

Krungthai Card Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Krungthai Card Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Krungthai Card 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 shareholders' 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 Krungthai Card 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 Krungthai Card Public Company Limited and its subsidiaries and of Krungthai Card 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 Matter

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 of loans to customers

As discussed in Note 7 to the consolidated financial statements, as at 31 December 2022, the Group had loans to customers of Baht 95,402 million (representing 94 percent of total assets) and allowance for expected credit loss amounting to Baht 8,792 million, which are material amounts to the financial statements. In addition, the basis to be used for calculation of the allowance for expected credit loss involves complex calculation modelling and requires management to use significant judgements and estimates in developing expected credit loss models in compliance with Thai Financial Reporting Standards. The areas of significant management judgement include the identification of criteria for assessment of a significant increase in credit risk of loans to customers, the relevant variables with modelling, the selection of the future economic variables to be incorporated in the models and a management overlay used to adjust of the allowance for expected credit loss due to the limitations of the model.

Because of the materiality and the use of judgement and estimates mentioned above, I addressed the adequacy of 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 the Group's internal controls relating to the loan origination and collection process, the calculation of allowance for expected credit loss of loans to customers, taking into account the exposure balances, complexity and credit risk of each loan portfolio. I compared the accounting policies of the Group with Thai Financial Reporting Standards. I considered and assessed the process governing model development, reviewed model development documentation and model validation report as prepared by the independent department of the Group, and tested, on a sampling basis, the accuracy and the completeness of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit loss, including the method used to incorporate the management overlay to address the limitations of the model and the recording of allowance for expected credit loss. I tested, on a sampling basis, the controls over the information technology systems relevant to the calculation of allowance for expected credit loss.

I examined the allowance for expected credit loss by assessing, on a sampling basis, the classification of loans to customers based on the changes in credit risk since initial recognition, and recalculating, on a sampling basis, the allowance for expected credit loss as at the end of the accounting period, including testing, on a sampling basis, the completeness of the data used in the calculation of allowance for expected credit loss.

Moreover, I assessed the adequacy of disclosure in accordance with the relevant financial reporting standards, as well as notifications and guidelines announced by the Bank of Thailand.

Other Matter

The consolidated financial statements of Krungthai Card Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Krungthai Card Public Company Limited for the year ended 31 December 2021, presented herein as comparative information, were audited by another auditor who, under his report dated 10 February 2022, expressed an unmodified opinion on those financial statements.

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 year 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.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 9 February 2023

Krungthai Card Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents		2,181,929,630	2,362,884,558	2,173,595,514	2,018,849,307
Loans to customers and					
accrued interest receivables, net - current portion	7	94,013,965,896	82,443,432,569	93,577,009,782	82,086,352,073
Short-term lending	27.1	-	-	746,000,000	-
Other receivables, net	8	485,291,735	434,057,147	431,967,354	420,884,864
Other current financial assets	9	-	3,000,323	-	3,000,323
Total current assets		96,681,187,261	85,243,374,597	96,928,572,650	84,529,086,567
Non-current assets					
Loans to customers and accrued interest					
receivables, net - non-current portion	7	1,387,838,283	500,988,951	-	-
Other non-current financial assets	9	1,997,569	1,994,431	1,987,569	1,984,431
Investments in subsidiaries and an associate	10	105,744,796	83,464,565	780,943,224	780,943,224
Properties for sale	11	39,051,626	43,787,662	-	-
Leasehold improvements and equipment	12	348,076,617	414,640,210	334,787,717	402,462,709
Right-of-use assets	13	330,910,963	359,782,239	317,919,957	345,259,477
Intangible assets	14	483,335,145	448,767,818	476,589,001	437,703,761
Deferred tax assets	15	2,344,336,128	2,292,094,928	1,669,654,436	1,600,388,259
Other non-current assets		73,512,342	82,194,251	70,910,592	79,667,126
Total non-current assets		5,114,803,469	4,227,715,055	3,652,792,496	3,648,408,987
Total assets		101,795,990,730	89,471,089,652	100,581,365,146	88,177,495,554

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Liabilities					
Current liabilities					
Short-term borrowings	16, 27.1	10,178,974,634	9,129,971,164	9,278,304,586	8,230,491,720
Trade payables	27.1	1,820,142,592	753,241,629	1,777,688,316	746,664,277
Accrued interest expenses		280,401,691	272,019,844	279,986,819	271,400,828
Income tax payable		924,158,291	734,796,892	928,514,898	734,794,204
Accrued expenses		1,286,830,590	1,178,401,893	1,261,319,618	1,160,836,860
Other payables	17	808,524,907	1,669,371,417	805,209,106	1,627,619,977
Current portion of lease liabilities	13	161,484,227	214,609,667	155,256,447	200,507,195
Current portion of long-term debentures	18	4,639,493,550	9,500,000,000	4,639,493,550	9,500,000,000
Deferred income for reward points		2,587,145,713	2,481,225,762	2,587,145,713	2,481,225,762
Total current liabilities		22,687,156,195	25,933,638,268	21,712,919,053	24,953,540,823
Non-current liabilities					
Lease liabilities, net of current portion	13	175,545,371	151,583,707	168,666,811	151,040,454
Long-term borrowings	16, 27.1	6,000,000,000	1,500,000,000	6,000,000,000	1,500,000,000
Long-term debentures, net of current portion	18	40,816,762,678	34,273,049,113	40,816,762,678	34,273,049,113
Provisions for employee benefits	19	540,772,700	528,418,067	523,980,300	512,147,600
Total non-current liabilities		47,533,080,749	36,453,050,887	47,509,409,789	36,436,237,167
Total liabilities		70,220,236,944	62,386,689,155	69,222,328,842	61,389,777,990

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Authorised share capital					
2,578,334,070 ordinary shares of Baht 1.00 each		2,578,334,070	2,578,334,070	2,578,334,070	2,578,334,070
Issued and paid-up share capital					
2,578,334,070 ordinary shares of Baht 1.00 each		2,578,334,070	2,578,334,070	2,578,334,070	2,578,334,070
Share premium					
Share premium on ordinary shares		1,891,808,721	1,891,808,721	1,891,808,721	1,891,808,721
Surplus on business combination under					
common control		423,694,187	423,694,187	-	-
Other components of equity		4,844,092	-	-	-
Retained earnings					
Appropriated - legal reserve	20	257,833,407	257,833,407	257,833,407	257,833,407
Unappropriated		26,196,702,458	21,684,686,692	26,631,060,106	22,059,741,366
Equity attributable to owners of the parent		31,353,216,935	26,836,357,077	31,359,036,304	26,787,717,564
Non-controlling interests		222,536,851	248,043,420	-	-
Total shareholders' equity		31,575,753,786	27,084,400,497	31,359,036,304	26,787,717,564
Total liabilities and shareholders' equity		101,795,990,730	89,471,089,652	100,581,365,146	88,177,495,554

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

(Mr. Praphaisith Tankeyura)

Director

(Mr. Rathian Srimongkol)

Director

Krungthai Card Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2022	2021	2022	2021
Profit or loss:					
Revenue					
Interest income		11,378,864,625	10,673,125,090	11,268,371,237	10,568,152,773
Fee and service income		7,976,066,461	7,234,170,658	7,935,345,463	7,170,937,587
Bad debt recovery		3,420,599,616	3,266,111,438	3,322,969,555	3,190,639,223
Gain on exchange rate, net		61,064,570	22,182,097	61,064,570	22,182,097
Other income		394,747,024	246,084,939	377,886,605	220,242,260
Total revenue		23,231,342,296	21,441,674,222	22,965,637,430	21,172,153,940
Expenses					
Administrative expenses		7,872,012,649	7,064,049,614	7,666,301,697	6,850,785,415
Management remuneration	27.3	244,488,863	261,525,825	229,503,401	230,011,827
Expected credit loss		4,868,385,955	5,455,542,617	4,746,360,548	4,862,823,258
Total expenses	22	12,984,887,467	12,781,118,056	12,642,165,646	11,943,620,500
Operating income		10,246,454,829	8,660,556,166	10,323,471,784	9,228,533,440
Finance costs		1,392,499,203	1,415,848,055	1,382,923,002	1,406,706,085
Share of profit from investments in an associate		17,436,139	10,669,002	-	-
Profit before income tax		8,871,391,765	7,255,377,113	8,940,548,782	7,821,827,355
Income tax expense	15	1,817,782,936	1,466,856,852	1,800,992,730	1,570,941,470
Net profit for the year		7,053,608,829	5,788,520,261	7,139,556,052	6,250,885,885
Other comprehensive income:					
<i>Transactions that will never be reclassified subsequently to profit or loss</i>					
Gains on remeasurements of defined benefit plans		13,842,610	4,607,494	12,420,510	5,313,300
Share of other comprehensive income from investments in an associate		4,844,092	-	-	-
Income tax relating to other comprehensive income for items that will never be reclassified subsequently to profit or loss		(2,768,522)	(921,499)	(2,484,102)	(1,062,660)
Other comprehensive income for the year		15,918,180	3,685,995	9,936,408	4,250,640
Total comprehensive income for the year		7,069,527,009	5,792,206,256	7,149,492,460	6,255,136,525

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit (loss) attributable to					
Owners of the parent		7,079,399,249	5,878,693,059	7,139,556,052	6,250,885,885
Non-controlling interests		(25,790,420)	(90,172,798)		
		<u>7,053,608,829</u>	<u>5,788,520,261</u>		
Total comprehensive income (loss) attributable to					
Owners of the parent		7,095,033,578	5,882,519,932	7,149,492,460	6,255,136,525
Non-controlling interests		(25,506,569)	(90,313,676)		
		<u>7,069,527,009</u>	<u>5,792,206,256</u>		
Earnings per share of the Company					
Basic earnings per share (Baht)		<u>2.75</u>	<u>2.28</u>	<u>2.77</u>	<u>2.42</u>

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements									
Owners of the parent									
Other components of									
equity - share of other									
comprehensive income									
from an associate									
Retained earnings									
Appropriated									
Legal reserve									
Unappropriated									
Total									
owners of									
the parent									
Non-									
controlling									
interests									
Total									
Notes	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on business combination under common control	equity - share of other comprehensive income from an associate	Legal reserve	Unappropriated	the parent	interests	Total
Beginning balance as at 1 January 2021	2,578,334,070	1,891,808,721	-	-	257,833,407	18,070,976,922	22,798,953,120	1,313,389,538	24,112,342,658
Business combination under common control	-	-	423,694,187	-	-	-	423,694,187	(975,032,442)	(551,338,255)
Dividend paid	25	-	-	-	-	(2,268,810,162)	(2,268,810,162)	-	(2,268,810,162)
Profit (loss) for the year	-	-	-	-	-	5,878,693,059	5,878,693,059	(90,172,798)	5,788,520,261
Other comprehensive income (loss) for the year	-	-	-	-	-	3,826,873	3,826,873	(140,878)	3,685,995
Total comprehensive income (loss) for the year	-	-	-	-	-	5,882,519,932	5,882,519,932	(90,313,676)	5,792,206,256
Ending balance as at 31 December 2021	2,578,334,070	1,891,808,721	423,694,187	-	257,833,407	21,684,686,692	26,836,357,077	248,043,420	27,084,400,497
Beginning balance as at 1 January 2022	2,578,334,070	1,891,808,721	423,694,187	-	257,833,407	21,684,686,692	26,836,357,077	248,043,420	27,084,400,497
Dividend paid	25	-	-	-	-	(2,578,173,720)	(2,578,173,720)	-	(2,578,173,720)
Profit (loss) for the year	-	-	-	-	-	7,079,399,249	7,079,399,249	(25,790,420)	7,053,608,829
Other comprehensive income for the year	-	-	-	4,844,092	-	10,790,237	15,634,329	283,851	15,918,180
Total comprehensive income (loss) for the year	-	-	-	4,844,092	-	7,090,189,486	7,095,033,578	(25,506,569)	7,069,527,009
Ending balance as at 31 December 2022	2,578,334,070	1,891,808,721	423,694,187	4,844,092	257,833,407	26,196,702,458	31,353,216,935	222,536,851	31,575,753,786

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

Separate financial statements					
Notes	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total
			Appropriated Legal reserve	Unappropriated	
Beginning balance as at 1 January 2021	2,578,334,070	1,891,808,721	257,833,407	18,073,415,003	22,801,391,201
Dividend paid	25	-	-	(2,268,810,162)	(2,268,810,162)
Profit for the year	-	-	-	6,250,885,885	6,250,885,885
Other comprehensive income for the year	-	-	-	4,250,640	4,250,640
Total comprehensive income for the year	-	-	-	6,255,136,525	6,255,136,525
Ending balance as at 31 December 2021	2,578,334,070	1,891,808,721	257,833,407	22,059,741,366	26,787,717,564
Beginning balance as at 1 January 2022	2,578,334,070	1,891,808,721	257,833,407	22,059,741,366	26,787,717,564
Dividend paid	25	-	-	(2,578,173,720)	(2,578,173,720)
Profit for the year	-	-	-	7,139,556,052	7,139,556,052
Other comprehensive income for the year	-	-	-	9,936,408	9,936,408
Total comprehensive income for the year	-	-	-	7,149,492,460	7,149,492,460
Ending balance as at 31 December 2022	2,578,334,070	1,891,808,721	257,833,407	26,631,060,106	31,359,036,304

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

Krungthai Card Public Company Limited and its subsidiaries
Statement of cash flows
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	8,871,391,765	7,255,377,113	8,940,548,782	7,821,827,355
Adjustments to reconcile profit before income tax				
to net cash received (paid) from operating activities:				
Amortisation of discount on investments in debt securities	(2,815)	(2,432)	(2,815)	(2,432)
Share of profit from investments in an associate	(17,436,139)	(10,669,002)	-	-
Employee benefits expense	44,715,784	69,264,979	42,771,751	42,220,451
Depreciation and amortisation	549,411,550	594,213,237	537,759,597	574,072,381
(Gain) loss on disposal and write-off of leasehold improvements				
and equipment, net	1,781,928	(632,880)	1,930,439	(588,160)
Loss on write off of computer software	2,277,907	1,069,572	14	1,069,572
Expected credit loss	4,868,385,955	5,455,542,617	4,746,360,548	4,862,823,258
Loss on impairment of properties for sale	23,767,577	18,077,331	-	-
Interest expenses	1,374,243,083	1,396,876,357	1,364,666,883	1,387,734,387
Profit from operating activities before changes				
in operating assets and liabilities	15,718,536,595	14,779,116,892	15,634,035,199	14,689,156,812
Operating assets (increase) decrease				
Loans to customers and accrued interest receivables, net	(17,327,794,306)	(3,452,486,781)	(16,237,018,257)	(4,158,724,035)
Other receivables	(49,208,895)	52,215,253	(11,082,490)	39,152,293
Properties for sale	(19,031,541)	28,352,294	-	-
Other non-current assets	8,681,909	(2,849,125)	8,756,534	(912,658)
Operating liabilities increase (decrease)				
Trade payables	1,009,173,706	(722,376,347)	973,312,063	(726,248,126)
Accrued expenses	108,428,697	37,571,287	100,482,758	54,640,682
Other payables	(860,846,510)	358,620,682	(822,410,871)	373,724,789
Deferred income for reward points	105,919,951	135,473,626	105,919,951	135,473,626
Cash provided by (used in) operating activities	(1,306,140,394)	11,213,637,781	(248,005,113)	10,406,263,383
Interest expense paid	(1,269,113,047)	(1,387,785,029)	(1,259,632,549)	(1,379,760,987)
Employee benefits paid	(18,518,541)	(50,863,020)	(18,518,541)	(13,539,351)
Income tax paid	(1,683,431,258)	(1,440,734,696)	(1,679,022,315)	(1,433,495,328)
Net cash provided by (used in) operating activities	(4,277,203,240)	8,334,255,036	(3,205,178,518)	7,579,467,717

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

Krungthai Card Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash paid for short-term lending	-	-	(746,000,000)	-
Cash received from redemption of financial assets	3,000,000	-	3,000,000	-
Cash paid for purchase of leasehold improvements and equipment	(118,068,119)	(95,088,637)	(115,308,716)	(94,993,591)
Cash paid for purchase of computer software	(112,278,604)	(133,768,448)	(110,499,804)	(131,790,448)
Cash received from sale of leasehold improvements and equipment	1,621,939	1,504,197	552,794	601,637
Cash paid for investments in a subsidiary	-	(551,338,255)	-	(551,338,255)
Net cash used in investing activities	(225,724,784)	(778,691,143)	(968,255,726)	(777,520,657)
Cash flows from financing activities				
Cash received from (paid for) short-term borrowings, net	1,024,403,383	(6,619,558,336)	1,023,212,780	(5,941,350,963)
Cash received from long-term borrowings	4,500,000,000	1,500,000,000	4,500,000,000	1,500,000,000
Cash received from issuance of long-term debentures	11,122,712,838	9,030,890,842	11,122,712,838	9,030,890,842
Cash paid for redemption of long-term debentures	(9,500,000,000)	(8,780,000,000)	(9,500,000,000)	(8,780,000,000)
Cash paid for lease liabilities	(246,969,405)	(252,589,940)	(239,571,447)	(237,450,521)
Dividend paid	(2,578,173,720)	(2,268,810,162)	(2,578,173,720)	(2,268,810,162)
Net cash provided by (used in) financing activities	4,321,973,096	(7,390,067,596)	4,328,180,451	(6,696,720,804)
Net increase (decrease) in cash and cash equivalents	(180,954,928)	165,496,297	154,746,207	105,226,256
Cash and cash equivalents as at 1 January	2,362,884,558	2,197,388,261	2,018,849,307	1,913,623,051
Cash and cash equivalents as at 31 December	2,181,929,630	2,362,884,558	2,173,595,514	2,018,849,307

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

Krungthai Card Public Company limited and its subsidiaries
Table of contents for notes to consolidated financial statements
For the year ended 31 December 2022

Note	Contents	Page
1.	General information	1
2.	Basis for preparation of the financial statements.....	1
3.	New financial reporting standards.....	3
4.	Significant accounting policies	4
5.	Significant accounting judgements and estimates.....	15
6.	Supplementary disclosures of cash flows information	16
7.	Loans to customers and accrued interest receivables, net.....	19
8.	Other receivables, net.....	24
9.	Other non-current financial assets	25
10.	Investments in subsidiaries and an associate	25
11.	Properties for sale	27
12.	Leasehold improvements and equipment	28
13.	Leases.....	30
14.	Intangible assets.....	33
15.	Deferred tax assets and income tax.....	35
16.	Borrowings	37
17.	Other payables	37
18.	Long-term debentures	38
19.	Provisions for employee benefits	39
20.	Legal reserve.....	41
21.	Capital management.....	41
22.	Expenses by nature	42
23.	Financial information classified by operating segments	42
24.	Provident fund	43
25.	Dividend	43
26.	Earnings per share	43
27.	Transactions with related parties	44
28.	Financial instruments information disclosures.....	50
29.	Coronavirus disease 2019 pandemic (COVID-19)	62
30.	Commitment and contingent liabilities.....	63
31.	Approval of financial statements	63

Krungthai Card Public Company limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

Krungthai Card Public Company Limited (the “Company”) is fully engaged in credit card, personal loan and other related businesses. The Company was registered as a listed company on The Stock Exchange of Thailand on 28 October 2002.

The Company is located at 14th Floor UBC II Building, 591 Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110.

The major shareholder of the Company is Krung Thai Bank Public Company Limited, which was incorporated in Thailand, holding 49.3% of the Company's shares as at 31 December 2022.

The Company has subsidiaries which are under its control in finance and operations as mentioned in Notes 2.2 and 10 to the consolidated financial statements.

2. Basis for preparation of the financial statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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 and the separate financial statements

The consolidated financial statements

The consolidated financial statements include the financial statements of Krungthai Card Public Company Limited (“the Company”) and the following subsidiary companies (collectively as “the Group”):

	Business type	Percentage of direct and indirect holdings (%)	
		2022	2021
Direct subsidiaries			
KTC Pico (Bangkok) Co., Ltd.	Pico Finance	75.05	75.05
KTC Nano Co., Ltd.	Nano Finance	75.05	75.05
KTC Prepaid Co., Ltd.	Electronics money services	75.05	75.05
Krungthai Leasing Co., Ltd.	Hire Purchase and Leasing	75.05	75.05
Indirect subsidiaries			
KTC Pico (Chonburi) Co., Ltd. ⁽¹⁾	Pico Finance	75.05	75.05
KTC Pico (Samut Sakhon) Co., Ltd. ⁽¹⁾	Pico Finance	75.05	75.05
KTC Pico (Pathum Thani) Co., Ltd. ⁽¹⁾	Pico Finance	75.05	75.05
KTC Pico (Samut Prakan) Co., Ltd. ⁽¹⁾	Pico Finance	75.05	75.05
Associate			
Krungthai Advisory Co., Ltd.	Holding business	24.00	24.00

⁽¹⁾ The Company holds shares indirectly through KTC Pico (Bangkok) Co., Ltd.

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 which the financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company while material balances and transactions between the Group have been eliminated from the consolidated financial statements.

The separate financial statements

The separate financial statements present investments in subsidiaries and an associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current period

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 do 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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 on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

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 Bank of Thailand. The accounting guidance is applicable for provisions of assistance to such debtor made during the period from 1 January 2022 to 31 December 2023 or until the Bank of Thailand makes changes.

Under this accounting guidance, entity may elect to adopt accounting treatments consistent with the circular of the Bank of Thailand No. BOT.RPD2.C.802/2564 “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:

- For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, entity may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1)
- For debt restructuring involving only a payment timeline extension, entity is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. (Assistance type 2)

For the debtor who has been in the Assistance type 1, entity can apply accounting treatments as set out in this accounting guidance from 1 January 2022 to 31 December 2023.

4. Significant accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.2 Financial instruments

The Group recognises financial assets and financial liabilities in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and costs that form an integral part of the effective interest rate).

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any allowance for expected credit loss ("ECL").

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost.

Impairment of financial assets

The Group recognises ECL on debt financial assets that are measured at amortised cost as well as loans to customers by applying expected credit loss model. The Group accounts for expected credit loss and changes in those expected credit loss at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The financial assets are classified into three stages based on the changes in credit risk since initial recognition.

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Group recognises allowance for expected credit loss at the amount equal to 12-month ECL.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Group recognises allowance for expected credit loss at the amount equal to the lifetime expected credit loss of financial assets.

Stage 3: Financial assets that are credit-impaired (Non-Performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Group recognises allowance for expected credit loss at the amount equal to the lifetime expected credit loss of financial assets.

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognises the expected credit loss for lease receivables (including hire-purchase receivables and finance lease receivables) applying Simplified Approach. The subsidiary recognises allowance for expected credit loss at an amount equal to lifetime expected credit loss.

As for debt that has credit impairment but still has the potential on repayment, the Group would classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made payment for 3 consecutive months.

Significant increase in credit risk

The Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition;

- An actual or expected significant deterioration in internal credit rating;
- An actual or expected significant deterioration in the ability on repayment of the debtor;
- An actual or expected significant adverse change in the business, financial, regulatory, economic, or technological environmental of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Apart from the above assessment, the Group considers contractual payments which are more than 30 days past due as significant increase in credit risk.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- (1) The financial instrument has a low risk of default;
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full. Irrespective of the above analysis, the Group considers that default has occurred when the past due is more than 90 days.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Write-off policy

The Group writes off loans to customers when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit or loss in the statements of comprehensive income.

Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group has measured the allowance for expected credit loss for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the allowance for expected credit loss at an amount equal to 12-month ECL at the current reporting date.

Financial liabilities

All the Group's financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual cash flows from the financial asset expire, or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which the risks and rewards of ownership are transferred.

A financial liability is derecognised from the statement of financial position when the Group has discharged its obligation, or the contract is cancelled or expires.

4.3 Investments in subsidiaries and an associate

Investments in subsidiaries and an associate in the separate financial statements are accounted for using the cost method, less allowances for impairment (if any). Investments in an associate in the consolidated financial statements are accounted for using the equity method, less allowances for impairment (if any).

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised immediately as profit or loss in the statement of comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held-for-sale.

In case impairment in value of investment has occurred, the loss is recognised in profit or loss in the statement of comprehensive income.

4.4 Properties for sale

Properties for sale consist of the assets repossessed from hire-purchase receivables which are stated at the lower of cost or net realisable value. In the event where the Group considers that there is a decline in net realisable value, the impairment is recognised as expenses and recognise gains or losses on disposal of such properties for sale in the statement of comprehensive income.

4.5 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation, and allowance for impairment (if any).

Gain or loss on disposal or write-off leasehold improvements and equipment is recognised in profit or loss in the statement of comprehensive income in the period of disposal or write-off.

Depreciation of leasehold improvements and equipment is calculated by the straight-line method, over the estimated useful lives of the assets, as follows:

Leasehold improvements	Lease period
Furniture, fixtures and office equipment	5 years
Vehicles	5 years
Computers and devices	3 years

4.6 Intangible assets

Intangible assets represent computer software which is stated at cost less accumulated amortisation, and allowance for impairment (if any).

Amortisation of intangible assets is calculated by the straight-line method based on the estimated useful life of intangible assets over 5 years 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 is charged to profit or loss in the statement of comprehensive income.

4.7 Leases

Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation.

Lease liabilities

Lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased from interest and reduced for the lease payments made.

4.8 Employee benefits

Short-term employee benefits

The Group recognises salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Post-employment benefits

Defined contribution plans - provident fund

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under the Labor Protection Act. The Group treats these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income in the statement of comprehensive income.

4.9 Foreign currency transactions

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Baht at the reference exchange rate announced by the Bank of Thailand at that date.

The Company recognises gain or loss on exchange arising on settlements or translation as operating income or expenses in profit or loss in the statement of comprehensive income.

4.10 Income and expense recognition

The Group recognises interest income on credit card receivables for default payments of installments from the posting date. Interest on cash advances from credit cards is recognised from the date of cash withdrawals. Interest on personal loans and lease receivables are recognised when the payments fall due using effective interest method.

The Group recognises fee and service income, which is cash advance fee, fees as a card issuer, fees received from cardholders of other banks and other fees on an accrual basis when services are rendered or performance obligations are fulfilled.

Other income and expense are recognised on an accrual basis.

4.11 Bad debt recovery

Bad debt recovery is recognised as income in profit or loss in the statement of comprehensive income in the period which it is collected.

4.12 Income tax

Income tax expense which is a part in calculation of profit or loss for the year represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is a recognition of 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.

Deferred tax liabilities is a recognition of all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Related party transactions

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

They also include associate, and individuals or enterprises which directly or indirectly own a voting interest that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.14 Fair value measurements

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 3 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 judgements and estimates

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

Allowance for expected credit loss

The management is required to use judgement in estimation in determining the allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments. The calculation of allowance for expected credit loss of the Group is based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit loss model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

Deferred income for reward points

The deferred income arising from reward point program granted to the Company's customers. The deferred income is calculated based on the estimates of redemption rate of the reward points earned by the customers and fair value of reward prices and is presented in current liabilities in the statement of financial position.

Provisions for employee benefits

The present value of the provisions for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will have an impact on the carrying amount of such provision.

6. Supplementary disclosures of cash flows information

6.1 Non-cash items for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Payable for purchase of leasehold improvements and equipment brought forward	19,400	3,463	19,318	3,463
<u>Add</u> Purchase of leasehold improvements and equipment	99,260	111,026	96,583	110,849
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	(118,068)	(95,089)	(115,309)	(94,994)
Payable for purchase of leasehold improvements and equipment carried forward (presented as a part of trade payables)	592	19,400	592	19,318
Payable for purchase of computer software brought forward	32,518	47,208	32,518	47,208
<u>Add</u> Purchase of computer software	188,596	119,078	186,817	117,100
<u>Less</u> Cash paid for purchase of computer software	(112,279)	(133,768)	(110,500)	(131,790)
Payable for purchase of computer software carried forward (presented as a part of trade payables)	108,835	32,518	108,835	32,518

6.2 Changes in liabilities from financing activities for the years ended 31 December 2022 and 2021 are as follows:

(Unit Thousand Baht)

	Consolidated financial statements				
	Cash flow from financing activities				31 December 2022
	1 January 2022	Cash received	Cash paid	Non-cash changes	
Short-term borrowings	9,129,971	181,356,403	(180,332,000)	24,600	10,178,974
Long-term borrowings	1,500,000	4,500,000	-	-	6,000,000
Current portion of long-term debentures	9,500,000	-	(9,500,000)	4,639,494	4,639,494
Long-term debentures	34,273,049	11,122,713	-	(4,578,999)	40,816,763
Lease liabilities	366,193	-	(246,969)	217,806	337,030
Total	54,769,213	196,979,116	(190,078,969)	302,901	61,972,261

(Unit Thousand Baht)

	Consolidated financial statements				
	Cash flow from financing activities				31 December 2021
	1 January 2021	Cash received	Cash paid	Non-cash changes	
Short-term borrowings	15,739,409	172,644,441	(179,264,000)	10,121	9,129,971
Long-term borrowings	-	1,500,000	-	-	1,500,000
Current portion of long-term debentures	8,780,000	-	(8,780,000)	9,500,000	9,500,000
Long-term debentures	34,700,000	9,030,891	-	(9,457,842)	34,273,049
Lease liabilities	490,428	-	(252,590)	128,355	366,193
Total	59,709,837	183,175,332	(188,296,590)	180,634	54,769,213

(Unit Thousand Baht)

Separate financial statements					
	1 January 2022	Cash flow from financing activities		Non-cash changes	31 December 2022
		Cash received	Cash paid		
Short-term borrowings	8,230,492	165,387,519	(164,364,307)	24,600	9,278,304
Long-term borrowings	1,500,000	4,500,000	-	-	6,000,000
Current portion of long-term debentures	9,500,000	-	(9,500,000)	4,639,494	4,639,494
Long-term debentures	34,273,049	11,122,713	-	(4,578,999)	40,816,763
Lease liabilities	351,548	-	(239,571)	211,946	323,923
Total	53,855,089	181,010,232	(174,103,878)	297,041	61,058,484

(Unit Thousand Baht)

Separate financial statements					
	1 January 2021	Cash flow from financing activities		Non-cash changes	31 December 2021
		Cash received	Cash paid		
Short-term borrowings	14,161,722	141,668,467	(147,609,818)	10,121	8,230,492
Long-term borrowings	-	1,500,000	-	-	1,500,000
Current portion of long-term debentures	8,780,000	-	(8,780,000)	9,500,000	9,500,000
Long-term debentures	34,700,000	9,030,891	-	(9,457,842)	34,273,049
Lease liabilities	460,287	-	(237,451)	128,712	351,548
Total	58,102,009	152,199,358	(156,627,269)	180,991	53,855,089

7. Loans to customers and accrued interest receivables, net

7.1 Outstanding balances of loans to customers and accrued interest receivables classified by type of business and stage are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2022				
	Credit card	Personal loan	Lease Receivables	Total
Stage 1	62,185,315	25,557,642	-	87,742,957
Stage 2	6,258,300	5,432,004	-	11,690,304
Stage 3	730,130	896,498	-	1,626,628
Financial assets where applied simplified approach to calculate lifetime expected credit loss	-	-	2,448,679	2,448,679
Total loans to customers	69,173,745	31,886,144	2,448,679	103,508,568
<u>Add</u> Accrued interest receivables and undue interest receivables	288,068	396,892	-	684,960
Total loan to customers and accrued interest receivables	69,461,813	32,283,036	2,448,679	104,193,528
<u>Less</u> Allowance for expected credit loss	(4,431,299)	(3,736,450)	(623,975)	(8,791,724)
Total loans to customers and accrued interest receivables, net	65,030,514	28,546,586	1,824,704	95,401,804

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2021				
	Credit card	Personal loan	Lease Receivables	Total
Stage 1	53,716,195	23,213,071	-	76,929,266
Stage 2	5,498,942	4,839,497	-	10,338,439
Stage 3	738,178	842,867	-	1,581,045
Financial assets where applied simplified approach to calculate lifetime expected credit loss	-	-	3,199,191	3,199,191
Total loans to customers	59,953,315	28,895,435	3,199,191	92,047,941
<u>Add</u> Accrued interest receivables and undue interest receivables	248,033	339,734	-	587,767
Total loan to customers and accrued interest receivables	60,201,348	29,235,169	3,199,191	92,635,708
<u>Less</u> Allowance for expected credit loss	(4,126,637)	(3,222,090)	(2,342,559)	(9,691,286)
Total loans to customers and accrued interest receivables, net	56,074,711	26,013,079	856,632	82,944,422

(Unit: Thousand Baht)

Separate financial statements			
31 December 2022			
	Credit card	Personal loan	Total
Stage 1	62,185,315	25,557,560	87,742,875
Stage 2	6,258,300	5,431,990	11,690,290
Stage 3	730,130	896,497	1,626,627
Total loans to customers	69,173,745	31,886,047	101,059,792
<u>Add</u> Accrued interest receivables and undue interest receivables	288,068	396,888	684,956
Total loan to customers and accrued interest receivables	69,461,813	32,282,935	101,744,748
<u>Less</u> Allowance for expected credit loss	(4,431,299)	(3,736,439)	(8,167,738)
Total loans to customers and accrued interest receivables, net	65,030,514	28,546,496	93,577,010

(Unit: Thousand Baht)

Separate financial statements			
31 December 2021			
	Credit card	Personal loan	Total
Stage 1	53,716,195	23,211,643	76,927,838
Stage 2	5,498,942	4,839,444	10,338,386
Stage 3	738,178	842,867	1,581,045
Total loans to customers	59,953,315	28,893,954	88,847,269
<u>Add</u> Accrued interest receivables and undue interest receivables	248,033	339,697	587,730
Total loan to customers and accrued interest receivables	60,201,348	29,233,651	89,434,999
<u>Less</u> Allowance for expected credit loss	(4,126,637)	(3,222,010)	(7,348,647)
Total loans to customers and accrued interest receivables, net	56,074,711	26,011,641	82,086,352

7.2 Lease receivables

7.2.1 Lease receivables classified by year due

(Unit: Thousand Baht)

Consolidated financial statement				
31 December 2022				
	Not over 1 year	1 - 5 years	Over 5 years	Total
Lease receivables	1,000,779	1,777,387	127,084	2,905,250
<u>Less</u> Unearned income	(171,643)	(279,452)	(5,476)	(456,571)
Present value of the minimum lease payment receivables	829,136	1,497,935	121,608	2,448,679
<u>Less</u> Allowance for expected credit loss	(392,271)	(220,154)	(11,550)	(623,975)
Lease receivables, net	436,865	1,277,781	110,058	1,824,704

(Unit: Thousand Baht)

Consolidated financial statement				
31 December 2021				
	Not over 1 year	1 - 5 years	Over 5 years	Total
Lease receivables	2,432,210	959,567	55,949	3,447,726
<u>Less</u> Unearned income	(110,619)	(136,040)	(1,876)	(248,535)
Present value of the minimum lease payment receivables	2,321,591	823,527	54,073	3,199,191
<u>Less</u> Allowance for expected credit loss	(1,965,948)	(347,302)	(29,309)	(2,342,559)
Lease receivables, net	355,643	476,225	24,764	856,632

7.2.2 Outstanding balances of lease receivables (net of unearned income) classified by aging

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2022	31 December 2021
Not over 30 days	2,009,912	1,327,966
31 - 90 days	219,694	135,264
91 days and over	219,073	1,735,961
Total	2,448,679	3,199,191
<u>Less</u> Allowance for expected credit loss	(623,975)	(2,342,559)
Total	1,824,704	856,632

7.3 Allowance for expected credit loss

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit-impaired (Stage 3)	Financial assets where simplified approach to calculate lifetime expected credit loss	Total
Beginning balance	3,917,623	2,365,051	1,066,053	2,342,559	9,691,286
Changes in staging	351,462	(378,214)	26,752	-	-
Changes in risk parameters	(363,345)	1,437,576	4,720,688	258,482	6,053,401
New financial assets originated or purchased	621,714	-	-	39,034	660,748
Financial assets derecognised	(280,489)	(642,353)	(747,286)	(173,610)	(1,843,738)
Written-off	-	-	(3,927,483)	(1,842,490)	(5,769,973)
Ending balance	4,246,965	2,782,060	1,138,724	623,975	8,791,724

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2021				
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit-impaired (Stage 3)	Financial assets where applied simplified approach to calculate lifetime expected credit loss	Total
Beginning balance	3,864,666	2,444,544	1,046,078	2,604,610	9,959,898
Changes in staging	335,182	(414,545)	79,363	-	-
Changes in risk parameters	(387,182)	1,189,841	5,664,022	593,513	7,060,194
New financial assets originated or purchased	517,563	-	-	266	517,829
Financial assets derecognised	(412,606)	(854,789)	(853,476)	-	(2,120,871)
Written-off	-	-	(4,869,934)	(855,830)	(5,725,764)
Ending balance	3,917,623	2,365,051	1,066,053	2,342,559	9,691,286

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Beginning balance	3,917,564	2,365,030	1,066,053	7,348,647
Changes in staging	351,485	(378,206)	26,721	-
Changes in risk parameters	(363,341)	1,437,577	4,720,437	5,794,673
New financial assets originated or purchased	621,714	-	-	621,714
Financial assets derecognised	(280,461)	(642,347)	(747,219)	(1,670,027)
Written-off	-	-	(3,927,269)	(3,927,269)
Ending balance	4,246,961	2,782,054	1,138,723	8,167,738

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2021			
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Beginning balance	3,864,575	2,444,443	1,046,066	7,355,084
Changes in staging	335,763	(414,464)	78,701	-
Changes in risk parameters	(387,181)	1,189,840	5,664,022	6,466,681
New financial assets originated or purchased	517,013	-	-	517,013
Financial assets derecognised	(412,606)	(854,789)	(853,476)	(2,120,871)
Written-off	-	-	(4,869,260)	(4,869,260)
Ending balance	3,917,564	2,365,030	1,066,053	7,348,647

8. Other receivables, net

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Accrued fees income	65,392	79,196	68,206	80,279
Prepaid expenses	256,190	260,976	255,245	259,501
Suspense accounts	13,488	8,963	13,488	8,963
Others, net	150,222	84,922	95,028	72,142
Total other receivables, net	485,292	434,057	431,967	420,885

9. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial assets measured at amortised cost				
Government bonds	1,988	4,985	1,988	4,985
Others	10	10	-	-
Total	1,998	4,995	1,988	4,985
<u>Less</u> Other current financial assets (current portion)	-	(3,001)	-	(3,001)
Total other non-current financial assets	1,998	1,994	1,988	1,984

As at 31 December 2022 and 2021, the Company pledged government bonds totaling Baht 0.6 million with Krung Thai Bank Public Company Limited for issuing letter of guarantees to other companies for the Company's business.

10. Investments in subsidiaries and an associate

10.1 As at 31 December 2022 and 2021, the Company had investments in subsidiaries and an associate which are accounted for using cost method in the separate financial statements as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Percentage of shareholding		Cost method	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Subsidiaries				
<u>Directly held</u>				
KTC Pico (Bangkok) Co., Ltd.	75.05	75.05	45,030	45,030
KTC Nano Co., Ltd.	75.05	75.05	37,525	37,525
KTC Prepaid Co., Ltd.	75.05	75.05	75,050	75,050
KTB Leasing Co., Ltd.	75.05	75.05	551,338	551,338

(Unit: Thousand Baht)

Separate financial statements

	Percentage of shareholding		Cost method	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Subsidiaries				
<u>Indirect held*</u>				
KTC Pico (Chonburi) Co., Ltd.			-	-
KTC Pico (Pathum Thani) Co., Ltd.			-	-
KTC Pico (Samut Prakan) Co., Ltd.			-	-
KTC Pico (Samut Sakhon) Co., Ltd.			-	-
Total			708,943	708,943
Associate				
Krungthai Advisory Co., Ltd.	24.00	24.00	72,000	72,000
Total			72,000	72,000
Total investments in subsidiaries				
and an associate			780,943	780,943

* The Company held shares indirectly through KTC Pico (Bangkok) Co., Ltd.. KTC Pico (Bangkok) Co., Ltd. held shares of KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., and KTC Pico (Samut Sakhon) Co., Ltd. by 100 percent.

10.2 As at 31 December 2022 and 2021, the Company had investments in an associate which is accounted for using equity method in consolidated financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Paid-up share capital		Percentage of shareholding		Cost method		Equity method	
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
Investments in an associate								
Krungthai Advisory Co., Ltd.	300,000	300,000	24.00	24.00	72,000	72,000	105,745	83,465
Total investments in an associate					72,000	72,000	105,745	83,465

10.3 Summarised material financial information about an associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
Total assets	2,348,969	1,183,130
Total liabilities	(1,853,820)	(701,601)
Net assets	495,149	481,529
Net assets attributable to an associate	440,603	347,769
Shareholding percentage (%)	24	24
Carrying amount of an associate based on equity method	105,745	83,465

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2022	2021
Net profit attributable to an associate	72,651	44,454
Total comprehensive income attributable to an associate	92,834	44,454

11. Properties for sale

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 December 2022	31 December 2021
Cost	152,616	133,584
<u>Less</u> Allowance for impairment	(113,564)	(89,796)
Total properties for sale, net	39,052	43,788

12. Leasehold improvements and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Assets under installation	Total
Cost					
1 January 2021	378,954	1,379,121	34,083	441	1,792,599
Additions	1,370	56,279	-	53,377	111,026
Disposals/ Write-off	(45,786)	(59,896)	(2,839)	-	(108,521)
Transfer in (Transfer out)	4,858	19,591	-	(24,449)	-
31 December 2021	339,396	1,395,095	31,244	29,369	1,795,104
Additions	12,862	40,915	-	45,483	99,260
Disposals/ Write-off	(29,194)	(49,563)	(2,290)	-	(81,047)
Transfer in (Transfer out)	57,745	8,962	-	(66,707)	-
31 December 2022	380,809	1,395,409	28,954	8,145	1,813,317
Accumulated depreciation					
1 January 2021	298,345	977,282	21,111	-	1,296,738
Depreciation for the year	25,354	164,997	1,024	-	191,375
Disposals/ Write-off	(45,786)	(59,882)	(1,981)	-	(107,649)
31 December 2021	277,913	1,082,397	20,154	-	1,380,464
Depreciation for the year	32,067	130,354	-	-	162,421
Disposals/ Write-off	(27,608)	(48,744)	(1,292)	-	(77,644)
31 December 2022	282,372	1,164,007	18,862	-	1,465,241
Net book value					
31 December 2021	61,483	312,698	11,090	29,369	414,640
31 December 2022	98,437	231,402	10,092	8,145	348,076
Depreciation for the years ended 31 December					
2021					191,375
2022					162,421

(Unit: Thousand Baht)

	Separate financial statements			
	Leasehold improvements	Furniture, fixtures and office equipment	Assets under installation	Total
Cost				
1 January 2021	369,453	1,324,798	441	1,694,692
Additions	180	57,301	53,368	110,849
Disposals/ Write-off	(45,786)	(46,729)	-	(92,515)
Transfer in (Transfer out)	4,858	19,591	(24,449)	-
31 December 2021	328,705	1,354,961	29,360	1,713,026
Additions	11,708	39,549	45,326	96,583
Disposals/ Write-off	(22,008)	(37,248)	-	(59,256)
Transfer in (Transfer out)	57,745	8,796	(66,541)	-
31 December 2022	376,150	1,366,058	8,145	1,750,353
Accumulated depreciation				
1 January 2021	289,497	923,760	-	1,213,257
Depreciation for the year	24,121	165,686	-	189,807
Disposals/ Write-off	(45,786)	(46,715)	-	(92,501)
31 December 2021	267,832	1,042,731	-	1,310,563
Depreciation for the year	31,779	129,996	-	161,775
Disposals/ Write-off	(20,421)	(36,352)	-	(56,773)
31 December 2022	279,190	1,136,375	-	1,415,565
Net book value				
31 December 2021	60,873	312,230	29,360	402,463
31 December 2022	96,960	229,683	8,145	334,788
Depreciation for the years ended 31 December				
2021				189,807
2022				161,775

As at 31 December 2022 and 2021, the costs of fully depreciated leasehold improvements and equipment but still in use for the consolidated financial statements are Baht 1,102 million and Baht 841 million, respectively. (Separate financial statements: Baht 1,047 million and Baht 761 million, respectively)

13. Leases

The Group has lease contracts for various items of premises and vehicles used in its operations. Leases generally have lease terms between 1 to 5 years.

13.1 Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Office building	Vehicles	Total
<u>Cost</u>			
1 January 2021	594,267	70,110	664,377
Additions	131,187	16,291	147,478
Disposals/ Write-off	(89,684)	(7,284)	(96,968)
31 December 2021	635,770	79,117	714,887
Additions	213,025	8,802	221,827
Disposals/ Write-off	(148,753)	(2,853)	(151,606)
31 December 2022	700,042	85,066	785,108
<u>Accumulated depreciation</u>			
1 January 2021	163,714	14,320	178,034
Depreciation for the year	226,939	20,323	247,262
Disposals/ Write-off	(62,907)	(7,284)	(70,191)
31 December 2021	327,746	27,359	355,105
Depreciation for the year	214,210	21,029	235,239
Disposals/ Write-off	(133,294)	(2,853)	(136,147)
31 December 2022	408,662	45,535	454,197
<u>Net book value</u>			
31 December 2021	308,024	51,758	359,782
31 December 2022	291,380	39,531	330,911
Depreciation for the years ended 31 December			
2021			247,262
2022			235,239

(Unit: Thousand Baht)

	Separate financial statements		
	Office building	Vehicles	Total
<u>Cost</u>			
1 January 2021	548,449	70,110	618,559
Additions	104,527	16,291	120,818
Disposals/ Write-off	(46,088)	(7,284)	(53,372)
31 December 2021	606,888	79,117	686,005
Additions	198,141	6,015	204,156
Disposals/ Write-off	(121,294)	(2,853)	(124,147)
31 December 2022	683,735	82,279	766,014
<u>Accumulated depreciation</u>			
1 January 2021	147,602	14,320	161,922
Depreciation for the year	211,873	20,323	232,196
Disposals/ Write-off	(46,088)	(7,284)	(53,372)
31 December 2021	313,387	27,359	340,746
Depreciation for the year	207,576	20,476	228,052
Disposals/ Write-off	(117,851)	(2,853)	(120,704)
31 December 2022	403,112	44,982	448,094
<u>Net book value</u>			
31 December 2021	293,501	51,758	345,259
31 December 2022	280,623	37,297	317,920
Depreciation for the years ended 31 December			
2021			232,196
2022			228,052

13.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Lease payments				
Up to 1 years	168,278	222,073	161,842	207,834
Over 1 - 5 years	182,208	154,474	175,196	153,925
Total	350,486	376,547	337,038	361,759
<u>Less</u> Deferred interest expenses	(13,456)	(10,354)	(13,115)	(10,211)
Total	337,030	366,193	323,923	351,548
<u>Less</u> Current portion of lease liabilities	(161,484)	(214,610)	(155,256)	(200,507)
Lease liabilities, net of current portion	175,546	151,583	168,667	151,041

13.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expenses for right-of-use assets	235,239	247,262	228,052	232,196
Interest expenses for lease liabilities	11,654	12,371	11,354	11,974
Expenses of short-term lease	4,435	6,699	3,419	6,383
Expenses relating to leases of low-value assets	25,972	10,779	25,972	10,779
Total	277,300	277,111	268,797	261,332

13.4 Others

The Group had total cash outflows for leases for the years ended 31 December 2022 and 2021 of Baht 277 million and Baht 270 million, respectively (Separate financial statements: Baht 269 million and Baht 255 million, respectively), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Software under installation	Total
<u>Cost</u>			
1 January 2021	1,907,561	97,187	2,004,748
Additions	72,873	46,204	119,077
Disposals/ Write-off	(6)	(1,069)	(1,075)
Transfer in (transfer out)	40,900	(40,900)	-
31 December 2021	2,021,328	101,422	2,122,750
Additions	52,329	136,267	188,596
Disposals/ Write-off	(30,049)	-	(30,049)
Transfer in (transfer out)	50,343	(50,343)	-
31 December 2022	2,093,951	187,346	2,281,297
<u>Accumulated depreciation</u>			
1 January 2021	1,518,412	-	1,518,412
Depreciation for the year	155,576	-	155,576
Disposals/ Write-off	(6)	-	(6)
31 December 2021	1,673,982	-	1,673,982
Depreciation for the year	151,751	-	151,751
Disposals/ Write-off	(27,771)	-	(27,771)
31 December 2022	1,797,962	-	1,797,962
<u>Net book value</u>			
31 December 2021	347,346	101,422	448,768
31 December 2022	295,989	187,346	483,335
Amortisation for the years ended 31 December			
2021			155,576
2022			151,751

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Software under installation	Total
<u>Cost</u>			
1 January 2021	1,862,587	97,187	1,959,774
Additions	72,795	44,304	117,099
Disposals/ Write-off	-	(1,069)	(1,069)
Transfer in (transfer out)	39,000	(39,000)	-
31 December 2021	1,974,382	101,422	2,075,804
Additions	50,550	136,267	186,817
Disposals/ Write-off	(6,126)	-	(6,126)
Transfer in (transfer out)	50,343	(50,343)	-
31 December 2022	2,069,149	187,346	2,256,495
<u>Accumulated depreciation</u>			
1 January 2021	1,486,031	-	1,486,031
Depreciation for the year	152,069	-	152,069
31 December 2021	1,638,100	-	1,638,100
Depreciation for the year	147,932	-	147,932
Disposals/ Write-off	(6,126)	-	(6,126)
31 December 2022	1,779,906	-	1,779,906
<u>Net book value</u>			
31 December 2021	336,282	101,422	437,704
31 December 2022	289,243	187,346	476,589
Amortisation for the years ended 31 December			
2021			152,069
2022			147,932

As at 31 December 2022 and 2021, the costs of fully amortised intangible assets but still in use for the consolidated financial statements are Baht 1,439 million and Baht 1,271 million, respectively. (Separate financial statements: Baht 1,432 million and Baht 1,255 million, respectively)

15. Deferred tax assets and income tax

15.1 Deferred tax assets

Deferred tax assets as at 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
	31 December 2022	31 December 2021	Changes in deferred tax for the years ended 31 December	
			2022	2021
Deferred tax assets				
Allowance for expected credit loss	1,821,174	1,828,542	(7,368)	(32,870)
Deferred income for reward points	517,429	496,245	21,184	27,095
Difference from depreciation rate	(38,714)	(45,851)	7,137	10,103
Provision for employee benefits	108,155	105,684	2,471	2,759
Others	(63,708)	(92,525)	28,817	37,540
Total	2,344,336	2,292,095	52,241	44,627
Changes of deferred tax:				
Recognised in profit or loss			55,010	45,548
Recognised in other comprehensive income			(2,769)	(921)
Total			52,241	44,627

(Unit: Thousand Baht)				
Separate financial statements				
	31 December 2022	31 December 2021	Changes in deferred tax for the years ended 31 December	
			2022	2021
Deferred tax assets				
Allowance for expected credit loss	1,061,498	1,019,725	41,773	(111,680)
Deferred income for reward points	517,429	496,245	21,184	27,095
Difference from depreciation rate	(38,698)	(46,468)	7,770	10,051
Provision for employee benefits	104,796	102,429	2,367	4,673
Others	24,629	28,457	(3,828)	3,251
Total	1,669,654	1,600,388	69,266	(66,610)
Changes of deferred tax:				
Recognised in profit or loss			71,750	(65,547)
Recognised in other comprehensive income			(2,484)	(1,063)
Total			69,266	(66,610)

15.2 Income tax expense

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

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Corporate income tax for the year	1,873,071	1,563,781	1,873,021	1,556,770
Adjustment in respect of prior year income tax	(278)	(51,376)	(278)	(51,376)
Deferred tax:				
Relating to temporary differences and reversal of temporary differences	(55,010)	(45,548)	(71,750)	65,547
Income tax expense reported in profit or loss	1,817,783	1,466,857	1,800,993	1,570,941

Reconciliations between income tax expense 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: Thousand Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	8,871,392	7,255,377	8,940,549	7,821,827
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,774,278	1,451,075	1,788,110	1,564,365
Effects of non-taxable revenue and non-deductible expenses, net	9,808	67,158	13,161	57,952
Write-down of previous deferred tax asset	33,975	-	-	-
Adjustment in respect of prior year income tax	(278)	(51,376)	(278)	(51,376)
Income tax expense reported in profit or loss	1,817,783	1,466,857	1,800,993	1,570,941

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: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gains and losses	2,769	921	2,484	1,063

16. Borrowings

As at 31 December 2022 and 2021, the Group had borrowings from financial institutions and related parties which short-term borrowings have interest rates at Money Market Rate (MMR) and long-term borrowings have interest rate at Capital Market Rate.

17. Other payables

Other payables as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Exceed payment from customers	509,530	489,042	508,979	489,005
Other payables	65,471	931,486	34,576	891,949
Suspense accounts	22,182	33,852	43,895	34,792
Others	211,342	214,991	217,759	211,874
Total other payables	808,525	1,669,371	805,209	1,627,620

18. Long-term debentures

Long-term debentures as at 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)		
Consolidated and separate		
financial statements		
	31 December 2022	31 December 2021
Debentures	45,562,000	43,900,000
<u>Less</u> Discount on debentures	(105,743)	(126,951)
<u>Less</u> Current portion of long-term debentures	(4,639,494)	(9,500,000)
Long-term debentures, net of current portion	40,816,763	34,273,049

Details of long-term unsubordinated and unsecured debentures can be summarised as follows:

(Unit: Million Baht)						
Date of issuance	Amount	Maturity date	Interest rate (% p.a.)	Interest payable period	31 December 2022	31 December 2021
16 Sep 2015	1,000	16 Sep 2025	4.00	Semi-annually	1,000	1,000
11 Nov 2015	700	11 Nov 2022	3.68	Semi-annually	-	700
20 Nov 2015	1,000	20 Nov 2025	3.90	Semi-annually	1,000	1,000
17 Feb 2016	200	17 Feb 2026	3.85	Semi-annually	200	200
17 Feb 2016	300	17 Feb 2026	3.85	Semi-annually	300	300
6 Jul 2016	100	5 Jul 2024	3.00	Semi-annually	100	100
22 Sep 2016	200	22 Sep 2026	3.50	Semi-annually	200	200
30 Nov 2016	1,140	30 Nov 2023	3.50	Semi-annually	1,140	1,140
30 Nov 2016	3,030	27 Nov 2026	4.00	Semi-annually	3,030	3,030
29 Dec 2016	600	29 Dec 2023	3.50	Semi-annually	600	600
29 Dec 2016	2,500	29 Dec 2026	4.00	Semi-annually	2,500	2,500
5 Apr 2017	1,500	5 Apr 2022	3.03	Semi-annually	-	1,500
1 Jun 2017	2,500	1 Jun 2022	3.00 - 3.50	Quarterly	-	2,500
3 Aug 2017	1,500	3 Aug 2027	3.80	Semi-annually	1,500	1,500
25 Aug 2017	1,000	25 Aug 2027	3.65	Semi-annually	1,000	1,000
19 Oct 2017	2,000	19 Oct 2022	2.46	Semi-annually	-	2,000
19 Oct 2017	1,000	19 Oct 2027	3.50	Semi-annually	1,000	1,000
16 Nov 2017	2,000	16 Nov 2027	3.50	Quarterly	2,000	2,000
16 Feb 2018	1,000	16 Feb 2023	2.35	Semi-annually	1,000	1,000
16 Feb 2018	1,250	16 Feb 2028	3.43	Semi-annually	1,250	1,250
16 Aug 2018	2,065	16 Aug 2028	3.83	Semi-annually	2,065	2,065
11 Mar 2019	1,000	11 Mar 2022	2.65	Semi-annually	-	1,000
25 Jul 2019	1,500	25 Jul 2029	3.20	Semi-annually	1,500	1,500
31 Oct 2019	1,700	31 Oct 2029	2.80	Semi-annually	1,700	1,700
8 Nov 2019	415	8 Nov 2024	2.60	Quarterly	415	415

(Unit: Million Baht)						
Date of issuance	Amount	Maturity date	Interest rate (% p.a.)	Interest payable period	31 December 2022	31 December 2021
4 Feb 2020	1,000	31 Jan 2030	2.65	Semi-annually	1,000	1,000
15 Sep 2020	1,800	15 Sep 2022	1.93	Semi-annually	-	1,800
15 Sep 2020	700	15 Sep 2023	2.23	Semi-annually	700	700
21 Jan 2021	3,000	19 Jan 2024	- *	-	3,000	3,000
19 Mar 2021	200	22 Mar 2023	- *	-	200	200
29 Mar 2021	1,000	29 Mar 2023	1.17	Semi-annually	1,000	1,000
29 Mar 2021	1,000	29 Mar 2024	1.53	Semi-annually	1,000	1,000
2 Aug 2021	1,000	2 Aug 2024	1.22	Semi-annually	1,000	1,000
2 Aug 2021	500	1 Aug 2031	2.90	Semi-annually	500	500
19 Nov 2021	1,000	20 Nov 2024	- *	-	1,000	1,000
19 Nov 2021	1,500	19 Nov 2025	1.83	Semi-annually	1,500	1,500
28 Mar 2022	2,000	28 Mar 2025	1.59	Semi-annually	2,000	-
4 Apr 2022	1,000	4 Apr 2025	1.59	Semi-annually	1,000	-
8 Jul 2022	1,232	8 Jul 2027	3.00	Quarterly	1,232	-
9 Sep 2022	4,000	10 Sep 2025	2.52	Semi-annually	4,000	-
3 Nov 2022	830	3 Oct 2024	- *	-	830	-
14 Nov 2022	2,100	18 Nov 2026	3.38	Semi-annually	2,100	-
Total debentures					45,562	43,900

* Zero-coupon debentures

19. Provisions for employee benefits

Provisions for long-term employee benefits, which represents compensation payable to employees after they retire, were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Beginning balance	528,418	514,624	512,148	488,780
Included in profit or loss:				
Current service cost	34,688	61,752	33,122	35,130
Interest cost	10,028	7,512	9,650	7,090
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
- Demographic assumptions changes	-	1,335	-	-
- Financial assumptions changes	(37,797)	(27,090)	(36,609)	(26,019)
- Experience adjustments	23,955	21,148	24,188	20,706
Benefits paid to employee during the year	(18,519)	(50,863)	(18,519)	(13,539)
Ending balance	540,773	528,418	523,980	512,148

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligations are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Retirement age (years)	60	60	60	60
Personnel turnover rate (% per annum)	3.00 - 23.00	3.00 - 23.00	3.00 - 11.00	3.00 - 11.00
Discount rate (% per annum)	3.05 - 3.10	2.20 - 2.32	3.10	2.20
Expected salary incremental rate (% per annum)	4.00 - 5.00	4.00 - 5.00	5.00	5.00
Weighted average duration (years)	7.31 - 12.00	8.13 - 14.00	7.31	8.13

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary incremental rate, personnel turnover rate and discount rate. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring, while holding all other assumptions constant which reflects increasing (decreasing) in the obligations if the assumptions change by 1% as at 31 December 2022 and 2021 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Salary incremental rate - 1% increase	43,902	47,010	42,265	45,219
Salary incremental rate - 1% decrease	(39,116)	(41,636)	(37,678)	(40,077)
Personnel turnover rate - 1% increase	(2,915)	(2,908)	(1,587)	(1,431)
Personnel turnover rate - 1% decrease	3,099	3,136	1,598	1,457
Discount rate - 1% increase	(37,420)	(40,535)	(35,915)	(38,875)
Discount rate - 1% decrease	42,706	46,575	40,956	44,625

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognised in the statement of financial position.

20. Legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 and 2021, the Company's legal reserve reaches 10% of the registered share capital.

21. Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and shareholders' equity balance. The Group's overall strategy of the year 2022 remains unchanged from 2021.

The capital structure of the Group consists of debt, which includes the loans and debentures disclosed in Notes 16 and 18 to the consolidated financial statements and shareholders' equity, comprising issued and paid-up capital, legal reserve and retained earnings.

The Group does not apply any specific financial ratios to monitor its capital whilst manages its capital to be sufficient for its working capital.

22. Expenses by nature

Net profit for the years ended 31 December 2022 and 2021 have been arrived at after charging the following items:

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Management remuneration	244,489	261,526	229,503	230,012
Staff costs	2,256,187	2,160,959	2,172,379	2,063,541
Depreciation and amortization	549,412	594,213	537,760	574,072
Fees and service expenses	2,598,854	2,236,507	2,545,291	2,176,778
Marketing expense	877,044	651,942	873,118	648,261
Rental fees for premises and equipment	71,766	56,929	66,106	55,936
Premises and equipment expenses	560,552	499,422	550,330	492,987
Allowance for impairment of properties				
for sale	23,768	18,077	-	-
Communication expenses	226,960	215,361	224,114	212,791
Special business tax and duty stamp	558,504	508,707	556,049	508,496
Expected credit loss	4,868,386	5,455,543	4,746,361	4,862,823
Others	148,965	121,932	141,155	117,924
Total Expenses	12,984,887	12,781,118	12,642,166	11,943,621

23. Financial information classified by operating segments

The Group's operations relate to a single business segment which is the financial services business and are carried out in a single geographic area which is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

24. Provident fund

The Group set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by Krungthai Asset Management Public Company Limited. Under the Fund's regulations, employees can elect to contribute to the fund at the rate of 3% to 15% of their basic salary and the Group contributes to the fund at the rate of 5% to 6% of their basic salary.

For the years ended 31 December 2022 and 2021, the Group's contributions which were charged to profit or loss in the statement of comprehensive income amounting to Baht 64 million and Baht 64 million, respectively (Separate financial statements: Baht 61 million and Baht 60 million, respectively)

25. Dividend

Dividends declared during the year ended 31 December 2022 and 2021 consisted of the follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Date of payment
<u>2022</u>				
Final dividends for the year 2021	Annual General Meeting of the shareholders on 7 April 2022	2,578	1.00	6 May 2022
<u>2021</u>				
Final dividends for the year 2020	Annual General Meeting of the shareholders on 8 April 2021	2,269	0.88	7 May 2021

26. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the Company by the weighted average number of ordinary shares issued during the year.

27. Transactions with related parties

The Group and the Company have transactions with related parties. Certain portions of the Group's and the Company's assets, liabilities, revenues, and administrative expenses represent transactions occurred with such related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with related parties as included in the consolidated and separate financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreements.

27.1 Assets and liabilities

The significant assets and liabilities with related parties are as follows:

Related parties	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Parent company				
Krung Thai Bank PCL.				
- Deposits at a financial institution				
(a part of cash and cash equivalents)	1,779,468	1,958,685	1,773,570	1,615,782
- Other receivables	5,348	635	5,348	635
- Short-term borrowings	5,230,000	4,730,000	4,130,000	3,630,000
- Trade payables	627,159	592,100	627,159	591,281
- Accrued interest expenses	1,533	864	1,104	240
- Accrued expenses	16,202	-	15,815	-
- Other current liabilities	1,467	1,467	1,467	1,467
- Long-term borrowings	6,000,000	1,500,000	6,000,000	1,500,000

		(Unit: Thousand Baht)			
Related parties	Consolidated		Separate		
	financial statements		financial statements		
	31 December	31 December	31 December	31 December	
	2022	2021	2022	2021	
Subsidiaries					
KTC Pico (Bangkok) Co., Ltd.					
- Other receivables	-	-	81	174	
- Short-term borrowings	-	-	50,411	50,798	
- Accrued interest expenses	-	-	4	2	
- Other current liabilities	-	-	44	73	
KTC Nano Co., Ltd.					
- Other receivables	-	-	27	32	
- Short-term borrowings	-	-	49,600	49,648	
- Accrued interest expenses	-	-	2	1	
- Other current liabilities	-	-	44	73	
KTC Pico (Chonburi) Co., Ltd.					
- Other receivables	-	-	27	27	
- Other current liabilities	-	-	3	3	
KTC Pico (Samut Sakhon) Co., Ltd.					
- Other receivables	-	-	27	27	
KTC Pico (Pathum Thani) Co., Ltd.					
- Other receivables	-	-	27	27	
- Other current liabilities	-	-	13	13	
KTC Pico (Samut Prakan) Co., Ltd.					
- Other receivables	-	-	27	27	
- Other current liabilities	-	-	-	5	
KTC Prepaid Co., Ltd.					
- Other receivables	-	-	27	27	
- Short-term borrowings	-	-	99,319	100,075	
- Accrued interest expenses	-	-	8	2	
- Other current liabilities	-	-	26	73	
KTB Leasing Co., Ltd.					
- Short-term lending	-	-	746,000	-	
- Other receivables	-	-	4,360	1,514	
- Short-term borrowings	-	-	-	15	
- Trade payables	-	-	5	-	

(Unit: Thousand Baht)				
Related parties	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Related companies				
KTB Computer Services Co., Ltd.				
- Trade payables	-	56	-	-
KTB General Services and Security Co., Ltd.				
- Trade payables	428	5,963	428	4,773
- Accrued expenses	2,781	-	2,400	-
Krungthai Assets Management PCL.				
- Other receivables	4,162	3,315	4,162	3,315
- Trade payables	-	76	-	76
- Accrued expenses	82	-	82	-
Krungthai Panich Insurance PCL.				
- Other receivables	1,256	1,157	1,256	1,157
Krungthai-AXA Life Insurance PCL.				
- Other receivables	1,162	600	1,162	600

Movements of loans and borrowings with related financial institutions and parties for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)				
Related parties	Consolidated financial statements			
	1 January	Increase during	Decrease during	31 December
	2022	the year	the year	2022
Parent company				
Krung Thai Bank PCL.				
- Short-term borrowings	4,730,000	82,150,000	(81,650,000)	5,230,000
- Long-term borrowings	1,500,000	4,500,000	-	6,000,000

(Unit: Thousand Baht)				
Related parties	Consolidated financial statements			
	1 January	Increase during	Decrease during	31 December
	2021	the year	the year	2021
Parent company				
Krung Thai Bank PCL.				
- Short-term borrowings	9,440,000	101,260,000	(105,970,000)	4,730,000
- Long-term borrowings	-	1,500,000	-	1,500,000

(Unit: Thousand Baht)

Related parties	Separate financial statements			
	1 January 2022	Increase during the year	Decrease during the year	31 December 2022
Parent company				
Krung Thai Bank PCL.				
- Short-term borrowings	3,630,000	65,650,000	(65,150,000)	4,130,000
- Long-term borrowings	1,500,000	4,500,000	-	6,000,000
Subsidiaries				
KTC Pico (Bangkok) Co., Ltd.				
- Short-term borrowings	50,798	51,601	(51,988)	50,411
KTC Nano Co., Ltd.				
- Short-term borrowings	49,648	49,600	(49,648)	49,600
KTC Prepaid Co., Ltd.				
- Short-term borrowings	100,075	99,915	(100,671)	99,319
KTB Leasing Co., Ltd.				
- Short-term lending	-	746,000	-	746,000
- Short-term borrowings	-	330,000	(330,000)	-

(Unit: Thousand Baht)

Related parties	Separate financial statements			
	1 January 2021	Increase during the year	Decrease during the year	31 December 2021
Parent company				
Krung Thai Bank PCL.				
- Short-term borrowings	7,660,000	70,080,000	(74,110,000)	3,630,000
- Long-term borrowings	-	1,500,000	-	1,500,000
Subsidiaries				
KTC Pico (Bangkok) Co., Ltd.				
- Short-term borrowings	52,143	54,126	(55,471)	50,798
KTC Nano Co., Ltd.				
- Short-term borrowings	50,270	49,800	(50,422)	49,648
KTC Prepaid Co., Ltd.				
- Short-term borrowings	99,900	100,100	(99,925)	100,075

Short-term lending to related parties carry interest rates at Money Market Rate (MMR). Whereas borrowings from related financial institutions and other related parties carry interest rates at the Money Market Rate (MMR) for short-term borrowings and at the Capital Market Rate for long-term borrowings.

27.2 Revenues and expenses

The significant revenues and expenses with related parties are as follows:

Related parties	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statement		financial statement	
	2022	2021	2022	2021
Parent company				
Krung Thai Bank PCL.				
- Fee and service income	3,147	2,133	3,147	2,133
- Other income	102,207	7,776	102,045	7,430
- Administrative expenses	146,712	142,124	141,371	128,190
- Finance costs	73,954	48,591	62,233	38,374
Subsidiaries				
KTC Pico (Bangkok) Co., Ltd.				
- Other income	-	-	376	498
- Finance costs	-	-	431	374
KTC Nano Co., Ltd.				
- Other income	-	-	320	344
- Finance costs	-	-	425	366
KTC Pico (Chonburi) Co., Ltd.				
- Other income	-	-	54	274
KTC Pico (Samut Prakan) Co., Ltd.				
- Other income	-	-	27	27
KTC Pico (Pathum Thani) Co., Ltd.				
- Other income	-	-	261	310

(Unit: Thousand Baht)

Related parties	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Subsidiaries (continued)				
KTC Pico (Samut Prakan) Co., Ltd.				
- Other income	-	-	146	346
KTC Prepaid Co., Ltd.				
- Other income	-	-	308	339
- Finance costs	-	-	853	732
KTB Leasing Co., Ltd.				
- Fee and service income	-	-	2,364	-
- Other income	-	-	4,486	1,658
- Administrative expenses	-	-	297	32
- Finance costs	-	-	736	-
Related companies				
KTB Computer Services Co., Ltd.				
- Administrative expenses	136	334	-	-
Krungthai General Services and Security Co., Ltd.				
- Other income	60	-	60	-
- Administrative expenses	50,134	48,319	46,029	42,228
Krungthai Assets Management PCL.				
- Fee and service income	5,186	4,368	5,186	4,368
- Administrative expenses	97	73	97	73
Krungthai Panich Insurance PCL.				
- Fee and service income	14,478	14,865	14,400	14,459
Krungthai-AXA Life Insurance PCL.				
- Fee and service income	36,123	56,869	36,123	56,869
- Other income	1,536	1,587	1,536	1,587
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾				
- Administrative expenses	11,393	10,188	10,832	10,188

⁽¹⁾ On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

Intercompany considerations

Intercompany income and expenses are based on the rates upon agreement and the amount specified in the contract, while the cost-plus method is used for certain transactions. The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

27.3 Management remuneration

Management remuneration for the years ended 31 December 2022 and 2021 consist of the following:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	237,502	252,594	223,305	222,101
Post-employment benefits	6,987	8,932	6,198	7,911
Total	244,489	261,526	229,503	230,012

28. Financial instruments information disclosures

During the years 2022 and 2021, the Group did not speculate in or engage in the trading of any derivatives.

28.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparts as a means of mitigating the risk of financial losses from defaults.

The carrying amount of the assets recorded in the statement of financial position, net of allowance for expected credit loss, represents the Group's maximum exposure to credit risk.

The Group's major business is the issuing of credit cards and provision of loan financing. The Group has established processes for approving credit lines, as well as consistently applied billing and collection processes.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements. For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit loss.

As at 31 December 2022 and 2021, the maximum exposures to credit risk are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Loans to customers and accrued interest receivables	104,193,528	92,635,708	101,744,748	89,434,999
Short-term lending	-	-	746,000	-
Other financial assets measured at amortised cost	1,998	4,995	1,988	4,985
Total financial assets	104,195,526	92,640,703	102,492,736	89,439,984
Loan commitments	176,380,680	161,357,855	176,380,680	161,357,855
Total maximum exposure to credit risk	280,576,206	253,998,558	278,873,416	250,797,839

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 Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

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

Explanation of 12-months expected credit loss, lifetime expected credit loss - not credit impaired, and lifetime expected credit loss-credit impaired are included in Note 4.2 to the consolidated financial statements.

(Unit: Thousand Baht)

Consolidated financial statements					
31 December 2022					
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where applied simplified approach to calculate lifetime expected credit loss	Total
Loans to customers and accrued interest receivables, net					
Not yet due	86,216,018	7,973,387	-	1,598,191	95,787,596
Overdue 1 - 90 days	981,800	2,470,675	-	631,415	4,083,890
More than 90 days	1,089,163	1,350,408	1,663,398	219,073	4,322,042
Total	88,286,981	11,794,470	1,663,398	2,448,679	104,193,528
<u>Less</u> Allowance for					
expected credit loss	(4,246,965)	(2,782,060)	(1,138,724)	(623,975)	(8,791,724)
Net book value	84,040,016	9,012,410	524,674	1,824,704	95,401,804
Other financial assets measured at amortised cost					
Investment grade	1,998	-	-	-	1,998
<u>Less</u> Allowance for					
expected credit loss	-	-	-	-	-
Net book value	1,998	-	-	-	1,998

(Unit: Thousand Baht)

Consolidated financial statements

31 December 2021

	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where applied simplified approach to calculate lifetime expected credit loss	Total
Loans to customers and accrued interest receivables, net					
Not yet due	75,751,233	7,284,790	-	878,438	83,914,461
Overdue 1 - 90 days	861,578	2,093,673	-	584,792	3,540,043
More than 90 days	799,806	1,043,052	1,602,385	1,735,961	5,181,204
Total	77,412,617	10,421,515	1,602,385	3,199,191	92,635,708
<u>Less</u> Allowance for expected credit loss	(3,917,623)	(2,365,051)	(1,066,053)	(2,342,559)	(9,691,286)
Net book value	73,494,994	8,056,464	536,332	856,632	82,944,422
Other financial assets measured at amortised cost					
Investment grade	4,995	-	-	-	4,995
<u>Less</u> Allowance for expected credit loss	-	-	-	-	-
Net book value	4,995	-	-	-	4,995

(Unit: Thousand Baht)

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Loans to customers and accrued interest receivables, net				
Not yet due	86,215,958	7,973,387	-	94,189,345
Overdue 1 - 90 days	981,775	2,470,660	-	3,452,435
More than 90 days	1,089,163	1,350,408	1,663,397	4,102,968
Total	88,286,896	11,794,455	1,663,397	101,744,748
<u>Less</u> Allowance for expected credit loss	(4,246,961)	(2,782,054)	(1,138,723)	(8,167,738)
Net book value	84,039,935	9,012,401	524,674	93,577,010
Short-term lending				
Not yet due	746,000	-	-	746,000
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Net book value	746,000	-	-	746,000
Other financial assets measured at amortised cost				
Investment grade	1,988	-	-	1,988
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Net book value	1,988	-	-	1,988

(Unit: Thousand Baht)

Separate financial statements				
31 December 2021				
	Financial assets where there has not been a significant increase in credit risk (Stage 1)	Financial assets where there has been a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Loans to customers and accrued interest receivables, net				
Not yet due	75,750,048	7,284,790	-	83,034,838
Overdue 1 - 90 days	861,302	2,093,616	-	2,954,918
More than 90 days	799,806	1,043,052	1,602,385	3,445,243
Total	77,411,156	10,421,458	1,602,385	89,434,999
<u>Less</u> Allowance for expected credit loss	(3,917,564)	(2,365,030)	(1,066,053)	(7,348,647)
Net book value	73,493,592	8,056,428	536,332	82,086,352
Other financial assets measured at amortised cost				
Investment grade	4,985	-	-	4,985
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Net book value	4,985	-	-	4,985

28.2 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities. It includes both the risk of being unable to obtain source of fund at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate timeframe.

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including liabilities evidenced by paper, subordinated liabilities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall strategy. As at 31 December 2022 and 2021, the Group has a credit line with a related financial institution of Baht 25,161 million and Baht 25,161 million, respectively (Separate financial statements: Baht 24,030 million and Baht 24,030 million, respectively).

As at 31 December 2022 and 2021, the Group's and the Company's financial assets and liabilities are classified by remaining maturity as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2022					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	2,181,930	-	-	-	-	2,181,930
Loans to customers	-	69,487,583	33,899,377	121,608	-	103,508,568
Other financial assets	-	-	1,988	-	10	1,998
Financial liabilities						
Short-term borrowings	5,130,000	5,048,975	-	-	-	10,178,975
Long-term borrowings	-	-	6,000,000	-	-	6,000,000
Long-term debentures	-	4,639,494	32,801,762	8,015,000	-	45,456,256
Lease liabilities	-	161,484	175,546	-	-	337,030

(Unit: Thousand Baht)

	Consolidated financial statements					
	31 December 2021					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	2,362,885	-	-	-	-	2,362,885
Loans to customers	-	59,833,599	32,160,269	54,073	-	92,047,941
Other financial assets	-	3,001	1,984	-	10	4,995
Financial liabilities						
Short-term borrowings	6,830,000	2,299,971	-	-	-	9,129,971
Long-term borrowings	-	-	1,500,000	-	-	1,500,000
Long-term debentures	-	9,500,000	20,758,049	13,515,000	-	43,773,049
Lease liabilities	-	214,610	151,583	-	-	366,193

(Unit: Thousand Baht)

Separate financial statements						
31 December 2022						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	2,173,596	-	-	-	-	2,173,596
Loans to customers	-	68,658,350	32,401,442	-	-	101,059,792
Short-term lending	746,000	-	-	-	-	746,000
Other financial assets	-	-	1,988	-	-	1,988
Financial liabilities						
Short-term borrowings	5,329,330	3,948,975	-	-	-	9,278,305
Long-term borrowings	-	-	6,000,000	-	-	6,000,000
Long-term debentures	-	4,639,494	32,801,762	8,015,000	-	45,456,256
Lease liabilities	-	155,256	168,667	-	-	323,923

(Unit: Thousand Baht)

Separate financial statements						
31 December 2021						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	2,018,849	-	-	-	-	2,018,849
Loans to customers	-	59,513,370	29,333,899	-	-	88,847,269
Other financial assets	-	3,001	1,984	-	-	4,985
Financial liabilities						
Short-term borrowings	7,030,521	1,199,971	-	-	-	8,230,492
Long-term borrowings	-	-	1,500,000	-	-	1,500,000
Long-term debentures	-	9,500,000	20,758,049	13,515,000	-	43,773,049
Lease liabilities	-	200,507	151,041	-	-	351,548

28.3 Market Risk

Market risk is the risk that the Group may be affected by changes in value of position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate resulting in negative impact on income. The Group monitors and controls the market risk in the trading book and book portfolios by comparing the existing risks with the approved risk limits/ indicators, conducting the approval processes for the breach of the limits/indicators and reporting to the executives and the Risk Management Committee regularly.

- Interest rate risk

Interest rate risk is the effect of changes in interest rate on the assets and liabilities to the Group's profit. The risk arises from timing difference in the residual term (for the case of fixed rate) and the next repricing (for the case of floating rate) of assets and liabilities or the changes of market interest rate which cause the interest rate of assets and liabilities to change disproportionately though the residual term of assets and liabilities is equal to the next repricing term. The risk management is aimed at optimising the net income under given market interest rate levels consistent with business strategy of the Group.

As at 31 December 2022 and 2021 the Group's and the Company's financial assets and liabilities exposed to interest rate risk are as follows:

(Unit: Million Baht)

Consolidated financial statements								
31 December 2022								
Depend on market rate	The earlier of remaining period of contract maturity or repricing date					Average interest rate		
Within 1 month	Within 1 year	1 - 5 years	More than 5 years	Non-rate sensitive	Total	Floating rate	Fixed rate	
						(% p.a.)	(% p.a.)	
Financial assets								
Cash and cash equivalents	1,736	-	-	-	446	2,182	0.33	-
Loans to customers	878	77,346	5,594	122	19,569	103,509	16.47	8.76
Other financial assets	-	-	2	-	-	2	-	2.13
Financial liabilities								
Short-term borrowings	9,880	300	-	-	(1)	10,179	1.47	1.41
Long-term borrowings	-	-	6,000	-	-	6,000	-	2.37
Long-term debentures	-	4,640	32,907	8,015	(106)	45,456	-	2.85
Lease liabilities	-	-	-	-	337	337	-	2.77

(Unit: Million Baht)

Consolidated financial statements

31 December 2021

	Depend on market rate	The earlier of remaining period of contract maturity or repricing date				Total	Average interest rate	
		Within 1 month	Within 1 year	1 - 5 years	More than 5 years		Floating rate (% p.a.)	Fixed rate (% p.a.)
Financial assets								
Cash and cash equivalents	1,947	-	-	-	416	2,363	0.13	-
Loans to customers	647	67,442	6,287	54	17,618	92,048	16.64	7.53
Other financial assets	-	3	2	-	-	5	-	1.98
Financial liabilities								
Short-term borrowings	9,130	-	-	-	-	9,130	0.73	0.68
Long-term borrowings	-	-	1,500	-	-	1,500	-	1.23
Long-term debentures	-	9,500	20,885	13,515	(127)	43,773	-	2.94
Lease liabilities	-	-	-	-	366	366	-	2.84

(Unit: Million Baht)

Separate financial statements

31 December 2022

	Depend on market rate	The earlier of remaining period of contract maturity or repricing date				Total	Average interest rate	
		Within 1 month	Within 1 year	1 - 5 years	More than 5 years		Floating rate (% p.a.)	Fixed rate (% p.a.)
Financial assets								
Cash and cash equivalents	1,730	-	-	-	444	2,174	0.33	-
Loans to customers	1,553	76,206	3,864	-	19,437	101,060	16.47	8.78
Short-term lending	-	746	-	-	-	746	1.68	-
Other financial assets	-	-	2	-	-	2	-	2.13
Financial liabilities								
Short-term borrowings	8,979	300	-	-	(1)	9,278	1.43	1.41
Long-term borrowings	-	-	6,000	-	-	6,000	-	2.37
Long-term debentures	-	4,640	32,907	8,015	(106)	45,456	-	2.85
Lease liabilities	-	-	-	-	324	324	-	2.90

(Unit: Million Baht)

Separate financial statements								
31 December 2021								
Depend on market rate	The earlier of remaining period of contract maturity or repricing date					Average interest rate		
Within 1 month	Within 1 year	1 - 5 years	More than 5 years	Non-rate sensitive	Total	Floating rate	Fixed rate	
						(% p.a.)	(% p.a.)	
Financial assets								
Cash and cash equivalents	1,604	-	-	-	415	2,019	0.13	-
Loans to customers	571	67,197	3,705	-	17,374	88,847	16.64	7.62
Other financial assets	-	3	2	-	-	5	-	1.98
Financial liabilities								
Short-term borrowings	8,231	-	-	-	-	8,231	0.70	0.68
Long-term borrowings	-	-	1,500	-	-	1,500	-	1.23
Long-term debentures	-	9,500	20,885	13,515	(127)	43,773	-	2.94
Lease liabilities	-	-	-	-	352	352	-	2.93

28.4 Interest rate sensitivity analysis

Analysis of sensitivity to changes in interest rates shows the potential changes in interest rates on the statement of comprehensive income of the Group by setting constant to other variables.

For financial assets and financial liabilities at the end of the reporting period, the Group estimates sensitivity analysis from profit or loss change for 12 months in advance under the assumption of changing interest rates of 1.00 percent of all types of financial assets and financial liabilities according to the period of interest rate adjustment in each.

The effect of changes in interest rates on profit or loss as at 31 December 2022 and 2021 can be summarised as follows:

(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements
	31 December	31 December	31 December
	2022	2021	2021
Interest rate increase 1%	538	448	451
Interest rate decrease 1%	(527)	(475)	(477)

28.5 Fair values of financial instruments

The fair value disclosures of financial instruments, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realised in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Group in estimating fair values of financial instruments.

As at 31 December 2022 and 2021, the Group has financial assets or liabilities which are not measured at fair value where the hierarchy of fair value can be classified as follows:

(Unit: Thousand Baht)

Consolidated financial statements						
	31 December 2022		31 December 2021		Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
	Carrying amount	Fair value	Carrying amount	Fair value		
<u>Assets</u>						
Other financial assets	1,998	2,041	4,995	5,114	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
<u>Liabilities</u>						
Long-term debentures	45,456,256	45,553,792	43,773,049	44,874,570	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association

(Unit: Thousand Baht)

Separate financial statements						
	31 December 2022		31 December 2021		Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
	Carrying amount	Fair value	Carrying amount	Fair value		
<u>Assets</u>						
Other financial assets	1,988	2,029	4,985	5,101	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
<u>Liabilities</u>						
Long-term debentures	45,456,256	45,553,792	43,773,049	44,874,570	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association

Cash and cash equivalents, short-term lending, trade payables, short-term borrowings, long-term borrowings, and lease liabilities presented the fair value approximating the carrying amount in the statement of financial position.

Loans to customers and accrued interest receivables, net presented the fair value approximating the carrying amount in the statement of financial position less allowance for expected credit loss.

The fair value hierarchy of financial assets and liabilities as at 31 December 2022 and 2021 is as specified in Notes 4.14 to the consolidated financial statements. During the current year, the Group has no changes in the fair value hierarchy.

29. Coronavirus disease 2019 pandemic (COVID-19)

The COVID-19 pandemic resulted in the economic impact, including public income and the ability to pay debt of debtors. The Bank of Thailand announced the relief measures to assist credit customers affected by the COVID-19 pandemic. The Group has considered to provide supports to customers following the relief measures for loans to customers affected from the impact of COVID-19 continuously which consistent with the announcement of the Bank of Thailand, for example, the reduction of the minimum repayment, the reduction of interest rate, extending credit limit, postponement of installment payment, and replacement of low-interest rate long-term loans.

The Group closely monitors the pandemic situation and reasonably estimate the potential impact to the Group. The Group's management believes that the Group will be able to continue as a going concern and meet its obligations as these fall due.

30. Commitment and contingent liabilities

30.1 Leases commitment

As at 31 December 2022, the Company and its subsidiaries have future rental and service charges under non-cancellable leases which have not yet effective and long-term leases value as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	Within	Over	Within	Over
	1 year	1 - 5 years	1 year	1 - 5 years
Non-cancellable leases which				
have not yet effective	336	672	-	-
Long term leases	19,533	10,805	19,533	10,805
Total	19,869	11,477	19,533	10,805

31. Approval of financial statements

These financial statements have been approved for issue by the authorised directors of the Company on 9 February 2023.