

**Muangthai Capital Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report

Independent Auditor’s Report

To the shareholders of Muangthai Capital Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Muangthai Capital Public Company Limited and its subsidiaries (the “Group”) and of Muangthai Capital Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Measurement of expected credit loss on loan receivables	
Refer to Note 3 (j) (1), 7.2.1, and 22 (a.1) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, the Group and the Company have loan receivables amounted to Baht 114,977 million and Baht 112,571 million, respectively, against which allowances for expected credit losses (“ECL”) are Baht 3,307 million and Baht 3,263 million, respectively, and represent 87.20% of total assets in the consolidated financial statements and 85.20% of total assets in the separate financial statements.</p> <p>Management’s estimation of the expected credit loss on loan receivables measured at amortised cost is based on credit models which are dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL and consideration for management overlay / underlay.</p> <p>The loans receivables balance is material and the measurement of expected credit loss involved complex calculation as well as management judgment, I therefore considered this to be key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - understanding the loans granting, repayment and monitoring processes including the policies and consideration of allowance for ECL; - evaluating the design and implementation and operating effectiveness of key controls surrounding the credit and allowance for ECL process; - involving KPMG credit risk specialists to inspect model documentation and methodologies in order to evaluate the appropriateness of criteria in determination of significant increase in credit risk, staging, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL; - testing the use of a significant increase in credit risk and staging and evaluating the appropriateness of the key management methodology in identification and estimation of management overlay / underlay; - testing the mathematical accuracy of the ECL calculation on loan receivables; and - considering the adequacy of disclosures of the financial statements.

Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2023

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	3,212,861,932	1,306,299,870	2,930,049,491	1,017,776,731
Current portion of loan receivables and hire purchase receivables	7	60,165,005,296	48,180,852,111	57,183,440,941	46,917,363,727
Other receivables - related parties	5	-	-	5,481,807,948	3,152,454,939
Short-term loans	5	144,916,108	88,377,353	144,916,108	88,377,353
Current portion of long-term loans - related party	5	-	-	250,000,000	150,000,000
Other current assets		279,494,714	308,604,900	209,716,929	155,616,289
Total current assets		63,802,278,050	49,884,134,234	66,199,931,417	51,481,589,039
Non-current assets					
Restricted bank deposits	6	12,000,000	11,000,000	-	-
Loan receivables and hire purchase receivables	7	56,762,661,722	41,799,727,424	52,646,421,214	38,897,288,684
Investments in subsidiaries	8	-	-	1,552,000,000	1,052,000,000
Long-term loans - related party	5	-	-	487,500,000	412,500,000
Land, buildings and equipment	9	2,037,331,400	2,053,819,836	2,037,307,704	2,053,784,991
Right-of-use assets	5, 10	4,386,164,093	3,987,979,837	4,386,164,093	3,987,979,837
Intangible assets		47,398,477	50,521,256	47,357,937	50,465,117
Deferred tax assets	19	826,643,292	423,475,896	751,708,939	414,640,907
Other non-current assets		191,720,293	179,178,929	191,720,293	179,178,929
Total non-current assets		64,263,919,277	48,505,703,178	62,100,180,180	47,047,838,465
Total assets		128,066,197,327	98,389,837,412	128,300,111,597	98,529,427,504

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Current liabilities					
Short-term borrowings from financial institutions	11	7,945,298,642	4,235,074,947	7,945,298,642	4,235,074,947
Derivative liabilities		431,960,804	-	431,960,804	-
Other payables	12	1,211,027,294	1,236,699,237	1,185,902,942	1,221,199,888
Current portion of long-term borrowings from financial institutions	13	6,515,087,977	10,121,419,353	6,515,087,977	10,121,419,353
Current portion of debentures	14	17,338,677,995	14,436,989,117	17,338,677,995	14,436,989,117
Current portion of lease liabilities	5, 10	918,782,605	867,718,916	918,782,605	867,718,916
Income tax payable		892,935,845	672,639,615	819,985,129	635,483,340
Other current liabilities	5	135,903,652	131,278,880	914,244,488	555,101,522
Total current liabilities		35,389,674,814	31,701,820,065	36,069,940,582	32,072,987,083
Non-current liabilities					
Long-term borrowings from financial institutions	13	17,541,032,547	5,929,745,603	17,541,032,547	5,929,745,603
Debentures	14	42,386,633,918	32,591,198,544	42,386,633,918	32,591,198,544
Lease liabilities	5, 10	3,497,309,728	3,142,589,273	3,497,309,728	3,142,589,273
Provisions for employee benefits	15	160,944,680	155,983,372	160,944,680	155,983,372
Total non-current liabilities		63,585,920,873	41,819,516,792	63,585,920,873	41,819,516,792
Total liabilities		98,975,595,687	73,521,336,857	99,655,861,455	73,892,503,875
Equity					
Share capital					
Authorised share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		2,120,000,000	2,120,000,000	2,120,000,000	2,120,000,000
Issued and paid-up share capital (2,120,000,000 ordinary shares, par value at Baht 1 per share)		2,120,000,000	2,120,000,000	2,120,000,000	2,120,000,000
Share premium on ordinary shares		2,379,843,362	2,379,843,362	2,379,843,362	2,379,843,362
Retained earnings					
Appropriated					
Legal reserve	16	212,000,000	212,000,000	212,000,000	212,000,000
Unappropriated		24,502,110,402	20,156,657,193	24,055,758,904	19,925,080,267
Other components of equity		(123,352,124)	-	(123,352,124)	-
Total equity		29,090,601,640	24,868,500,555	28,644,250,142	24,636,923,629
Total liabilities and equity		128,066,197,327	98,389,837,412	128,300,111,597	98,529,427,504

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December 2022	2021	Year ended 31 December 2022	2021
<i>(in Baht)</i>					
Revenue					
Interest income from loans receivables and hire purchase receivables		19,199,062,224	15,195,208,995	18,021,054,182	14,723,826,225
Fees and service income	5	791,527,127	768,781,300	696,234,593	702,215,605
Other income	5	77,899,194	54,751,195	423,751,273	278,364,115
Total revenue	17	20,068,488,545	16,018,741,490	19,141,040,048	15,704,405,945
Expenses					
Services and administrative expenses	5, 18	8,068,791,532	6,961,411,289	8,027,127,408	6,958,776,026
Total expenses		8,068,791,532	6,961,411,289	8,027,127,408	6,958,776,026
Profit from operating activities		11,999,697,013	9,057,330,201	11,113,912,640	8,745,629,919
(Loss) gain arising from derecognition of financial assets measured at amortised cost and hire purchase receivables		(393,680,878)	19,506,160	(177,251,568)	19,506,160
Finance costs	5	(2,813,045,700)	(2,127,366,229)	(2,813,045,700)	(2,127,366,229)
Expected credit loss		(2,433,232,268)	(747,987,948)	(2,033,470,265)	(687,250,233)
Profit before income tax		6,359,738,167	6,201,482,184	6,090,145,107	5,950,519,617
Income tax	19	(1,266,645,971)	(1,256,935,106)	(1,211,827,483)	(1,206,717,615)
Profit for the year		5,093,092,196	4,944,547,078	4,878,317,624	4,743,802,002
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
(Loss) gain on cash flow hedges		(154,190,155)	6,473,534	(154,190,155)	6,473,534
Income tax relating to items that will be reclassified subsequently to profit or loss	19	30,838,031	(1,294,706)	30,838,031	(1,294,706)
Total items that will be reclassified subsequently to profit or loss		(123,352,124)	5,178,828	(123,352,124)	5,178,828
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plans	15	45,951,266	26,301,231	45,951,266	26,301,231
Income tax relating to items that will not be reclassified to profit or loss	19	(9,190,253)	(5,260,247)	(9,190,253)	(5,260,247)
Total items that will not be reclassified to profit or loss		36,761,013	21,040,984	36,761,013	21,040,984
Other comprehensive income for the year, net of tax		(86,591,111)	26,219,812	(86,591,111)	26,219,812
Total comprehensive income for the year		5,006,501,085	4,970,766,890	4,791,726,513	4,770,021,814
Profit attributable to:					
Owners of parent		5,093,092,196	4,944,547,078	4,878,317,624	4,743,802,002
Non-controlling interests		-	-	-	-
		5,093,092,196	4,944,547,078	4,878,317,624	4,743,802,002
Total comprehensive income attributable to:					
Owners of parent		5,006,501,085	4,970,766,890	4,791,726,513	4,770,021,814
Non-controlling interests		-	-	-	-
		5,006,501,085	4,970,766,890	4,791,726,513	4,770,021,814
Earnings per share					
Basic earnings per share	20	2.40	2.33	2.30	2.24

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements				Other components of equity	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			
				Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2021			+				
Balance at 1 January 2021		2,120,000,000	2,379,843,362	212,000,000	15,975,469,131	(5,178,828)	20,682,133,665
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	21	-	-	-	(784,400,000)	-	(784,400,000)
Total distributions to owners of the parent		-	-	-	(784,400,000)	-	(784,400,000)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400,000)	-	(784,400,000)
Comprehensive income for the year							
Profit for the year		-	-	-	4,944,547,078	-	4,944,547,078
Other comprehensive income for year		-	-	-	21,040,984	5,178,828	26,219,812
Total comprehensive income for the year		-	-	-	4,965,588,062	5,178,828	4,970,766,890
Balance at 31 December 2021		2,120,000,000	2,379,843,362	212,000,000	20,156,657,193	-	24,868,500,555

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements					Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated (in Baht)	Hedging reserve	
Year ended 31 December 2022							
Balance at 1 January 2022		2,120,000,000	2,379,843,362	212,000,000	20,156,657,193	-	24,868,500,555
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	21	-	-	-	(784,400,000)	-	(784,400,000)
<i>Total distributions to owners of the parent</i>		-	-	-	(784,400,000)	-	(784,400,000)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400,000)	-	(784,400,000)
Comprehensive income for the year							
Profit for the year		-	-	-	5,093,092,196	-	5,093,092,196
Other comprehensive income for year		-	-	-	36,761,013	(123,352,124)	(86,591,111)
Total comprehensive income for the year		-	-	-	5,129,853,209	(123,352,124)	5,006,501,085
Balance at 31 December 2022		2,120,000,000	2,379,843,362	212,000,000	24,502,110,402	(123,352,124)	29,090,601,640

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated (in Baht)	Hedging reserve	
Year ended 31 December 2021							
Balance at 1 January 2021		2,120,000,000	2,379,843,362	212,000,000	15,944,637,281	(5,178,828)	20,651,301,815
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	21	-	-	-	(784,400,000)	-	(784,400,000)
Total distributions to owners		-	-	-	(784,400,000)	-	(784,400,000)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400,000)	-	(784,400,000)
Comprehensive income for the year							
Profit for the year		-	-	-	4,743,802,002	-	4,743,802,002
Other comprehensive income for the year		-	-	-	21,040,984	5,178,828	26,219,812
Total comprehensive income for the year		-	-	-	4,764,842,986	5,178,828	4,770,021,814
Balance at 31 December 2021		2,120,000,000	2,379,843,362	212,000,000	19,925,080,267	-	24,636,923,629

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements				Other components of equity	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			
				Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2022							
Balance at 1 January 2022		2,120,000,000	2,379,843,362	212,000,000	19,925,080,267	-	24,636,923,629
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	21	-	-	-	(784,400,000)	-	(784,400,000)
Total distributions to owners		-	-	-	(784,400,000)	-	(784,400,000)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400,000)	-	(784,400,000)
Comprehensive income for the year							
Profit for the year		-	-	-	4,878,317,624	-	4,878,317,624
Other comprehensive income for the year		-	-	-	36,761,013	(123,352,124)	(86,591,111)
Total comprehensive income for the year		-	-	-	4,915,078,637	(123,352,124)	4,791,726,513
Balance at 31 December 2022		2,120,000,000	2,379,843,362	212,000,000	24,055,758,904	(123,352,124)	28,644,250,142

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit before income tax	6,359,738,167	6,201,482,184	6,090,145,107	5,950,519,617
<i>Adjustments to reconcile profit before income tax to cash received (paid)</i>				
Depreciation and amortisation	1,356,958,234	1,258,283,589	1,356,931,485	1,258,267,618
Loss (gain) arising from derecognition of financial assets measured at amortised cost and hire purchase receivables	393,680,878	(19,506,160)	177,251,568	(19,506,160)
Expected credit loss	2,433,232,268	747,987,948	2,033,470,265	687,250,233
Losses on sales of land, building and equipment	8,112,735	3,644,002	8,112,735	3,644,002
Losses (gains) on sales of assets held for sales	20,961,699	953,798	(1,561,287)	-
Provisions for employee benefit	55,512,290	49,280,745	55,512,290	49,280,745
Gains on lease modification	(32,028,051)	(16,706,836)	(32,028,051)	(16,706,836)
Interest income from loan receivables and hire purchase receivables	(19,199,062,224)	(15,195,208,995)	(18,021,054,182)	(14,723,826,225)
Interest income received from loan receivables and hire purchase receivables	18,667,796,811	14,867,081,465	17,566,728,748	14,486,887,025
Other interest income	(9,933,921)	(7,605,979)	(41,676,002)	(15,489,841)
Finance costs	2,813,045,700	2,127,366,229	2,813,045,700	2,127,366,229
	<u>12,868,014,586</u>	<u>10,017,051,990</u>	<u>12,004,878,376</u>	<u>9,787,686,407</u>
<i>Changes in operating assets and liabilities</i>				
Loan receivables and hire purchase receivables	(29,146,225,105)	(20,708,898,693)	(25,675,178,217)	(16,932,309,431)
Other receivables - related parties	-	-	(2,329,451,758)	(2,984,771,117)
Short-term loans - employees and related parties	(56,538,755)	(3,341,279)	(56,538,755)	(3,341,279)
Other current assets	(78,427,705)	(194,046,913)	(139,114,477)	(56,633,029)
Other non-current assets	(12,546,364)	(25,618,834)	(12,546,364)	(25,618,833)
Other payables	(41,896,061)	171,525,173	(51,521,066)	179,512,112
Other current liabilities	4,624,772	42,718,877	359,142,966	420,012,162
Provisions for employee benefits paid	(4,599,716)	(94,500)	(4,599,716)	(94,500)
Net cash used in operating	<u>(16,467,594,348)</u>	<u>(10,700,704,179)</u>	<u>(15,904,929,011)</u>	<u>(9,615,557,508)</u>
Income taxes paid	<u>(1,427,869,359)</u>	<u>(1,417,351,802)</u>	<u>(1,342,745,950)</u>	<u>(1,391,928,548)</u>
Net cash used in operating activities	<u>(17,895,463,707)</u>	<u>(12,118,055,981)</u>	<u>(17,247,674,961)</u>	<u>(11,007,486,056)</u>
<i>Cash flows from investing activities</i>				
Increase in restricted bank deposits	(1,000,000)	-	-	-
Long-term loans to related party	-	-	(400,000,000)	(600,000,000)
Proceeds from repayment of long-term loans to related party	-	-	225,000,000	37,500,000
Interest income received	-	-	31,921,952	7,734,966
Investments in subsidiaries	-	-	(500,000,000)	(550,000,000)
Acquisition of land, building and equipment	(426,020,751)	(536,298,641)	(426,020,751)	(536,280,041)
Acquisition of intangible assets	(7,178,780)	(35,104,430)	(7,178,780)	(35,065,430)
Proceeds from sales of land, buildings and equipment	16,501,069	9,305,892	16,501,069	9,305,892
Proceeds from sales of intangible assets	1,085	536	1,085	536
Net cash used in investing activities	<u>(417,697,377)</u>	<u>(562,096,643)</u>	<u>(1,059,775,425)</u>	<u>(1,666,804,077)</u>

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<i>Cash flows from financing activities</i>					
Net proceed of short-term borrowings from financial institutions		3,672,508,097	1,826,458,431	3,672,508,097	1,826,458,431
Proceed from long-term borrowings from financial institutions		19,787,610,000	10,500,000,000	19,787,610,000	10,500,000,000
Repayment of long-term borrowings from financial institutions		(11,408,276,667)	(4,570,833,333)	(11,408,276,667)	(4,570,833,333)
Proceed from debentures issuance		27,187,600,000	21,500,000,000	27,187,600,000	21,500,000,000
Repayment of debentures redemption		(14,456,200,000)	(12,907,100,000)	(14,456,200,000)	(12,907,100,000)
Dividends paid to shareholders of the Company	21	(784,400,000)	(784,400,000)	(784,400,000)	(784,400,000)
Payment of lease liabilities		(1,081,789,844)	(951,915,878)	(1,081,789,844)	(951,915,878)
Interest paid		(2,697,328,440)	(2,003,850,913)	(2,697,328,440)	(2,003,850,913)
Net cash from financing activities		<u>20,219,723,146</u>	<u>12,608,358,307</u>	<u>20,219,723,146</u>	<u>12,608,358,307</u>
Net increase (decrease) in cash and cash equivalents		1,906,562,062	(71,794,317)	1,912,272,760	(65,931,826)
Cash and cash equivalents at 1 January		1,306,299,870	1,378,094,187	1,017,776,731	1,083,708,557
Cash and cash equivalents at 31 December	6	<u>3,212,861,932</u>	<u>1,306,299,870</u>	<u>2,930,049,491</u>	<u>1,017,776,731</u>
<i>Non-cash transactions</i>					
Accounts payable on purchase of assets		10,406,954	15,977,277	10,406,954	15,977,277

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

Muangthai Capital Public Company Limited and its Subsidiaries
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Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2023.

1 General information

Muangthai Capital Public Company Limited (the “Company”) was incorporated as a public company limited and domiciled in Thailand. The Company was listed on the Stock Exchange of Thailand in November 2014. Its registered address is 332/1 Charansanitwong Road, Bangplad, Bangplad, Bangkok.

The Company’s major shareholders during the financial year was the Petaumpai family group.

The Group is principally engaged in providing loans secured against vehicle registrations, land title deeds loans, personal loans without collateral and nano finance under supervision as well as providing hire purchase service, installment loans and insurance broker. Details of the Company’s subsidiaries as at 31 December 2022 are given in note 8.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Group’s and the Company’s functional currency. The accounting policies disclosed in note 3 have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Group and the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Muangthai Capital Public Company Limited and its Subsidiaries
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(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss for the period. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits but exclude restricted bank deposits.

(e) Financial instruments

(1) Initial recognition and measurement

The Group and the Company initially recognise financial assets or financial liabilities (including regular way purchase and sales of financial assets) on the transaction date, which is the date on which the Group and the Company become the party to the contractual provisions of the instrument.

Financial assets or financial liabilities (except other receivables) is initially measured at its fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(2) Classification and subsequent measurement

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI"); or FVTPL. The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

A financial assets which is not designated as at FVTPL is measured at amortised cost if it meets both of the following conditions:

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

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Business model assessment

The Group and the Company make an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's and the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed;
- how managers of business are compensated (e.g. whether compensation is based on the fair value of the asset managed or on contractual cash flows collected); and
- frequency, value and timing of sales in prior year, the reasons for such sales and expectations about future sales activity. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Group's and the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding

For the purposes of this assessment, 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, credit risk, other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as a profit margin associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- terms that limit the Group's and the Company's claim to cash flows from specified assets (e.g. non-recourse loans; and
- features that modify consideration of the time value of money (e.g. periodical reset of the interest rates).

Subsequent measurement and gains or losses of financial assets

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Modifications of financial assets

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received from the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group and the Company plan to modify a financial asset in a way that would result in forgiveness of cash flows, then they first consider whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Group and the Company first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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

Classification, measurement and gains or losses of financial liabilities

On initial recognition, the Group and the Company classify and measure all financial liabilities, except derivative liabilities, at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

(3) *Derecognition and offsetting*

Derecognition of financial assets

The Group and the Company derecognise a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

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

The Group and the Company enter into transactions whereby they transfer assets recognised on their statements of financial position but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Derecognition of financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Group and the Company have a legally enforceable right to set off the recognised amounts and the Group and the Company intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(4) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case, recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3 (e) (5)).

(5) Hedging

At inception of designated hedging relationships, the Group and the Company document the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

(f) Assets held for sale

Assets held for sale are stated at the lower of cost or net realisable value.

Gain or loss on disposal of assets held for sale are recognised as revenue in profit or loss upon disposal.

Loss on impairment is recognised as expense in profit or loss.

(g) Land, buildings and equipment

Land, buildings and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of land, buildings and equipment are recognised in profit or loss.

Muangthai Capital Public Company Limited and its Subsidiaries
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For the year ended 31 December 2022

Subsequent costs

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

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Buildings	20 and 50	years
Building improvements - head office building	20 - 35	years
Building improvements	Not more than 6	years
Furniture, fixtures, equipment and computers	5 and 10	years

(h) Leases

At inception of a contract, the Group and the Company assess that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property which their non-lease components could not be separated, the Group and the Company have accounted for the lease and non-lease components wholly as a single lease component.

The Group and the Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets or short-term leases which are recognised as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group and the Company use the Group and the Company's incremental borrowing rate to discount the lease payments to the present value. The Group and the Company determine their incremental borrowing rate by obtaining interest rates from external financing source and make certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At lease inception, the Group and the Company consider to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

When the Group and the Company are an intermediate lessor, the Group and the Company classify the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease.

The Group and the Company recognise finance lease receivables at the net investment of the lease, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

The Group and the Company recognise lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group and the Company derecognise and determine impairment on the lease receivables as disclosed in note 3 (e) (3) and 3 (j) (1), respectively.

(i) *Intangible assets*

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	5 and 10 years
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(j) *Impairment of financial assets and lease receivables*

(1) *The impairment of loan receivables and hire purchase receivables*

Significant estimates and judgements

The Group's and the Company's expected credit loss ("ECL") calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves management judgement to be applied based upon counterparty information they receive from various internal and external. Management judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the model under a "Management Overlay / Underlay" framework, such as identified model deficiencies, debtors' risk and other factors.

Measurement of ECL

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECL are a probability-weighted estimated of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at reporting date: as the present value of all cash shortfalls (i.e. the difference between the contractual cash flows and the cash flows that the Group and the Company expect to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Estimate of expected cash shortfalls is determined by multiplying the probability of default ("PD") with the percentage of loss given default ("LGD") with the expected exposure at the time of default ("EAD").

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Notes to the financial statements

For the year ended 31 December 2022

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on financial instrument.

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date by being assessed on individual basis. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

Stage 1 Financial assets that have not had a significant increase in credit risk (Performing)

Financial assets that have not had a significant increase in credit risk (“SICR”) since initial recognition (i.e. no stage 2 or 3 triggers apply) at each reporting date. The allowance for ECL is 12-month ECL. 12-month ECL is the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Stage 2 Financial assets have a SICR (Under-performing)

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are more than 30 days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Financial assets can be transferred to stage 1 in case they have been proven that their ability to repay are back to normal.

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

Financial assets that are credit-impaired or in default represent those that are more than 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets. Evidence that financial assets are credit impaired includes observable data about the events such as in process of litigation.

Expected credit losses of credit impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets’ effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Financial assets that are credit-impaired require a lifetime provision.

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For the year ended 31 December 2022

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised as expected credit loss in profit or loss with a corresponding decrease in the gross carrying amount of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Loan receivables renegotiated or modified of contractual cash flows, the Group and the Company might consider them as financial assets that have a SICR except there is an evidence that the risk of not receiving contractual cash flows significantly reduces and there is no indicator of the impairment. The Group and the Company then consider the aforementioned loan receivables as the ones which do not have a SICR.

Write-offs of credit impaired instruments and reversal of expected credit loss

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

If, in a subsequent period, the amount of the allowance for expected credit loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, the previously recognised expected credit loss is reversed by adjusting the allowance for expected credit loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets that are credit-impaired (stage 3) and no debt restructured will be transferred to stage 2 or stage 1 if it is considered that there is no more qualification as a financial asset with credit-impaired.

For financial assets in stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

For receivables that have a SICR which are classified as stage 2 which have never been classified as asset credit-impaired, these can be transferred to stage 1 when the debtors execute new contract requirements by repaying 3 consecutive months or 3 consecutive dues, whichever is longer.

For receivables that are credit-impaired which are classified as stage 3, these can be transferred to stage 2 when the debtors execute new contract requirements by repaying 3 consecutive months or 3 consecutive dues, whichever is longer. They can be transferred to stage 1 after repayment of 9 consecutive months or 9 consecutive dues, whichever is longer and there must be no overdue outstanding in account with expectation that the customers will pay off all remaining debts.

(2) *The impairment of collection fee receivables*

The Group and the Company estimate lifetime ECL, using a provision matrix to find the ECL rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

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(k) Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

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

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's and the Company's provident funds are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's and the Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years. The defined benefit obligations are discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

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

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

Short-term employee benefits

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

(m) Provisions

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

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(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(o) Interest

Effective interest rate (“EIR”)

Interest income and interest expense are recognised in profit or loss using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired financial assets, the Group and the Company estimate future cash flows considering all contractual terms of the financial instrument, but not allowance for expected credit loss.

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

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

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

Calculation of interest income and interest expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the financial asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

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(p) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the service in an amount that reflects the consideration to which the Group and the Company expect to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

Insurance commission income

For the contracts that the Group and the Company is arranging for the provision of the services on behalf of their customers and do not control the services before the primary service providers will provide the services to the customers. The Group and the Company act in the capacity of an agent and recognise the net amount of consideration as commission revenue when its obligation to arrange for the provision of the specified source is fulfilled.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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

(r) Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year.

(s) Related parties

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

(t) Segment reporting

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

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4 Impact of Covid-19 outbreak

Due to the Covid-19 outbreak situation since 2020, the Bank of Thailand (“BoT”) has provided measures, which are intended to support the financial institutions and finance businesses to help the affected debtors. Additional measures continue to be provided.

In 2022, the Group and the Company applied the accounting guideline no. 37/2564 dated 3 December 2021, “Guideline regarding the provision of financial assistance to the debtors affected by the Covid-19”. This guideline is applied to the affected debtors during 1 January 2022 to 31 December 2023 or as further updated by the BoT. For debt restructuring under the specified criteria from 1 January 2021 to 31 December 2021, the entity can apply the relevant staging and provisioning guideline under this accounting guideline to the debtors from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups below. The accounting guideline is in line with the BoT Circular no. BoT. For Nor Sor. 2 Wor. 802/2564 dated 3 September 2021, “Guidelines regarding the provision of financial assistance to the debtors affected by the Covid-19 (sustainable debt resolution)”.

Debt restructuring method

1. Debt restructuring which aims to reduce the repayment burden other than term extension
2. Debt restructuring by term extension only

Guideline of staging and provisioning

1. Non NPL modified loans can be classified as stage 1 performing immediately once they are identified as being likely to repay
 2. NPL modified loans can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer
 3. Revision of effective interest rate (EIR) at the date of modification.
- Apply in accordance with the relevant financial reporting standard.

5 Related parties

Relationships with subsidiaries is described in note 8. Other related parties that the Group and the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the Group and the Company
Muangthai Leasing Company Limited	Thailand	Subsidiary, 100% shareholding
Muangthai Leasing Insurance Broker Company Limited	Thailand	Subsidiary, 100% shareholding
Muangthai Pay Later Co., Ltd.	Thailand	Subsidiary, 100% shareholding

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<i>Significant transactions with related parties</i> <i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Fee income on support services	-	-	313,261	214,824
Rental income	-	-	1,764	1,136
Other interest income	-	-	31,823	7,922
<i>Key management personnel</i>				
Other interest income	4	3	4	3
Finance cost - Interest expenses on lease liabilities	655	931	655	931
Key management personnel compensation				
Short-term employee benefits	49,214	36,983	49,214	36,983
Post-employment benefits	2,394	898	2,394	898
Total key management personnel compensation	<u>51,608</u>	<u>37,881</u>	<u>51,608</u>	<u>37,881</u>
<i>Other related parties</i>				
Commission expense	2,434	2,252	2,434	2,252

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Other receivables	-	-	5,481,808	
Long-term loan	-	-	737,500	562,500
Other current liabilities	-	-	778,695	423,835
<i>Key management personnel</i>				
Short-term loan	-	40	-	40
Right-of-use assets	15,647	18,746	15,647	18,746
Lease liabilities	16,224	19,204	16,224	19,204
<i>Other related parties</i>				
Other current liabilities	205	180	205	180

Significant agreements with related parties

As at 31 December 2022, long-term loan to a subsidiary was Baht 737.5 million (2021: Baht 562.5 million) where the principal is repayable every 3 months and the interest is repayable monthly until February 2026 (2021: August 2025). The interest rates are as specified in the contract.

As at 31 December 2022, the Company had the several service agreements with subsidiaries. The scope of services comprises of providing insurance broker, authorisation on hire purchase contract, repayment, debt collection, collateral seizure, collateral auction, accounting including information technology and information service. The agreement is effective until termination. The Company receives the service fee as specified in the agreement.

As at 31 December 2022, the Company had the several office space rental agreements with subsidiaries for periods of 3 years starting from 1 March 2021 to 31 December 2024 (2021: 3 years commencing from 1 March 2021 and ending on 28 February 2024). The subsidiaries have the right to renew the lease at the end of lease period. The Company receives rental fees as specified in the agreements. Rental fees will be revisited every time the contract is due.

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As at 31 December 2022, the Company had the several office building lease agreements with related parties. The lease period was 3 years starting from 1 January 2021 to 31 October 2025 (2021: 3 years commencing from October 2019 and ending in December 2023). The Company pays rental fees as specified in the agreements.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	36,082	59,249	36,059	59,232
Cash at banks - current accounts	258,105	192,125	108,577	107,540
Cash at banks - savings accounts	2,918,675	1,054,926	2,785,413	851,005
Total	3,212,862	1,306,300	2,930,049	1,017,777

All cash and cash equivalents of the Group and the Company was in Baht.

As at 31 December 2022, the Group had restricted deposits pledged as collateral with a commercial bank for Baht 12 million (2021: Baht 11 million).

7 Loan receivables and hire purchase receivables

7.1 Classified by type

	Consolidated financial statements					
	2022		2021			
	Portion due within one year ⁽¹⁾	Portion due over one year	Total	Portion due within one year ⁽¹⁾	Portion due over one year	Total
	<i>(in thousand Baht)</i>					
Loan receivables	58,954,787	54,347,448	113,302,235	46,695,147	39,707,593	86,402,740
Add accrued interest receivables and undue interest income	1,674,772	-	1,674,772	1,199,594	-	1,199,594
Total	60,629,559	54,347,448	114,977,007	47,894,741	39,707,593	87,602,334
Less allowance for expected credit loss	(2,656,345)	(650,697)	(3,307,042)	(977,377)	(810,304)	(1,787,681)
Loan receivables, net	57,973,214	53,696,751	111,669,965	46,917,364	38,897,289	85,814,653
Hire purchase receivables	3,546,113	3,963,226	7,509,339	2,084,557	3,866,047	5,950,604
Less unearned interest income	(1,071,259)	(801,627)	(1,872,886)	(808,932)	(931,570)	(1,740,502)
	2,474,854	3,161,599	5,636,453	1,275,625	2,934,477	4,210,102
Less allowance for expected credit loss	(283,063)	(95,688)	(378,751)	(12,137)	(32,038)	(44,175)
Hire purchase receivables, net	2,191,791	3,065,911	5,257,702	1,263,488	2,902,439	4,165,927
Total loan receivables and hire purchase receivables, net	60,165,005	56,762,662	116,927,667	48,180,852	41,799,728	89,980,580

⁽¹⁾ The balance of loan receivables and hire purchase receivables due within one year includes receivables that are credit-impaired.

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	Separate financial statements					
	Portion due within one year ⁽¹⁾	2022 Portion due over one year	Total <i>(in thousand Baht)</i>	Portion due within one year ⁽¹⁾	2021 Portion due over one year	Total
Loan receivables	57,895,892	53,021,768	110,917,660	46,695,147	39,707,593	86,402,740
Add accrued interest receivables and undue interest income	1,653,648	-	1,653,648	1,199,594	-	1,199,594
Total	59,549,540	53,021,768	112,571,308	47,894,741	39,707,593	87,602,334
Less allowance for expected credit loss	(2,624,784)	(638,526)	(3,263,310)	(977,377)	(810,304)	(1,787,681)
Loan receivables, net	56,924,756	52,383,242	109,307,998	46,917,364	38,897,289	85,814,653
Hire purchase receivables	378,409	324,798	703,207	-	-	-
Less unearned interest income	(82,297)	(50,538)	(132,835)	-	-	-
	296,112	274,260	570,372	-	-	-
Less allowance for expected credit loss	(37,427)	(11,081)	(48,508)	-	-	-
Hire purchase receivables, net	258,685	263,179	521,864	-	-	-
Total loan receivables and hire purchase receivables, net	57,183,441	52,646,421	109,829,862	46,917,364	38,897,289	85,814,653

⁽¹⁾ The balance of loan receivables and hire purchase receivables due within one year includes receivables that are credit-impaired.

As at 31 December 2022 and 2021, maturity analysis of lease payment on hire purchase contracts, showing undiscounted is shown below.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Portion due within one year	3,546,113	2,084,557	378,409	-
Portion due over one year but within two years	1,998,027	1,668,326	187,279	-
Portion due over two years but within three years	1,162,968	1,148,634	87,188	-
Portion due over three years but within four years	594,965	651,800	42,672	-
Portion due over four years but within five years	187,251	330,388	7,659	-
Portion due over five years	20,015	66,899	-	-
	7,509,339	5,950,604	703,207	-
Less unearned interest income	(1,872,886)	(1,740,502)	(132,835)	-
Net investment on hire purchase contracts	5,636,453	4,210,102	570,372	-

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7.2 Credit quality analysis

7.2.1 Loan receivables

The following tables set out information about the credit quality as at 31 December 2022 and 2021 of loan receivables without taking into account collateral or other credit enhancement.

	Consolidated financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit-impaired	
	2022			
	<i>(in thousand Baht)</i>			
Loan receivables				
Current	82,398,119	-	-	82,398,119
Overdue 1 - 30 days	18,371,262	-	-	18,371,262
Overdue 31 - 60 days	-	7,904,829	-	7,904,829
Overdue 61 - 90 days	-	3,205,112	-	3,205,112
Overdue more than 90 days	-	-	2,803,191	2,803,191
Litigation receivables	-	-	294,494	294,494
Total	100,769,381	11,109,941	3,097,685	114,977,007
Less allowance for expected credit loss	(704,351)	(580,949)	(2,021,742)	(3,307,042)
Net carrying amount	100,065,030	10,528,992	1,075,943	111,669,965

	Separate financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit-impaired	
	2022			
	<i>(in thousand Baht)</i>			
Loan receivables				
Current	80,516,858	-	-	80,516,858
Overdue 1 - 30 days	18,053,436	-	-	18,053,436
Overdue 31 - 60 days	-	7,789,567	-	7,789,567
Overdue 61 - 90 days	-	3,145,857	-	3,145,857
Overdue more than 90 days	-	-	2,771,096	2,771,096
Litigation receivables	-	-	294,494	294,494
Total	98,570,294	10,935,424	3,065,590	112,571,308
Less allowance for expected credit loss	(693,513)	(569,475)	(2,000,322)	(3,263,310)
Net carrying amount	97,876,781	10,365,949	1,065,268	109,307,998

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	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit-impaired	Total
<i>Loan receivables</i>				
Current	69,294,997	-	-	69,294,997
Overdue 1 - 30 days	12,542,034	-	-	12,542,034
Overdue 31 - 60 days	-	3,487,925	-	3,487,925
Overdue 61 - 90 days	-	1,090,250	-	1,090,250
Overdue more than 90 days	-	-	1,005,724	1,005,724
Litigation receivables	-	-	181,404	181,404
Total	81,837,031	4,578,175	1,187,128	87,602,334
<i>Less allowance for expected credit loss</i>	<i>(709,289)</i>	<i>(348,966)</i>	<i>(729,426)</i>	<i>(1,787,681)</i>
Net carrying amount	81,127,742	4,229,209	457,702	85,814,653

The credit term granted by the Group and the Company is 3 to 80 months.

7.2.2 Hire purchase receivables

The following tables set out information about the credit quality as at 31 December 2022 and 2021 of hire purchase receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements
2022

	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit-impaired	Total
<i>Hire purchase receivables *</i>				
Current	3,475,264	-	-	3,475,264
Overdue 1 - 30 days	852,753	-	-	852,753
Overdue 31 - 60 days	-	490,830	-	490,830
Overdue 61 - 90 days	-	408,725	-	408,725
Overdue more than 90 days	-	-	408,634	408,634
Litigation receivables	-	-	247	247
Total	4,328,017	899,555	408,881	5,636,453
<i>Less allowance for expected credit loss</i>	<i>(62,532)</i>	<i>(101,374)</i>	<i>(214,845)</i>	<i>(378,751)</i>
Net	4,265,485	798,181	194,036	5,257,702

* Hire purchase receivables, net of unearned interest income

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	Separate financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit-impaired	
	2022			
	<i>(in thousand Baht)</i>			
Hire purchase receivables *				
Current	319,708	-	-	319,708
Overdue 1 - 30 days	109,061	-	-	109,061
Overdue 31 - 60 days	-	56,255	-	56,255
Overdue 61 - 90 days	-	45,362	-	45,362
Overdue more than 90 days	-	-	39,986	39,986
Total	428,769	101,617	39,986	570,372
Less allowance for expected credit loss	(7,557)	(14,259)	(26,692)	(48,508)
Net	421,212	87,358	13,294	521,864

	Consolidated financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	
	2021			
	<i>(in thousand Baht)</i>			
Hire purchase receivables *				
Current	3,390,042	-	-	3,390,042
Overdue 1 - 30 days	386,491	-	-	386,491
Overdue 31 - 60 days	-	216,603	-	216,603
Overdue 61 - 90 days	-	128,159	-	128,159
Overdue more than 90 days	-	-	88,807	88,807
Total	3,776,533	344,762	88,807	4,210,102
Less allowance for expected credit loss	(19,698)	(11,033)	(13,444)	(44,175)
Net	3,756,835	333,729	75,363	4,165,927

* Hire purchase receivables, net of unearned interest income

The credit term granted by the Group and the Company is 6 to 72 months.

7.3 Expected credit loss

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Loan receivables	1,942,138	663,057	1,898,368	663,057
Hire purchase receivables	404,519	60,738	48,527	-
Total *	2,346,657	723,795	1,946,895	663,057

* Excluding expected credit loss for the year ended 31 December 2022 on other receivables in consolidated financial statements, amounting to Baht 86.58 million (2021: Baht 24.19 million) and in separate financial statements, amounting to Baht 86.58 million (2021: Baht 24.19 million)

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8 Investments in subsidiaries

	Type of business	Country of operation	Ownership interest		Separate financial statements	
			2022	2021	Cost	
			(%)		<i>(in thousand Baht)</i>	
			2022	2021	2022	2021
Direct subsidiaries						
Muangthai Leasing Insurance Broker Company Limited	Insurance brokerage	Thailand	100	100	2,000	2,000
Muangthai Leasing Company Limited	Hire purchase	Thailand	100	100	1,000,000	1,000,000
Muangthai Pay Later Co., Ltd.	Installment loan	Thailand	100	100	550,000	50,000
Total					1,552,000	1,052,000

None of the investment in subsidiaries are publicly listed and consequently do not have published price quotations.

Details of the increase of investments in subsidiaries during the year ended 31 December 2022 and 2021 were as follows:

2022

At the Board of Directors' meeting of Muangthai Pay Later Co., Ltd. ("MTPL"), a subsidiary, held on 5 October 2022, the Board of Directors had resolutions passed a resolution to approve a calling of remaining 50% of paid-up ordinary shares, totaling amount of Baht 50 million. MTPL received a share subscription in October 2022.

At the Extraordinary General Meeting of the shareholder of MTPL, held on 25 November 2022, the shareholder had resolutions to increase the authorised share capital of MTPL from the amount of Baht 100 million (1 million ordinary shares at Baht 100 per share) to the amount of Baht 1,000 million (10 million ordinary shares at Baht 100 per share). The Company paid for share subscription of Baht 450 million to MTPL in November 2022.

2021

At the Company's Board of Directors' meeting held on 18 October 2021, the Board of Directors has a resolution to establish a new subsidiary, MTPL, with 100% ownership interest which has its registered capital in amounting to Baht 100 million (1 million ordinary shares at Baht 100 per share), and was registered with the Ministry of Commerce on 27 October 2021. The Company paid for share subscription of Baht 50 million to MTPL in November 2021.

At the Annual General Meeting of the shareholder of Muangthai Leasing Company Limited ("MTLS"), a subsidiary, held on 30 April 2021, the shareholder had resolutions to increase the authorised share capital of MTLs from the amount of Baht 500 million (5 million ordinary shares at Baht 100 per share) to the amount of Baht 1,000 million (10 million ordinary shares at Baht 100 per share). The Company paid for share subscription of Baht 500 million to MTLs in May 2021.

Muangthai Capital Public Company Limited and its Subsidiaries
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9 Land, buildings and equipment

	Consolidated financial statement					
	Land	Buildings	Building improvements	Furniture, fixtures, equipment, and computers	Construction in progress	Total
	<i>(in thousand Baht)</i>					
<i>Cost</i>						
At 1 January 2021	257,471	328,800	680,510	1,656,306	38,761	2,961,848
Additions	-	24,377	102,446	392,593	3,373	522,789
Transfer in (out)	-	17,174	5,246	1,039	(23,459)	-
Disposals / write-off	-	-	(4,152)	(40,990)	-	(45,142)
At 31 December 2021 and 1 January 2022	257,471	370,351	784,050	2,008,948	18,675	3,439,495
Additions	-	313	62,732	332,957	3,842	399,844
Transfer in (out)	-	-	1,075	14,590	(15,665)	-
Disposals / write-off	-	-	(5,692)	(70,573)	-	(76,265)
At 31 December 2022	257,471	370,664	842,165	2,285,922	6,852	3,763,074
<i>Accumulated depreciation</i>						
At 1 January 2021	-	3,949	134,337	895,067	-	1,033,353
Depreciation charge for the year	-	7,665	104,509	272,585	-	384,759
Disposals / write-off	-	-	(774)	(31,663)	-	(32,437)
At 31 December 2021 and 1 January 2022	-	11,614	238,072	1,135,989	-	1,385,675
Depreciation charge for the year	-	7,925	104,148	280,189	-	392,262
Disposals / write-off	-	-	(3,528)	(48,666)	-	(52,194)
At 31 December 2022	-	19,539	338,692	1,367,512	-	1,725,743
<i>Net book value</i>						
At 31 December 2021	257,471	358,737	545,978	872,959	18,675	2,053,820
At 31 December 2022	257,471	351,125	503,473	918,410	6,852	2,037,331

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	Separate financial statement					
	Land	Buildings	Building improvements	Furniture, fixtures, equipment, and computers	Construction in progress	Total
	<i>(in thousand Baht)</i>					
<i>Cost</i>						
At 1 January 2021	257,471	328,800	680,510	1,656,193	38,761	2,961,735
Additions	-	24,377	102,446	392,566	3,373	522,762
Transfer in (out)	-	17,174	5,246	1,039	(23,459)	-
Disposals / write-off	-	-	(4,152)	(40,990)	-	(45,142)
At 31 December 2021 and 1 January 2022	257,471	370,351	784,050	2,008,808	18,675	3,439,355
Additions	-	313	62,732	332,957	3,842	399,844
Transfer in (out)	-	-	1,075	14,590	(15,665)	-
Disposals / write-off	-	-	(5,692)	(70,573)	-	(76,265)
At 31 December 2022	257,471	370,664	842,165	2,285,782	6,852	3,762,934
<i>Accumulated depreciation</i>						
At 1 January 2021	-	3,949	134,337	894,971	-	1,033,257
Depreciation charge for the year	-	7,665	104,509	272,576	-	384,750
Disposals / write-off	-	-	(774)	(31,663)	-	(32,437)
At 31 December 2021 and 1 January 2022	-	11,614	238,072	1,135,884	-	1,385,570
Depreciation charge for the year	-	7,925	104,148	280,177	-	392,250
Disposals / write-off	-	-	(3,528)	(48,666)	-	(52,194)
At 31 December 2022	-	19,539	338,692	1,367,395	-	1,725,626
<i>Net book value</i>						
At 31 December 2021	257,471	358,737	545,978	872,924	18,675	2,053,785
At 31 December 2022	257,471	351,125	503,473	918,387	6,852	2,037,308

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10 Leases

As a lessee

As at 31 December 2022, the Group and the Company have building and office space and vehicles lease agreements with related parties and non-related parties for a period from 3 year to 6 years (2021: 1 year to 6 years). The Group and the Company have extension options at the end of the contract period. Lease payment is specified in the contract.

Extension options

The Group and the Company have extension options on property leases exercisable up to one year before the end of the contract period. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options and will regularly reassess so.

Right-of-use

	Consolidated and Separate financial statements		
	Buildings and office space	Vehicles <i>(in thousand Baht)</i>	Total
At 1 January 2021	3,476,308	87,761	3,564,069
Addition	1,249,073	39,707	1,288,780
Depreciation charge for the year	(841,497)	(22,637)	(864,134)
Disposal / write-off	(568)	(167)	(735)
At 31 December 2021 and 1 January 2022	3,883,316	104,664	3,987,980
Addition	1,301,077	52,045	1,353,122
Depreciation charge for the year	(934,328)	(20,185)	(954,513)
Disposal / write-off	-	(425)	(425)
At 31 December 2022	4,250,065	136,099	4,386,164

Lease liabilities

	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Maturity analysis - contractual undiscounted cash flows		
Within one year	1,100,462	1,005,571
Over one year but within five years	3,711,200	3,307,386
Over five years	206,223	188,906
Total undiscounted lease liabilities	5,017,885	4,501,863
Lease liabilities included in the statement of financial position	4,416,092	4,010,308

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Amount recognised in profit or loss

<i>For the year ended 31 December</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Depreciation of right-of-use assets		
- Buildings and office space	(934,328)	(841,497)
- Vehicles	(20,185)	(22,637)
Interest expense on lease liabilities	(187,090)	(150,974)

As a lessor

Operating lease

The Company has office space lease agreements to its subsidiaries as disclosed in note 5.

The following table sets out a maturity analysis of lease collection under operating lease, showing undiscounted, as at 31 December 2022 and 2021.

	Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Portion due within one year	1,764	1,176
Portion due over one year but within two years	784	1,372
Total	2,548	2,548

Finance lease

Leases which are classified as finance leases are hire purchase contracts as disclosed in note 7.

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11 Short-term borrowings from financial institutions

As at 31 December 2022 and 2021, the following are short-term borrowings in the form of promissory notes and bill of exchanges from local financial institutions.

	Loan facility / Repayment schedule	Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
1	Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	2,000,000	1,650,000
2	Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	1,270,000	870,000
3	Promissory notes under credit facilities amounting to Baht 1,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	-	500,000
4	Promissory notes under credit facilities amounting to Baht 500 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	450,000	-
5	Promissory notes under credit facilities amounting to Baht 800 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	800,000	-
6	Promissory notes under credit facilities amounting to Baht 500 million, with principal repayment at call, and interest charged at a fixed rate, payable monthly	300,000	-
7	Promissory notes under credit facilities amounting to Baht 1,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	1,000,000	-
8	Bill of exchange, with principal repayment at the date specified on each bill of exchange	2,125,299	1,215,075
Total		<u>7,945,299</u>	<u>4,235,075</u>

These borrowings are unsecured.

The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 December 2022, the bank overdrafts and short-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,560 million (2021: Baht 3,160 million).

Muangthai Capital Public Company Limited and its Subsidiaries
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12 Other payables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accrued employee expenses	686,422	767,413	686,422	767,413
Accrued interest expenses	314,470	281,024	314,470	281,024
Accrued special business tax expenses	111,041	84,145	109,264	84,145
Accrued expenses	18,098	38,568	17,492	38,308
Others	80,996	65,549	58,255	50,310
Total	<u>1,211,027</u>	<u>1,236,699</u>	<u>1,185,903</u>	<u>1,221,200</u>

13 Long-term borrowings from financial institutions

As at 31 December 2022 and 2021, the following are long-term borrowings from financial institutions.

	Loan facility / Repayment schedule	Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
1	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within February 2023, and interest charged at a fixed rate, payable every 3 months	41,667	208,333
2	Credit facility amounting to Baht 1,000 million, repayable principal within April 2022, and interest charged at a fixed rate, payable every 3 months	-	1,000,000
3	Credit facility amounting to Baht 4,958 million, repayable principal within July 2022, and interest charged at a fixed rate, payable monthly	-	4,958,000
4	Credit facility amounting to Baht 1,000 million, repayable principal within September 2022, and interest charged at a fixed rate, payable monthly	-	1,000,000
5	Credit facility amounting to Baht 500 million, repayable principal within April 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000
6	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within April 2024, and interest charged at a fixed rate, payable every 3 months	250,000	416,667
7	Credit facility amounting to Baht 500 million, repayable principal within May 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000
8	Credit facility amounting to Baht 200 million, repayable principal equally every 3 months within June 2023, and interest charged at a fixed rate, payable monthly	50,000	150,000
9	Credit facility amounting to Baht 1,300 million, repayable principal equally every 3 months within July 2023, and interest charged at a fixed rate, payable monthly	487,500	1,137,500
10	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within August 2023, and interest charged at a fixed rate, payable monthly	187,500	437,500
11	Credit facility amounting to Baht 3,000 million, repayable principal equally every 3 months within August 2024, and interest charged at a fixed rate, payable monthly	1,750,000	2,750,000
12	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within October 2024, and interest charged at a fixed rate, payable monthly	666,400	1,000,000
13	Credit facility amounting to Baht 500 million, repayable principal within November 2024, and interest charged at a fixed rate, payable monthly	500,000	500,000

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	Loan facility / Repayment schedule	Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
14	Credit facility amounting to Baht 1,500 million, repayable principal equally every 3 months within December 2024, and interest charged at a fixed rate, payable monthly	1,000,000	1,500,000
15	Credit facility amounting to Baht 1,500 million, repayable principal within March 2025, and interest charged at a fixed rate, payable every 3 months	1,500,000	-
16	Credit facility amounting to Baht 2,000 million, repayable principal equally every 3 months within March 2024, and interest charged at a fixed rate, payable monthly	1,250,000	-
17	Credit facility amounting to Baht 800 million, repayable principal equally every 3 months within March 2025, and interest charged at a fixed rate, payable monthly	599,990	-
18	Credit facility amounting to Baht 1,500 million, repayable principal equally every 3 months within June 2025, and interest charged at a fixed rate, payable monthly	1,250,000	-
19	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within July 2025, and interest charged at a fixed rate, payable monthly	916,667	-
20	Credit facility amounting to Baht 4,958 million, repayable principal within July 2025, and interest charged at MLR minus a fixed rate, payable monthly	4,958,000	-
21	Credit facility amounting to Baht 1,000 million, repayable principal within September 2024, and interest charged at a fixed rate, payable monthly	1,000,000	-
22	Credit facility amounting to USD 95 million, repayable principal equally every 12 months within September 2025, and interest charged at SOFR plus a fixed rate, payable every 3 months	3,299,683	-
23	Credit facility amounting to JPY 9,900 million, repayable principal equally every 6 months after 2 years from the first utilisation date, and interest charged at a fixed rate, payable every 6 months	1,963,809	-
24	Credit facility amounting to Baht 1,500 million, repayable principal equally every 3 months within October 2025, and interest charged at a fixed rate, payable monthly	1,000,000	-
25	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within December 2024, and interest charged at a fixed rate, payable monthly	500,000	-
	Total	24,171,216	16,058,000
	<i>Less deferred issuing costs</i>	<i>(115,095)</i>	<i>(6,835)</i>
	Net	24,056,121	16,051,165
	Current portion	6,515,088	10,121,419
	Non-current portion	17,541,033	5,929,746
	Total	24,056,121	16,051,165
	Thai Baht	18,898,731	16,051,165
	United States Dollar (USD)	3,239,788	-
	Yen (JPY)	1,917,602	-
	Total	24,056,121	16,051,165

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The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio, loan loss provision to non-performing loan receivables (NPL Coverage ratio), net profit being greater than zero and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 December 2022, the long-term credit facilities with financial institutions of the Group and the Company which have not yet been drawn down amounted to JPY 2,475 million (2021: Baht 1,000 million).

To hedge interest rate risk and foreign exchange rate risk, as at 31 December 2022, the Group and the Company had outstanding commitment under cross currency interest rate swap agreements with a local commercial bank. Under such agreements, the Group and the Company are charged at fixed interest rate in Baht in exchange for interest rate at SOFR plus a fixed percent per annum in USD and interest rate at a fixed percent per annum in JPY, and will pay the principal in Baht in exchange for principal in USD and JPY. The cross currency interest rate swap agreements have the critical term matched with the borrowing repayment terms.

14 Debentures

As at 31 December 2022 and 2021, these debentures are registered, unsubordinated and unsecured debentures. Details are as follow:

Facility / Repayment schedule	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
1 Debenture amounting to Baht 1,000 million with a tenor of 4 years, maturing in February 2022, bearing interest at a fixed rate, payable every 6 months	-	1,000,000
2 Debenture amounting to Baht 1,564 million with a tenor of 4 years, maturing in July 2022, bearing interest at a fixed rate, payable every 6 months	-	1,564,000
3 Debenture amounting to Baht 1,515.5 million with a tenor of 4 years, maturing in November 2022, bearing interest at a fixed rate, payable every 6 months	-	1,515,500
4 Debenture amounting to Baht 1,650.3 million with a tenor of 3 years 6 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	-	1,650,300
5 Debenture amounting to Baht 2,349.7 million with a tenor of 3 years 8 months 11 days, maturing in November 2022, bearing interest at a fixed rate, payable every 3 months	-	2,349,700
6 Debenture amounting to Baht 500 million with a tenor of 3 years 2 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	-	500,000
7 Debenture amounting to Baht 270 million with a tenor of 3 years 11 days, maturing in June 2022, bearing interest at a fixed rate, payable every 3 months	-	270,000
8 Debenture amounting to Baht 2,043.3 million with a tenor of 3 years, maturing in July 2022, bearing interest at a fixed rate, payable every 3 months	-	2,043,300
9 Debenture amounting to Baht 1,756.7 million with a tenor of 4 years, maturing in July 2023, bearing interest at a fixed rate, payable every 3 months	1,756,700	1,756,700

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Facility / Repayment schedule		Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
10	Debenture amounting to Baht 500 million with a tenor of 3 years 11 months 22 days, maturing in July 2023, bearing interest at a fixed rate, payable every 6 months	500,000	500,000
11	Debenture amounting to Baht 200 million with a tenor of 2 years 11 months 30 days, maturing in August 2022, bearing interest at a fixed rate, payable every 3 months	-	200,000
12	Debenture amounting to Baht 1,500 million with a tenor of 3 years 3 months, maturing in February 2023, bearing interest at a fixed rate, payable every 3 months	1,500,000	1,500,000
13	Debenture amounting to Baht 500 million with a tenor of 4 years, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
14	Debenture amounting to Baht 1,000 million with a tenor of 3 years 3 months, maturing in February 2023, bearing interest at a fixed rate, payable every 6 months	1,000,000	1,000,000
15	Debenture amounting to Baht 1,200 million with a tenor of 2 years 3 months, maturing in June 2022, bearing interest at a fixed rate, payable every 6 months	-	1,200,000
16	Debenture amounting to Baht 900 million with a tenor of 3 years 3 months, maturing in June 2023, bearing interest at a fixed rate, payable every 3 months	900,000	900,000
17	Debenture amounting to Baht 900 million with a tenor of 4 years, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	900,000	900,000
18	Debenture amounting to Baht 1,319.2 million with a tenor of 3 years 5 months 2 days, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	1,319,200	1,319,200
19	Debenture amounting to Baht 2,163.4 million with a tenor of 1 year 11 months 7 days, maturing in November 2022, bearing interest at a fixed rate, payable every 3 months	-	2,163,400
20	Debenture amounting to Baht 2,836.6 million with a tenor of 2 years 11 months 19 days, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	2,836,600	2,836,600
21	Debenture amounting to Baht 1,514 million with a tenor of 2 years 2 days, maturing in February 2023, bearing interest at a fixed rate, payable every 3 months	1,514,000	1,514,000
22	Debenture amounting to Baht 2,486 million with a tenor of 3 years 19 days, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	2,486,000	2,486,000
23	Debenture amounting to Baht 500 million with a tenor of 1 year 11 months 27 days, maturing in March 2023, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
24	Debenture amounting to Baht 500 million with a tenor of 3 years 3 days, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
25	Debenture amounting to Baht 1,100 million with a tenor of 2 years 3 days, maturing in May 2023, bearing interest at a fixed rate, payable every 3 months	1,100,000	1,100,000
26	Debenture amounting to Baht 1,600 million with a tenor of 3 years 1 day, maturing in May 2024, bearing interest at a fixed rate, payable every 3 months	1,600,000	1,600,000

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	Facility / Repayment schedule	Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
27	Debenture amounting to Baht 800 million with a tenor of 4 years, maturing in May 2025, bearing interest at a fixed rate, payable every 3 months	800,000	800,000
28	Debenture amounting to Baht 500 million with a tenor of 4 years 11 months 29 days, maturing in May 2026, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
29	Debenture amounting to Baht 2,000 million with a tenor of 1 year 11 months 30 days, maturing in August 2023, bearing interest at a fixed rate, payable every 6 months	2,000,000	2,000,000
30	Debenture amounting to Baht 1,641.80 million with a tenor of 3 years 1 day, maturing in August 2024, bearing interest at a fixed rate, payable every 3 months	1,641,800	1,641,800
31	Debenture amounting to Baht 1,361.80 million with a tenor of 4 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	1,361,800	1,361,800
32	Debenture amounting to Baht 996.40 million with a tenor of 4 years 11 months 30 days, maturing in August 2026, bearing interest at a fixed rate, payable every 3 months	996,400	996,400
33	Debenture amounting to Baht 2,000 million with a tenor of 1 year 11 months 22 days, maturing in October 2023, bearing interest at a fixed rate, payable every 6 months	2,000,000	2,000,000
34	Debenture amounting to Baht 1,902 million with a tenor of 2 years 11 months 27 days, maturing in November 2024, bearing interest at a fixed rate, payable every 3 months	1,902,000	1,902,000
35	Debenture amounting to Baht 1,598 million with a tenor of 3 years 11 months 26 days, maturing in November 2025, bearing interest at a fixed rate, payable every 3 months	1,598,000	1,598,000
36	Debenture amounting to Baht 1,000 million with a tenor of 4 years 11 months 25 days, maturing in November 2026, bearing interest at a fixed rate, payable every 3 months	1,000,000	1,000,000
37	Debenture amounting to Baht 2,500 million with a tenor of 2 years, maturing in January 2024, bearing interest at a fixed rate, payable every 6 months	2,500,000	-
38	Debenture amounting to Baht 500 million with a tenor of 3 years, maturing in January 2025, bearing interest at a fixed rate, payable every 6 months	500,000	-
39	Debenture amounting to Baht 1,609 million with a tenor of 3 years 1 day, maturing in February 2025, bearing interest at a fixed rate, payable every 3 months	1,609,000	-
40	Debenture amounting to Baht 1,391 million with a tenor of 4 years, maturing in February 2026, bearing interest at a fixed rate, payable every 3 months	1,391,000	-
41	Debenture amounting to Baht 1,000 million with a tenor of 4 years 11 months 30 days, maturing in February 2027, bearing interest at a fixed rate, payable every 3 months	1,000,000	-
42	Debenture amounting to Baht 2,500 million with a tenor of 2 years, maturing in April 2024, bearing interest at a fixed rate, payable every 6 months	2,500,000	-
43	Debenture amounting to Baht 2,200 million with a tenor of 3 years, maturing in June 2025, bearing interest at a fixed rate, payable every 3 months	2,200,000	-

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	Facility / Repayment schedule	Consolidated and Separate financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
44	Debenture amounting to Baht 1,831.1 million with a tenor of 4 years, maturing in June 2026, bearing interest at a fixed rate, payable every 3 months	1,831,100	-
45	Debenture amounting to Baht 933.2 million with a tenor of 4 years 11 months 30 days, maturing in June 2027, bearing interest at a fixed rate, payable every 3 months	933,200	-
46	Debenture amounting to Baht 960 million with a tenor of 1 year 11 months 24 days, maturing in June 2024, bearing interest at a fixed rate, payable every 6 months	960,000	-
47	Debenture amounting to Baht 500 million with a tenor of 5 years, maturing in July 2027, bearing interest at a fixed rate, payable every 3 months	500,000	-
48	Debenture amounting to Baht 1,376 million with a tenor of 1 year 11 months 28 days, maturing in August 2024, bearing interest at a fixed rate, payable every 6 months	1,376,000	-
49	Debenture amounting to Baht 2,728.2 million with a tenor of 2 years, maturing in August 2024, bearing interest at a fixed rate, payable every 3 months	2,728,200	-
50	Debenture amounting to Baht 2,124.5 million with a tenor of 3 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	2,124,500	-
51	Debenture amounting to Baht 2,367 million with a tenor of 2 years, maturing in October 2024, bearing interest at a fixed rate, payable every 3 months	2,367,000	-
52	Debenture amounting to Baht 1,634.6 million with a tenor of 3 years 6 months, maturing in April 2026, bearing interest at a fixed rate, payable every 3 months	1,634,600	-
53	Debenture amounting to Baht 1,033 million with a tenor of 1 year 10 months 29 days, maturing in October 2024, bearing interest at a fixed rate, payable every 6 months	1,033,000	-
Total		59,900,100	47,168,700
	<i>Less deferred issuing costs</i>	<i>(174,788)</i>	<i>(140,512)</i>
Net		59,725,312	47,028,188
	Current portion	17,338,678	14,436,989
	Non-current portion	42,386,634	32,591,199
Total		59,725,312	47,028,188

The Company, as debentures issuer, has a condition to maintain a debt to equity ratio at end of each fiscal year.

15 Provisions for employee benefits

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

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<i>Present value of the defined benefit obligations</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	155,983	133,098
Recognised in profit or loss:		
Current service cost	50,899	46,921
Interest on obligation	4,614	2,360
	55,513	49,281
Recognised in other comprehensive income:		
Actuarial (gain) loss		
- Financial assumptions	(25,081)	(45,850)
- Demographic assumptions	-	18,787
- Experience adjustment	(20,870)	762
	(45,951)	(26,301)
Benefit paid	(4,600)	(95)
At 31 December	160,945	155,983

<i>Principal actuarial assumptions</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(%)</i>	
Discount rate	3.7	3.0
Future salary growth	6.0	6.0
Employee turnover rate	2.5 - 20.0	2.5 - 20.0

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 21 years (2021: 21 years).

Sensitivity analysis

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

Consolidated and Separate financial statements				
2022				
	Percent increase in assumption	Effect to the defined benefit obligations	Percent decrease in assumption	Effect to the defined benefit obligations
		<i>(in thousand Baht)</i>		
Discount rate	0.5	(15,345)	0.5	17,445
Future salary growth	0.5	16,957	0.5	(15,099)
Employee turnover rate	10.0	(17,232)	10.0	20,304

Consolidated and Separate financial statements				
2021				
	Percent increase in assumption	Effect to the defined benefit obligations	Percent decrease in assumption	Effect to the defined benefit obligations
		<i>(in thousand Baht)</i>		
Discount rate	0.5	(15,188)	0.5	17,331
Future salary growth	0.5	16,724	0.5	(14,851)
Employee turnover rate	10.0	(28,809)	10.0	20,473

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16 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

17 Segment information and disaggregation of revenue

Segment information is consistent with internal report, which is used for making a decision on resource allocation and segment evaluation. The top decision maker on operation for the Company is the Chairman of the Executive Committee.

The Company’s principal operations involve two operating segment in lending business and hire purchase, and each of its subsidiaries is principally engaged in insurance brokerage, providing hire purchase business and lending business. The Group’s and the Company’s operations are carried on only in Thailand. During the year, the Group has no change in segment information.

The Group has no major customers with revenues equal to 10 percent or more of their revenues.

Revenue recognition of lending business and hire purchase is on effective interest method over contract period. Insurance commission income is recognised at a point in time when a customer obtains control of the services.

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Financial information of the Group presented by segments for the year ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements									
	Lending business		Insurance broker		Hire purchase		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>									
Interest income from loan receivables and hire purchase receivables	18,149,275	14,723,826	-	-	1,049,788	471,383	-	-	19,199,063	15,195,209
Fees and service income	696,567	702,216	71,828	63,596	23,132	2,969	-	-	791,527	768,781
Other income	423,787	278,364	56	43	904	225	(346,848)	(223,881)	77,899	54,751
Total revenues	19,269,629	15,704,406	71,884	63,639	1,073,824	474,577	(346,848)	(223,881)	20,068,489	16,018,741
Segment profit before income tax	6,143,449	5,950,520	13,381	11,810	202,908	239,152	-	-	6,359,738	6,201,482
Income tax	(1,222,458)	(1,206,718)	(2,691)	(2,362)	(41,497)	(47,855)	-	-	(1,266,646)	(1,256,935)
Segment profit	4,920,991	4,743,802	10,690	9,448	161,411	191,297	-	-	5,093,092	4,944,547
Significant non cash transactions										
(Loss) gain arising from derecognition of financial assets measured at amortised cost and hire purchase receivables	(177,252)	19,506	-	-	(216,429)	-	-	-	(393,681)	19,506
Expected credit loss	(2,028,713)	(687,250)	-	-	(404,519)	(60,738)	-	-	(2,433,232)	(747,988)
Total assets	130,552,578	98,529,427	80,118	65,799	5,983,504	4,985,400	(8,550,003)	(5,190,789)	128,066,197	98,389,837
Total liabilities	101,799,454	73,892,504	43,251	39,621	4,130,894	3,728,001	(6,998,003)	(4,138,789)	98,975,596	73,521,337

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18 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Salary, wages and other employee benefits	4,749,115	4,272,014	4,749,115	4,272,014
Depreciation and amortisation expenses	1,356,959	1,258,283	1,356,931	1,258,267
Special business tax	617,807	509,388	610,315	509,388
Utilities expenses	217,749	167,288	217,749	167,288
Travelling expenses	202,753	131,652	202,703	131,651
Telecommunication expenses	101,526	90,816	101,526	90,816
Rental and service expenses	25,192	18,312	20,409	17,176
Others	797,691	513,658	768,379	512,176
Total	8,068,792	6,961,411	8,027,127	6,958,776

Contribution plan

For the year ended 31 December 2022, the Group and the Company contributed provident funds for their employee amounting to Baht 50.08 million (2021: Baht 48.22 million).

19 Income tax

<i>Income tax recognised in profit or loss For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	1,650,045	1,382,615	1,529,137	1,323,929
(Over) under provided in prior years	(1,880)	7,614	(1,890)	7,614
	1,648,165	1,390,229	1,527,247	1,331,543
Deferred tax expense				
Movements in temporary differences	(381,519)	(133,294)	(315,420)	(124,825)
Total income tax	1,266,646	1,256,935	1,211,827	1,206,718

**Income tax recognised in other
comprehensive income**

	Consolidated and Separated financial statements					
	2022			2021		
	Before tax	Tax benefit (expense)	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
Cash flow hedges	(154,190)	30,838	(123,352)	6,474	(1,295)	5,179
Defined benefit plan actuarial gains (losses)	45,951	(9,190)	36,761	26,301	(5,260)	21,041
Total	(108,239)	21,648	(86,591)	32,775	(6,555)	26,220

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
		2022		2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>6,359,738</u>		<u>6,201,482</u>
Income tax using the Thai corporation tax rate	20.00	1,271,948	20.00	1,240,296
Effects of non-taxable income and non-deductible expenses		4,915		19,822
Additional deductions allowed for expenses		(8,337)		(10,797)
(Over) under provided in prior years		<u>(1,880)</u>		<u>7,614</u>
Total	19.92	<u>1,266,646</u>	20.27	<u>1,256,935</u>

	Separate financial statements			
		2022		2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>6,090,145</u>		<u>5,950,520</u>
Income tax using the Thai corporation tax rate	20.00	1,218,029	20.00	1,190,104
Effects of non-taxable income and non-deductible expenses		4,025		19,797
Additional deductions allowed for expenses		(8,337)		(10,797)
(Over) under provided in prior years		<u>(1,890)</u>		<u>7,614</u>
Total	19.90	<u>1,211,827</u>	20.28	<u>1,206,718</u>

Movement in deferred tax assets and liabilities during the years ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements			
		<u>Credited to / (Charged)</u>		
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2022				
<i>Deferred tax assets</i>				
Loan receivables	357,536	303,872	-	661,408
Hire purchase receivables	8,835	66,915	-	75,750
Assets foreclosed	1,080	-	-	1,080
Derivatives liabilities	-	-	30,838	30,838
Lease liabilities	789,975	78,416	-	868,391
Provisions for employee benefits	31,197	10,182	(9,190)	32,189
Others	44,196	23,672	-	67,868
Total	<u>1,232,819</u>	<u>483,057</u>	<u>21,648</u>	<u>1,737,524</u>
<i>Deferred tax liabilities</i>				
Loan receivables	(1,122)	1,020	-	(102)
Right-of-use assets	(776,903)	(74,418)	-	(851,321)
Others	(31,318)	(28,140)	-	(59,458)
Total	<u>(809,343)</u>	<u>(101,538)</u>	<u>-</u>	<u>(910,881)</u>
Net	<u>423,476</u>	<u>381,519</u>	<u>21,648</u>	<u>826,643</u>

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	Consolidated financial statements			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
	<u>Credited to / (Charged)</u>			
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets</i>				
Loan receivables	265,178	92,358	-	357,536
Hire purchase receivables	366	8,469	-	8,835
Assets foreclosed	1,080	-	-	1,080
Derivatives liabilities	1,295	-	(1,295)	-
Lease liabilities	701,448	88,527	-	789,975
Provisions for employee benefits	26,620	9,837	(5,260)	31,197
Others	21,507	22,689	-	44,196
Total	1,017,494	221,880	(6,555)	1,232,819
<i>Deferred tax liabilities</i>				
Loan receivables	1,681	(2,803)	-	(1,122)
Right-of-use assets	(694,941)	(81,962)	-	(776,903)
Others	(27,497)	(3,821)	-	(31,318)
Total	(720,757)	(88,586)	-	(809,343)
Net	296,737	133,294	(6,555)	423,476
2022				
<i>Deferred tax assets</i>				
Loan receivables	357,536	295,126	-	652,662
Hire purchase receivables	-	9,702	-	9,702
Assets foreclosed	1,080	-	-	1,080
Derivatives liabilities	-	-	30,838	30,838
Lease liabilities	789,975	78,416	-	868,391
Provisions for employee benefits	31,197	10,182	(9,190)	32,189
Others	44,196	23,532	-	67,728
Total	1,223,984	416,958	21,648	1,662,590
<i>Deferred tax liabilities</i>				
Loan receivables	(1,122)	1,020	-	(102)
Right-of-use assets	(776,903)	(74,418)	-	(851,321)
Others	(31,318)	(28,140)	-	(59,458)
Total	(809,343)	(101,538)	-	(910,881)
Net	414,641	315,420	21,648	751,709

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	At 1 January	Separate financial statements Credited to / (Charged)		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2021				
Deferred tax assets				
Loan receivables	265,178	92,358	-	357,536
Assets foreclosed	1,080	-	-	1,080
Derivatives liabilities	1,295	-	(1,295)	-
Lease liabilities	701,448	88,527	-	789,975
Provisions for employee benefits	26,620	9,837	(5,260)	31,197
Others	21,507	22,689	-	44,196
Total	1,017,128	213,411	(6,555)	1,223,984
Deferred tax liabilities				
Loan receivables	1,681	(2,803)	-	(1,122)
Right-of-use assets	(694,941)	(81,962)	-	(776,903)
Others	(27,497)	(3,821)	-	(31,318)
Total	(720,757)	(88,586)	-	(809,343)
Net	296,371	124,825	(6,555)	414,641

20 Earnings per share

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>5,093,092</u>	<u>4,944,547</u>	<u>4,878,318</u>	<u>4,743,802</u>
Number of ordinary shares outstanding (basic) at 31 December	<u>2,120,000</u>	<u>2,120,000</u>	<u>2,120,000</u>	<u>2,120,000</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>2.40</u>	<u>2.33</u>	<u>2.30</u>	<u>2.24</u>

21 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2022				
Annual dividend 2021	19 April 2022	May 2022	0.37	784,400
2021				
Annual dividend 2020	20 April 2021	May 2021	0.37	784,400

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22 Financial instruments

(a) Financial risk management policies

The Group's and the Company's board of directors have overall responsibility for the establishment and oversight of the Group's and the Company's risk management framework, which is responsible for developing and monitoring the Group's and Company's risk management policies.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through its training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's and the Company's audit committee oversees how management monitors compliance with the Group's and the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. The Group's and the Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a.1) Credit risk

The Group and the Company are exposed to credit risk primarily with respect to loan receivables consisted of loans secured against vehicle registrations, land title deeds, condominium loans, personal loans without collateral and nano finance and hire purchase receivables. The Group and the Company manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group and the Company do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of loan receivables less allowance for expected credit loss as stated in the statements of financial position.

Information relevant to credit quality of loan receivables and hire purchase receivables is disclosed in note 7.2.

Allowance for expected credit loss as at 31 December 2022 and 2021 are as follow, excluding allowance for expected credit loss on other receivables.

	Consolidated financial statements			
	2022			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	704,351	580,949	2,021,742	3,307,042
Hire purchase receivables	62,532	101,374	214,845	378,751
Total	766,883	682,323	2,236,587	3,685,793
	Consolidated financial statements			
	2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	709,289	348,966	729,426	1,787,681
Hire purchase receivables	19,698	11,033	13,444	44,175
Total	728,987	359,999	742,870	1,831,856

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	Separate financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	
Loan receivables	693,513	569,475	2,000,322	3,263,310
Hire purchase receivables	7,557	14,259	26,692	48,508
Total	701,070	583,734	2,027,014	3,311,818

	Separate financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	
Loan receivables	709,289	348,966	729,426	1,787,681
Total	709,289	348,966	729,426	1,787,681

The movements in allowance for expected credit loss of loan receivables and hire purchase receivables during the years were as follows:

	Consolidated financial statements			Total
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	
<i>Loan receivables</i>				
At 1 January 2021	538,039	306,921	480,928	1,325,888
Change from stage reclassification	8,500	(27,291)	18,791	-
Change from remeasurement of ECL	(50,148)	41,196	215,812	206,860
Purchased or acquired	661,407	285,193	259,012	1,205,612
Derecognised	(448,509)	(257,053)	(245,117)	(950,679)
At 31 December 2021 and 1 January 2022	709,289	348,966	729,426	1,787,681
Change from stage reclassification	(22,251)	(21,094)	43,345	-
Change from remeasurement of ECL	(80,916)	47,279	587,558	553,921
Purchased or acquired	642,256	459,108	1,094,666	2,196,030
Derecognised	(544,027)	(253,310)	(433,253)	(1,230,590)
At 31 December 2022	704,351	580,949	2,021,742	3,307,042

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	Consolidated financial statements			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
<i>Hire purchase receivables</i>				
At 1 January 2021	1,614	160	60	1,834
Change from stage reclassification	(38)	(13)	51	-
Change from remeasurement of ECL	(19,038)	7,399	12,424	785
Purchased or acquired	37,325	3,494	911	41,730
Derecognised	(165)	(7)	(2)	(174)
At 31 December 2021 and 1 January 2022	19,698	11,033	13,444	44,175
Change from stage reclassification	(4,526)	954	3,572	-
Change from remeasurement of ECL	18,671	58,613	156,360	233,644
Purchased or acquired	31,396	36,876	54,143	122,415
Derecognised	(2,707)	(6,102)	(12,674)	(21,483)
At 31 December 2022	62,532	101,374	214,845	378,751
Separate financial statements				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Assets that are credit impaired	Total
<i>Loan receivables</i>				
At 1 January 2021	538,039	306,921	480,928	1,325,888
Change from stage reclassification	8,500	(27,291)	18,791	-
Change from remeasurement of ECL	(50,148)	41,196	215,812	206,860
Purchased or acquired	661,407	285,193	259,012	1,205,612
Derecognised	(448,509)	(257,053)	(245,117)	(950,679)
At 31 December 2021 and 1 January 2022	709,289	348,966	729,426	1,787,681
Change from stage reclassification	(22,251)	(21,094)	43,345	-
Change from remeasurement of ECL	(80,916)	47,279	587,558	553,921
Purchased or acquired	630,818	447,634	1,073,246	2,151,698
Derecognised	(543,427)	(253,310)	(433,253)	(1,229,990)
At 31 December 2022	693,513	569,475	2,000,322	3,263,310
<i>Hire purchase receivables</i>				
At 1 January 2022	-	-	-	-
Purchased or acquired	8,157	14,259	26,692	49,108
Derecognised	(600)	-	-	(600)
At 31 December 2022	7,557	14,259	26,692	48,508

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Cash and cash equivalents

The Group's and the Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions, which the Group and the Company consider to have low credit risk.

Collateral held and other credit enhancements

In addition to determining counterparty credit quality through credit risk analysis, the Group and the Company also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Group and the Company. The Group and the Company consider the collateral value as at contractual effective date whether it is adequate to the Group's and the Company's acceptable risk. Collateral is comprised of vehicles, agricultural machinery and real estates and whose values are appraised on an initial recognition of loan receivables or hire purchase receivables.

For guarantee, the process for the analysis of guarantor's creditworthiness is aligned to credit assessment process for borrowers.

Concentrations of credit risk

The Group and the Company monitor concentrations of credit risk by type of financing. As at 31 December 2022, more than 50 % (2021: more than 50%) of credit risk on loan receivables concentrated to retail group comprised of agriculturer and day labour, and more than 45% (2021: more than 50%) of credit risk on hire purchase receivables concentrated to retail group comprised of private company employee and day labour.

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and including forward-looking information.

Definition of default

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company.

In assessing whether a borrower is in default, the Group and the Company consider indicators that are:

- qualitative: e.g. it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations;
- quantitative: e.g. the borrower is more than 90 days past due on any material credit obligation to the Group and the Company.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group and the Company have collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group and the Company use the PD to estimate ECL.

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Incorporation of forward-looking information

ECL has been estimated by the probability weighted of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group and the Company consider credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved.

The Group and the Company use base scenario as weighted probability scenario to measure the ECL.

However, the Group and the Company review the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group and the Company also consider to provide the management overlay / underlay as a part of ECL.

(a.2) Market risk

The Group and the Company are exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(a.2.1) Foreign exchange rate risk

Foreign exchange rate risk is the risk that occurs from changes in exchange rates which may cause volatility in expenses or affect the value of the financial liabilities. The Group and the Company are exposed to foreign exchange rate risk from foreign currency borrowings. The Group and the Company use derivatives (cross currency interest rate swap agreements) to manage volatility for foreign currency borrowings.

	Consolidated and Separate financial statements	
	2022	
	USD	JPY
	<i>(in thousand Baht)</i>	
Financial liabilities	3,239,788	1,917,602
Exposure on statement of financial position	3,239,788	1,917,602
Financial liabilities hedged by cross currency interest rate swap agreements	(3,239,788)	(1,917,602)
Net exposure	-	-

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(a.2.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Group's and the Company's operation results and its cash flows. The Group and the Company are primarily exposed to interest rate risk from its lending and borrowings. The Group and the Company mitigate this risk by ensuring that the majority of its lending and borrowings are at fixed interest rates and use derivatives (cross currency interest rate swap agreements) to manage exposure to fluctuations in interest rates on specific borrowings.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Financial instruments with fixed interest rates				
Financial assets	120,528,857	91,477,279	119,355,537	90,726,775
Financial liabilities	(89,991,826)	(73,249,421)	(90,675,363)	(73,619,724)
Exposure on statement of financial position	30,537,031	18,227,858	28,680,174	17,107,051
Financial instruments with variable interest rates				
Financial liabilities	8,257,683	-	8,257,683	-
Exposure on statement of financial position	8,257,683	-	8,257,683	-
Financial liabilities hedged by cross currency interest rate swap agreements	(3,299,683)	-	(3,299,683)	-
Net exposure	4,958,000	-	4,958,000	-

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables remain constant.

Impact to profit or loss	Consolidated and Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2022		
Financial instruments with variable interest rates	28,862	(28,862)
Financial liabilities hedged by cross currency interest rate swap agreements	(7,536)	7,536
Net cash flow sensitivity	21,326	(21,326)

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(a.3) Liquidity risk

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

Financial assets and liabilities of the Group and the Company classified by remaining contractual maturities (undiscounted) as at 31 December 2022 and 2021 were as follows:

	Consolidated financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2022					
Financial assets					
Cash and cash equivalents	3,176,780	-	-	-	3,176,780
Loan receivables and hire purchase receivables ^{(1),(2)}	-	71,102,270	69,853,070	3,119,367	144,074,707
Short-term loans	-	144,916	-	-	144,916
Restricted bank deposits	-	-	-	12,000	12,000
Other financial assets	-	231,412	-	-	231,412
Total financial assets	<u>3,176,780</u>	<u>71,478,598</u>	<u>69,853,070</u>	<u>3,131,367</u>	<u>147,639,815</u>
Financial liabilities					
Short-term borrowings from financial institutions	300,283	7,676,691	-	-	7,976,974
Other payables	-	1,211,027	-	-	1,211,027
Long-term borrowings from financial institutions	-	8,971,126	19,825,356	465,717	29,262,199
Debentures	-	17,799,740	45,968,471	-	63,768,211
Lease liabilities	-	1,100,462	3,711,200	206,223	5,017,885
Income tax payables	-	892,936	-	-	892,936
Other financial liabilities	-	2,721	-	-	2,721
Total financial liabilities	<u>300,283</u>	<u>37,654,703</u>	<u>69,505,027</u>	<u>671,940</u>	<u>108,131,953</u>

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

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	Consolidated financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2021					
Financial assets					
Cash and cash equivalents	1,247,051	-	-	-	1,247,051
Loan receivables and hire purchase receivables ^{(1),(2)}	-	57,248,085	51,692,945	2,065,101	111,006,131
Short-term loans	-	88,377	-	-	88,377
Restricted bank deposits	-	-	-	11,000	11,000
Other financial assets	-	91,024	-	-	91,024
Total financial assets	1,247,051	57,427,486	51,692,945	2,076,101	112,443,583
Financial liabilities					
Short-term borrowings from financial institutions	-	4,240,903	-	-	4,240,903
Other payables	-	1,236,699	-	-	1,236,699
Long-term borrowings from financial institutions	-	11,847,627	7,534,126	-	19,381,753
Debentures	-	15,026,763	35,161,634	-	50,188,397
Lease liabilities	-	1,005,571	3,307,386	188,906	4,501,863
Income tax payables	-	672,640	-	-	672,640
Other financial liabilities	-	2,792	-	-	2,792
Total financial liabilities	-	34,032,995	46,003,146	188,906	80,225,047

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

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	Separate financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2022					
<i>Financial assets</i>					
Cash and cash equivalents	2,893,990	-	-	-	2,893,990
Loan receivables and hire purchase receivables ^{(1),(2)}	-	67,069,430	64,390,601	3,097,952	134,557,983
Other receivables - related parties	-	5,481,808	-	-	5,481,808
Short-term loans	-	144,916	-	-	144,916
Long-term loan - related party	-	274,876	508,094	-	782,970
Other financial assets	-	231,402	-	-	231,402
Total financial assets	<u>2,893,990</u>	<u>73,202,432</u>	<u>64,898,695</u>	<u>3,097,952</u>	<u>144,093,069</u>
<i>Financial liabilities</i>					
Short-term borrowings from financial institutions	300,283	7,676,691	-	-	7,976,974
Other payables	-	1,185,903	-	-	1,185,903
Long-term borrowings from financial institutions	-	8,971,126	19,825,356	465,717	29,262,199
Debentures	-	17,799,740	45,968,471	-	63,768,211
Lease liabilities	-	1,100,462	3,711,200	206,223	5,017,885
Income tax payables	-	819,985	-	-	819,985
Other financial liabilities	-	784,334	-	-	784,334
Total financial liabilities	<u>300,283</u>	<u>38,338,241</u>	<u>69,505,027</u>	<u>671,940</u>	<u>108,815,491</u>

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

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	Separate financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2021					
Financial assets					
Cash and cash equivalents	958,545	-	-	-	958,545
Loan receivables and hire purchase receivables ^{(1),(2)}	-	55,174,258	47,713,104	1,995,605	104,882,967
Other receivables - related parties	-	3,152,455	-	-	3,152,455
Short-term loans	-	88,377	-	-	88,377
Long-term loan - related party	-	169,504	435,587	-	605,091
Other financial assets	-	91,014	-	-	91,014
Total financial assets	958,545	58,675,608	48,148,691	1,995,605	109,778,449
Financial liabilities					
Short-term borrowings from financial institutions	-	4,240,903	-	-	4,240,903
Other payables	-	1,221,200	-	-	1,221,200
Long-term borrowings from financial institutions	-	11,847,627	7,534,126	-	19,381,753
Debentures	-	15,026,763	35,161,634	-	50,188,397
Lease liabilities	-	1,005,571	3,307,386	188,906	4,501,863
Income tax payables	-	635,483	-	-	635,483
Other financial liabilities	-	425,751	-	-	425,751
Total financial liabilities	-	34,403,298	46,003,146	188,906	80,595,350

⁽¹⁾ Before allowance for expected credit loss

⁽²⁾ Excluding receivables that are credit-impaired

Derivative

The remaining notional amount of derivative classified by remaining contractual maturities as at 31 December 2022 was as follows:

	Consolidated and Separate financial statements			Total
	2022			
	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	More than 5 years	
Cross currency interest rate swap agreements - Net cash (outflow) inflow	(113,476)	(306,420)	3,298	(416,598)

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(b) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Consolidated financial statements				Fair value
	Fair value - hedging instruments	Financial instruments measured at amortised cost	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	
2022							
Financial assets							
Loan receivables	-	111,669,965	111,669,965	-	-	111,183,585	111,183,585
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	431,961	-	431,961	-	431,961	-	431,961
Long-term borrowings from financial institutions	-	24,056,121	24,056,121	-	22,190,422	-	22,190,422
Debentures	-	59,725,312	59,725,312	-	59,863,123	-	59,863,123
2021							
Financial assets							
Loan receivables	-	85,814,653	85,814,653	-	-	85,407,749	85,407,749
Financial liabilities							
Long-term borrowings from financial institutions	-	16,051,165	16,051,165	-	16,099,610	-	16,099,610
Debentures	-	47,028,188	47,028,188	-	47,411,648	-	47,411,648

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	Carrying amount		Separate financial statements			Fair value	
	Fair value - hedging instruments	Financial instruments measured at amortised cost	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
2022							
Financial assets							
Loan receivables	-	109,307,998	109,307,998	-	-	108,821,617	108,821,617
Long-term loan - related party	-	737,500	737,500	-	741,041	-	741,041
Financial liabilities							
Derivative liabilities - cross currency interest rate swap agreements	431,961	-	431,961	-	431,961	-	431,961
Long-term borrowings from financial institutions	-	24,056,121	24,056,121	-	22,190,422	-	22,190,422
Debentures	-	59,725,312	59,725,312	-	59,863,123	-	59,863,123
2021							
Financial assets							
Loan receivables	-	85,814,653	85,814,653	-	-	85,407,749	85,407,749
Long-term loan - related party	-	562,500	562,500	-	601,487	-	601,487
Financial liabilities							
Long-term borrowings from financial institutions	-	16,051,165	16,051,165	-	16,099,610	-	16,099,610
Debentures	-	47,028,188	47,028,188	-	47,411,648	-	47,411,648

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Financial assets and financial liabilities which have short-term maturity, including cash and cash equivalents, other receivables, short-term loans and short-term borrowings from financial institutions, their fair values approximate their carrying amount.

Fair value of loan receivables and long-term loans are estimated by discounting expected future cash flow by the current market interest rates of the instruments with similar terms, net of allowance for expected credit loss.

Fair value of derivative liabilities has been determined using a discounted future cash flow model, applying current market yield rates.

Floating rate long-term borrowings from financial institutions, their fair values are approximated based on the carrying amount.

Fixed rate long-term borrowings from financial institutions, their fair values are estimated by discounting expected future cash flow by the current market interest rate of the instrument with similar terms and conditions.

Fair values of debentures are referenced by the price of debentures at the Thai Bond Market Association (“ThaiBMA”).

23 Capital management

The Board of Directors’ policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders’ equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

24 Commitments with non-related parties

	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	4,006	9,690
<i>Other commitments</i>		
Service agreements	-	4

As at 31 December 2022, the Group and the Company have no service agreement for office equipment. (2021: the Group and the Company have a service agreement for office equipment which service period was 4 years commencing from January 2018 and ending in January 2022).

25 Events after the reporting period

On 21 February 2023, at the Company’s Board of Directors’ meeting passed resolutions to propose to the Annual General Meeting of Shareholders for approval of a cash dividend payment of Baht 0.95 per share to the shareholders from the net profit for the year 2022, in total of Baht 2,014 million, and for approval of a budget for debenture issuance.