

Advance Finance Public Company Limited
Report and financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Advance Finance Public Company Limited

Opinion

I have audited the accompanying financial statements of Advance Finance Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advance Finance Public Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with the Bank of Thailand's regulations and Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

I draw attention to Note 1.2 and Note 13 to the financial statements regarding the COVID-19 pandemic impact on various businesses and industries. This situation could create uncertainties and may be impacting the Company's operating results and cash flows in the future. As a result, the Company has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.



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Other Matter

The statement of financial position of Advance Finance Public Company Limited for the year ended 31 December 2020 were audited by another auditor who, under her report dated 19 February 2021 expressed an unmodified opinion on those financial statements.

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 the Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 25 February 2022

Advance Finance Public Company Limited

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	31 December 2021	31 December 2020
Assets			
Interbank and money market items - net	9	3,093,922,051	2,660,831,687
Financial assets measured at fair value through profit or loss	10	240,177,809	352,478,910
Investments - net	11	4,130,067,238	4,472,723,690
Loans to customers and accrued interest receivables - net	12	4,396,867,690	4,299,682,951
Properties for sale - net	16	278,603,018	286,050,348
Leasehold improvement and equipment - net	17	6,055,028	9,600,204
Right-of-use assets - net	22	19,161,411	9,512,818
Intangible assets - net	18, 29	16,321,330	12,059,591
Deferred tax assets	37	37,765,383	6,172,435
Accrued interest receivables on investments		7,635,456	8,859,405
Receivables from Legal Execution Department		24,089,150	34,030,850
Other assets	19	9,845,579	11,213,001
Total assets		12,260,511,143	12,163,215,890

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

Advance Finance Public Company Limited
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)

	Note	31 December 2021	31 December 2020
Liabilities and equity			
Liabilities			
Deposits	20, 29	7,882,331,970	5,549,225,666
Interbank and money market items	21	2,809,650,000	4,977,418,976
Accrued interest payable		27,831,726	29,922,397
Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency payable		8,301,140	7,982,337
Lease liabilities - net	22	17,326,798	9,530,051
Provisions	23	22,830,830	19,891,072
Accrued expenses		15,106,149	5,435,284
Other liabilities	24	5,392,509	10,021,254
Total liabilities		10,788,771,122	10,609,427,037
Equity			
Share capital			
Authorised share capital			
1,250,000,000 ordinary shares, par value at Baht 1 per share		1,250,000,000	1,250,000,000
Issued and paid-up share capital			
1,250,000,000 ordinary shares, par value at Baht 1 per share		1,250,000,000	1,250,000,000
Other components of equity	25	(105,341,686)	6,027,973
Retained earnings			
Appropriated			
Legal reserve	26	32,359,409	30,020,568
Unappropriated		294,722,298	267,740,312
Total equity		1,471,740,021	1,553,788,853
Total liabilities and equity		12,260,511,143	12,163,215,890

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





Directors



บริษัทเงินทุน แอ็ควานซ์ จำกัด (มหาชน)
Advance Finance Public Company Limited

Advance Finance Public Company Limited**Statement of comprehensive income****For the year ended 31 December 2021**

		(Unit: Baht)	
	Note	2021	2020
Profit or loss			
Interest income	31	392,988,504	406,771,594
Interest expense	32	116,383,378	111,569,751
Net interest income		<u>276,605,126</u>	<u>295,201,843</u>
Fees and service income	33	3,665,033	1,905,185
Net fees and service income		<u>3,665,033</u>	<u>1,905,185</u>
Net losses on financial instruments measured at fair value	34		
through profit or loss		(346,807)	(19,842,120)
Net losses on investments	35	(6,985,017)	(1,174,301)
Dividend income		12,194,256	11,596,587
Other operating income		10,296,944	3,801,213
Total operating income		<u>295,429,535</u>	<u>291,488,407</u>
Other operating expenses			
Employee's expenses	29	74,435,106	82,183,567
Directors' remuneration	29	3,595,000	4,398,021
Premises and equipment expenses		19,727,549	20,364,604
Taxes and duties		10,864,674	12,791,632
Loss on disposal of properties for sale		-	967,227
Others		15,903,152	40,208,310
Total other operating expenses		<u>124,525,481</u>	<u>160,913,361</u>
Expected credit losses	36	112,347,075	82,160,983
Profit from operating before income tax expense		<u>58,556,979</u>	<u>48,414,063</u>
Income tax expense	37	11,780,164	9,885,452
Profit for the year		<u>46,776,815</u>	<u>38,528,611</u>

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

Advance Finance Public Company Limited**Statement of comprehensive income (continued)**

For the year ended 31 December 2021

		(Unit: Baht)	
	Note	2021	2020
Other comprehensive income (loss):			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gains (losses) on investments in debt securities measured at fair value through other comprehensive income		(139,212,074)	7,534,966
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss	37	27,842,415	(1,506,993)
		<u>(111,369,659)</u>	<u>6,027,973</u>
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains on defined benefit plan		2,242,515	4,939,338
Income tax relating to components of other comprehensive income will not be reclassified subsequently to profit or loss	37	(448,503)	(987,868)
		<u>1,794,012</u>	<u>3,951,470</u>
Total other comprehensive income (loss) - net of income tax		<u>(109,575,647)</u>	<u>9,979,443</u>
Total comprehensive income (loss) for the year		<u>(62,798,832)</u>	<u>48,508,054</u>
Earnings per share	38		
Basic earnings per share		<u>0.04</u>	<u>0.03</u>

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

Advance Finance Public Company Limited

Statement of changes in equity

For the year ended 31 December 2021

(Unit: Baht)

	Note	Issued and paid-up share capital	Other components of equity	Retained earnings		Total
			Gains (losses) on investments in debt securities measured at fair value through other comprehensive income	Legal reserve	Unappropriated	
Balance as at 1 January 2020		1,250,000,000	-	28,093,568	252,006,869	1,530,100,437
Dividend paid	27	-	-	-	(25,000,000)	(25,000,000)
Profit for the year		-	-	-	38,528,611	38,528,611
Other comprehensive income (loss) for the year		-	6,027,973	-	3,951,470	9,979,443
Total comprehensive income (loss) for the year		-	6,027,973	-	42,480,081	48,508,054
Transfer to retained earnings		-	-	-	180,362	180,362
Transfer to legal reserve	26	-	-	1,927,000	(1,927,000)	-
Balance at 31 December 2020		<u>1,250,000,000</u>	<u>6,027,973</u>	<u>30,020,568</u>	<u>267,740,312</u>	<u>1,553,788,853</u>
Balance as at 1 January 2021		1,250,000,000	6,027,973	30,020,568	267,740,312	1,553,788,853
Dividend paid	27	-	-	-	(19,250,000)	(19,250,000)
Profit for the year		-	-	-	46,776,815	46,776,815
Other comprehensive income (loss) for the year		-	(111,369,659)	-	1,794,012	(109,575,647)
Total comprehensive income (loss) for the year		-	(111,369,659)	-	48,570,827	(62,798,832)
Transfer to legal reserve	26	-	-	2,338,841	(2,338,841)	-
Balance at 31 December 2021		<u>1,250,000,000</u>	<u>(105,341,686)</u>	<u>32,359,409</u>	<u>294,722,298</u>	<u>1,471,740,021</u>

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

Advance Finance Public Company Limited**Statement of cash flows****For the year ended 31 December 2021**

	(Unit: Baht)	
	2021	2020
Cash flows from operating activities		
Profit from operating before income tax expense	58,556,979	48,414,063
Adjustments to reconcile profit from operating before income tax expense to net cash received (paid) from operating activities		
Depreciation and amortisation	18,582,915	10,669,326
Expected credit losses	112,347,075	82,160,983
Net losses from financial instruments measured at fair value through profit or loss	346,807	19,842,120
Net losses on investments	6,985,017	1,174,301
Losses (gains) on disposal of properties for sale	(2,074,257)	967,227
Gains on disposal of equipments	(859,811)	(2,279,957)
Losses from write-off of intangible assets	-	23,499,230
Employee benefit expense	3,193,009	3,318,560
Net interest income	(276,605,126)	(295,295,187)
Dividend income	(12,194,256)	(11,596,587)
Proceeds from interest	292,444,766	269,021,314
Interest paid	(117,665,534)	(97,168,663)
Proceeds from dividend	12,194,256	11,596,587
Income tax paid	(7,698,116)	(12,054,789)
Profit from operating before changes in operating assets and liabilities	87,553,724	52,268,528
Decrease (increase) in operating assets		
Interbank and money market items	(433,070,072)	322,625,330
Loans to customers	(107,363,670)	520,451,398
Properties for sale	9,521,587	(117,882,295)
Receivables from Legal Execution Department	9,941,700	(14,098,800)
Other assets	(589,811)	(1,069,303)
Increase (decrease) in operating liabilities		
Deposits	2,333,106,304	(186,636,142)
Interbank and money market items	(2,167,768,976)	4,247,281,527
Provisions	(1,645,288)	(1,181,110)
Accrued expenses	743,292	16,872
Other liabilities	(4,628,745)	8,787,688
Net cash provided by (used in) operating activities	(274,199,955)	4,830,563,693

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

Advance Finance Public Company Limited**Statement of cash flows (continued)****For the year ended 31 December 2021**

	(Unit: Baht)	
	2021	2020
Cash flows from investing activities		
Acquisition of investment in equity securities	(438,165,362)	(467,395,136)
Proceeds from sale of investment in equity securities	550,119,656	137,904,468
Acquisition of investment in debt securities	(706,513,163)	(5,705,964,712)
Proceeds from redemption of debt securities	903,112,258	1,239,045,264
Acquisition of equipment	(291,489)	(128,628)
Proceeds from sale of equipments	859,813	2,280,000
Acquisition of intangible assets	(7,274,495)	(7,819,356)
Net cash provided by (used in) investing activities	301,847,218	(4,802,078,100)
Cash flows from financing activities		
Dividend paid	(18,603,511)	(25,000,000)
Cash paid on lease liabilities	(9,043,752)	(3,515,593)
Net cash used in financing activities	(27,647,263)	(28,515,593)
Net increase in cash	-	(30,000)
Cash as at 1 January	-	30,000
Cash as at 31 December	-	-
Supplement cash flow information		
Non cash item		
Right-of-use assets	19,424,855	-

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

Advance Finance Public Company Limited
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For the year ended 31 December 2021

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Advance Finance Public Company Limited

Notes to financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Advance Finance Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 87/2, 40th Floor, CRC Tower, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok.

The Company registered as a public company limited in accordance with the Public Company Limited Act B.E. 2535 on 26 May 2004 and had been approved by the Ministry of Finance on 20 December 1974. The Company engages in finance business in accordance with the Financial Institutions Business Act B.E. 2551.

The Company’s major shareholders as at 31 December 2021 were The Brooker Group Public Company Limited (10% shareholding), which was incorporated in Thailand, Miss Kantima Pornsriniyom (10% shareholding), Mr. Amorn Saphaweekul (10% shareholding) and Mr. Somphote Ahunai (10% shareholding).

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is impacting various businesses and industries. This situation could create uncertainties, and this may be impacting the operating results and cash flows in the future of the Company. The impact cannot be reasonably estimated at this stage. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, including the cash flow management of the Company and has used estimates and judgement in respect of various issues in order to continuously assessed the impact as the situation has evolved.

2. Basis of preparation of the financial statements

Financial statements for the year ended 31 December 2021 were prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, Accounting Guidance announced by the Federation of Accounting Professions and accounting practices generally accepted in Thailand including the relevant regulations stipulated by the Bank of Thailand (BOT). The presentation of the financial statements has been made in compliance with the BOT’s notification No. Sor Nor Sor. 22/2561 regarding “The preparation and announcement of the financial statements of a finance companied and a credit foncier companies”, dated 31 October 2018.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding the summary of significant accounting policies.

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

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

Management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statement.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions announced Accounting Guidance on the 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 the measures to assist debtors specified in 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)" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the Bank of Thailand makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small- and medium-sized debtors and retail debtors.

- a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:
- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.

- Loans are classified as loans that there has been a significant increase in credit risk (Under-performing or Stage 2) when principal or interest payments are more than 30 days past due or 1 month past due.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) In cases of the debt restructuring involving only a payment timeline extension, the applicable procedures are as follows:
- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
 - The guidelines specified in the appendix of 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)” relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.
- c) Expected credit losses are determined based on the outstanding balance of the drawn down portion only. No expected credit loss is calculated for unused credit lines.
- d) For retail debtors and SMEs debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 594/2564 “Guidelines regarding debt restructuring to assist debtors affected by COVID-19”, classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the Bank of Thailand makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy.

4. Significant accounting policies

4.1 Interest income and discounts on loans

Interest income is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Company estimates future cash flows considering all contractual terms of the financial instruments, excluding expected credit loss.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance for expected credit loss.

However, for financial asset that have become credit-impaired subsequent to initial recognition the Company recognises interest income using the effective interest rate method applied to the net carrying value of the loan (the loan amount net of allowance for expected credit loss). Subsequently, if the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross carrying amount.

Interest income and dividend income on investments

Interest income on investment is recognised on an accrual basis. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

4.2 Fees and service income

Fee and service income are recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Company expects to be entitled to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition at a point in time or over time, except fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability.

4.3 Expense recognition

Expenses are recognised on an accrual basis.

4.4 Net gains (losses) on financial instruments measured at fair value through profit or loss

Net gains (losses) on financial instruments measured at fair value through profit or loss comprises gains less losses related to trading, fair value measurement or transfer of financial assets measured at fair value through profit or loss. The Company recognises them as revenues or expenses on the measurement or transaction dates.

4.5 Cash

Cash comprises cash on hand.

4.6 Financial instruments

Recognition of financial instruments

The Company recognise financial assets or financial liabilities when the Company become a party to the contractual provisions of the financial instruments.

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

The Company classify its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realised, after which such gains or losses on disposal of the instruments will be recognised as gains or losses in income statement. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognised in profit or loss.

- Financial assets measured at fair value through profit or loss unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and gains and losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

Investment in equity instruments

The Company has classified investment in equity securities that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial assets measured at fair value through other comprehensive income, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from changes in fair value is recognised in other comprehensive income and not subsequently reclassified to profit or loss when disposal, instead, it is transferred to retained earnings. Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial liabilities

The Company classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Derecognition of financial instruments

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company continues to recognise the financial assets to the extent of its continuing involvement.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain or loss recognised in other comprehensive income in respect of investments in equity instruments designated at FVOCI is not recognised in profit or loss on derecognition of such instruments. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial assets are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognised in profit or loss as a part of impairment loss.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any non-cash assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

4.7 Loans to customers

Loans to customers are stated at the outstanding principal amount. Hire purchase receivables are stated at outstanding balance, net of deferred revenue.

4.8 Allowance for expected credit losses on financial assets

The Company recognises an allowance for expected credit losses for all financial debt instruments, which are interbank and money market (assets), loan to customer and investment in debt securities, including loan commitments and financial guarantee contracts measured at amortised cost or fair value through other comprehensive income using the General Approach. The Company classifies its financial assets into three stages based on the changes in credit risk since initial recognition as follows:

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 Company recognises allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Company will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

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 Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses 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 Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At every reporting date, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due, loans under the watchlist (Early warning sign), loans that are classified as in the high risk group, changes of internal credit rating of the borrower since initial recognition, and issuer credit rating as either 'under investment grade' or 'no rating' for investments, etc.

The Company assess whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, taking into account type of instrument, internal credit ratings, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Company considers its historical loss experience, adjusted by current observable data and plus on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Company determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors which major are include, but are not limited to, unemployment rate and property price index, etc. The Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on an annual basis.

In the case of investments in debt securities measured at fair value through other comprehensive income, the Company recognises impairment charge in profit and loss as expected credit losses and the allowance for expected credit losses with the corresponding amount in other comprehensive income, whereas the carrying amount of the investments in debt securities in the statement of financial position still present at fair value.

The measurement of expected credit losses on loan commitments is the present value difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive. The measurement of expected credit losses for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Increase (decrease) in an allowance for expected credit losses is recognised as an increase (decrease) to expenses in profit or loss during the period.

Write-offs of credit-impaired instruments

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying amount is written off against the related loan impairment. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the expected credit loss in profit or loss.

4.9 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or existing financial asset is replaced with a new financial asset because the debtor is having financial problem, the Company assesses whether to derecognise the financial asset and measure allowance for expected credit losses as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross carrying value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises gain or loss on contract modification of terms in profit or loss, less any impairment loss on the financial asset.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset on the date of derecognition. The difference between the carrying amount of the asset and the sum of the consideration received from the financial asset is recognised in profit or loss.

In cases where debt restructuring does not result in derecognition, a debtor is classified in the stage where there has been a significant increase in credit risk (Stage 2) or that is credit-impaired (Stage 3) until the repayment is made in compliance with the new debt restructuring agreement for not less than 12 months from the restructuring date. The financial asset is therefore classified in the stage where there has not been a significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

In addition, the Company has adopted the accounting guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy, as discussed in Notes 4.26 to the financial statements.

4.10 Securities purchased under resale agreements/Securities sold under repurchase agreements

The Company enters into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items - net (assets)" in the statement of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" in the statement of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

4.11 Properties for sale

Properties for sale are measured at the lower of fair value at the acquisition date or the amount of the legal claim on the related debt, including interest receivables. The fair value is estimated by using the latest appraisal value after deduction of estimated disposal expenses. The assets bought from Legal Execution Department's public auction are recognised at purchase price plus transfer costs, less expected direct selling expenses.

Loss on impairment is charged to profit or loss. Gain or loss on disposal of properties for sale are recognised as other operating income or expense upon disposal.

4.12 Leasehold improvement and equipment

Recognition and measurement

Owned assets

Leasehold improvement and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvement and equipment.

The Company derecognises leasehold improvement and equipment upon disposal or when no future economic benefits are expected from its use or disposal.

Any gains and losses on disposal of items of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvement and equipment. The estimated useful lives are as follows:

Leasehold improvement	5	years
Computer and equipment	5	years
Furniture and fixtures	5	years
Vehicles	5	years

No depreciation is provided on assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate (if any).

4.13 Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for software licenses in the current year and comparative year are 5 years.

No amortisation is provided on assets under installation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.14 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior year in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.15 Employee benefits

Post - employment benefits and other long-term employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss is recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.16 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input such as estimates of future cash flows.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.18 Contributions to Deposit Protection Agency and Financial Institutions Development Fund

Contributions to the Deposit Protection Agency and Financial Institutions Development Fund are recorded as expenses on an accrual basis.

4.19 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.20 Loan commitments

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

4.21 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(a) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.22 Earnings per share

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding.

4.23 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

4.24 Segment reporting

Segment results that are reported to the Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.25 Lease

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

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

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straightline basis over the shorter of the lease term and the estimated useful lives as follows:

Building	1 - 3	years
Equipment	4	years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and Leases of low-value assets

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

4.26 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.

The Accounting Treatment Guidance is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

Since the Group is an entity providing assistance to affected debtors in accordance with the Bank of Thailand's guidelines, it applies these procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- The guidelines specified in the appendix of the circular of the Bank of Thailand relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand's new guidelines if there are changes.

- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

In addition, on 19 June 2020 and 14 May 2021 the BoT issued the circular of the BoT No. Phor.Nor.Sor.(01)Vor. 648/2563 “Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2” and BoT No. GorPorNor.Wor. 480/2564 “Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 3”. This is to provide additional assistance to debtors. The Company entered into schemes to provide assistance to debtors and has applied the Accounting Guidances.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai 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:

5.1 Allowance for expected credit loss on financial assets including loan commitments issued and financial guarantee

The management is required to use judgement in estimating the allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts. The estimation relies on a complex model, a dataset of assumptions, model development and assessments related to the increase in credit risk, as well as the selection of forward-looking information, which involves a large number of variables. Therefore, actual results could differ from these estimates.

5.2 Allowance for impairment on investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” and “prolonged” requires management’s judgement.

5.3 Allowance for impairment of properties for sale

The Company assess allowance for impairment of properties for sale when their net realisable value is below their carrying value. The management uses judgement in estimating impairment loss, taking into account changes in the value of an asset, appraisal value, the type and quality of the asset, how long it is expected to take to dispose of the asset and changes in economic circumstances.

5.4 Recognition and derecognition assets and liabilities

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

5.5 Leases

Determining the lease term with extension and termination options

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

Estimating the incremental borrowing rate

The Company cannot readily determine the rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.6 Fair value of financial instruments

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

5.7 Leasehold improvement and equipment / Depreciation

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

In addition, the management is required to review leasehold improvement and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.8 Intangible assets

The initial recognition and measurement of intangible assets, including subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.9 Deferred tax assets

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

5.10 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, and staff turnover rate.

5.11 Contingent liabilities and Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of the reporting period.

6. Financial risk management

Risk management framework

Risk Management is an important basis for financial institution business. The purpose of risk management enables the Company to manage and maintain risk management at the target and acceptable level in accordance with the rules of the BoT and corporate governance.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Oversight Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Risk Oversight Committee is responsible for managing overall risks of the Company by planning, reviewing and monitoring risk management strategies to maintain a balance between risks and return. Principally, the Company's risk management strategies consist of (1) risk identification, (2) risk assessment, (3) risk monitoring, (4) risk control in order to manage risks at a proper level in accordance with good governance. Other consolidating committees, e.g. Asset and Liability Management Committee (ALCO), Credit Committee and Debt Restructuring Committee were also formed to be responsible for each specific risk to ensure the Company's risk management efficiency.

6.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer and or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally granting loans.

Credit policies/Framework

Under credit risk management policies and framework, the Company monitors and controls credit risk by implementing appropriate risk analysis processes for credit transaction according to types of credit. Credit Risk Management Department under Credit Risk Group which is an independent department is responsible to identify and assess risk relating to aforementioned credit transaction. The Company sets up Credit Committee, an authority assigned for credit decision, credit limit approval or contractual obligation and appropriate return and interest rate. The Credit Committee also control the credit risk by diversifying such risk to each corporate and retail customer under the specified risk ceiling and monitor credit quality of loans to be in accordance with the Company's policies.

For the "loans" item shown in the statement of financial position, the Company's maximum credit loss is the carrying amount of net loans after deduction of applicable allowance for losses without considering the value of collateral. In addition, credit risk may arise from off-financial reporting items relating to other guarantees.

Credit approval process

In the credit approval process, the Company prudently focuses on the business potential and the customer's ability to repay by considering loan objectives and stipulate to obtain sufficient and appropriate collateral as a means of mitigating the risk of financial losses from failure to meet the contractual obligations. The Company also has processes for regularly reviewing customers' credit including credit quality control to minimise non-performing loan (NPL). For non-performing loans, the Company has closely and continuously monitored, resolved and/or restructured them to retain maximum benefits for the Company.

Credit review process

The Company has established Credit Review unit, an independent unit from Lending department, Debt Restructuring unit and Appraisal department, where the responsibility is to perform individual credit reviews to ensure that the credit process approval, credit monitoring, debt restructuring and classification and provision process are effectively conducted in accordance with policies and procedures, and in compliance with the regulatory requirements.

6.1.1 Exposure to credit risk

The following table provides information about the exposure to credit risk and expected credit losses for loans to customers without taking into account of any collateral held or other credit enhancements.

(Unit: Baht)

	31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
Interbank and money market items (assets)				
Investment grade	3,093,939,621	-	-	3,093,939,621
Non-investment grade	-	-	-	-
Total	3,093,939,621	-	-	3,093,939,621
Less Allowance for expected credit losses	(17,570)	-	-	(17,570)
Net book value	3,093,922,051	-	-	3,093,922,051
Loans to customers and accrued interest				
Not yet due	1,603,226,196	21,741,393	2,418,321	1,627,385,910
Overdue 30 days	1,408,965,423	88,820,460	2,902,432	1,500,688,315
Overdue 31 - 60 days	-	4,862,935	-	4,862,935
Overdue 61 - 90 days	-	3,057,671	-	3,057,671
More than 90 days	-	-	1,577,159,376	1,577,159,376
Total	3,012,191,619	118,482,459	1,582,480,129	4,713,154,207
Less Allowance for expected credit losses	(35,427,111)	(3,319,617)	(277,539,789)	(316,286,517)
Net book value	2,976,764,508	115,162,842	1,304,940,340	4,396,867,690
Loan commitments				
Loan commitments	281,845,883	-	-	281,845,883
Less Allowance for expected credit losses	(1,616,967)	-	-	(1,616,967)
Net book value	280,228,916	-	-	280,228,916

(Unit: Baht)

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Interbank and money market items (assets)				
Investment grade	2,660,859,132	-	-	2,660,859,132
Non-investment grade	-	-	-	-
Total	2,660,859,132	-	-	2,660,859,132
Less Allowance for expected credit losses				
	(27,445)	-	-	(27,445)
Net book value	2,660,831,687	-	-	2,660,831,687
Loans to customers and accrued interest				
Not yet due	2,396,586,227	147,171,433	77,561,662	2,621,319,322
Overdue 30 days	311,007,679	3,248,458	2,178,977	316,435,114
Overdue 31 - 60 days	-	171,813,560	-	171,813,560
Overdue 61 - 90 days	-	89,090,462	-	89,090,462
More than 90 days	-	-	1,314,598,247	1,314,598,247
Total	2,707,593,906	411,323,913	1,394,338,886	4,513,256,705
Less Allowance for expected credit losses				
	(28,071,192)	(11,387,579)	(174,114,983)	(213,573,754)
Net book value	2,679,522,714	399,936,334	1,220,223,903	4,299,682,951
Loan commitments				
Loan commitments	170,669,691	21,536,614	-	192,206,305
Less Allowance for expected credit losses				
	(1,056,483)	-	-	(1,056,483)
Net book value	169,613,208	21,536,614	-	191,149,822

Exposure to credit risk of investments in debt instruments measured at fair value through other comprehensive income as at 31 December 2021 and 2020. The analysis has been based on Moody's Investors Service, Fitch Ratings (Thailand) Limited and Tris Rating Co., Ltd. which provide same credit rating.

(Unit: Baht)

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Government bonds				
Rated BBB+	3,709,675,637	-	-	3,709,675,637
Corporate bonds				
Rated AA- to AA+	26,543,525	-	-	26,543,525
Rated A- to A+	393,848,076	-	-	393,848,076

(Unit: Baht)

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Government bonds				
Rated BBB+	4,057,002,067	-	-	4,057,002,067
Corporate bonds				
Rated AA- to AA+	81,394,902	-	-	81,394,902
Rated A- to A+	334,326,721	-	-	334,326,721

6.1.2 Collateral held and other credit enhancements

Beside from consideration of ability to repay, the Company also focus on types and value of collateral pledged a guarantee for the loans to alleviate loss to the Company in the case of default. Movable or immovable collaterals' appraisal value are reviewed in accordance with the Company's policies and requirement by the Bank of Thailand. Type of collaterals consist of deposits, marketable equity instruments, immovable property, vehicles, machines and etc. The Company sets a frequency for reviewing the value of each type of collateral by using independent appraisers who are qualified as professionals and have appropriate experience and approved by the Securities and Exchange Commission to be an appraiser. The appraisal report contains a clear and sufficient information and analysis for the price determination of the Asset Appraisal Committee of the Company.

The following table sets out the types of collateral held against different types of financial assets as at 31 December 2021 and 2020.

(Unit: Baht)

Type of credit exposure	Note	31 December 2021	31 December 2020	Type of collateral held
Credit risk exposure of financial assets on-financial reporting				
Loans to customers and accrued interest receivables	12			
- Loans to retail customers		258,406,460	315,104,881	Land, land and buildings, residential property and certificates of deposit
- Loans to corporate customers		4,443,886,217	4,188,619,114	Land, land and buildings, residential property, shares, machines, vehicles and certificates of deposit
- Hire-purchase loans		10,861,530	9,532,710	Vehicles
Investments in debt instruments	11	4,130,067,238	4,472,723,690	None

(Unit: Baht)				
Type of credit exposure	Note	31 December 2021	31 December 2020	Type of collateral held
Credit risk exposure of financial assets off-financial reporting				
Other contingencies	28			
- Other guarantee		61,423,039	53,619,752	Land, land and buildings, machines and certificates of deposit
- Committed line		281,845,883	192,206,305	Land, land and buildings, machines and certificates of deposit

Residential mortgage lending

The following tables stratify credit exposures from mortgage lending to retail customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of loan to customers to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of collateral is based on the most recent appraisals.

	(Unit: Baht)	
	31 December 2021	31 December 2020
LTV ratio		
<i>Stage 1 and stage 2</i>		
Less than 50%	34,327,640	61,184,629
51-70%	141,513,984	158,872,111
More than 70%	31,268,993	45,984,947
Total	207,110,617	266,041,687
<i>Credit-impaired loans</i>		
Less than 50%	2,612,521	2,600,188
51-70%	16,925,500	14,467,908
More than 70%	23,361,933	20,995,008
Total	42,899,954	38,063,104

Loans to corporate customers and hire-purchase loans

The Company mainly focuses on consideration of the ability to repay for corporate customers and hire-purchase loans to be in accordance with loan objectives and obtain sufficient collateral or other securities, where appropriate. To reduce potential credit risks, the pledged collaterals may be borrower's own asset, related individual of borrower's asset or related company of borrower's asset. Collaterals pledged for corporate lending and hire-purchase loans for which loans are provided comprise of both movable and immovable property. The Company sets a frequency for reviewing the value of each type of collateral. For machines and vehicles, the collateral value is monthly adjusted with depreciation.

The following table sets out the carrying amount of loans to corporate customers and hire-purchase loans and the value of pledged collaterals.

(Unit: Baht)

	31 December 2021	
	Carrying amount	Collateral*
Stage 1 and Stage 2	2,884,694,128	2,123,696,755
Stage 3	1,272,962,656	1,289,747,570

(Unit: Baht)

	31 December 2020	
	Carrying amount	Collateral*
Stage 1 and Stage 2	2,817,449,637	2,808,021,986
Stage 3	1,191,019,302	1,357,875,680

* The value of disclosed collateral is capped at the nominal amount of the loan that it is held against.

6.1.3 Information related to Expected Credit losses

Significant increase in credit risk (SICR)

When determining whether the Probability of default (PD) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience which are segmented by customer group as follows:

Corporate customers and hire-purchase loans

- Debt repayment status and debt covenants
- Data obtained during credit review process including audited financial statements, estimated operational performance and business trend, significant operational financial data such as gross profit margin, financial leverage ratios, ability to repay, debt covenants and any amendment in management structure.
- Data from credit reference agencies, news, press articles and changes in external credit ratings

Retail customers

- Debt repayment status
- Indicators on observed liquidity issues which may affect income and ability to repay
- Frequency of amendment to repayment conditions which indicates the lessen of ability to repay

Default

In assessing whether a borrower is in default, the Company considers the following indicators:

Quantitative indicators

- the borrower has an overdue of principal and/or interest more than 90 days or 3 months past due in an earlier of on any material credit obligation or on the date of call by the Company, including the borrower's credit facility is cancelled or is at maturity date from an earlier of the date of credit facility cancellation or at the maturity date.

Qualitative indicators

- the collateral tends to be unable to enforce for entire claim or the claiming right is lower than the existing debt burden.
- the borrower is in the process of debt rehabilitation process.
- the borrower has misuse of loans or under cease of its operation.
- the borrower intentionally delays debt repayment or contractual obligations.
- the borrower is not cooperative and cannot be contacted without a valid reason.

Credit risk grade

In determining credit risk grade, the Company considers both quantitative and qualitative indicators of each individual borrower based on available information about the borrower and debt repayment status monitoring. The Company classified credit risk in 3 stages based on changes in credit risk since initial recognition.

Concentrations of credit risk

The Company monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from loans to customers, investments in debt instruments and loan commitments is shown as below.

(Unit: Baht)

	31 December 2021		
	Loans to customers	Investments in debt instruments	Loan commitments
Gross carrying amount	4,713,154,207	-	-
Investments in debt instruments	-	4,130,067,238	-
Loan commitments	-	-	281,845,883
 <i>Concentration by sector</i>			
Corporate			
Manufacturing and commerce	1,044,487,786	380,207,968	28,266,880
Property development and construction	2,206,476,329	-	23,232,679
Infrastructure and services	1,192,922,102	40,183,633	230,346,324
Retail			
Housing loans	250,010,571	-	-
Secured personal loans	8,395,889	-	-
Hire-purchase loans	10,861,530	-	-
Government	-	3,709,675,637	-
Financial institutions	-	-	-

(Unit: Baht)

	31 December 2020		
	Loans to customers	Investments in debt instruments	Loan commitments
Gross carrying amount	4,513,256,705	-	-
Investments in debt instruments	-	4,472,723,690	-
Loan commitments	-	-	192,206,305
<i>Concentration by sector</i>			
Corporate			
Manufacturing and commerce	886,134,076	-	31,000,004
Property development and construction	2,610,605,001	-	161,206,301
Infrastructure and services	691,880,037	217,790,141	-
Retail			
Housing loans	304,104,791	-	-
Secured personal loans	11,000,090	-	-
Hire-purchase loans	9,532,710	-	-
Government	-	4,057,002,067	-
Financial institutions	-	197,931,482	-

6.2 Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations, causing damage to the Company.

The Company closely monitors and manages its liquidity to meet the market condition by monitoring its investment diversification and customers' deposit behavior to conform to the lending maturity profile by using Liquidity Gap Analysis and Liquidity Stress Test, and also setting limits for Liquidity Risk Tolerance. The Company mainly invests its excess liquidity in highly liquid assets in order to prepare for customers' deposit withdrawal in both normal and crisis situations.

The following tables set out significant cash flows by the remaining contractual maturities at the reporting date:

(Unit: Baht)

		31 December 2021						Non-Performing	
		At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	No maturity	Loans	Total
Financial assets									
Interbank and money									
market items *									
	93,939,621	3,000,000,000	-	-	-	-	-	-	3,093,939,621
Financial assets									
measured									
at fair value through									
profit or loss									
	-	-	-	-	-	240,177,809	-	-	240,177,809
Investments - net	-	-	-	26,184,965	4,103,882,273	-	-	-	4,130,067,238
Loans to customers	-	39,528,488	436,245,557	2,314,611,525	316,211,114	-	1,376,220,377	-	4,482,817,061
Accrued interest									
receivables and									
undue interest									
receivables									
	-	8,347,239	15,730,155	-	-	-	-	206,259,752	230,337,146
Total	93,939,621	3,047,875,727	451,975,712	2,340,796,490	4,420,093,387	240,177,809	1,582,480,129	-	12,177,338,875
Financial liabilities									
Deposits	-	2,751,328,098	1,167,597,718	3,963,406,154	-	-	-	-	7,882,331,970
Interbank and money									
market items									
	-	1,582,600,000	34,600,000	1,192,450,000	-	-	-	-	2,809,650,000
Lease liabilities	-	2,179,414	6,539,876	8,607,508	-	-	-	-	17,326,798
Total	-	4,336,107,512	1,208,737,594	5,164,463,662	-	-	-	-	10,709,308,768

* Before deducting allowance for expected credit losses amounting to Baht 17,570.

(Unit: Baht)

		31 December 2020						Non-Performing	
		At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	No maturity	Loans	Total
Financial assets									
Interbank and money									
market items *									
	220,859,132	2,440,000,000	-	-	-	-	-	-	2,660,859,132
Financial assets									
measured									
at fair value through									
profit or loss									
	-	-	-	-	-	352,478,910	-	-	352,478,910
Investments - net	-	-	-	229,060,386	4,243,663,304	-	-	-	4,472,723,690
Loans to customers	-	97,500,422	1,031,797,248	1,585,137,977	373,709,058	-	-	1,299,591,509	4,387,736,214
Accrued interest									
receivables and									
undue interest									
receivables									
	-	30,773,114	-	-	-	-	-	94,747,377	125,520,491
Total	220,859,132	2,568,273,536	1,031,797,248	1,814,198,363	4,617,372,362	352,478,910	1,394,338,886	-	11,999,318,437
Financial liabilities									
Deposits	-	935,134,705	4,224,818,242	389,272,719	-	-	-	-	5,549,225,666
Interbank and money									
market items									
	-	4,189,868,976	476,250,000	311,300,000	-	-	-	-	4,977,418,976
Lease liabilities	-	812,104	2,408,168	6,309,779	-	-	-	-	9,530,051
Total	-	5,125,815,785	4,703,476,410	706,882,498	-	-	-	-	10,536,174,693

* Before deducting allowance for expected credit losses amounting to Baht 27,445

6.3 Market risk

The Company is exposed to normal business risks from changes in market interest rates, equity price and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

6.3.1 Interest rate risk

Interest rate risk is the risk from future movements in market interest rates that will affect the results of the Company's operation and its cash flows.

The Company has managed interest rate risk which results from a change in interest rate of assets and liabilities that may affect the Company's net interest income by using an Interest Rate Gap Model to ensure that any possible effects are at the acceptable level in accordance with the interest rate risk management policy of the Company.

Exposure to interest rate risk were as follows:

(Unit: Baht)

	31 December 2021				Total
	Floating rate	Fixed rate	Non-interest bearing	Non-Performing Loans	
Financial assets					
Interbank and money market items*	27,110,173	3,000,000,000	66,829,448	-	3,093,939,621
Financial assets measured at fair value					
through profit or loss	-	-	240,177,809	-	240,177,809
Investments - net	-	4,130,067,238	-	-	4,130,067,238
Loans to customers	2,916,008,172	190,588,512	-	1,376,220,377	4,482,817,061
Total	2,943,118,345	7,320,655,750	307,007,257	1,376,220,377	11,947,001,729
Financial liabilities					
Deposits	-	7,882,331,970	-	-	7,882,331,970
Interbank and money market items	-	2,809,650,000	-	-	2,809,650,000
Lease liabilities	-	17,326,798	-	-	17,326,798
Total	-	10,709,308,768	-	-	10,709,308,768

* Before deducting allowance for expected credit losses amounting to Baht 17,570.

(Unit: Baht)

31 December 2020					
	Floating rate	Fixed rate	Non-interest bearing	Non-Performing Loans	Total
Financial assets					
Interbank and money market items*	7,849,126	2,440,000,000	213,010,006	-	2,660,859,132
Financial assets measured at fair value				-	
through profit or loss	-	-	352,478,910		352,478,910
Investments - net	-	4,472,723,690	-	-	4,472,723,690
Loans to customers	3,076,880,394	11,264,311	-	1,299,591,509	4,387,736,214
Total	3,084,729,520	6,923,988,001	565,488,916	1,299,591,509	11,873,797,946
Financial liabilities					
Deposits	-	5,549,225,666	-	-	5,549,225,666
Interbank and money market items	-	4,977,418,976	-	-	4,977,418,976
Lease liabilities	-	9,530,051	-	-	9,530,051
Total	-	10,536,174,693	-	-	10,536,174,693

* Before deducting allowance for expected credit losses amounting to Baht 27,445

The following tables set out the interest repricing periods:

(Unit: Baht)

31 December 2021					
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Financial assets					
Interbank and money market items	3,000,000,000	-	-	-	3,000,000,000
Investments - net	-	-	26,184,965	4,103,882,273	4,130,067,238
Loans to customers	-	-	189,000,982	1,587,530	190,588,512
Total	3,000,000,000	-	215,185,947	4,105,469,803	7,320,655,750
Financial liabilities					
Deposits	2,751,328,098	1,167,597,718	3,963,406,154	-	7,882,331,970
Interbank and money market items	1,582,600,000	34,600,000	1,192,450,000	-	2,809,650,000
Lease liabilities	-	127,231	17,199,567	-	17,326,798
Total	4,333,928,098	1,202,324,949	5,173,055,721	-	10,709,308,768

(Unit: Baht)

	31 December 2020				Total
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	
Financial assets					
Interbank and money market items	2,440,000,000	-	-	-	2,440,000,000
Investments - net	-	-	229,060,386	4,243,663,304	4,472,723,690
Loans to customers	-	29,447	-	11,234,864	11,264,311
Total	2,440,000,000	29,447	229,060,386	4,254,898,168	6,923,988,001
Financial liabilities					
Deposits	935,134,705	4,224,818,242	389,272,719	-	5,549,225,666
Interbank and money market items	4,189,868,976	476,250,000	311,300,000	-	4,977,418,976
Lease liabilities	-	-	9,530,051	-	9,530,051
Total	5,125,003,681	4,701,068,242	710,102,770	-	10,536,174,693

Sensitivity Analysis

The Company uses a number of sensitivity measurements to monitor the market risk in a trading book. The key measurement is PV01. PV01 is used to monitor interest rate risk in which it measures the impact on portfolio value due to the increase in interest rate of 1 basis point. The methodology and parameters that the Company used to calculate these sensitivity measurements are in accordance with international standard whereby the measurement are different in current detail. The key sensitivities are as follow:

(Unit: Baht)

	Interest rate sensitivities (PV01)	
	31 December 2021	31 December 2020
THB	2,973,949	3,571,563
Total	2,973,949	3,571,563

6.3.2 Foreign exchange risk

The Company is not exposed to foreign currency risk as there is no foreign currency transaction.

6.3.3 Equity price risk

Equity price risk is any risk that arises from changes in the price of equities or common stock that may cause volatility in the earnings or fluctuations in the value of the financial assets.

The equity portfolio of the Company is managed by specific units depending on the strategy, the types of business of the issuers of underlying securities, and the objectives for holding such equities. The equity investment management is under the supervision of the Asset and Liability Management Committee (ALCO) and Treasury and Investment Department. All investments in equity instruments must comply with investment policy and framework, and related risk policies. The criteria for equity investments include consideration of fundamental value, dividend yield and market risk. Various limits are set, including Gross Limit and Loss Limit. All of these measures are established to ensure that securities investments comply with policies and remain within the approved limits taking into consideration the capital adequacy.

7. Maintenance of capital fund

The Company maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As announced by the BoT's notification dated 10 January 2017 and Sor Nor Sor 12/2562 dated 7 May 2019, regarding to Guideline for maintenance of capital fund and liquidity reserve requirement for finance company, the Company is required to calculate its Capital Fund in accordance with Basel III as follows:

	(Unit: Baht)	
	<u>31 December 2021</u>	<u>31 December 2020</u>
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	1,250,000,000	1,250,000,000
Legal reserve	30,020,568	28,093,568
Net income after appropriation	248,490,313	231,138,701
Other components of equity	(105,341,686)	6,027,973
Others	3,936,420	7,872,840
Capital deduction items on common equity Tier 1	(54,086,713)	(18,232,026)
Total Tier 1 capital	<u>1,373,018,902</u>	<u>1,504,901,056</u>
Tier 2 capital		
General provision	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital funds	<u>1,373,018,902</u>	<u>1,504,901,056</u>
Total risk-weighted assets	<u>6,145,970,979</u>	<u>6,441,197,157</u>

(Unit: percent)

	The BoT's regulation minimum requirement*	31 December 2021	The BoT's regulation minimum requirement	31 December 2020
The ratio of total capital funds to risk assets	11.000	22.34	10.375	23.36
The ratio of total Tier 1 capital fund to risk assets	8.500	22.34	7.875	23.36
The ratio of Common Equity Tier 1 capital fund to risk assets	7.000	22.34	6.375	23.36
The ratio of Tier 2 capital fund to risk assets	-	-	-	-

* Conservation buffer requires additional CET1 of 0.625% per annum from 1 January 2018 onwards until reaching 2.50% in 2021.

As at 31 December 2021 and 2020, the Company had no add-on arising from Single Lending Limit.

Disclosures of capital maintenance information under the BoT's notification number Sor Nor Sor 5/2556 dated 2 May 2013 regarding to Disclosures Requirement on Capital Adequacy for a Financial Group and the BoT's notification number Sor Nor Sor 15/2562 dated 7 May 2019, regarding to Disclosure Requirement on Capital Adequacy for a Financial Group (Volumn2) were as follows:

Location of disclosure	The Company's website under Investor Relations section at http://www.advancefin.com
Disclosure period requirement	Within 4 months after the year ended as indicated in the BoT's notification
Latest information as at	30 June 2021

Capital management

The Board of Directors' policy is to maintain an adequate level of capital to support growth strategies within an acceptable risk framework, and to meet Bank of Thailand regulatory requirements to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total equity, and also monitors the dividends to ordinary shareholders.

8. Classification of financial assets and financial liabilities

(Unit: Baht)

	31 December 2021			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets				
Interbank and money market items - net	-	-	3,093,922,051	3,093,922,051
Financial assets measured at fair value through profit or loss	240,177,809	-	-	240,177,809
Investments - net	-	4,130,067,238	-	4,130,067,238
Loans to customers and accrued interest receivables - net	-	-	4,396,867,690	4,396,867,690
Total	240,177,809	4,130,067,238	7,490,789,741	11,861,034,788
Financial liabilities				
Deposits	-	-	7,882,331,970	7,882,331,970
Interbank and money market items	-	-	2,809,650,000	2,809,650,000
Lease liabilities - net	-	-	17,326,798	17,326,798
Total	-	-	10,709,308,768	10,709,308,768

(Unit: Baht)

	31 December 2020			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets				
Interbank and money market items - net	-	-	2,660,831,687	2,660,831,687
Financial assets measured at fair value through profit or loss	352,478,910	-	-	352,478,910
Investments - net	-	4,472,723,690	-	4,472,723,690
Loans to customers and accrued interest receivables - net	-	-	4,299,682,951	4,299,682,951
Total	352,478,910	4,472,723,690	6,960,514,638	11,785,717,238
Financial liabilities				
Deposits	-	-	5,549,225,666	5,549,225,666
Interbank and money market items	-	-	4,977,418,976	4,977,418,976
Lease liabilities - net	-	-	9,530,051	9,530,051
Total	-	-	10,536,174,693	10,536,174,693

9. Interbank and money market items - net (assets)

	(Unit: Baht)	
	31 December 2021	31 December 2020
Domestic		
Bank of Thailand	26,135,440	78,472,833
Commercial banks	67,725,332	142,317,867
Specialized financial institutions*	3,000,000,000	2,440,000,000
Total	3,093,860,772	2,660,790,700
Add: accrued interest receivables and undue interest receivables	78,849	68,432
Less: allowance for expected credit loss	(17,570)	(27,445)
Total	3,093,922,051	2,660,831,687

* Specialized financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand, Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

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

	(Unit: Baht)	
	31 December 2021	31 December 2020
Domestic marketable equity securities	240,177,809	352,478,910
Total	240,177,809	352,478,910

11. Investments - net

	(Unit: Baht)	
	31 December 2021	31 December 2020
Investments in debt securities measured at fair value through other comprehensive income		
Government bonds and state enterprise securities	3,709,675,637	4,057,002,067
Corporate debenture	420,391,601	415,721,623
Total	4,130,067,238	4,472,723,690
Allowance for expected credit losses	416,689	556,424

12. Loans to customers and accrued interest receivables - net

12.1 Classified by type of loans

	(Unit: Baht)	
	31 December 2021	31 December 2020
Loans	4,472,077,621	4,378,203,504
Hire-purchase receivables	10,739,440	9,532,710
Total loans to customers	4,482,817,061	4,387,736,214
Add: Accrued interest receivables and undue interest receivables	230,337,146	125,520,491
Total loans to customers and accrued interest receivables and undue interest receivables	4,713,154,207	4,513,256,705
Less: Allowance for expected credit losses	(316,286,517)	(213,573,754)
Total loans to customers and accrued interest receivables - net	4,396,867,690	4,299,682,951

12.2 Classified by currency and residence of customer

As at 31 December 2021 and 2020, loans to customers were domestic and denominated entirely in Thai Baht.

12.3 Classified by loan classification

	(Unit: Baht)	
	31 December 2021	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	3,012,191,619	35,427,111
Financial assets where there has been a significant increase in credit risk (Under-Performing)	118,482,459	3,319,617
Financial assets that are credit-impaired (Non-Performing)	1,582,480,129	277,539,789
Total	4,713,154,207	316,286,517

	(Unit: Baht)	
	31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	2,707,593,906	28,071,192
Financial assets where there has been a significant increase in credit risk (Under-Performing)	411,323,913	11,387,579
Financial assets that are credit-impaired (Non-Performing)	1,394,338,886	174,114,983
Total	4,513,256,705	213,573,754

12.4 Classified by business type and stages

(Unit: Baht)

	31 December 2021			Total*
	Performing	Under-performing	Non-performing	
Manufacturing and commerce	821,050,136	20,418,645	176,778,365	1,018,247,146
Property development and construction	1,037,701,403	88,781,108	938,181,743	2,064,664,254
Infrastructure and services	913,458,304	-	220,618,785	1,134,077,089
Housing loans	197,457,961	9,042,309	40,229,921	246,730,191
Secured personal loans	7,947,378	-	411,563	8,358,941
Hire-purchase loans	10,739,440	-	-	10,739,440
Total	2,988,354,622	118,242,062	1,376,220,377	4,482,817,061

* Excluding accrued interest receivables and undue interest receivables

(Unit: Baht)

	31 December 2020			Total*
	Performing	Under-performing	Non-performing	
Manufacturing and commerce	657,752,260	38,080,148	176,778,364	872,610,772
Property development and construction	1,492,060,554	176,380,624	865,214,542	2,533,655,720
Infrastructure and services	279,096,992	160,000,000	220,618,785	659,715,777
Housing loans	247,355,424	17,175,015	36,701,948	301,232,387
Secured personal loans	10,710,978	-	277,870	10,988,848
Hire-purchase loans	9,532,710	-	-	9,532,710
Total	2,696,508,918	391,635,787	1,299,591,509	4,387,736,214

* Excluding accrued interest receivables and undue interest receivables

12.5 Hire-purchase receivables

(Unit: Baht)

	31 December 2021			
	Amounts due under the agreement			
	Less than	Over		Total
	1 year	1-5 years	5 years	
Total gross investment under hire-purchase contracts	3,302,920	9,739,369	-	13,042,289
Less: Unearned interest income	(969,484)	(1,333,365)	-	(2,302,849)
Present value of minimum lease payments	2,333,436	8,406,004	-	10,739,440
Add: Accrued interest receivable	122,090	-	-	122,090
Total	2,455,526	8,406,004	-	10,861,530
Less: Allowance for expected credit losses	(25,716)	(82,401)	-	(108,117)
Hire-purchase receivables - net	2,429,810	8,323,603	-	10,753,413

(Unit: Baht)

	31 December 2020			
	Amounts due under the agreement			
	Less than	Over		Total
	1 year	1-5 years	5 years	
Total gross investment under hire-purchase contracts	2,206,425	9,628,037	200,584	12,035,046
Less: Unearned interest income	(781,313)	(1,719,645)	(1,378)	(2,502,336)
Present value of minimum lease payments	1,425,112	7,908,392	199,206	9,532,710
Add: Accrued interest receivable	-	-	-	-
Total	1,425,112	7,908,392	199,206	9,532,710
Less: Allowance for expected credit losses	(19,014)	(76,054)	(1,584)	(96,652)
Hire-purchase receivables - net	1,406,098	7,832,338	197,622	9,436,058

13. Modified loans to customers and troubled debt restructuring

The impact of the COVID-19 pandemic remains uncertain and represents a material downside risk to the economy. However, there are government and other support measures intended to mitigate the negative impact of the economy. The future uncertain events including the impact of the COVID-19 are still not reflected in the current credit models. Therefore, the management considered the impact from these uncertain events based on available information for individual customers level and industry level and recorded additional allowance for expected credit losses as a management overlay.

However, the modification of contract according to the changes in cash flow projection in order to maintain good relationship with customers, provided that the customer has no increase in credit risk, for instance, reducing interest rate in accordance with market conditions, will not be considered as a debt restructuring.

As at 31 December 2021, there are loans to customers including loans with modification of contracts, that the Company have elected to adopt Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy in the preparation of the financial statements, representing 26.57 percent of total loans (2020: 29.36 percent of total loans).

As at 31 December 2021 and 2020, there was no outstanding balance of the Company's restructured debtors.

14. Classified assets

	(Unit: Baht)			
	31 December 2021			
	Loans and accrued interest receivables	Investments	Properties for sale	Total
Financial assets where there has not been a significant increase in credit risk (Performing)	3,012,191,619	4,130,067,238	-	7,142,258,857
Financial assets where there has been a significant increase in credit risk (Under-Performing)	118,482,459	-	-	118,482,459
Financial assets that are credit-impaired (Non-Performing)	1,582,480,129	7,820,000	-	1,590,300,129
Total	4,713,154,207	4,137,887,238	-	8,851,041,445

	(Unit: Baht)			
	31 December 2020			
	Loans and accrued interest receivables	Investments	Properties for sale	Total
Financial assets where there has not been a significant increase in credit risk (Performing)	2,707,593,906	4,472,723,690	-	7,180,317,596
Financial assets where there has been a significant increase in credit risk (Under-Performing)	411,323,913	-	-	411,323,913
Financial assets that are credit-impaired (Non-Performing)	1,394,338,886	7,820,000	184,873	1,402,343,759
Total	4,513,256,705	4,480,543,690	184,873	8,993,985,268

15. Allowance for expected credit losses

(Unit: Baht)

	For the year ended 31 December 2021			
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items				
Beginning balance	27,445	-	-	27,445
Changes due to remeasurement of allowance for credit losses	(9,875)	-	-	(9,875)
Ending balance	17,570	-	-	17,570
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	556,424	-	-	556,424
Changes due to remeasurement of allowance for credit losses	38,171	-	-	38,171
New financial assets purchased or acquired	351,953	-	-	351,953
Derecognition of financial assets	(529,859)	-	-	(529,859)
Ending balance	416,689	-	-	416,689
Loans to customers and accrued interest receivables				
Beginning balance	28,071,192	11,387,579	174,114,983	213,573,754
Changes due to changes in stages	5,110,675	(8,087,864)	2,977,189	-
Changes due to remeasurement of allowance for credit losses	373,715	121,449	101,241,628	101,736,792
New financial assets purchased or acquired	8,744,814	-	-	8,744,814
Derecognition of financial assets	(6,873,285)	(101,547)	(494,676)	(7,469,508)
Bad debt written-off	-	-	(299,335)	(299,335)
Ending balance	35,427,111	3,319,617	277,539,789	316,286,517
Loan commitments				
Beginning balance	1,056,483	-	-	1,056,483
Changes due to remeasurement of allowance for credit losses	(335,557)	-	-	(335,557)
New issued obligations to grant credit	1,491,590	-	-	1,491,590
Derecognition of financial assets	(595,549)	-	-	(595,549)
Ending balance	1,616,967	-	-	1,616,967

(Unit: Baht)

For the year ended 31 December 2020

	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items				
Beginning balance	-	-	-	-
Changes due to remeasurement of allowance for credit losses	27,445	-	-	27,445
Ending balance	27,445	-	-	27,445
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	-	-	-	-
New financial assets purchased or acquired	556,424	-	-	556,424
Ending balance	556,424	-	-	556,424
Loans to customers and accrued interest receivables				
Beginning balance	17,364,135	7,180,433	116,858,807	141,403,375
Changes due to staging of financial assets	6,112,376	(1,647,509)	(4,464,867)	-
Changes due to remeasurement of allowance for credit losses	4,389,757	6,211,868	82,217,030	92,818,655
New financial assets purchased or acquired	2,215,643	-	-	2,215,643
Derecognition of financial assets	(2,010,719)	(357,213)	(17,211,716)	(19,579,648)
Bad debt written-off	-	-	(3,284,271)	(3,284,271)
Ending balance	28,071,192	11,387,579	174,114,983	213,573,754
Loan commitments				
Beginning balance	3,112,027	-	-	3,112,027
Changes due to remeasurement of allowance for credit losses	(2,055,544)	-	-	(2,055,544)
Ending balance	1,056,483	-	-	1,056,483

16. Properties for sale - net

(Unit: Baht)

	31 December 2021			Ending balance
	Beginning balance	Increase	Decrease	
Foreclosed assets				
Immovable assets				
- Appraised value by external appraisals	286,235,221	5,478,413	(13,110,616)	278,603,018
Less: Allowance for impairment (reversal)	(184,873)	-	184,873	-
Total properties for sale - net	<u>286,050,348</u>	<u>5,478,413</u>	<u>(12,925,743)</u>	<u>278,603,018</u>

(Unit: Baht)

	31 December 2020			Ending balance
	Beginning balance	Increase	Decrease	
Foreclosed assets				
Immovable assets				
- Appraised value by external appraisals	169,320,153	126,832,295	(9,917,227)	286,235,221
Less: Allowance for impairment	(184,873)	-	-	(184,873)
Total properties for sale - net	<u>169,135,280</u>	<u>126,832,295</u>	<u>(9,917,227)</u>	<u>286,050,348</u>

17. Leasehold improvement and equipment - net

(Unit: Baht)

	Leasehold improvement	Computer and equipment	Furniture and fixtures	Vehicles	Total
Cost					
At 1 January 2020	20,329,089	20,839,051	124,389	20,843,260	62,135,789
Additions	17,196	111,432	-	-	128,628
Disposals / write-off	-	(931,448)	-	(4,006,360)	(4,937,808)
At 31 December 2020	20,346,285	20,019,035	124,389	16,836,900	57,326,609
Additions	12,024	279,466	-	-	291,490
Disposals / write-off	-	(11,734)	-	(6,016,500)	(6,028,234)
At 31 December 2021	20,358,309	20,286,767	124,389	10,820,400	51,589,865
Accumulated depreciation					
At 1 January 2020	19,177,924	13,569,900	82,218	14,804,146	47,634,188
Depreciation for the year	706,284	2,272,160	14,655	2,036,883	5,029,982
Disposals / write-off	-	(931,405)	-	(4,006,360)	(4,937,765)
At 31 December 2020	19,884,208	14,910,655	96,873	12,834,669	47,726,405
Depreciation for the year	208,250	2,151,341	13,262	1,463,811	3,836,664
Disposals / write-off	-	(11,733)	-	(6,016,499)	(6,028,232)
At 31 December 2021	20,092,458	17,050,263	110,135	8,281,981	45,534,837
Net book value					
At 31 December 2020	462,077	5,108,380	27,516	4,002,231	9,600,204
At 31 December 2021	265,851	3,236,504	14,254	2,538,419	6,055,028
Depreciation for the years ended 31 December					
2020					5,029,982
2021					3,836,664

As at 31 December 2021, certain items of leasehold improvement and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 33.2 million (2020: Baht 37.9 million).

18. Intangible assets - net

	(Unit: Baht)		
	Software licenses	Intangible assets under installation	Total
Cost			
At 1 January 2020	19,585,057	23,499,230	43,084,287
Additions	-	7,819,356	7,819,356
Write-off	-	(23,499,230)	(23,499,230)
At 31 December 2020	19,585,057	7,819,356	27,404,413
Additions	3,664,492	3,610,003	7,274,495
Transfer in (out)	11,429,359	(11,429,359)	-
At 31 December 2021	34,678,908	-	34,678,908
Accumulated amortisation			
At 1 January 2020	13,171,782	-	13,171,782
Amortisation for the year	2,173,040	-	2,173,040
At 31 December 2020	15,344,822	-	15,344,822
Amortisation for the year	3,012,756	-	3,012,756
At 31 December 2021	18,357,578	-	18,357,578
Net book value			
At 31 December 2020	4,240,235	7,819,356	12,059,591
At 31 December 2021	16,321,330	-	16,321,330
Depreciation for the years ended 31 December			
2020			2,173,040
2021			3,012,756

As at 31 December 2021, certain items of software licenses were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 9.6 million (2020: Baht 8.9 million).

19. Other assets

	(Unit: Baht)	
	31 December 2021	31 December 2020
Prepaid income tax	4,379,741	6,336,976
Deposits	2,289,853	2,308,965
Prepaid expenses	2,045,084	1,344,996
Others	1,130,901	1,222,064
Total	9,845,579	11,213,001

20. Deposits

20.1 Classified by type of deposit

	(Unit: Baht)	
	31 December 2021	31 December 2020
Certificates of deposit	7,882,331,970	5,549,225,666
Total	7,882,331,970	5,549,225,666

20.2 Classified by currency and residence of customer

As at 31 December 2021 and 2020, deposits were domestic and denominated entirely in Thai Baht.

21. Interbank and money market items (liabilities)

	(Unit: Baht)	
	31 December 2021	31 December 2020
Domestic		
Commercial banks	-	2,000,000,000
Specialized financial institutions*	1,350,000,000	900,000,000
Other financial institutions**	1,459,650,000	2,077,418,976
Total	2,809,650,000	4,977,418,976

* Specialized financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand, Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

** Other financial institutions represent financial institutions other than the above, such as Finance companies, Securities companies, Credit fancier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited.

22. Leases

The Company has lease contracts for various items of leasehold improvement and equipment use in its operations. Leases generally have lease terms between 1 - 4 years.

22.1 Right-of-use assets

Movement of the right-of-use assets during the year ended 31 December 2021 and 2020 are summarised below.

	Building	Equipment	(Unit: Baht) Total
Cost			
At 1 January 2020	3,394,364	693,888	4,088,252
Additions	9,090,181	-	9,090,181
Contract termination	(3,394,364)	-	(3,394,364)
At 31 December 2020	9,090,181	693,888	9,784,069
Additions	19,424,855	-	19,424,855
Contract termination	(189,252)	-	(189,252)
At 31 December 2021	28,325,784	693,888	29,019,672
Accumulated depreciation			
At 1 January 2020	-	-	-
Depreciation for the year	3,258,138	208,166	3,466,304
Accumulated depreciation on contract termination	(3,195,053)	-	(3,195,053)
At 31 December 2020	63,085	208,166	271,251
Depreciation for the year	9,568,096	208,166	9,776,262
Accumulated depreciation on contract termination	(189,252)	-	(189,252)
At 31 December 2021	9,441,929	416,332	9,858,261
Net book value			
At 31 December 2020	9,027,096	485,722	9,512,818
At 31 December 2021	18,883,855	277,556	19,161,411
Depreciation for the years ended 31 December			
2020			3,466,304
2021			9,776,262

22.2 Lease liabilities

	(Unit: Baht)	
	31 December 2021	31 December 2020
Lease payments	17,675,504	9,946,063
Less: Deferred interest expense	(348,706)	(416,012)
Total	<u>17,326,798</u>	<u>9,530,051</u>

Movement of the lease liabilities during the year ended 31 December 2021 and 2020 summarised below:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Balance at beginning of year	9,530,051	4,088,252
Additions	16,408,005	9,090,181
Accretion of interest	432,494	93,344
Repayments	(9,043,752)	(3,540,646)
Other (Terminating the lease)	-	(201,080)
Ending balance	<u>17,326,798</u>	<u>9,530,051</u>

A maturity analysis of lease payments is described in Note 6.2 under the Liquidity risk.

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

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Depreciation expense of right-of-use assets	9,776,262	3,466,304
Interest expense on lease liabilities	432,494	93,344
Expense relating to short-term leases	204,100	325,400

22.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 9 Million (2020: Baht 4 Million), including the cash outflow related to short-term lease and leases of low-value assets.

23. Provisions

	(Unit: Baht)	
	31 December 2021	31 December 2020
Allowance for expected credit losses for loan commitments	1,616,967	1,056,483
Provisions for employee benefits	18,139,795	18,834,589
Provisions for decommissioning costs	3,074,068	-
Total	<u>22,830,830</u>	<u>19,891,072</u>

23.1 Allowance for expected credit losses on loan commitments

As at 31 December 2021 and 2020 allowance for expected credit losses on loan commitments classified by classification are as follows:

	(Unit: Baht)	
	31 December 2021	
	Loan commitments	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	281,845,883	1,616,967
Total	<u>281,845,883</u>	<u>1,616,967</u>

	(Unit: Baht)	
	31 December 2020	
	Loan commitments	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	170,669,691	1,056,483
Financial assets where there has been a significant increase in credit risk (Under-Performing)	21,536,614	-
Total	<u>192,206,305</u>	<u>1,056,483</u>

23.2 Provisions for employee benefits

Defined benefit plan

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

	(Unit: Baht)	
	31 December 2021	31 December 2020
Provision for employee benefits at the beginning of the year	18,834,589	21,636,477
Include in profit or loss:		
Current service cost	2,981,203	3,023,552
Interest cost	211,806	295,008
Include in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	4,888
Financial assumptions changes	(511,009)	159,023
Experience adjustment	(1,731,506)	(5,103,249)
Benefit paid during the year	(1,645,288)	(1,181,110)
Provision for employee benefits at the end of the year	18,139,795	18,834,589

The Company expects to pay Baht 6 million of long-term employee benefits during the next year (2020: Baht 3 million)

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 9 years (2020: 9 years).

Principal actuarial assumptions

	(Unit: Percent per annum)	
	31 December 2021	31 December 2020
Discount rate	1.89	1.35
Future salary growth	5.00	5.00
Turnover rate (depending on age)	2.87 - 34.38	2.87 - 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation

	(Unit: Baht)			
	Increase in assumption		Decrease in assumption	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Discount rate (1% movement)	(889,880)	(1,033,876)	998,682	1,165,984
Future salary growth (1% movement)	957,676	1,111,682	(872,769)	(1,008,939)
Employee turnover rate (20% movement)	(680,629)	(797,715)	771,187	912,344
Future mortality (20% movement)	(101,158)	(115,182)	102,132	116,334

24. Other liabilities

	(Unit: Baht)	
	31 December 2021	31 December 2020
Other payables	1,749,665	2,596,556
Deposits	552,131	2,533,131
Margin payables under private repurchase transactions	-	1,272,515
Specific business tax and value added tax payable	887,698	972,036
Withholding tax payable	845,218	966,891
Payable from Legal Executive Department	1,136,900	1,499,450
Others	220,897	180,675
Total	5,392,509	10,021,254

25. Other components of equity

	(Unit: Baht)	
	31 December 2021	31 December 2020
Revaluation surplus (deficit) on investments measured at fair value through other comprehensive income		
Revaluation surplus on debt instruments	25,380,517	7,751,106
Revaluation deficit on debt instruments	(157,474,314)	(772,564)
Allowance for expected credit losses	416,689	556,424
Total revaluation surplus (deficit) on investments measured at fair value through other comprehensive income	(131,677,108)	7,534,966
Add (less): income taxes	26,335,422	(1,506,993)
Other components of equity - net of income taxes	(105,341,686)	6,027,973

26. Statutory reserve

Pursuant to Section 116 of 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.

27. Dividend payment

	Approved by	Payment schedule	Dividend rate per share (Baht per share)	Amounts of dividend paid (Baht)	
2021	Annual General Meeting of the shareholders	21 May 2021	0.0154	19,250,000	
	Annual dividend on 27 April 2021				
2020	Annual dividend	Annual General Meeting of the shareholders on 27 April 2020	18 May 2020	0.02	25,000,000

28. Commitments and contingent liabilities

28.1 Contingent liabilities

(Unit: Baht)

	31 December 2021	31 December 2020
Other contingencies		
- Other guarantee	61,423,039	53,619,752
- Committed line	281,845,883	192,206,305
Total	<u>343,268,922</u>	<u>245,826,057</u>

28.2 Service commitments

The Company has entered into consultancy service agreements relating to software development. As at 31 December 2021, the Company is obligated to pay further Baht 15 million.

28.3 Litigation

As at 31 December 2021, the Company is being sued in civil cases with claims totaling Baht 3.7 million that have not yet been finalised. The management of the Company has exercised judgement to assess the possible outcomes of litigation and believes that when the case is finally settled, there will be no material impact on the financial position and operating results of the company. Therefore, no contingent liability has been recognised.

29. Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company, a person or entity that are under common control or under the same significant influence as the Company, or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Other related parties that the Company had significant transactions with during the year were as follows:

Name of entity/personnel	Country of incorporation /nationality	Nature of relationships
Energy Absolute PCL.	Thai	Entities in which the directors, management of their families have significant influence
KTM Capital Land Co., Ltd.	Thai	Entities in which the directors, management of their families have significant influence
Land Prosperity Holding Co., Ltd.	Thai	Entities in which the directors, management of their families have significant influence

Name of entity/personnel	Country of incorporation /nationality	Nature of relationships
Wealth Concept Co., Ltd.	Thai	Entities in which the directors, management of their families have significant influence
Blockfint Co., Ltd.	Thai	Entities in which the shareholders of their families have significant influence
Industrial Water Resource Management Co., Ltd.	Thai	Entities in which the shareholders of their families have significant influence
Key management personnel	Thai	Persons having authority and responsibility for planning, directly and controlling the activities of the Company, directly or indirectly, including any director of the Company (whether executive or otherwise)

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Interest rate of loans	Interest rate as offered to general customers
Interest rate on deposits	Interest rate as offered to general customers
Intangible assets	Contractual price

Interest rate and other pricing for key management personnel and other related parties are at the same rate as in the normal course of business with the same business conditions as general customers.

Significant transactions for the year ended 31 December 2021 and 2020 with related parties were as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Entities in which the directors, management of their families have significant influence		
Interest income	1,182,175	-
Interest expense	21,291,207	13,665,375
Key management personnel		
Interest expense	55,729	105,136

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Major shareholder		
Interest expense	2,745,277	709,244

Significant balances with related parties as at 31 December 2021 and 2020 were as follows:

	(Unit: Baht)	
	31 December 2021	31 December 2020
Entities in which the directors, management of their families have significant influence		
Loans	196,000,000	-
Accrued interest receivables	63,901	-
Deposits	1,551,000,000	1,607,000,000
Accrued interest payables	13,717,119	12,313,937
Key management personnel		
Deposits	2,853,348	3,865,939
Accrued interest payables	17,621	9,567
Major shareholder		
Deposits	300,000,000	235,600,000
Accrued interest payables	1,597,397	709,244
Entities in which the shareholders of their families have significant influence		
Intangible assets	12,880,666	7,819,356

The Company has not paid other benefits to executive directors and key management personnel, except for the benefits that are normally paid such as salary, bonus and post-employment benefits etc.

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Short-term benefits	16,728,967	24,979,387
Post-employment benefits	1,806,648	1,480,193
Total	18,535,615	26,459,580

Directors who have no position in executive level of the Company only receive an annual remuneration and allowances.

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Directors' remuneration	3,595,000	4,398,021
Total	<u>3,595,000</u>	<u>4,398,021</u>

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors.

Finance business is the main business segment of the Company which management considers that there is only one segment and when taking into consideration the business location of the Company, there is only one geographical segment as the business operates only in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

No operating income from transactions with a single external customer in an amount equal to 10% or more of the operating income.

31. Interest income

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Interbank and money market items	741,848	1,801,716
Investments in debt securities	60,247,863	41,812,608
Loans to customers	331,998,793	363,157,270
Total	<u>392,988,504</u>	<u>406,771,594</u>

The Company has interest income from financial assets that are credit-impaired for year ended 31 December 2021 and 2020 amounting to Baht 109 million and Baht 116 million, respectively.

32. Interest expense

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Deposits	76,974,727	83,515,191
Interbank and money market items	22,245,259	13,545,638
Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency	16,673,680	14,415,578
Others	489,712	93,344
Total	<u>116,383,378</u>	<u>111,569,751</u>

On 8 April 2020, BoT's announced a reduction in rate of contribution from financial institutions to the Financial Institutions Development Fund (FIDF) from 0.46% of deposit base to 0.23% per annum temporarily for the year 2020 to 2021 which is retrospectively effective from 1 January 2020.

33. Fees and service income

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Acceptances, avals and guarantees	1,032,271	944,005
Financial consulting fee	-	75,000
Fees on loans	2,632,762	886,180
Total	<u>3,665,033</u>	<u>1,905,185</u>

34. Net losses on financial instruments measured at fair value through profit or loss

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Domestic marketable equity securities	(346,807)	(19,842,120)
Total	<u>(346,807)</u>	<u>(19,842,120)</u>

35. Net losses on investments

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Loss on disposal of investment in debt securities measured at fair value through other comprehensive income	(6,985,017)	(1,174,301)
Total	<u>(6,985,017)</u>	<u>(1,174,301)</u>

36. Expected credit losses

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Interbank and money market items (reversal)	(9,875)	27,445
Investment in debt securities measured at fair value through other comprehensive income (reversal)	(139,735)	556,424
Loans to customers and accrued interest receivables	111,936,201	83,632,658
Loan commitments (reversal)	560,484	(2,055,544)
Total	<u>112,347,075</u>	<u>82,160,983</u>

37. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Current income tax:		
Corporate income tax for the year	15,979,200	8,584,706
Deferred tax:		
Relating to temporary differences and reversal of temporary differences	(4,199,036)	1,300,746
Income tax expenses reported in statements of comprehensive income	<u>11,780,164</u>	<u>9,885,452</u>

The amounts of income tax relating to each components of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Deferred tax relating to gains (losses) on revaluation of investments in debt securities measured at fair value through other comprehensive income	(27,842,415)	1,506,993
Deferred tax on actuarial gains and losses	448,503	987,868
Total	<u>(27,393,912)</u>	<u>2,494,861</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Accounting profits before tax	58,556,979	48,414,063
Applicable tax rates	20%	20%
Accounting profits before tax multiplied by applicable tax rate	11,711,396	9,682,813
Deferred income tax reduction	-	1,086,941
Effects of non-deductible expenses and non-taxable income	68,768	(884,302)
Total	<u>11,780,164</u>	<u>9,885,452</u>

The components of deferred tax assets are consisting of items as follows:

(Unit: Baht)

	As at 1 January 2021	(Charged) / Credited to:		As at 31 December 2021
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Allowance for impairment of investment	1,564,000	-	-	1,564,000
Loss on remeasurement investments	799,054	3,568,453	27,842,415	32,209,922
Allowance for expected credit losses	5,490	110,121	-	115,611
Allowance for impairment of properties for sale	36,975	(36,975)	-	-
Lease	-	247,891	-	247,891
Provisions for employee benefits	3,766,916	309,546	(448,503)	3,627,959
Total	6,172,435	4,199,036	27,393,912	37,765,383

(Unit: Baht)

	As at 1 January 2020	(Charged) / Credited to:		As at 31 December 2020
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Allowance for impairment of investment	1,564,000	-	-	1,564,000
Loss on remeasurement investments	-	2,194,762	(1,395,708)	799,054
Allowance for expected credit losses	-	116,775	(111,285)	5,490
Allowance for doubtful accounts	4,039,773	(4,039,773)	-	-
Allowance for impairment of properties for sale	36,975	-	-	36,975
Provisions for employee benefits	4,327,294	427,490	(987,868)	3,766,916
Total	9,968,042	(1,300,746)	(2,494,861)	6,172,435

38. Earnings per share

Basic earning per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by weighted average number to ordinary shares in issue during the year.

(Unit: Baht / Share)

	For the years ended 31 December	
	2021	2020
Profit attributable to ordinary shareholders of the Company (Baht)	46,776,815	38,528,611
Number of ordinary shares outstanding (Share)	1,250,000,000	1,250,000,000
Earnings per share (Baht/Share)	0.04	0.03

39. Fair value of financial instruments

39.1 Financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date.

(Unit: Baht)

	31 December 2021		
	Fair value		
	Level 1	Level 2	Total
Financial assets			
Financial assets measured at fair value through profit or loss	240,177,809	-	240,177,809
Investment in debt securities measured at fair value through other comprehensive income	-	4,130,067,238	4,130,067,238
Total financial assets	<u>240,177,809</u>	<u>4,130,067,238</u>	<u>4,370,245,047</u>

(Unit: Baht)

	31 December 2020		
	Fair value		
	Level 1	Level 2	Total
Financial assets			
Financial assets measured at fair value through profit or loss	352,478,910	-	352,478,910
Investment in debt securities measured at fair value through other comprehensive income	-	4,472,723,690	4,472,723,690
Total financial assets	<u>352,478,910</u>	<u>4,472,723,690</u>	<u>4,825,202,600</u>

39.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and for which there is a significant difference with carrying amount as at 31 December 2021 and 2020 were as follows:

(Unit: Baht)

	31 December 2021				
	Carrying amount	Fair value			
Financial instruments measured at amortised cost	Level 1	Level 2	Level 3	Total	
Financial assets					
Interbank and money market items - net (assets)	3,093,922,051	93,843,969	3,000,078,082	-	3,093,922,051
Loan to customers and accrued interest receivables - net	4,396,867,690	-	4,396,867,690	-	4,396,867,690
Financial liabilities					
Deposits	7,882,331,970	-	7,866,655,983	-	7,866,655,983
Interbank and money market items (liabilities)	2,809,650,000	-	1,458,225,682	-	1,458,225,682

(Unit: Baht)

	31 December 2020				
	Carrying amount	Fair value			
Financial instruments measured at amortised cost	Level 1	Level 2	Level 3	Total	
Financial assets					
Interbank and money market items - net (assets)	2,660,831,687	220,768,334	2,440,063,353	-	2,660,831,687
Loan to customers and accrued interest receivables - net	4,299,682,951	-	4,299,682,951	-	4,299,682,951
Financial liabilities					
Deposits	5,549,225,666	-	5,551,798,522	-	5,551,798,522
Interbank and money market items (liabilities)	4,977,418,976	-	4,977,762,536	-	4,977,762,536

During the current year, there was no changes the fair value hierarchy

The following methods and assumptions were used by the Company in estimating fair value of financial instruments as disclosed herein.

Interbank and money market items (assets and liabilities)

The fair value of floating interest rate interbank and money market items (both assets and liabilities) was assumed to approximate the carrying value as at the reporting date. The fair value of fixed interest rate interbank and money market items with a remaining to maturity period of more than 1 year from the statement of financial position date was determined by discounting the expected future cash flows at the current average interest rate for similar debts.

Financial assets measured at fair value through profit or loss and investments

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association (“ThaiBMA”). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA’s yield rates adjusted by appropriate risk factors.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced at the reporting date. The fair value of non-marketable equity securities is determined mainly based on common valuation techniques such as market approach, cost approach or income approach, as well as book value or adjusted book value.

Loans to customers

Fair value of floating interest loans to customers where the rates change frequently without material impact on credit risk is measured at carrying value as at reporting date. Fixed interest loans to customers where the interest rate is expected to change within 1 year of the reporting date is measured approximately at their carrying value as at the reporting date. Other fixed interest loans to customers are measured by discounting future cash flow. The discount rate used is determined based on loans with similar credit risk.

Deposits

Fair values of deposits with term and fixed interest rates are estimated using discounted cash flow analyses based on current interest rates for similar types of deposit arrangements.

40. Reclassification

The Company has reclassified certain accounts for comparative purpose which this reclassification has been classified to conform with the presentation in the financial statements as follow:

	(Unit: Baht)	
	31 December 2020	
	As reclassified	As previously reported
Statement of financial position		
Loan to customers and accrued interest receivable - net	4,299,682,951	4,303,301,530
Accrued interest receivables on investments	8,859,405	-
Other assets	11,213,001	20,072,406
Lease liabilities - net	9,530,051	-
Accrued expenses	5,435,284	-
Other liabilities	10,021,254	28,605,168

	(Unit: Baht)	
	For the year ended	
	31 December 2020	
	As reclassified	As previously reported
Statement of comprehensive income		
Interest expense	111,569,751	111,476,407
Premises and equipment expenses	20,364,604	20,457,948

This reclassification has not impact on profits or equity as reported.

41. Event after the reporting period

On 25 February 2022, a meeting of the Company's Board of Directors passed resolutions to propose to the Annual General Meeting of Shareholders for approval a cash dividend payment of Baht 0.0187 per share to the shareholders from the net profit for the year 2021, or a total of Baht 23 million.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.