

Krung Thai Asset Management Public Company Limited
Report and financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Krung Thai Asset Management Public Company Limited

Opinion

I have audited the accompanying financial statements of Krung Thai Asset Management 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 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 Krung Thai Asset Management Public Company Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

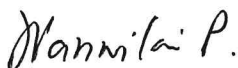
As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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



Wanwilai Phetsang

Certified Public Accountant (Thailand) No. 5315

EY Office Limited

Bangkok: 25 February 2022

Krung Thai Asset Management Public Company Limited

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	31 December 2021	31 December 2020
Assets			
Cash and cash equivalents	7	461,970,847	355,116,896
Accrued fees and service income from asset management business	8	515,945,276	481,543,033
Non-collateralised investments	9	1,001,810,141	842,011,015
Collateralised investments		-	335,000
Building improvement and equipment	10	24,088,516	9,222,695
Right-of-use assets	15.1	9,438,643	20,839,445
Intangible assets	11	6,900,706	6,368,538
Deferred tax assets	12.1	28,457,861	25,998,655
Other assets	13	93,102,105	117,833,049
Total assets		2,141,714,095	1,859,268,326

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



(Mr. Chanvit Rungruenglada)

Director




(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management 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			
Accrued fees and service expenses from			
asset management business		122,323,158	181,481,768
Income tax payable		46,414,598	53,893,930
Lease liabilities	15.2	9,935,813	21,454,885
Provisions	16	133,099,681	121,295,325
Other liabilities	17	287,599,345	240,580,498
Total liabilities		599,372,595	618,706,406
Equity			
Share capital	18		
Registered			
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000
Issued and fully paid up			
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000
Retained earnings			
Appropriated - statutory reserve	19	20,000,000	20,000,000
Unappropriated		1,322,341,500	1,020,561,920
Total equity		1,542,341,500	1,240,561,920
Total liabilities and equity		2,141,714,095	1,859,268,326

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



(Mr. Chanvit Rungruenglada)

Director




(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2021

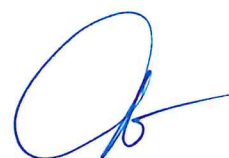
		(Unit: Baht)	
	Note	2021	2020
Revenues			
Fees and service income	20	3,999,838,850	2,915,127,989
Interest income		3,469,508	5,992,686
Other income		1,762,101	1,524,265
Total revenues		4,005,070,459	2,922,644,940
Expenses			
Fees and service expenses		2,208,027,006	1,433,158,158
Employees' expenses		533,231,360	487,739,070
Interest expenses		890,964	1,613,995
Other expenses		206,456,414	214,962,931
Total expenses		2,948,605,744	2,137,474,154
Profit before income tax		1,056,464,715	785,170,786
Income tax	12.2	211,464,715	156,958,394
Profit for the year		845,000,000	628,212,392
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss)		8,474,476	(6,568,114)
Income tax relating to components of other comprehensive income	12.2	(1,694,896)	1,313,623
Total other comprehensive income (loss)		6,779,580	(5,254,491)
Total comprehensive income		851,779,580	622,957,901
Earnings per share	21		
Basic earnings per share		42.25	31.41

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



(Mr. Chanvit Rungruenglada)

Director

(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management Public Company Limited

Statement of changes in equity

For the year ended 31 December 2021

(Unit: Baht)

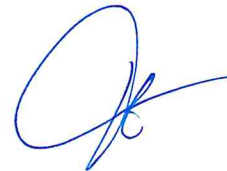
	Issued and paid up share capital	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2020	200,000,000	20,000,000	897,604,019	1,117,604,019
Dividend paid (Note 24)	-	-	(500,000,000)	(500,000,000)
Profit for the year	-	-	628,212,392	628,212,392
Other comprehensive income for the year	-	-	(5,254,491)	(5,254,491)
Balance as at 31 December 2020	200,000,000	20,000,000	1,020,561,920	1,240,561,920
Balance as at 1 January 2021	200,000,000	20,000,000	1,020,561,920	1,240,561,920
Dividend paid (Note 24)	-	-	(550,000,000)	(550,000,000)
Profit for the year	-	-	845,000,000	845,000,000
Other comprehensive income for the year	-	-	6,779,580	6,779,580
Balance as at 31 December 2021	200,000,000	20,000,000	1,322,341,500	1,542,341,500

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



(Mr. Chanvit Rungruenglada)

Director

(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management Public Company Limited

Statement of cash flows

For the year ended 31 December 2021

	(Unit: Baht)	
	2021	2020
Cash flows from operating activities		
Profit before income tax	1,056,464,715	785,170,786
Adjustments to reconcile profit before income tax		
to net cash received (paid) from operating activities:		
Depreciation and amortisation	22,187,745	26,641,629
Loss from written-off assets	-	292
Provision for long-term employee benefits	13,836,475	17,345,448
Unrealised loss on exchange	5,658	436
Deferred interest for lease liabilities	890,964	1,613,995
Interest income	(3,469,508)	(5,992,686)
Profit from operating activities before		
changes in operating assets and liabilities	1,089,916,049	824,779,900
Operating assets (increase) decrease		
Accrued fees and service income from asset management business	(34,402,243)	(133,557,771)
Other assets	24,730,912	(1,301,874)
Operating liabilities increase (decrease)		
Accrued fees and service expenses from asset management business	(59,158,610)	94,398,508
Provisions	6,442,358	(7,932,098)
Other liabilities	47,460,295	51,232,529
Cash flows from operating activities	1,074,988,761	827,619,194
Cash received from interest	787,732	942,416
Cash paid for corporate income tax	(223,098,148)	(125,447,125)
Net cash flows from operating activities	852,678,345	703,114,485

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



(Mr. Chanvit Rungruenglada)

Director




(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management Public Company Limited

Statement of cash flows (continued)

For the year ended 31 December 2021

	(Unit: Baht)	
	2021	2020
Cash flows from investing activities		
Cash paid for purchase of investments	(2,182,489,433)	(2,182,831,479)
Cash received from disposal of investments	2,025,000,000	2,049,000,000
Cash received from fixed deposit and collateralised investments	707,115	-
Cash paid for purchase of equipment and intangible assets	(25,120,441)	(7,048,810)
Net cash flows used in investing activities	(181,902,759)	(140,880,289)
Cash flows from financing activities		
Cash paid for dividend	(550,000,000)	(500,000,000)
Repayment of lease liabilities	(13,921,635)	(13,870,080)
Net cash flows used in financing activities	(563,921,635)	(513,870,080)
Net increase in cash and cash equivalents	106,853,951	48,364,116
Cash and cash equivalents at the beginning of year	355,116,896	306,752,780
Cash and cash equivalents at the end of year	461,970,847	355,116,896

Supplemental cash flows information

Non-cash transaction

Account payable for purchase of equipment and intangible assets	10,800	457,906
Right-of-use assets	1,511,598	1,541,122

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



(Mr. Chanvit Rungruenglada)

Director




(Mrs. Chavinda Hanratanakool)

Director

Krung Thai Asset Management Public Company Limited
Notes to financial statements
For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Krung Thai Asset Management Public Company Limited ("the Company") is a company registered in Thailand on 3 May 2001. The Company has been registered to transform into a public limited company on 29 November 2002. Krung Thai Bank Public Company Limited holds the shares of the Company for 100 percent of the Company's issued shares. The Company's registered address is No. 1, Empire Tower, 32nd Fl., South Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

The Company is principally engaged in the fund management and undertakes business licenses as follows:

1. Mutual fund management and private fund management
2. Future contract
3. Trustee
4. REIT manager

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. 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, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 3), No. SorThor. 6/2562 dated 8 January 2019.

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

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

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 statements.

3.2 Financial reporting standards that will become 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.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Fees and service income

Management fees and service income are recognised on an accrual basis.

Interest on deposits and interest on investments.

Interest on deposits and interest on investments are recognised on an accrual basis based on the effective interest rate.

Fees and service expenses

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

4.2 Cash and cash equivalents

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

4.3 Building improvement, equipment and depreciation

Building improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Building improvement	-	5	years
Furniture and fixture	-	5	years
Office equipment	-	4 - 5	years

An item of asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.4 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation is recognised as expenses in profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	-	3 - 5	years
License fee	-	10	years

4.5 Leases

At inception of contract, the Company assesses 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 as a lessee

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 any 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 less any lease incentives received.

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

Buildings	-	3	years
Vehicles	-	4 - 5	years

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

Lease liabilities

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

4.6 Related party transactions

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

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

4.7 Foreign currencies

Transactions in foreign currency are translated to Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.8 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and the human resource management welfare regulations of the Company. The Company treats these severance payment obligations as a defined benefit plan.

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

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

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

4.9 Provisions

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

4.10 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

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

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.11 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, accrued service income, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets and financial liabilities

Financial asset - debt instruments

The Company classifies its financial assets - debt instruments as subsequently measured at amortised cost if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at amortised cost net of allowance for expected credit losses (if any). Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial asset - equity instruments

The Company has classified investment in equity securities that not held for trading as the financial asset 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 transferred 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, in which case, the gains are recognised in other comprehensive income.

Financial liabilities

The Company classifies financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Company becomes a party to contractual provisions of the instrument/the settlement date, i.e., the date on which an asset is delivered to or by the Company.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

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

Allowance for expected credit losses

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company applies a simplified approach in calculating ECLs for accrued fees and service income from asset management business. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.12 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at time 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. The significant accounting judgements and estimates are as follows:

5.1 Leases - The Company as a lessee

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

5.2 Allowance for expected credit losses of accrued fees and service income from assets management business

In determining an allowance for expected credit losses of accrued fees and service income from assets management business, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

5.3 Fair value of financial instruments

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

5.4 Building improvement, equipment and depreciation

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

In addition, the management is required to review building improvement and equipment for impairment on a periodical basis and record impairment losses 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.

5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences 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 estimate future taxable profits.

5.6 Post-employment benefits under defined benefit plans

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

6. Risk management

6.1 Capital management

The primary objectives of the Company's capital management are to maintain an appropriate financial structure, preserves the ability to continue its business as a going concern and to maintain net capital rule in accordance with Notifications of the Office of the Securities and Exchange Commission.

6.2 Financial instruments

The Company's financial instruments principally comprise cash and cash equivalents, accrued fees and service income from asset management business, non-collateralised investments, collateralised investments, accrued fees and service expenses from asset management business and lease liabilities. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The credit risk of the Company is a concentration of accrued fees and service income from asset management business because all customers are funds which are sensitive to the investment climate and economic situation in Thailand. Nevertheless, the maximum exposure to credit risk in the event the counterparties fail to perform their obligations is the book value of outstanding accrued fees and service income from asset management business as indicated in the statements of financial position.

Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. The Company had no material financial instruments denominated in foreign currencies and investments in securities, market risk is therefore confined only to interest rate risk.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	2021					
	Fixed interest rate					
	Within	Over	Floating	Non-Interest		Effective
	1 year	1 year	interest rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash						
equivalents	373	-	461,548	50	461,971	0.125 - 0.250
Accrued fees and service						
income from asset						
management business	-	-	-	515,945	515,945	-
Non-collateralised						
investments	999,282	-	-	2,528	1,001,810	0.437
Financial liabilities						
Accrued fees and service						
expenses from asset						
management business	-	-	-	122,323	122,323	-
Lease liabilities	4,618	5,318	-	-	9,936	1.044 - 6.025

(Unit: Thousand Baht)

2020						
	Fixed interest rate		Floating interest rate	Non-Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1 year				
Financial assets						
Cash and cash equivalents	-	-	355,067	50	355,117	0.228
Accrued fees and service income from asset management business	-	-	-	481,543	481,543	-
Non-collateralised investments	839,535	-	-	2,476	842,011	0.417 - 0.468
Collateralised investments	-	-	335	-	335	0.181
Financial liabilities						
Accrued fees and service expenses from asset management business	-	-	-	181,482	181,482	-
Lease liabilities	454	21,001	-	-	21,455	1.044 - 6.025

Liquidity risk

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

The Company has liquidity risk control procedure by maintaining the sufficient level of cash and cash equivalents to fund its operations.

Counting from the end of reporting date, as at 31 December 2021 and 2020, the maturity dates of financial instruments are as follows.

(Unit: Thousand Baht)

2021					
	At call	Less than		Unspecified	Total
		1 year	Over 1 year		
Financial assets					
Cash and cash equivalents	461,598	373	-	-	461,971
Accrued fees and service income from asset management business	-	515,945	-	-	515,945
Non-collateralised investments	-	999,282	-	2,528	1,001,810
Financial liabilities					
Accrued fees and service expenses from asset management business	-	122,323	-	-	122,323
Lease liabilities	-	6,400	3,536	-	9,936

(Unit: Thousand Baht)

	2020				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Cash and cash equivalents	355,117	-	-	-	355,117
Accrued fees and service income					
from asset management business	-	481,543	-	-	481,543
Non-collateralised investments	-	839,535	-	2,476	842,011
Collateralised investments	-	335	-	-	335
Financial liabilities					
Accrued fees and service expenses					
from asset management business	-	181,482	-	-	181,482
Lease liabilities	-	12,888	8,567	-	21,455

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2021	2020
Cash	50	50
Cash at banks	461,921	355,067
Total	461,971	355,117

8. Accrued fees and service income from asset management business

As at 31 December 2021 and 2020, accrued fees and service income from asset management business totaling Baht 515.95 million and Baht 481.54 million, respectively, in the term of payment under the condition of the project or the fund management agreement.

9. Non-collateralised investments

(Unit: Thousand Baht)

	2021	2020
	Book value/ Fair value	Book value/ Fair value
Non-collateralised investments measured at amortised cost		
Fixed deposit	-	372
Held-to-maturity debt securities maturing within 1 year	999,282	839,163
Total	999,282	839,535
Non-collateralised investments measured at fair value through other comprehensive income		
Domestic non-marketable equity	2,528	2,476
Total	2,528	2,476
Total investments	1,001,810	842,011

10. Building improvement and equipment

Movements of building improvement and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	2021				
	Building improvement	Furniture and fixture	Computer	Office equipment	Total
Cost					
1 January 2021	8,458	17,875	84,553	16,409	127,295
Additions	-	-	21,452	63	21,515
31 December 2021	8,458	17,875	106,005	16,472	148,810
Accumulated depreciation					
1 January 2021	8,371	17,426	76,589	15,686	118,072
Depreciation for the year	56	202	6,062	329	6,649
31 December 2021	8,427	17,628	82,651	16,015	124,721
Net book value					
31 December 2021	31	247	23,354	457	24,089
Depreciation for the years ended 31 December					
2021					6,649
2020					9,473

(Unit: Thousand Baht)

	2020				
	Building improvement	Furniture and fixture	Computer	Office equipment	Total
Cost					
1 January 2020	8,458	17,869	94,328	16,812	137,467
Additions	-	6	3,560	36	3,602
Write-off	-	-	(13,335)	(439)	(13,774)
31 December 2020	8,458	17,875	84,553	16,409	127,295
Accumulated depreciation					
1 January 2020	8,171	17,062	81,685	15,454	122,372
Depreciation for the year	200	364	8,238	671	9,473
Write-off	-	-	(13,334)	(439)	(13,773)
31 December 2020	8,371	17,426	76,589	15,686	118,072
Net book value					
31 December 2020	87	449	7,964	723	9,223

As at 31 December 2021 and 2020, the Company had certain items of building improvement and equipment, which were fully depreciated but are still in use. The original costs before deducting accumulated depreciation of those assets amounted to Baht 111.65 million and Baht 109.18 million, respectively.

11. Intangible assets

Movement of intangible assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	2021			
	Computer software	License fee	Intangible asset under installation	Total
Cost				
1 January 2021	108,453	135	885	109,473
Addition/Transfer-in	4,042	-	2,615	6,657
Transfer-out	-	-	(3,500)	(3,500)
31 December 2021	112,495	135	-	112,630
Accumulated amortisation				
1 January 2021	103,004	100	-	103,104
Amortisation for the year	2,620	5	-	2,625
31 December 2021	105,624	105	-	105,729
Net book value				
31 December 2021	6,871	30	-	6,901
Amortisation for the years ended 31 December				
2021				2,625
2020				4,297

(Unit: Thousand Baht)

	2020			
	Computer software	License fee	Intangible asset under installation	Total
Cost				
1 January 2020	107,453	135	-	107,588
Addition	1,000	-	885	1,885
31 December 2020	108,453	135	885	109,473
Accumulated amortisation				
1 January 2020	98,712	95	-	98,807
Amortisation for the year	4,292	5	-	4,297
31 December 2020	103,004	100	-	103,104
Net book value				
31 December 2020	5,449	35	885	6,369

As at 31 December 2021 and 2020, the Company had certain items of computer software, which were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 99.32 million and Baht 95.59 million, respectively.

12. Deferred tax assets and income tax

12.1 Deferred tax assets

As at 31 December 2021 and 2020, deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax assets	30,346	30,167
Deferred tax liabilities	(1,888)	(4,168)
Net	28,458	25,999

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

	(Unit: Thousand Baht)			
	Charged/credited to:			
			Other comprehensive income	
	1 January 2021	Profit or loss		31 December 2021
Deferred tax assets				
Building improvement and equipment	1,074	(73)	-	1,001
Lease liabilities	4,291	(2,304)	-	1,987
Provisions				
- Sales promotion	1,064	2,340	-	3,404
- Employee benefits	23,195	1,716	(1,695)	23,216
Other accrued expenses	543	195	-	738
Total	30,167	1,874	(1,695)	30,346
Deferred tax liabilities				
Right-of-use assets	(4,168)	2,280	-	(1,888)
Total	(4,168)	2,280	-	(1,888)
Net	25,999	4,154	(1,695)	28,458

(Unit: Thousand Baht)

			Charged/credited to:		
		Adjustments		Other	
	1 January	due to TFRS 16		comprehensive	31 December
	2020	adoption	Profit or loss	income	2020
Deferred tax assets					
Building improvement and equipment	1,118	-	(44)	-	1,074
Lease liabilities	-	6,434	(2,143)	-	4,291
Provisions					
- Sales promotion	1,425	-	(361)	-	1,064
- Employee benefits	19,638	-	2,243	1,314	23,195
Bonus for the year	19,672	-	(19,672)	-	-
Other accrued expenses	273	-	270	-	543
Total	42,126	6,434	(19,707)	1,314	30,167
Deferred tax liabilities					
Right-of-use assets	-	(6,434)	2,266	-	(4,168)
Total	-	(6,434)	2,266	-	(4,168)
Net	42,126	-	(17,441)	1,314	25,999

12.2 Income tax

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2021	2020
Current income tax:		
Corporate income tax for the year	215,633	139,517
Adjustment in respect of income tax of previous year	(14)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(4,154)	17,441
Income tax expenses reported in statements of comprehensive income	211,465	156,958

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

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax on actuarial gains	(1,695)	1,314

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2021 and 2020 are shown below.

	(Unit: Thousand Baht)	
	2021	2020
Accounting profit before tax	1,056,465	785,171
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	211,293	157,034
Adjustment in respect of income tax of previous year	(14)	-
Effects of non-taxable revenue and non-deductible expenses - net	186	(76)
Income tax expenses reported in statements of comprehensive income	211,465	156,958

13. Other assets

	(Unit: Thousand Baht)	
	2021	2020
Deferred expense	38,330	74,782
Deposit and guarantee	6,891	7,135
Prepaid expenses	20,763	16,151
Undue input tax	21,362	14,385
Advance receivable	904	885
Others	4,852	4,495
Total	93,102	117,833

14. Borrowings from financial institutions

The Company entered into a loan agreement with a financial institution that is a related party, whereby the Company was granted a Baht 100 million promissory note facility on 13 July 2010, carrying interest at a market rate, and an overdraft facility of Baht 5,000 million on 16 July 2010, carrying interest at the minimum loan rate. The overdraft facility matures on 18 April 2022. The loans are unsecured and interest payment is due every month. As at 31 December 2021, the Company had not yet drawdown these credit facilities.

The Baht 5,000 million overdraft facility was arranged by the Company to fund the redemption payments to customers who are unitholders, for the convenience of those customers. This will enable them to receive redemption proceeds faster, without having to wait for payment through the banking system.

15. Leases

The Company has lease contract for building and vehicles used in its operations. Lease generally have lease terms between 3 - 5 years.

15.1 Right-of-use assets

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

(Unit: Thousand Baht)			
31 December 2021			
	Building	Vehicles	Total
Cost			
1 January 2021	22,112	11,599	33,711
Additions	-	1,512	1,512
Maturity	(575)	(560)	(1,135)
31 December 2021	21,537	12,551	34,088
Accumulated depreciation			
1 January 2021	9,259	3,613	12,872
Depreciation for the year	9,166	3,746	12,912
Maturity	(575)	(560)	(1,135)
31 December 2021	17,850	6,799	24,649
Net book value			
31 December 2021	3,687	5,752	9,439
Depreciation for the years ended 31 December			
2021			12,912
2020			12,871
(Unit: Thousand Baht)			
31 December 2020			
	Building	Vehicles	Total
Cost			
1 January 2020	22,112	10,058	32,170
Additions	-	1,541	1,541
31 December 2020	22,112	11,599	33,711
Accumulated depreciation			
1 January 2020	-	-	-
Depreciation for the year	9,259	3,613	12,872
31 December 2020	9,259	3,613	12,872
Net book value			
31 December 2020	12,853	7,986	20,839

15.2 Lease liabilities

	(Unit: Thousand Baht)	
	2021	2021
Lease liabilities	10,330	22,646
Less: Deferred interest expenses	(394)	(1,191)
Total	9,936	21,455

15.3 Expenses related lease agreements which was recognised in statement of income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2021	2020
Depreciation expense of right-of-use assets	12,912	12,872
Interest expense on lease liabilities	891	1,614
Expense relating to short-term leases	-	177
Expense relating to leases of low-value assets	272	205
Total	14,075	14,868

15.4 Others

The Company had total cash outflows for leases for the years ended 31 December 2021 and 2020 of Baht 14.19 million and Baht 14.25 million, respectively, including the cash outflow related to short-term lease and leases of low-value assets.

16. Provisions

	(Unit: Thousand Baht)	
	2021	2020
Sales promotion	17,019	5,318
Employee benefits	116,081	115,977
Total	133,100	121,295

Provision for long-term employee benefits, which represents compensations payable to employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	2021	2020
Provision for long-term employee benefits at the beginning of the year	115,977	98,192
Included in profit or loss:		
Current service cost	12,125	15,610
Interest cost	1,712	1,736
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
- Financial assumptions changes	(10,652)	2,473
- Experience adjustments	2,177	4,095
Benefits paid during the year	(5,258)	(6,129)
Provision for long-term employee benefits at the end of the year	116,081	115,977

As at 31 December 2021 and 2020, the Company expects to pay Baht 1.12 million and Baht 5.74 million, respectively, of long-term employee benefits during the next year.

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit is 11 - 15 years and 11 - 16 years, respectively.

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2021	2020
Discount rate	2.14 - 2.56	1.49 - 1.60
Salary increase rate	6.00	6.00
Turnover rate	3.82 - 22.92	3.82 - 22.92

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)		
Increase (decrease) in liabilities		
	2021	2020
Discount rate		
Increase 1%	(10,518)	(11,215)
Decrease 1%	12,199	13,108
Future salary increase rate		
Increase 1%	10,334	11,002
Decrease 1%	(9,122)	(9,652)
Turnover rate		
Increase 20% of assumption	(8,588)	(9,235)
Decrease 20% of assumption	9,745	10,563

17. Other liabilities

(Unit: Thousand Baht)		
	2021	2020
Accrued employee expenses	165,292	131,312
Accrued sales promotion expenses	35,561	42,903
Undue output tax	31,544	24,452
Payable from Revenue Department	13,378	15,064
Others	41,824	26,849
Total	287,599	240,580

18. Share capital

The Company's registered and issued and paid-up share capital as at 31 December 2021 and 2020 is as follow.

	2021		2020	
	Number of shares	Amount	Number of shares	Amount
	(shares)	(Baht)	(shares)	(Baht)
Registered share capital				
(Par value at Baht 10 each)	20,000,000	200,000,000	20,000,000	200,000,000
Issued and paid-up share capital				
(Par value at of Baht 10 each)	20,000,000	200,000,000	20,000,000	200,000,000

19. Legal reserve

According to the Thai Civil and Commercial Code, the Company is required to set aside a statutory reserve equal to at least 5% of its net profit each time the Company pays out a dividend, until such reserve reaches 10% of its registered share capital. This statutory reserve could not be used for dividend payment.

20. Fees and service income

Fees and service income for the years ended 31 December 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2021	2020
Management fee income		
Mutual fund management fee	2,052,342	1,647,534
Private fund management fee	55,514	46,666
Provident fund management fee	79,719	65,530
Registrar fee income	460,941	377,481
Front-end and back-end fee income	1,307,791	733,703
Others	43,532	44,214
Total	3,999,839	2,915,128

21. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

22. Segment information

The Company is principally engaged in fund management. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5 - 15 percent of basic salary, and the Company contributed to the fund monthly at the rate of 5 - 10 percent of basic salary. The fund will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year ended 31 December 2021 amounting to approximately Baht 25.06 million (2020: Baht 23.65 million) were recognised as expenses.

24. Dividends

During the years ended 31 December 2021 and 2020, the Company has dividends payments as follow:

Dividends	Approved by	Dividend per share (Baht)	Dividend payment (Million Baht)
Dividends on net income for the year 2020	Annual General Meeting of the Shareholders on 2 April 2021	27.50	550.00
Interim dividends on net income for the year 2019	Board of Directors Meeting on 27 March 2020	25.00	500.00

25. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)		
For the years ended 31 December		
	2021	2020
Statement of comprehensive income		
Fees and service income		
Subsidiaries of the parent company		
KTB Law Co., Ltd.	5	6
Krungthai Card Plc.	73	76
KTB General Services and Security Co., Ltd.	150	156
Associated of the parent company		
Krungthai Panich Insurance Plc.	289	-
Krungthai-AXA Life Insurance Plc.	11,076	8,911
Krungthai Zmico Securities Co., Ltd.	5	6

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2021	2020
Interest income		
Krung Thai Bank Plc.	538	814
Fees and service expenses		
Krung Thai Bank Plc.	1,068,020	788,156
Subsidiaries of the parent company		
Krungthai Card Plc.	4,370	5,576
Associated of the parent company		
Krungthai-AXA Life Insurance Plc.	78,435	73,620
Krungthai Zmico Securities Co., Ltd.	1,230	1,149
Other expenses		
Krung Thai Bank Plc.	19,223	29,120
Subsidiaries of the parent company		
KTB Law Co., Ltd.	660	969
KTB Computer Services Co., Ltd.	1,274	1,184
KTB General Services and Security Co., Ltd.	4,979	7,202
Associated of the parent company		
Krung Thai IBJ Leasing Co., Ltd.	3,382	3,382
Krungthai Panich Insurance Plc.	138	157
Krungthai Zmico Securities Co., Ltd.	1	-

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Statement of financial position		
Cash and cash equivalents - cash at banks		
Krung Thai Bank Plc.	457,999	349,970
Accrued fees and service income from		
asset management business		
Subsidiaries of the parent company		
KTB Law Co., Ltd.	6	6
Krungthai Card Plc.	78	81
KTB General Services and Security Co., Ltd.	161	167

	(Unit: Thousand Baht)	
	2021	2020
Accrued fees and service income from		
asset management business (continued)		
Associated of the parent company		
Krungthai Panich Insurance Plc.	34	-
Krungthai-AXA Life Insurance Plc.	701	691
Krungthai Zmico Securities Co., Ltd.	5	6
Non-collateralised investments - deposits in		
financial institution		
Krung Thai Bank Plc.	-	372
Other assets		
Krung Thai Bank Plc.	32,515	67,926
Accrued fees and service expenses from		
asset management business		
Krung Thai Bank Plc.	55,261	81,490
Subsidiaries of the parent company		
Krungthai Card Plc.	3,492	3,841
Associated of the parent company		
Krungthai-AXA Life Insurance Plc.	7,234	6,785
Krungthai Zmico Securities Co., Ltd.	63	67
Lease liabilities		
Associated of the parent company		
Krung Thai IBJ Leasing Co., Ltd.	3,541	6,609
Other liabilities		
Krung Thai Bank Plc.	10,041	27,565
Subsidiaries of the parent company		
KTB Law Co., Ltd.	23	92
KTB Computer Services Co., Ltd.	28	124
KTB General Services and Security Co., Ltd.	682	684
Associated of the parent company		
Krung Thai Panich Insurance Plc.	4	3

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	2021	2020
Short-term employee benefits	58,576	54,142
Post-employment benefits	3,704	3,505
Total	62,280	57,647

26. Commitments

As at 31 December 2021 and 2020, the Company has payment obligations of approximately USD 223,770 and AUD 111,900 under service contracts for system usage with terms of 3 years ending in 2024.

The Company has commitments to pay the rental and service fees in relation to office equipment, office rental and other services under long-term contracts, as follows:

	(Unit: Thousand Baht)	
Payable within	2021	2020
1 year	15,491	18,012
1 to 5 years	269	4,046

27. Fair value of financial instruments

As at 31 December 2021 and 2020, the Company had financial assets and liabilities which be disclosed their fair value, using different levels of inputs, as follows:

	(Unit: Thousand Baht)				
	2021				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	461,971	461,971	-	-	461,971
Accrued fees and service income					
from asset management business	515,945	-	515,945	-	515,945
Non-collateralised investments	1,001,810	-	999,277	2,528	1,001,805
Financial liabilities					
Accrued fees and service expenses					
from asset management business	122,323	-	122,323	-	122,323
Lease liabilities	9,936	-	9,936	-	9,936

(Unit: Thousand Baht)

	2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Cash and cash equivalents	355,117	355,117	-	-	355,117
Accrued fees and service income					
from asset management business	481,543	-	481,543	-	481,543
Non-collateralised investments	842,011	372	839,640	2,476	842,488
Collateralised investments	335	335	-	-	335
Financial liabilities					
Accrued fees and service expenses					
from asset management business	181,482	-	181,482	-	181,482
Lease liabilities	21,455	-	21,455	-	21,455

The methods and assumptions used by the Company in estimating the fair value of financial assets are as follows:

- a) For financial assets and financial liabilities which have short-term maturity, including cash and cash equivalents, accrued fees and service income from asset management business and accrued fees and service expenses from asset management business, their carrying amounts in the statement of financial position approximate their fair value.
- b) The fair values of non-collateralised investments - debts securities are determined by using the yield curve as announced by the Thai Bond Market Association.
- c) The fair values of non-collateralised investments - non-marketable equity securities are determined based on generally accepted pricing models.
- d) The fair values of lease liabilities are determined by discounting the expected future cash flows.

28. Approval of financial statements

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