

Krung Thai Asset Management Public Company Limited  
Report and financial statements  
30 June 2023

## **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 30 June 2023, and the related statements of comprehensive income, changes in equity and cash flows for the six-month period 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 30 June 2023, and its financial performance and cash flows for the six-month period 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **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: 17 August 2023



Krung Thai Asset Management Public Company Limited

Statement of financial position

As at 30 June 2023

(Unit: Baht)

	Note	30 June 2023	31 December 2022
<b>Assets</b>			
Cash and cash equivalents	7	212,656,572	950,844,683
Accrued fees and service income from asset management business	8	322,156,408	320,036,641
Non-collateralised investments	9	997,421,172	701,825,500
Building improvement and equipment	10	16,593,734	17,173,193
Right-of-use assets	15.1	23,372,455	29,016,962
Intangible assets	11	6,685,017	7,055,136
Deferred tax assets	12.1	28,155,972	28,057,953
Other assets	13	81,680,768	65,356,423
<b>Total assets</b>		<b>1,688,722,098</b>	<b>2,119,366,491</b>

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director

Krung Thai Asset Management Public Company Limited

Statement of financial position (continued)

As at 30 June 2023

(Unit: Baht)

	Note	30 June 2023	31 December 2022
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Accrued fees and service expenses from asset management business		92,165,510	95,697,720
Income tax payable		48,779,872	56,030,008
Lease liabilities	15.2	24,258,711	29,884,759
Provisions	16	132,768,476	132,642,076
Other liabilities	17	162,806,903	213,652,397
<b>Total liabilities</b>		<b>460,779,472</b>	<b>527,906,960</b>
<b>Equity</b>			
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		1,007,942,626	1,371,459,531
<b>Total equity</b>		<b>1,227,942,626</b>	<b>1,591,459,531</b>
<b>Total liabilities and equity</b>		<b>1,688,722,098</b>	<b>2,119,366,491</b>

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director

**Krung Thai Asset Management Public Company Limited**

**Statement of comprehensive income**

**For the six-month period ended 30 June 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Revenues</b>			
Fees and service income	20	1,281,170,599	1,536,144,810
Interest income		6,498,736	2,103,621
Other income		1,141,719	870,713
<b>Total revenues</b>		<b>1,288,811,054</b>	<b>1,539,119,144</b>
<b>Expenses</b>			
Fees and service expenses		483,546,440	632,311,255
Employees' expenses		288,524,846	283,592,532
Interest expenses		931,842	289,133
Other expenses		94,316,377	100,199,829
<b>Total expenses</b>		<b>867,319,505</b>	<b>1,016,392,749</b>
<b>Profit before income tax</b>		<b>421,491,549</b>	<b>522,726,395</b>
Income tax	12.2	84,554,700	104,794,060
<b>Profit for the period</b>		<b>336,936,849</b>	<b>417,932,335</b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on investments in equity designated to be measured at fair value through other comprehensive income		(567,193)	-
Income tax relating to components of other comprehensive income	12.2	113,439	-
<b>Total other comprehensive income (loss)</b>		<b>(453,754)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>336,483,095</b>	<b>417,932,335</b>
<b>Earnings per share</b>	21		
Basic earnings per share		16.85	20.90

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director

**Krung Thai Asset Management Public Company Limited**

**Statement of changes in equity**

**For the six-month period ended 30 June 2023**

(Unit: Baht)

	Issued and paid up share capital	Retained earnings		Total
		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	200,000,000	20,000,000	1,322,341,500	1,542,341,500
Dividend paid (Note 24)	-	-	(750,000,000)	(750,000,000)
Profit for the period	-	-	417,932,335	417,932,335
<b>Balance as at 30 June 2022</b>	200,000,000	20,000,000	990,273,835	1,210,273,835
<b>Balance as at 1 January 2023</b>	200,000,000	20,000,000	1,371,459,531	1,591,459,531
Dividend paid (Note 24)	-	-	(700,000,000)	(700,000,000)
Profit for the period	-	-	336,936,849	336,936,849
Other comprehensive income (loss) for the period	-	-	(453,754)	(453,754)
<b>Balance as at 30 June 2023</b>	200,000,000	20,000,000	1,007,942,626	1,227,942,626

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director



**Krung Thai Asset Management Public Company Limited**

**Statement of cash flows**

**For the six-month period ended 30 June 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from operating activities</b>		
Profit before income tax	421,491,549	522,726,395
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:		
Depreciation and amortisation	9,946,925	11,026,280
Gain from disposal assets	(22,326)	(87,742)
Provision for long-term employee benefits	7,591,105	7,265,566
Unrealised gain on exchange	(88,787)	(5,132)
Deferred interest for lease liabilities	931,842	289,133
Interest income	(6,498,736)	(2,103,621)
Profit from operating activities before changes in operating assets and liabilities	433,351,572	539,110,879
Operating assets (increase) decrease		
Accrued fees and service income from asset management business	(2,119,767)	73,656,335
Other assets	(16,353,852)	25,692,950
Operating liabilities increase (decrease)		
Accrued fees and service expenses from asset management business	(3,532,210)	(13,703,845)
Provisions	(7,464,705)	(8,203,946)
Other liabilities	(53,286,153)	(101,847,035)
Cash flows from operating activities	350,594,885	514,705,338
Cash received from interest	1,511,924	427,720
Cash paid for corporate income tax	(91,789,415)	(90,492,981)
<b>Net cash flows from operating activities</b>	<b>260,317,394</b>	<b>424,640,077</b>

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director

**Krung Thai Asset Management Public Company Limited**

**Statement of cash flows (continued)**

**For the six-month period ended 30 June 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from investing activities</b>		
Cash paid for purchase of investments	(1,591,146,547)	(1,080,251,903)
Cash received from maturities of investments	1,300,000,000	1,480,000,000
Cash paid for purchase of equipment and intangible assets	(829,295)	(433,325)
Cash received from disposal of equipment	28,226	88,020
<b>Net cash flows from (use in) investing activities</b>	<b>(291,947,616)</b>	<b>399,402,792</b>
<b>Cash flows from financing activities</b>		
Cash paid for dividend	(700,000,000)	(750,000,000)
Repayment of lease liabilities	(6,557,889)	(5,939,333)
<b>Net cash flows used in financing activities</b>	<b>(706,557,889)</b>	<b>(755,939,333)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(738,188,111)</b>	<b>68,103,536</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>950,844,683</b>	<b>461,970,847</b>
<b>Cash and cash equivalents at the end of period</b>	<b>212,656,572</b>	<b>530,074,383</b>

**Supplemental cash flows information**

**Non-cash transaction**

Account payable for purchase of equipment and intangible assets	2,529,445	405,000
Right-of-use assets	-	30,593,231

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

  
 (Mrs. Laddawan Meksupha)  
 Director



  
 (Mrs. Chavinda Hanratanakool)  
 Director

# **Krung Thai Asset Management Public Company Limited**

## **Notes to financial statements**

**For the six-month period ended 30 June 2023**

### **1. General information**

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
5. Securities Brokerage

### **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. Financial reporting standards that became effective in the current period**

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does 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	-	3 - 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 fiscal 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 - 10	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	-	3 - 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 recognises 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, 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, 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 30 June 2023 and 31 December 2022, 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)

	30 June 2023					
	Fixed interest rate		Floating interest rate	Non-Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1 year				
<b>Financial assets</b>						
Cash and cash equivalents	375	-	212,232	50	212,657	0.325 - 0.800
Accrued fees and service income from asset management business	-	-	-	322,156	322,156	-
Non-collateralised investments	995,461	-	-	1,960	997,421	1.864
<b>Financial liabilities</b>						
Accrued fees and service expenses from asset management business	-	-	-	92,166	92,166	-
Lease liabilities	589	23,670	-	-	24,259	5.250 - 16.800

(Unit: Thousand Baht)

	31 December 2022					
	Fixed interest rate		Floating interest rate	Non-Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1 year				
<b>Financial assets</b>						
Cash and cash equivalents	374	-	950,421	50	950,845	0.150 - 0.400
Accrued fees and service income from asset management business	-	-	-	320,037	320,037	-
Non-collateralised investments	699,298	-	-	2,528	701,826	0.8657
<b>Financial liabilities</b>						
Accrued fees and service expenses from asset management business	-	-	-	95,698	95,698	-
Lease liabilities	49	29,836	-	-	29,885	5.250 - 16.800

### 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 30 June 2023 and 31 December 2022, the maturity dates of financial instruments are as follows.

(Unit: Thousand Baht)

	30 June 2023				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<b>Financial assets</b>					
Cash and cash equivalents	212,282	375	-	-	212,657
Accrued fees and service income from asset management business	-	322,156	-	-	322,156
Non-collateralised investments	-	995,461	-	1,960	997,421
<b>Financial liabilities</b>					
Accrued fees and service expenses from asset management business	-	92,166	-	-	92,166
Lease liabilities	-	11,301	12,958	-	24,259

(Unit: Thousand Baht)

31 December 2022					
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<b>Financial assets</b>					
Cash and cash equivalents	950,471	374	-	-	950,845
Accrued fees and service income from asset management business	-	320,037	-	-	320,037
Non-collateralised investments	-	699,298	-	2,528	701,826
<b>Financial liabilities</b>					
Accrued fees and service expenses from asset management business	-	95,698	-	-	95,698
Lease liabilities	-	11,193	18,692	-	29,885

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	30 June 2023	31 December 2022
Cash	50	50
Cash at banks	212,607	950,795
Total	212,657	950,845

## 8. Accrued fees and service income from asset management business

As at 30 June 2023 and 31 December 2022, accrued fees and service income from asset management business totaling Baht 322.16 million and Baht 320.04 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)

	30 June 2023	31 December 2022
	Book value/ Fair value	Book value/ Fair value
<b>Non-collateralised investments measured at amortised cost</b>		
Held-to-maturity debt securities maturing within 1 year	995,461	699,298
Total	995,461	699,298
<b>Non-collateralised investments measured at fair value through other comprehensive income</b>		
Domestic non-marketable equity	1,960	2,528
Total	1,960	2,528
<b>Total investments</b>	<b>997,421</b>	<b>701,826</b>

## 10. Building improvement and equipment

Movements of building improvement and equipment for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	30 June 2023				
	Building improvement	Furniture and fixture	Computer	Office equipment	Total
<b>Cost</b>					
1 January 2023	8,458	17,740	79,074	14,989	120,261
Additions	-	-	2,737	65	2,802
Disposal	-	(1,417)	-	(557)	(1,974)
30 June 2023	8,458	16,323	81,811	14,497	121,089
<b>Accumulated depreciation</b>					
1 January 2023	8,457	17,641	62,243	14,747	103,088
Depreciation for the period	1	53	3,244	78	3,376
Disposal/Write-off	-	(1,412)	-	(557)	(1,969)
30 June 2023	8,458	16,282	65,487	14,268	104,495
<b>Net book value</b>					
30 June 2023	-	41	16,324	229	16,594
Depreciation for the six-month periods ended 30 June					
2023					3,376
2022					3,873

(Unit: Thousand Baht)

	31 December 2022				
	Building improvement	Furniture and fixture	Computer	Office equipment	Total
<b>Cost</b>					
1 January 2022	8,458	17,875	106,005	16,472	148,810
Additions	-	-	709	16	725
Disposal/Write-off	-	(135)	(27,640)	(1,499)	(29,274)
31 December 2022	8,458	17,740	79,074	14,989	120,261
<b>Accumulated depreciation</b>					
1 January 2022	8,427	17,628	82,651	16,015	124,721
Depreciation for the year	30	147	7,233	211	7,621
Disposal/Write-off	-	(134)	(27,641)	(1,479)	(29,254)
31 December 2022	8,457	17,641	62,243	14,747	103,088
<b>Net book value</b>					
31 December 2022	1	99	16,831	242	17,173
Depreciation for the years ended 31 December					
2022					7,621
2021					6,649

As at 30 June 2023 and 31 December 2022, 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 88.21 million and Baht 87.24 million, respectively.

## 11. Intangible assets

Movement of intangible assets for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)			
30 June 2023			
	Computer software	License fee	Total
<b>Cost</b>			
1 January 2023	114,738	135	114,873
Addition/Transfer-in	557	-	557
30 June 2023	115,295	135	115,430
<b>Accumulated amortisation</b>			
1 January 2023	107,708	110	107,818
Amortisation for the period	925	2	927
30 June 2023	108,633	112	108,745
<b>Net book value</b>			
30 June 2023	6,662	23	6,685
Amortisation for the six-month periods ended 30 June			
2023			927
2022			1,053
(Unit: Thousand Baht)			
31 December 2022			
	Computer software	License fee	Total
<b>Cost</b>			
1 January 2022	112,495	135	112,630
Addition/Transfer-in	2,243	-	2,243
31 December 2022	114,738	135	114,873
<b>Accumulated amortisation</b>			
1 January 2022	105,624	105	105,729
Amortisation for the year	2,084	5	2,089
31 December 2022	107,708	110	107,818
<b>Net book value</b>			
31 December 2022	7,030	25	7,055
Amortisation for the years ended 31 December			
2022			2,089
2021			2,625



As at 30 June 2023 and 31 December 2022, 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 104.60 million and Baht 101.05 million, respectively.

## 12. Deferred tax assets and income tax

### 12.1 Deferred tax assets

As at 30 June 2023 and 31 December 2022, deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Deferred tax assets	32,830	33,861
Deferred tax liabilities	(4,674)	(5,803)
Net	28,156	28,058

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

	(Unit: Thousand Baht)			
	Charged/credited to:			
			Other comprehensive income	
	1 January 2023	Profit or loss		30 June 2023
<b>Deferred tax assets</b>				
Non-collateralised investments	-	-	113	113
Building improvement and equipment	922	(42)	-	880
Lease liabilities	5,977	(1,125)	-	4,852
Provisions				
- Sales promotion	2,872	(953)	-	1,919
- Employee benefits	23,656	979	-	24,635
Other accrued expenses	434	(3)	-	431
Total	33,861	(1,144)	113	32,830
<b>Deferred tax liabilities</b>				
Right-of-use assets	(5,803)	1,129	-	(4,674)
Total	(5,803)	1,129	-	(4,674)
Net	28,058	(15)	113	28,156

(Unit: Thousand Baht)

	1 January 2022	Charged/credited to:		31 December 2022
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Building improvement and equipment	1,001	(79)	-	922
Lease liabilities	1,987	3,990	-	5,977
Provisions				
- Sales promotion	3,404	(532)	-	2,872
- Employee benefits	23,216	2,719	(2,279)	23,656
Other accrued expenses	738	(304)	-	434
<b>Total</b>	<b>30,346</b>	<b>5,794</b>	<b>(2,279)</b>	<b>33,861</b>
<b>Deferred tax liabilities</b>				
Right-of-use assets	(1,888)	(3,915)	-	(5,803)
<b>Total</b>	<b>(1,888)</b>	<b>(3,915)</b>	<b>-</b>	<b>(5,803)</b>
<b>Net</b>	<b>28,458</b>	<b>1,879</b>	<b>(2,279)</b>	<b>28,058</b>

## 12.2 Income tax

Income tax expenses for the six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	2023	2022
<b>Current income tax:</b>		
Corporate income tax for the period	84,477	104,664
Adjustment in respect of income tax of previous year	63	46
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	15	84
<b>Income tax expenses reported in statements of comprehensive income</b>	<b>84,555</b>	<b>104,794</b>

The amounts of income tax relating to each component of other comprehensive income for the six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	2023	2022
Deferred tax gain (loss) from the changes in value of investments in equity designated to be measured at fair value through other comprehensive income	113	-

The reconciliation between accounting profit and income tax expenses for the six-month periods ended 30 June 2023 and 2022 are shown below.

		(Unit: Thousand Baht)	
		For the six-month periods ended 30 June	
		2023	2022
Accounting profit before tax		421,492	522,726
Applicable tax rate		20%	20%
Accounting profit before tax multiplied by income tax rate		84,298	104,545
Adjustment in respect of income tax of previous year		63	46
Effects of non-taxable revenue and non-deductible expenses - net		194	203
Income tax expenses reported in statements of comprehensive income		84,555	104,794

### 13. Other assets

		(Unit: Thousand Baht)	
		30 June 2023	31 December 2022
Deferred expense		27,293	18,815
Deposit and guarantee		7,331	7,556
Prepaid expenses		31,637	21,290
Undue input tax		8,460	12,295
Advance receivable		1,643	904
Others		5,317	4,496
Total		81,681	65,356

### 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 2024. The loans are unsecured and interest payment is due every month. As at 30 June 2023, 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 six-month period ended 30 June 2023 and for the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)			
30 June 2023			
	Building	Vehicles	Total
<b>Cost</b>			
1 January 2023	24,875	14,741	39,616
Additions	-	-	-
Maturity	-	(849)	(849)
30 June 2023	24,875	13,892	38,767
<b>Accumulated depreciation</b>			
1 January 2023	4,857	5,742	10,599
Depreciation for the period	4,108	1,537	5,645
Maturity	-	(849)	(849)
30 June 2023	8,965	6,430	15,395
<b>Net book value</b>			
30 June 2023	15,910	7,462	23,372
Depreciation for the six-month periods ended 30 June			
2023			5,645
2022			6,100
(Unit: Thousand Baht)			
31 December 2022			
	Building	Vehicles	Total
<b>Cost</b>			
1 January 2022	21,537	12,551	34,088
Additions	24,875	6,659	31,534
Maturity	(21,537)	(4,469)	(26,006)
31 December 2022	24,875	14,741	39,616
<b>Accumulated depreciation</b>			
1 January 2022	17,850	6,799	24,649
Depreciation for the year	8,544	3,412	11,956
Maturity	(21,537)	(4,469)	(26,006)
31 December 2022	4,857	5,742	10,599
<b>Net book value</b>			
31 December 2022	20,018	8,999	29,017
Depreciation for the years ended 31 December			
2022			11,956
2021			12,912

## 15.2 Lease liabilities

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Lease liabilities	26,515	33,073
Less: Deferred interest expenses	(2,256)	(3,188)
Total	24,259	29,885

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

	(Unit: Thousand Baht)	
	For the six-month periods ended 30 June	
	2023	2022
Depreciation of right-of-use assets	5,645	6,100
Interest expense on lease liabilities	932	289
Expense relating to short-term leases	1,228	352
Expense relating to leases of low-value assets	91	106
Total	7,896	6,847

## 15.4 Others

The Company had total cash outflows for leases for the six-month periods ended 30 June 2023 and 2022 of Baht 7.88 million and Baht 6.40 million, respectively, including the cash outflow related to short-term lease and leases of low-value assets.

## 16. Provisions

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Sales promotion	9,594	14,360
Employee benefits	123,174	118,282
Total	132,768	132,642

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

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
<b>Provision for long-term employee benefits at the beginning of the period/year</b>	118,282	116,081
Included in profit or loss:		
Current service cost	5,786	11,744
Interest cost	1,805	2,757
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
- Financial assumptions changes	-	(7,357)
- Experience adjustments	-	(4,040)
Benefits paid during the period/year	(2,699)	(903)
<b>Provision for long-term employee benefits at the end of the period/year</b>	<b>123,174</b>	<b>118,282</b>

As at 30 June 2023 and 31 December 2022, the Company expects to pay Baht 9.66 million of long-term employee benefits during the next one year.

As at 30 June 2023 and 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 10 - 14 years.

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	30 June 2023	31 December 2022
Discount rate	2.75 - 3.15	2.75 - 3.15
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 30 June 2023 and 31 December 2022 are summarised below.

(Unit: Thousand Baht)		
	Increase (decrease) in liabilities	
	30 June 2023	31 December 2022
Discount rate		
Increase 1%	(9,956)	(9,780)
Decrease 1%	11,466	11,275
Future salary increase rate		
Increase 1%	10,730	9,943
Decrease 1%	(9,509)	(8,824)
Turnover rate		
Increase 20% of assumption	(8,518)	(7,872)
Decrease 20% of assumption	9,615	8,865

## 17. Other liabilities

(Unit: Thousand Baht)		
	30 June 2023	31 December 2022
Accrued employee expenses	76,334	106,943
Accrued sales promotion expenses	16,689	26,946
Undue output tax	19,336	19,584
Payable from Revenue Department	16,168	16,859
Others	34,280	43,320
Total	162,807	213,652

## 18. Share capital

The Company's registered and issued and paid-up share capital as at 30 June 2023 and 31 December 2022 is as follow.

	30 June 2023		31 December 2022	
	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 Baht 10 each)	20,000,000	200,000,000	20,000,000	200,000,000

## 19. Legal reserve

In accordance with the Public Limited Company Act, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 20. Fees and service income

Fees and service income for the six-month periods ended 30 June 2023 and 2022 consisted of the following:

	(Unit: Thousand Baht)	
	For the six-month periods ended 30 June	
	2023	2022
Management fee income		
Mutual fund management fee	862,607	1,000,973
Private fund management fee	23,399	26,529
Provident fund management fee	38,860	35,384
Registrar fee income	179,891	226,794
Front-end and back-end fee income	147,588	224,387
Others	28,826	22,078
Total	1,281,171	1,536,145

## 21. Earnings per share

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

## 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 six-month period ended 30 June 2023 amounting to approximately Baht 13.89 million (2022: Baht 13.20 million) were recognised as expenses.

## 24. Dividends

During the six-month periods ended 30 June 2023 and 2022, 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 2022	Annual General Meeting of the Shareholders on 3 April 2023	35.00	700.00
Dividends on net income for the year 2021	Annual General Meeting of the Shareholders on 1 April 2022	37.50	750.00

## 25. Related party transactions

During the period, 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 six-month periods ended 30 June	
	2023	2022
<b>Statement of comprehensive income</b>		
<b>Fees and service income</b>		
<b>Subsidiaries of the parent company</b>		
KTB Law Co., Ltd.	2	3
Krungthai Card Plc.	35	35
KTB General Services and Security Co., Ltd.	62	68

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	2023	2022
<b>Associated of the parent company</b>		
Krungthai Panich Insurance Plc.	234	199
Krungthai-AXA Life Insurance Plc.	5,317	5,132
Krungthai XSpring Securities Co., Ltd.	3	3
<b>Interest income</b>		
Krung Thai Bank Plc.	699	411
<b>Fees and service expenses</b>		
Krung Thai Bank Plc.	243,808	319,315
<b>Subsidiaries of the parent company</b>		
Krungthai Card Plc.	880	543
<b>Associated of the parent company</b>		
Krungthai-AXA Life Insurance Plc.	34,854	38,733
Krungthai XSpring Securities Co., Ltd.	1,257	591
<b>Other expenses</b>		
Krung Thai Bank Plc.	1,645	7,334
<b>Subsidiaries of the parent company</b>		
KTB Law Co., Ltd.	84	452
KTB Computer Services Co., Ltd.	729	645
KTB General Services and Security Co., Ltd.	2,423	2,720
<b>Associated of the parent company</b>		
Krungthai Mizuho Leasing Co., Ltd.	564	1,348
Krungthai Panich Insurance Plc.	85	85
Krungthai XSpring Securities Co., Ltd.	17	-

As at 30 June 2023 and 31 December 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
<b>Statement of financial position</b>		
<b>Cash and cash equivalents - cash at banks</b>		
Krung Thai Bank Plc.	95,337	342,987
<b>Accrued fees and service income from</b>		
<b>asset management business</b>		
<b>Subsidiaries of the parent company</b>		
KTB Law Co., Ltd.	2	5
KTB General Services and Security Co., Ltd.	66	143
Krungthai Card Plc.	37	74
<b>Associated of the parent company</b>		
Krungthai-AXA Life Insurance Plc.	554	623
Krungthai Panich Insurance Plc.	42	43
Krungthai XSpring Securities Co., Ltd.	3	6
<b>Other assets</b>		
Krung Thai Bank Plc.	26,792	18,814
<b>Associated of the parent company</b>		
Krungthai Panich Insurance Plc.	83	-
<b>Accrued fees and service expenses from</b>		
<b>asset management business</b>		
Krung Thai Bank Plc.	44,184	42,262
<b>Subsidiaries of the parent company</b>		
Krungthai Card Plc.	398	4,413
<b>Associated of the parent company</b>		
Krungthai-AXA Life Insurance Plc.	5,975	6,488
Krungthai XSpring Securities Co., Ltd.	271	557
<b>Lease liabilities</b>		
<b>Associated of the parent company</b>		
Krungthai Mizuho Leasing Co., Ltd.	1,159	1,679

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
<b>Other liabilities</b>		
Krung Thai Bank Plc.	17,517	19,005
<b>Subsidiaries of the parent company</b>		
KTB Law Co., Ltd.	51	368
KTB General Services and Security Co., Ltd.	718	729
KTB Computer Services Co., Ltd.	133	171
Krungthai Card Plc.	266	872
<b>Associated of the parent company</b>		
Krung Thai Panich Insurance Plc.	-	4

#### Directors and management's benefits

During the six-month periods ended 30 June 2023 and 2022, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	For the six-month periods ended 30 June	
	2023	2022
Short-term employee benefits	32,489	33,727
Post-employment benefits	1,905	1,971
Total	34,394	35,698

## 26. Commitments

As at 30 June 2023 and 31 December 2022, 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	30 June 2023	31 December 2022
1 year	20,632	21,160
1 to 5 years	8,326	12,357



## 27. Fair value of financial instruments

As at 30 June 2023 and 31 December 2022, the Company had financial assets and liabilities which be disclosed their fair value, using different levels of inputs, as follows:

(Unit: Thousand Baht)

	30 June 2023				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	212,657	212,657	-	-	212,657
Accrued fees and service income					
from asset management business	322,156	-	322,156	-	322,156
Non-collateralised investments	997,421	-	995,131	1,960	997,091
<b>Financial liabilities</b>					
Accrued fees and service expenses					
from asset management business	92,166	-	92,166	-	92,166
Lease liabilities	24,259	-	24,259	-	24,259

(Unit: Thousand Baht)

	31 December 2022				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	950,845	950,845	-	-	950,845
Accrued fees and service income					
from asset management business	320,037	-	320,037	-	320,037
Non-collateralised investments	701,826	-	699,322	2,528	701,850
<b>Financial liabilities</b>					
Accrued fees and service expenses					
from asset management business	95,698	-	95,698	-	95,698
Lease liabilities	29,885	-	29,885	-	29,885

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 Managing Director on 17 August 2023.