets	332	26	1,270	-	294	1,922
Allowance for expected credit loss	-	1	1,257	-	50	1,308

[1] Without a significant increase in credit risk (12-mth ECL)

[2] With a significant increase in credit risk (Lifetime ECL not credit impaired)

[3] With credit impairment (Lifetime ECL-credit impaired)

[4] Purchased or originated credit impairment (Purchased and originated credit-impaired)

[5] Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Consolidated financial statements					
	2021					
	Financial assets with credit risk					
	Stage 1 [1]	Stage 2 [2]	Stage 3 [3]	POCI [4]	Simplified [5]	Total
Interbank and money market items - deposits at financial institutions						
Investment grade	8,950	-	-	-	-	8,950
Allowance for expected credit loss	3	-	-	-	-	3
Investments in debt securities measured at fair value through other comprehensive income						
Investment grade	10,416	-	-	-	-	10,416
Allowance for expected credit loss	-	-	244	-	-	244
Loans to customers and accrued interest receivables						
Not overdue	44,416	196	-	297	-	44,909
Overdue 1 - 30 days	5,254	86	-	-	-	5,340
Overdue 31 - 60 days	-	3,415	-	-	-	3,415
Overdue 61 - 90 days	-	1,387	-	-	-	1,387
Overdue more than 90 days	-	-	1,887	898	-	2,785
Total	49,670	5,084	1,887	1,195	-	57,836
Allowance for expected credit loss	247	689	1,005	674	-	2,615
Receivables from purchase and sale of securities						
Receivables from purchase and sale of securitie	843	-	-	-	-	843
Allowance for expected credit loss	-	-	-	-	-	-
Other assets						
Other assets	455	21	1,084	-	231	1,791
Allowance for expected credit loss	-	1	1,061	-	32	1,094

(1) Without a significant increase in credit risk (12-mth ECL)

(2) With a significant increase in credit risk (Lifetime ECL not credit impaired)

(3) With credit impairment (Lifetime ECL-credit impaired)

(4) Purchased or originated credit impairment (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Separate financial statements				
	2022				
	Financial assets with credit risk				
	Stage 1 [1]	Stage 2 [2]	Stage 3 [3]	POCI [4]	Total
Interbank and money market items - deposits at financial institutions					
Investment grade	1,848	-	-	-	1,848
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	162	-	-	-	162
Allowance for expected credit loss	-	-	58	-	58
Loans to customers and accrued interest receivables					
Not overdue	5,067	-	-	-	5,067
Overdue more than 90 days	-	-	22	277	299
Total	5,067	-	22	277	5,366
Allowance for expected credit loss	32	-	19	151	202
Receivables from purchase and sale of securities					
Receivables from purchase and sale of securities	1	-	-	-	1
Allowance for expected credit loss	-	-	-	-	-
Other assets					
Other assets	14	-	2	-	16
Allowance for expected credit loss	-	-	2	-	2

(1) Without a significant increase in credit risk (12-mth ECL)

(2) With a significant increase in credit risk (Lifetime ECL not credit impaired)

(3) With credit impairment (Lifetime ECL-credit impaired)

(4) Purchased or originated credit impairment (Purchased and originated credit-impaired)

(Unit: Million Baht)

	Separate financial statements				
	2021				
	Financial assets with credit risk				
	Stage 1 [1]	Stage 2 [2]	Stage 3 [3]	POCI [4]	Total
Interbank and money market items - deposits with financial institutions					
Investment grade	1,348	-	-	-	1,348
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	247	-	-	-	247
Allowance for expected credit loss	1	-	30	-	31
Loans to customers and accrued interest receivables					
Not overdue	4,622	-	-	1	4,623
Overdue more than 90 days	-	-	22	250	272
Total	4,622	-	22	251	4,895
Allowance for expected credit loss	31	-	19	123	173
Other assets					
Other assets	13	-	2	-	15
Allowance for expected credit loss	-	-	2	-	2

[1] Without a significant increase in credit risk (12-mth ECL)

[2] With a significant increase in credit risk (Lifetime ECL not credit impaired)

[3] With credit impairment (Lifetime ECL-credit impaired)

[4] Purchased or originated credit impairment (Purchased and originated credit-impaired)

Collateral and any operations to increase creditability

The Company and its subsidiaries holds collateral and any operations to increase creditability of exposure to credit risk. The maximum exposures for loans to customers who have collateral pledged or mortgaged with the Company and its subsidiaries are as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Exposure to credit risk with collateral		
	2022	2021	Type of collateral
Loans to customers and accrued interest receivables	64,296	57,022	Cash, Lands, buildings, vehicles and securities

(Unit: Million Baht)

	Separate financial statements		
	Exposure to credit risk with collateral		
	2022	2021	Type of collateral
Loans to customers and accrued interest receivables	353	328	Lands and buildings

45.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates, and securities prices may have an effect on the Company and its subsidiaries' investment status. Since, the Company and its subsidiaries do not have foreign currency assets and liabilities, as such, market risk consists of interest rate risk, and equity/commodity position risk.

a) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

Interest rate Risk Guidelines

The Company and its subsidiaries manage the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels. Such management is under the supervision of the Board of Executives.

Financial assets and financial liabilities as at 31 December 2022 and 2021, classified by types of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2022			
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	5	5
Interbank and money market items	3,718	930	165	4,813
Financial instruments measured at fair value through profit or loss	-	254	2,236	2,490
Derivatives assets	-	-	132	132
Investments	-	15,134	3,489	18,623
Loans to customers	8,429	55,819	628	64,876
Receivables from purchase and sale of securities	-	-	2,001	2,001
Other assets	-	-	1,922	1,922
Financial liabilities				
Interbank and money market items	-	16,415	-	16,415
Derivatives liabilities	-	-	3	3
Debt issued and borrowings	21	47,709	-	47,730
Other liabilities - payables from purchase and sale of securities	-	-	1,069	1,069
Other liabilities	-	346	1,012	1,358

(Unit: Million Baht)

Transactions	Consolidated financial statements 2021 Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	4	4
Interbank and money market items	2,989	5,793	150	8,932
Financial assets measured at fair value through profit or loss	-	324	2,457	2,781
Derivatives assets	-	-	206	206
Investments	185	10,231	2,708	13,124
Loans to customers	4,915	52,140	628	57,683
Receivables from purchase and sale of securities	-	-	843	843
Other assets	-	-	1,791	1,791
Financial liabilities				
Interbank and money market items	-	15,984	-	15,984
Derivatives liabilities	-	-	18	18
Debt issued and borrowings	32	34,276	-	34,308
Other liabilities - payables from purchase and sale of securities	-	-	1,264	1,264
Other liabilities	-	387	220	607

(Unit: Million Baht)

Transactions	Separate financial statements 2022 Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	1,844	-	4	1,848
Financial assets measured at fair value through profit or loss	-	-	176	176
Derivatives assets	-	-	129	129
Investments	-	162	1,904	2,066
Loans to customers	4,941	216	135	5,292
Receivables from purchase and sale of securities	-	-	1	1
Other assets	-	-	16	16
Financial liabilities				
Debt issued and borrowings	-	20,016	-	20,016
Other liabilities	-	63	121	184

(Unit: Million Baht)

Transactions	Separate financial statements 2021 Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	1,342	-	6	1,348
Financial assets measured at fair value through profit or loss	-	-	376	376
Derivatives assets	-	-	194	194
Investments	-	247	1,614	1,861
Loans to customers	3,491	1,222	136	4,849
Other assets	-	-	15	15
Financial liabilities				
Debt issued and borrowings	-	11,696	-	11,696
Other liabilities	-	83	82	165

As at 31 December 2022 and 2021, all assets and liabilities under insurance contracts are non-interest bearing assets or liabilities.

With respect to financial instruments that carry fixed interest rates, the periods from the financial statements date to the repricing or maturity date (whichever is the earlier) are presented below:

(Unit: Million Baht)

	Consolidated financial statements						
	2022						
	Repricing or maturity date						Weighted
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	average interest rates
							Percent
Financial assets							
Interbank and money market items	-	902	28	-	-	930	0.10 - 0.73
Financial assets measured at fair value through profit or loss	-	1	230	23	-	254	3.50
Investments	-	-	230	10,335	4,569	15,134	0.75 - 43.24
Loans to customers	1,671	747	17,565	35,781	55	55,819	6.00 - 17.55
Financial liabilities							
Interbank and money market items	680	13,397	338	2,000	-	16,415	1.57 - 1.67
Debt issued and borrowings	-	3,555	6,373	29,211	8,570	47,709	2.88 - 6.27
Other liabilities - lease liabilities	-	3	27	316	-	346	2.38 - 5.13

(Unit: Million Baht)

	Consolidated financial statements						
	2021						
	Repricing or maturity date						Weighted
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	average interest rates
							Percent
Financial assets							
Interbank and money market items	-	666	5,113	14	-	5,793	0.25 - 0.65
Financial assets measured at fair value through profit or loss	-	-	71	252	-	323	2.37
Investments	-	2,683	6,636	268	644	10,231	0.84 - 3.38
Loans to customers	2,240	693	17,066	32,113	28	52,140	7.04 - 11.91
Financial liabilities							
Interbank and money market items	850	5,231	7,903	2,000	-	15,984	0.93 - 1.06
Debt issued and borrowings	-	2,225	7,602	18,149	6,300	34,276	1.42 - 3.69
Other liabilities - lease liabilities	-	3	33	351	-	387	0.18 - 5.65

(Unit: Million Baht)

Transactions	Separate financial statements 2022						
	Repricing or maturity date						Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	
							Percent
Financial assets							
Investments	-	-	-	102	60	162	3.64
Loans to customers	85	-	-	131	-	216	17.55
Financial liabilities							
Debt issued and borrowings	-	1,347	2,397	7,402	8,870	20,016	3.44
Other liabilities - lease liabilities	-	-	16	47	-	63	3.32

(Unit: Million Baht)

Transactions	Separate financial statements 2021						
	Repricing or maturity date						Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	
							Percent
Financial assets							
Investments	-	-	131	116	-	247	3.38
Loans to customers	87	1,000	-	135	-	1,222	11.91
Financial liabilities							
Debt issued and borrowings	-	-	3,996	2,700	5,000	11,696	3.69
Other liabilities - lease liabilities	-	-	21	62	-	83	2.49

b) Market risk

Market risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenue and the value of financial assets.

Market risk guidelines

The Company and its subsidiaries have a policy to manage market risk by setting manageable limits on transactions in order to control the risk to the acceptable level. The Risk Control Unit is responsible for managing risk and reporting on compliance to the Board of Directors, relevant business units and relevant management, in order to facilitate responsive risk management. This unit is under the supervision of the Board of Executives.

45.3 Liquidity risk

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

Liquidity risk guidelines

The Company and its subsidiaries manage liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Company and its subsidiaries has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements, under the supervision of the Board of Executives.

Counting from the financial position date, the periods to maturity of financial instruments held as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
Transactions	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Cash	5	-	-	-	5
Interbank and money market items	3,883	930	-	-	4,813
Financial assets measured at fair value through profit or loss	-	231	23	2,236	2,490
Derivatives assets	129	-	-	3	132
Investments	-	230	14,904	3,489	18,623
Loans to customers (1)	1,920	19,166	37,806	5,984	64,876
Receivables from purchase and sale of securities	-	2,001	-	-	2,001
Other assets	1,498	407	1	16	1,922
Insurance assets					
Premium receivables	-	717	-	-	717
Reinsurance assets - claims reserves	-	159	110	-	269
Reinsurance receivables	-	112	-	-	112
Financial liabilities					
Interbank and money market items	680	13,735	2,000	-	16,415
Derivatives liabilities	-	3	-	-	3
Debt issued and borrowings	-	9,949	37,781	-	47,730
Other liabilities - payables from purchase and sale of securities	-	1,069	-	-	1,069
Other liabilities	-	1,088	270	-	1,358
Insurance liabilities					
Insurance contract liabilities					
- long-term insurance policy reserves (2)	-	251	4,720	-	4,971
- loss reserves and outstanding claims	-	1,379	764	-	2,143
Due to reinsurers	-	1,085	-	-	1,085
Commitments					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans.

(2) Reserves for long-term insurance contracts were presented to amount undiscounted cashflow insurance contract liabilities.

(Unit: Million Baht)

Transactions	Consolidated financial statements 2021 At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Cash	4	-	-	-	4
Interbank and money market items	3,139	5,779	14	-	8,932
Financial assets measured at fair value through profit or loss	-	271	253	2,257	2,781
Derivatives assets	206	-	-	-	206
Investments	-	9,505	911	2,708	13,124
Loans to customers (1)	2,742	18,065	32,146	4,730	57,683
Receivables from purchase and sale of securities	-	843	-	-	843
Other assets	176	1,401	204	10	1,791
Insurance assets					
Premium receivables	-	749	-	-	749
Reinsurance assets - claims reserves	-	125	27	-	152
Reinsurance receivables	-	51	-	-	51
Financial liabilities					
Interbank and money market items	850	13,134	2,000	-	15,984
Derivatives liabilities	-	18	-	-	18
Debt issued and borrowings	-	9,859	24,449	-	34,308
Other liabilities - payables from purchase and sale of securities	-	1,264	-	-	1,264
Other liabilities	-	290	317	-	607
Insurance liabilities					
Insurance contract liabilities					
- long-term insurance policy reserves (2)	-	857	5,739	-	6,596
- loss reserves and outstanding claims	-	1,231	652	-	1,883
Due to reinsurers	-	468	-	-	468
Commitments					
Other commitments	1	-	9	-	10

(1) The outstanding balances of loans to customers at call included credit impaired loans.

(2) Reserves for long-term insurance contracts were presented to amount undiscounted cashflow insurance contract liabilities.

(Unit: Million Baht)

Transactions	Separate financial statements 2022 At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Interbank and money market items	1,848	-	-	-	1,848
Financial assets measured at fair value through profit or loss	-	-	-	176	176
Derivatives assets	129	-	-	-	129
Investments	-	-	162	1,904	2,066
Loans to customers (1)	16	143	4,937	196	5,292
Receivables from purchase and sale of securities	1	-	-	-	1
Other assets	15	1	-	-	16
Financial liabilities					
Debt issued and borrowings	-	3,744	16,272	-	20,016
Other liabilities	-	137	47	-	184
Commitments					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans

(Unit: Million Baht)

Transactions	Separate financial statements 2021 At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Interbank and money market items	1,348	-	-	-	1,348
Financial assets measured at fair value through profit or loss	-	200	-	176	376
Derivatives assets	194	-	-	-	194
Investments	-	131	116	1,614	1,861
Loans to customers (1)	216	4,520	113	-	4,849
Other assets	13	2	-	-	15
Financial liabilities					
Debt issued and borrowings	-	3,996	7,700	-	11,696
Other liabilities	-	103	62	-	165
Commitments					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans

45.4 Derivatives

Risk of derivative of the subsidiary which operate in derivative transactions is the risk that the fair value of equities and derivatives with linked to equity instrument changes as a result of changes in market price of stock. The majority of investment in equity instrument of the subsidiary is marketable equity instrument which mostly is trading securities held for hedging against derivatives, which have equity instrument as an underlying. Both equity and derivatives instruments are measured at fair value through profit and loss (FVTPL) for hedging purpose. The subsidiary manages such risk at acceptable levels through risk management policies and establishment of proper risk limits, regularly review of policies and outstanding to reflect the current market conditions, and establishment of a function to monitor and control risks in accordance with the Company's policies.

45.5 Fair value of financial instruments

As at 31 December 2022 and 2021, the Company and its subsidiaries had financial assets and financial liabilities that were measured at fair value, and those that were measured at cost but has to disclose the fair value, which presented based on fair value hierarchy as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
- Financial assets designated to be measured at fair value through profit or loss	254	254	-	254	-
- Others	2,236	2,236	1,830	49	357
Derivatives assets	132	132	132	-	-
Investments in debt securities measured at fair value through other comprehensive income	13,815	13,815	-	13,815	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	3,489	3,489	2,805	407	277
Financial liabilities measured at fair value					
Derivatives liabilities	3	3	3	-	-
Non-financial assets measured at fair value					
Land, premises and equipment - land and buildings	157	157	-	-	157

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets and liabilities non-measured at fair value					
Cash	5	5	-	-	5
Interbank and money market items (assets)	4,828	4,828	3,883	945	-
Investments in debt securities measured at mortised cost	1,319	1,319	-	1,319	-
Loan to customers and accrued interest receivables - net	62,383	61,866	-	8,488	53,378
Receivables from purchase and sale securities	2,001	2,001	-	2,001	-
Other assets	614	614	-	614	-
Interbank and money market item (liabilities)	16,415	16,394	-	-	16,394
Debts issued and borrowings	47,730	47,783	-	47,783	-
Other liabilities - payables from purchase and sale of securities	1,069	1,069	-	1,069	-
Other liabilities - accrued interest payable	272	272	-	272	-

(Unit: Million Baht)

	Consolidated financial statements				
	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
- Financial assets measured at fair value through profit or loss	324	324	-	324	-
- Others	2,457	2,457	1,778	329	350
Derivatives assets	206	206	206	-	-
Investments in debt securities measured at fair value through other comprehensive income	10,416	10,416	-	10,416	-
Investments in equity securities designated to measured at fair value through other comprehensive income	2,708	2,708	2,434	-	274
Financial liabilities measured at fair value					
Derivatives liabilities	18	18	18	-	-
Non-financial assets measured at fair value					
Land, premises and equipment - land and buildings	166	166	-	-	166

(Unit: Million Baht)

	Consolidated financial statements				
	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets and liabilities non-measured at fair value					
Cash	4	4	4	-	-
Interbank and money market items (assets)	8,947	8,947	3,153	5,794	-
Loan to customers and accrued interest receivables - net	55,221	54,751	-	5,223	49,528
Receivables from purchase and sale securities	843	843	-	843	-
Other assets	697	697	-	697	-
Interbank and money market item (liabilities)	15,984	15,995	-	2,147	13,848
Debts issued and borrowings	34,308	34,494	-	34,494	-
Other liabilities - payables from purchase and sale of securities	1,264	1,264	-	1,264	-
Other liabilities - accrued interest payable	220	220	-	220	-

(Unit: Million Baht)

	Separate financial statements				
	2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
- Others	176	176	-	49	127
Derivatives assets	129	129	129	-	-
Investments in debt securities measured at fair value through other comprehensive income	162	162	-	162	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	1,904	1,904	1,621	52	231
Non-financial assets measured at fair value					
Land, premises and equipment - land and buildings	58	58	-	-	58
Financial assets and liabilities non-measured at fair value					
Interbank and money market items (assets)	1,848	1,848	1,848	-	-
Loan to customers and accrued interest receivables - net	5,164	5,164	-	5,035	129
Receivables from purchase and sale of securities	1	1	-	1	-
Other assets	14	14	-	14	-
Debt issued and borrowings	20,016	20,052	-	20,052	-
Other liabilities - accrued interest payable	121	121	-	121	-

(Unit: Million Baht)

	Separate financial statements				
	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured fair value					
Financial assets measured at fair value through profit or loss					
- Others	376	376	-	251	125
Derivatives assets	194	194	194	-	-
Investments in debt securities measured at fair value through other comprehensive income	247	247	-	247	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	1,614	1,614	1,445	-	169
Non-financial assets measured at fair value					
Land, premises and equipment - land and buildings	61	61	-	-	61
Financial assets and liabilities non-measured at fair value					
Interbank and money market items (assets)	1,348	1,348	1,348	-	-
Loan to customers and accrued interest receivables - net	4,722	4,724	-	4,591	133
Other assets	13	13	-	13	-
Debt issued and borrowings	11,696	11,662	-	11,662	-
Other liabilities - accrued interest payable	82	82	-	82	-

Valuation techniques and inputs used for fair value measurement

Cash	-	The fair value is assumed to approximate its book value in the statement of financial position.
Interbank and money market items - deposits at financial institutions	-	The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Derivatives	-	The fair value is based on quoted market prices. When there is no observable market price, the fair value is measured using a valuation technique that uses observable inputs such as interest rates and foreign exchange rates, obtained from reliable sources and adjusted to reflect counterparty credit risk.

Investments	- The fair value of marketable securities is based on the latest bid price of the last working day of the year. - The fair value of debt securities and perpetual subordinated bond is determined using the yield rates quoted by the Thai Bond Market Association. - The fair value of unit trusts is determined from their net asset value. - The fair value of investments in non-marketable equity securities is determined using common valuation techniques such as book value or adjusted book value.
Loans to customers	- The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit loss. - The fair value of fixed rate loans is determined by discounting the expected future cash flows at the effective interest rate, net of allowance for expected credit loss. - The fair value of loans purchase of receivables is determined by discounting the expected cashflow at the effective interest rate, net of allowance for expected credit loss.
Land, premises and equipment - land and buildings	- The fair value of land is determined using market comparison approach which is used whereby the buying and selling prices for assets with similar characteristics. - The fair value of buildings is determined using replacement cost approach, market comparison approach and income approach.
Receivables and payables from purchase and sale of securities	- The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Interbank and money market items - borrowings from financial institutions and debt issued and borrowings	- The fair value of borrowings at call, floating rate or fixed rate with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book value.

- The fair value of fixed rate borrowings with more than 1 year from the statement of financial position date remaining to maturity is determined based on the present value of future cash flows, discounted by the estimated current market interest rate for borrowings subject to similar conditions.

During the current year, the Company and its subsidiaries did not transfer any items among fair value hierarchy levels.

46. Events after the reporting period

On 20 February 2023, the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for consideration for payment of a dividend of Baht 1.90 per share, or a total of Baht 1,992 million.

47. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2023.