

Capital Nomura Securities Public Company Limited
Report and financial statements
30 June 2022



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Independent Auditor's Report

To the Shareholders of Capital Nomura Securities Public Company Limited

Opinion

I have audited the accompanying financial statements of Capital Nomura Securities Public Company Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Nomura Securities Public Company Limited as at 30 June 2022, its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 30 August 2022

Capital Nomura Securities Public Company Limited

Statement of financial position

As at 30 June 2022

		(Unit: Baht)	
	Note	30 June 2022	31 December 2021
Assets			
Cash and cash equivalents	6	182,438,346	614,128,121
Receivables from Clearing House and broker-dealers	7	65,654,923	550,135,905
Securities and derivatives business receivables	8	10,639,038,209	11,270,804,043
Non-collateralised investments	10	551,022,050	270,688,105
Premises and equipment	12	83,097,396	86,654,543
Right-of-use assets	13.1	163,223,334	178,820,115
Intangible assets	14	49,543,640	51,808,810
Deferred tax assets	15	61,948,585	85,896,812
Other assets	16	298,211,756	302,916,927
Total assets		<u>12,094,178,239</u>	<u>13,411,853,381</u>

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

Capital Nomura Securities Public Company Limited

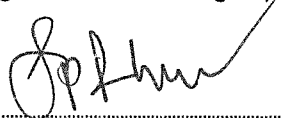
Statement of financial position (Continued)

As at 30 June 2022

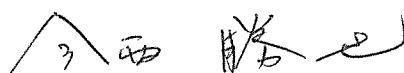
(Unit: Baht)

	Note	30 June 2022	31 December 2021
Liabilities and equity			
Liabilities			
Borrowings from financial institutions	17	4,450,000,000	4,350,000,000
Payables to Clearing House and broker-dealers	18	5,434,952	15,242,193
Securities and derivatives business payables	19	1,810,495,047	2,718,852,669
Corporate income tax payables		8,951,503	53,402,397
Provisions	20	143,938,590	153,920,866
Lease liabilities	13.2	171,817,135	185,971,014
Other liabilities	22	172,674,070	316,521,794
Total liabilities		6,763,311,297	7,793,910,933
Equity			
Share capital - Registered, issued and paid-up			
2,150,469,000 ordinary shares of Baht 1 each		2,150,469,000	2,150,469,000
Premium on share capital and treasury stock		2,133,320,850	2,133,320,850
Retained earnings			
Appropriated - statutory reserve	23	215,046,900	215,046,900
- general reserve		215,000,000	215,000,000
Unappropriated		618,285,936	905,361,442
Other components of equity - gain (loss) on equity investments measured at FVOCI		(1,255,744)	(1,255,744)
Total equity		5,330,866,942	5,617,942,448
Total liabilities and equity		12,094,178,239	13,411,853,381

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



Directors





Capital Nomura Securities Public Company Limited

Statements of comprehensive income

For the six-month periods ended 30 June 2022

		(Unit: Baht)	
	Note	2022	2021
Profit or loss:			
Revenue			
Brokerage fee income	25	379,899,867	484,620,142
Fees and service income	26,32	213,315,564	337,756,519
Interest income	27	199,859,528	170,207,673
Gain and return on financial instruments	28	13,432,335	8,536,474
Other income		1,356,796	8,523,304
Total revenue		<u>807,864,090</u>	<u>1,009,644,112</u>
Expenses			
Personnel expenses		338,150,124	403,717,337
Fees and services expenses		98,045,565	136,659,143
Financial costs		30,960,446	18,718,235
Expected credit losses (reversal)		674,205	(332,861)
Other expenses		140,289,718	121,424,357
Total expenses		<u>608,120,058</u>	<u>680,186,211</u>
Profit before income tax		199,744,032	329,457,901
Income tax	15	(39,521,986)	(65,886,075)
Profit for the period		<u>160,222,046</u>	<u>263,571,826</u>
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u><u>160,222,046</u></u>	<u><u>263,571,826</u></u>
Basic earnings per share			
Profit for the period	30	<u>0.07</u>	<u>0.12</u>

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

Capital Nomura Securities Public Company Limited

Statement of changes in equity

For the six-month periods ended 30 June 2022

	Issued and paid-up share capital	Premium on share capital and treasury stock	Retained earnings			Unappropriated	Total	Other components of equity - gain (loss) on equity investments measured at FVOCI	Total
			Appropriated		General reserve				
			Statutory reserve	General reserve					
Balance - as at 1 January 2021	2,150,469,000	2,133,320,850	211,900,000	215,000,000	786,532,776	(932,024)	5,496,290,602		
Profit for the period	-	-	-	-	263,571,826	-	263,571,826		
Other comprehensive income for the period	-	-	-	-	-	-	-		
Dividend paid (Note 31)	-	-	-	-	(344,075,040)	-	(344,075,040)		
Balance - as at 30 June 2021	2,150,469,000	2,133,320,850	211,900,000	215,000,000	706,029,562	(932,024)	5,415,787,388		
Balance - as at 1 January 2022	2,150,469,000	2,133,320,850	215,046,900	215,000,000	905,361,442	(1,255,744)	5,617,942,448		
Profit for the period	-	-	-	-	160,222,046	-	160,222,046		
Other comprehensive income for the period	-	-	-	-	-	-	-		
Dividend paid (Note 31)	-	-	-	-	(447,297,552)	-	(447,297,552)		
Balance - as at 30 June 2022	2,150,469,000	2,133,320,850	215,046,900	215,000,000	618,285,936	(1,255,744)	5,330,866,942		

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

(Unit: Baht)

Capital Nomura Securities Public Company Limited

Statements of cash flows

For the six-month periods ended 30 June 2022

	(Unit: Baht)	
	2022	2021
Cash flows from operating activities		
Profit before income tax	199,744,032	329,457,901
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	44,768,472	44,520,811
Expected credit losses (reversal)	674,205	(332,861)
(Gain) loss on revaluation of investments	(9,683,726)	778,150
(Gain) Loss on disposal, written-off equipment and right-of-use assets	2	(5,518,402)
(Gain) loss on revaluation of derivatives	11,859,663	(2,042,850)
Financial costs	30,960,446	18,718,235
Interest income	(199,859,528)	(170,207,673)
Dividend income	(4,784,404)	(2,294,870)
Long-term employee benefits	5,726,784	5,682,228
Income from operating activities before changes in operating assets and liabilities	79,405,946	218,760,669
Operating assets (increase) decrease		
Receivables from Clearing House and broker-dealers	472,621,319	(360,530,095)
Securities and derivatives business receivables	628,826,412	(4,512,580,031)
Trading securities	(288,188,588)	(79,483,300)
Other assets	4,460,066	(15,639,003)
Operating liabilities increase (decrease)		
Borrowings from financial institutions	100,000,000	4,100,000,000
Payables to Clearing House and broker-dealers	(9,807,242)	(29,483,590)
Securities and derivatives business payables	(890,782,055)	754,960,129
Provision for long-term employee benefits	(16,274,000)	-
Other liabilities	(132,887,420)	(35,173,862)
Cash received (paid) from operating activities	(52,625,562)	40,830,917

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

Capital Nomura Securities Public Company Limited

Statements of cash flows (Continued)

For the six-month periods ended 30 June 2022

	(Unit: Baht)	
	2022	2021
Cash received from dividend	4,388,275	1,944,118
Cash paid for interest expenses	(31,514,598)	(10,422,028)
Cash received from interest	195,088,568	152,305,904
Cash paid for income tax	(60,024,653)	(44,523,856)
Net cash from operating activities	55,312,030	140,135,055
Cash flows from investing activities		
Cash received from sales of equipment	-	3,271
Cash paid for acquisition of equipment	(26,431,025)	(8,081,897)
Cash paid for acquisition of intangible assets	(2,161,694)	(408,548)
Cash received from interest	8,086,877	4,235,062
Cash received from dividend	396,129	350,753
Net cash use in investing activities	(20,109,713)	(3,901,359)
Cash flows from financing activities		
Cash paid for lease liability	(19,723,144)	(23,638,092)
Dividends paid	(447,297,552)	(344,075,040)
Net cash used in financing activities	(467,020,696)	(367,713,132)
Net decrease in cash and cash equivalents	(431,818,379)	(231,479,436)
Expected credit losses decrease	128,604	148,802
Cash and cash equivalents at the beginning of the period	614,128,121	592,023,846
Cash and cash equivalents at the end of the period	182,438,346	360,693,212

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

Capital Nomura Securities Public Company Limited

Notes to financial statements

For the six-month period ended 30 June 2022

1. General information

Capital Nomura Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Nomura Asia Investment (Singapore) Pte. Ltd., which was incorporated in Singapore. The ultimate parent company of the Group is Nomura Holdings, Inc. The Company is principally engaged in the securities and derivatives with business of securities brokerage, derivatives brokerage, selling agent, securities dealing, securities borrowing and lending services, investment and financial advisory and securities underwriting.

The registered office of the Company is at 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Thungmahamak, Sathorn, Bangkok. As at 30 June 2022, the Company has 9 branches (a headquarter and 8 branches in Bangkok and up country).

2. Basis of the preparation of the financial statements

These financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and they are presented in compliance with requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 3), No. Sor. Thor. 6/2562 dated 8 January 2019.

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

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

3. New financial reporting standards

Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

b) Fees and service income

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

c) Interest income

The Company recognises interest income using the effective interest rate method and recognised on an accrual basis.

The Company calculates interest income by applying the effective interest rate to the gross book value of financial assets. When financial assets are impaired, the Company calculates interest income using the effective interest rate with the net book value (gross book value less expected credit losses) of financial assets. If that financial assets are not credit impaired, the Company will calculate interest income on the original gross book value.

d) Gain and return on financial instruments

Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognised as income/expenses on the transaction dates.

Dividend income

Dividend is recognised when the right to receive the dividends is established.

4.2 Expense recognition

a) Expenses

Expenses are recognised on an accrual basis.

b) Interest expense

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank deposit accounts maturing within 3 months or less from the date of acquisition, and including call notes receivable and term notes receivable issued by financial institutions with an ordinary maturing within 3 months or less and not subject to withdrawal restrictions.

4.4 Recognition and derecognition of customers' assets

Assets which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the end of the reporting date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

4.5 Receivables from/payables to Clearing House and broker-dealers

Receivables from/payables to Clearing House and broker-dealers comprise the net balance receivables from/payables to Thailand Clearing House in respect of securities trades settled and derivative trading, and also include amounts pledged with Thailand Clearing House as security for derivatives trading and the net balance of receivables from/payables to overseas securities companies in respect of overseas securities trades settle through those companies.

4.6 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, and including related accrued interest receivables after deducting allowance for expected credit loss. In addition, securities business receivables comprise the net receivable balances of cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables, guaranteed deposit receivables (which comprise cash placed as guarantee from borrowers of securities) and other receivables such as overdue cash customer accounts and receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments, etc.

4.7 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities who are the Company's customers. The Company records its obligations to return borrowed securities which it has lent as "Payable under securities borrowing and lending business" presented under securities and derivatives business payable in the statement of financial position and securities lent to customers are recorded as "Receivables under securities borrowing and lending business" presented under securities and derivatives business receivables in the statement of financial position base on the close price quoted on the Stock Exchange of Thailand of the last working day of the period.

The Company adjusts the balance of securities borrowing payables based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the period. The change in value are recorded in profit or loss.

In addition, the Company records cash paid as collateral for securities borrowing as "Guaranteed deposit receivables" and cash received as collateral for securities lending as "Guarantee deposit payables".

Fees for borrowing and lending are recognised on an accrual basis over the term of the lending period.

4.8 Financial Instruments

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

Classification and measurement of financial assets and financial liabilities

Financial asset - debt instruments

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

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

Financial asset - equity instruments

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

Financial liabilities

The Company classifies financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost except for payables under securities borrowing and lending business, derivatives (loss) that measured at fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, the date on which the Company commits to purchase or sell the asset, the date on which an asset is delivered.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, is still recognised as financial assets.

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

Write-off

Debts that are determined to be irrecoverable are written off in the period in which the decision is taken. This is generally the case when the Company determines that the counterparties do not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

4.9 Derivatives

Futures

The Company initially recognises the fair value of future. Gains or losses from changes in the fair value of future is included in profit or loss. The fair value of marketable futures is calculated with reference to the settlement prices quoted on Thailand Futures Exchange Public Company Limited on the last working day.

4.10 Allowance for expected credit losses on financial assets

The Company recognises expected credit losses using the General Approach of financial asset - debt instruments which are cash equivalents, receivables from clearing house and broker-dealers, cash accounts, credit balance accounts, guarantee deposit receivables, derivatives business receivables, other receivables, investments in debt securities, loans to employees and partial other assets, which are measured at amortised cost or fair value through other comprehensive income. The Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition but that are not credit impaired, or credit impaired. However, when there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months.

At every reporting date, the amount of allowance for expected credit losses will be reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

Measurement of expected credit loss is calculated from probability of default, possible loss given default and exposure at default, assessment of probability of default and loss given default by reference to their historical loss experience, adjusts this for current observable data and plus on the reasonable and supportable forecasts of future economic conditions. Exposure at default is presented at gross amount of assets at reporting date. The Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis.

The allowance for expected credit losses on credit balance accounts is based on historical loss experience, adjusts this for specific factor and plus on forecasts of future economic conditions. In determining whether credit risk has increased significantly since initial recognition, the Company takes into account the status of outstanding receivables and maintenance of required collateral values in the contract.

At every reporting date, the Company will determine whether credit risk of other debt instruments and cash equivalents has increased significantly since initial recognition, by comparison of risk on lifetime expected probability of default at reporting date and credit risk at date of initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

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

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

For fee and service income receivables, the Company considers using a simplified approach to determine expected credit losses over the expected life.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss. In the case that the Company receives payment from their written-off receivables, the Company reduces expected credit losses in profit or loss.

4.11 Premises and equipment/Depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

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

Condominium units	20 years
Leasehold improvements	12 years
Office equipment	3, 5, 6 years
Furniture and fixtures	5, 6 years
Motor vehicles	5 years

No depreciation is provided on construction in progress.

Depreciation is included in determining income.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

4.12 Leases

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

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

Right-of-use assets

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

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

Building	2 - 6 years
Office equipment	2 - 4 years
Motor vehicles	4 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

4.13 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

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

Intangible assets with finite useful lives is amortised for a period of 5 years.

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value with reference to the latest appraisal value less estimated selling expenses.

4.16 Impairment of non-financial assets

At each end of reporting period, the Company performs impairment reviews in respect of the equipment, intangible assets or right-of-use assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.17 Borrowings from financial institution

Borrowings from financial institution are recognised initially at the fair value of the proceeds received. Borrowings from financial institution are subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

4.18 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.19 Debt issued

Debt issued is recognised initially at the fair value of the proceeds received. Debt issued is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

4.20 Related parties transaction

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

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

4.21 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

4.22 Employee benefits

a) Short-term employee benefits

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

b) Post-employment benefits (Defined contribution plans)

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

c) Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.23 Provisions

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

4.24 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

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

5.2 Allowances for expected credit losses of financial assets

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realised, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

5.3 Fair value of financial instruments

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

5.4 Premises and equipment/Depreciation

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

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

5.5 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.6 Intangible assets

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

5.7 Post-employment benefits under defined benefit plans

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

5.8 Leases

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

Estimating the incremental borrowing rate

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

5.9 Allowance for impairment of non-financial assets

In determining allowance for impairment of non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its forecast fair value less cost of disposal and its forecast value in use.

5.10 Litigation

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

6. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2022	31 December 2021
Cash	47,000	47,000
Current deposits and saving deposits	2,926,028,216	1,739,818,381
Promissory notes at call	231,000,000	498,000,000
Total cash and cash equivalents	3,157,075,216	2,237,865,381
Less: Deposits for customers' account	(2,974,600,150)	(1,623,571,936)
	182,475,066	614,293,445
Less: Allowance for expected credit losses	(36,720)	(165,324)
Net cash and cash equivalents	182,438,346	614,128,121

	(Unit: Baht)	
	For the six-month periods ended 30 June	
	2022	2021
<u>Supplemental cash flows information</u>		
Non-cash transactions		
Accounts payable for purchase of fixed assets and intangible assets	10,212,746	7,501,951

7. Receivables from Clearing House and broker-dealers

	(Unit: Baht)	
	30 June 2022	31 December 2021
Receivables from Clearing House		
Equity and debt securities	24,151,781	500,586,086
Derivatives	100,945,308	106,866,923
Receivables from foreign broker-dealers	3,679,119	9,800,865
Total receivables from Clearing House and broker-dealers	128,776,208	617,253,874
Less: Receivables from Clearing House for customers' accounts	(63,121,285)	(67,117,969)
Net receivables from Clearing House and broker-dealers	65,654,923	550,135,905

8. Securities and derivatives business receivables

	(Unit: Baht)	
	30 June 2022	31 December 2021
<u>Securities business receivables</u>		
Cash accounts	654,189,127	976,963,334
Credit balances receivables	8,702,258,401	9,034,343,188
Guaranteed deposit receivables	641,276,546	765,084,161
Receivables under securities borrowing and lending business	607,849,246	460,271,531
Other receivables	6,250,850	6,012,981
Total securities business receivables	10,611,824,170	11,242,675,195
Add: Accrued interest receivables	31,116,172	33,817,724
Less: Allowance for expected credit losses	(6,250,850)	(6,012,981)
Net securities business receivables	10,636,689,492	11,270,479,938
<u>Derivatives business receivables</u>		
Derivatives business receivables	2,348,717	324,105
Total derivatives business receivables	2,348,717	324,105
Net securities and derivatives business receivables	10,639,038,209	11,270,804,043

8.1 Classification of securities and derivatives receivables

As at 30 June 2022 and 31 December 2021, classification are as follows:

	(Unit: Thousand Baht)		
	30 June 2022		
	Securities and derivatives business receivables and accrued interest	Exposure at Default	Allowance for expected credit losses
<u>Securities business receivables</u>			
Performing loans	10,571,388	10,571,388	-
Under-performing loans	65,301	65,301	-
Credit impaired loans	6,251	6,251	(6,251)
Total securities business receivables	10,642,940	10,642,940	(6,251)
<u>Derivatives business receivables</u>			
Performing loans	2,349	2,349	-
Total derivatives business receivables	2,349	2,349	-
Total securities and derivatives business receivables	10,645,289	10,645,289	(6,251)

(Unit: Thousand Baht)

	31 December 2021		
	Securities and derivatives business receivables and accrued interest	Exposure at Default	Allowance for expected credit losses
<u>Securities business receivables</u>			
Performing loans	11,270,480	11,270,480	-
Credit impaired loans	6,013	6,013	(6,013)
Total securities business receivables	11,276,493	11,276,493	(6,013)
<u>Derivatives business receivables</u>			
Performing loans	324	324	-
Total derivatives business receivables	324	324	-
Total securities and derivatives business receivables	11,276,817	11,276,817	(6,013)

- 8.2** With reference to the case that the Company has filed a civil lawsuit to claim for the whole receivable amount from a client, while this client answered and counter-claimed that the Company was not entitled to file the claim and asked for compensation, where the management, by the Company's external legal counsel's opinion, considered that the counter-claim is defensible and the possibility for additional loss is remote. During the year ended 31 December 2020, the Company completely received the debt settlement and filed the petition to the court for case withdrawal. On 8 October 2020, the Court has considered the Company's petition for case withdrawal together with the client's objection and granted the Company permission to withdraw the case and disposed of the Company's case from the case-list. However, after the Company has withdrawn the case, the counterclaim filed by the client still remain and shall be considered by the court. Currently, the case is pending for scheduling the trial date.
- 8.3** As at 30 June 2022, guaranteed deposit receivables of approximately Baht 641 million represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed is approximately Baht 622 million (31 December 2021: Baht 765 million and Baht 742 million, respectively).

9. Derivative assets/ Derivative liabilities

9.1 Derivative assets and liabilities

(Unit: Baht)

	30 June 2022			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Type of risk				
Equity price				
- Futures ⁽¹⁾	-	323,313,255	-	251,728,852
Total	-	323,313,255	-	251,728,852

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level, fair value of outstanding futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 30 June 2022, the fair value of derivative assets and liabilities for futures contracts are Baht 10.5 million and Baht 4.8 million, respectively.

(Unit: Baht)

	31 December 2021			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Type of risk				
Equity price				
- Futures ⁽¹⁾	-	451,223,450	-	84,082,000
Total	-	451,223,450	-	84,082,000

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level, fair value of outstanding futures contracts as at the end of year included in "Receivables from Clearing House and broker-dealers". As at 31 December 2021, the fair value of derivative assets and liabilities for futures contracts are Baht 19.2 million and Baht 1.7 million, respectively.

9.2 Proportion of the notional derivative transactions classified by type of contractual parties

Type of parties	30 June 2022		31 December 2021	
	Proportion based on contract amount		Proportion based on contract amount	
	Assets	Liabilities	Assets	Liabilities
	(percent)	(percent)	(percent)	(percent)
Clearing House	100	100	100	100
Total	100	100	100	100

10. Non-collateralised investments

10.1 Cost and fair value

	(Unit: Baht)	
	30 June 2022	31 December 2021
	Fair value / Amortised cost	Fair value / Amortised cost
<u>Fair value</u>		
Investments measured at fair value through profit or loss		
Marketable equity instruments in domestic market	548,503,500	267,509,750
Total	548,503,500	267,509,750
Investments measured at fair value through other comprehensive income		
Non-marketable equity instruments in domestic market	1,000,000	1,000,000
Total	1,000,000	1,000,000
<u>Amortised cost</u>		
Investments measured at amortised cost		
Treasury bill	2,722,647,772	3,376,265,684
Less: Investments for customer's accounts	(2,721,129,222)	(3,374,087,329)
Total	1,518,550	2,178,355
Investments	551,022,050	270,688,105

10.2 Investments in deposits at financial institutions and investments in debt securities classified by remaining periods of contracts

	(Unit: Baht)			
	30 June 2022			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Treasury bill	2,722,647,772	-	-	2,722,647,772
Less: Investments for customer's accounts	(2,721,129,222)	-	-	(2,721,129,222)
Total	1,518,550	-	-	1,518,550
	(Unit: Baht)			
	31 December 2021			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Treasury bill	3,376,265,684	-	-	3,376,265,684
Less: Investments for customer's accounts	(3,374,087,329)	-	-	(3,374,087,329)
Total	2,178,355	-	-	2,178,355

10.3 Investment in equity instruments measured at fair value through other comprehensive income

(Unit: Thousand Baht)

30 June 2022					
Investment	Reason for using option in presentations as mentioned	Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity	Reason to transfer
TRIS Corporation Limited	Intend to hold for long-term	1,000	380	-	-
Tawana Hotel Co., Ltd.	Intend to hold for long-term	-	-	-	-
TSFC Securities Public Company Limited	Intend to hold for long-term	-	16	-	-
ASCO Business Promotion Co., Ltd.	Intend to hold for long-term	-	-	-	-
Total		<u>1,000</u>	<u>396</u>	<u>-</u>	

(Unit: Thousand Baht)

31 December 2021					
Investment	Reason for using option in presentations as mentioned	Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity	Reason to transfer
TRIS Corporation Limited	Intend to hold for long-term	1,000	340	-	-
Tawana Hotel Co., Ltd.	Intend to hold for long-term	-	-	-	-
TSFC Securities Public Company Limited	Intend to hold for long-term	-	11	-	-
ASCO Business Promotion Co., Ltd.	Intend to hold for long-term	-	-	-	-
Total		<u>1,000</u>	<u>351</u>	<u>-</u>	

11. Allowance for expected credit losses

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
Cash and cash equivalents	37	165
Securities and derivatives business receivables	6,251	6,013
Total	6,288	6,178

As at 30 June 2022 and 31 December 2021, allowance for expected credit losses of securities and derivatives business receivables are as follows:

	(Unit: Thousand Baht)			
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Balance as of 1 January 2021	-	-	6,067	6,067
Recoveries	-	-	(54)	(54)
Balance as of 31 December 2021	-	-	6,013	6,013
Expected credit losses	-	-	276	276
Recoveries	-	-	(38)	(38)
Balance as of 30 June 2022	-	-	6,251	6,251

12. Premises and equipment

(Unit: Baht)

	For the six-month period ended 30 June 2022					Total
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	
Cost						
1 January 2022	22,704,701	391,385,866	151,437,247	24,448,946	-	589,976,760
Additions	-	10,220,590	87,320	-	5,086,325	15,394,235
Disposals/write-off	-	(5,789)	-	-	-	(5,789)
30 June 2022	22,704,701	401,600,667	151,524,567	24,448,946	5,086,325	605,365,206
Accumulated depreciation						
1 January 2022	18,441,571	321,955,538	148,854,250	14,070,858	-	503,322,217
Depreciation for the period	-	18,181,952	529,715	239,713	-	18,951,380
Depreciation on disposals /write-off	-	(5,787)	-	-	-	(5,787)
30 June 2022	18,441,571	340,131,703	149,383,965	14,310,571	-	522,267,810
Net book value						
30 June 2022	4,263,130	61,468,964	2,140,602	10,138,375	5,086,325	83,097,396
Depreciation for the six-month period ended 30 June 2022						18,951,380

(Unit: Baht)

	For the year ended 31 December 2021					Total
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	
Cost						
1 January 2021	22,704,701	328,937,370	154,867,873	24,448,946	-	530,958,890
Additions	-	63,305,814	347,410	-	-	63,653,224
Disposals/write-off	-	(857,318)	(3,778,036)	-	-	(4,635,354)
31 December 2021	22,704,701	391,385,866	151,437,247	24,448,946	-	589,976,760
Accumulated depreciation						
1 January 2021	18,441,571	288,119,229	146,794,082	13,587,458	-	466,942,340
Depreciation for the year	-	34,693,546	4,758,878	483,400	-	39,935,824
Depreciation on disposals /write-off	-	(857,237)	(2,698,710)	-	-	(3,555,947)
31 December 2021	18,441,571	321,955,538	148,854,250	14,070,858	-	503,322,217
Net book value						
31 December 2021	4,263,130	69,430,328	2,582,997	10,378,088	-	86,654,543
Depreciation for the year ended 31 December 2021						39,935,824

As at 30 June 2022, the Company office equipment have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 462 million (31 December 2021: Baht 440 million).

13. Lease

The Company has lease contracts used in their operation. Leases generally have lease terms between 1 - 4 years.

13.1 Right-of-use assets

(Unit: Baht)

For the six-month period ended 30 June 2022

	Buildings	Office equipment	Motor Vehicles	Total
Cost				
1 January 2022	222,581,225	2,636,841	405,755	225,623,821
Additions	-	3,466,372	-	3,466,372
Disposals	-	(156,155)	(405,755)	(561,910)
30 June 2022	222,581,225	5,947,058	-	228,528,283
Accumulated depreciation				
1 January 2022	45,504,557	994,833	304,316	46,803,706
Depreciation for the period	17,374,963	1,586,751	101,439	19,063,153
Depreciation on write-off	-	(156,155)	(405,755)	(561,910)
30 June 2022	62,879,520	2,425,429	-	65,304,949
Net book value				
30 June 2022	159,701,705	3,521,629	-	163,223,334

(Unit: Baht)

For the year ended 31 December 2021

	Buildings	Office equipment	Motor Vehicles	Total
Cost				
1 January 2021	162,362,470	5,301,998	9,711,795	177,376,263
Additions	87,283,741	2,260,672	558,018	90,102,431
Disposals	(27,064,986)	(4,925,829)	(9,864,058)	(41,854,873)
31 December 2021	222,581,225	2,636,841	405,755	225,623,821
Accumulated depreciation				
1 January 2021	37,187,269	3,103,075	3,296,092	43,586,436
Depreciation for the year	35,150,341	2,817,587	6,872,282	44,840,210
Depreciation on write-off	(26,833,053)	(4,925,829)	(9,864,058)	(41,622,940)
31 December 2021	45,504,557	994,833	304,316	46,803,706
Net book value				
31 December 2021	177,076,668	1,642,008	101,439	178,820,115

13.2 Lease liabilities

	(Unit: Baht)	
	30 June 2022	31 December 2021
Lease Liabilities	181,812,064	197,971,207
Less: Deferred interest expenses	(9,994,929)	(12,000,193)
Total	<u>171,817,135</u>	<u>185,971,014</u>

The maturity analysis of lease payments is disclosed in Note 35 under the liquidity risk.

13.3 Expenses related to lease agreements which was recognised in statement of income

	(Unit: Thousand Baht)	
	For the six-month periods ended 30 June	
	2022	2021
Depreciation expense of right-of-use assets	19,063	23,677
Interest expense on lease liabilities	2,103	1,625
Total	<u>21,166</u>	<u>25,302</u>

The Company has total cash outflows for leases for the six-month period ended 30 June 2022 of Baht 19.7 million (2021 : Baht 23.6 million).

14. Intangible assets

		For the six-month period ended 30 June 2022				(Unit: Baht)
	Remaining amortisation year	Balance beginning of the period	Increase/ transfer in	Amortised	Disposals/ transfer out	Balance end of the period
Computer software	0 - 4.80 Years	87,770,619	243,546	-	-	88,014,165
Software in progress		3,986,328	4,145,235	-	(190,560)	7,941,003
Total intangible assets		91,756,947	4,388,781	-	(190,560)	95,955,168
Less: Accumulated amortisation		(39,948,137)	-	(6,463,391)	-	(46,411,528)
Net intangible assets		<u>51,808,810</u>	<u>4,388,781</u>	<u>(6,463,391)</u>	<u>(190,560)</u>	<u>49,543,640</u>
Amortisation expenses for the six-month periods ended 30 June 2022						<u>6,463,391</u>

(Unit: Baht)

	Remaining amortisation year	For the year ended 31 December 2021				Balance end of the year
		Balance	Increase/	Amortised	Disposals/	
		beginning of the year	transfer in		transfer out	
Computer software	0 – 4.84 Years	56,995,545	30,775,074	-	-	87,770,619
Software in progress		20,833,354	12,211,513	-	(29,058,539)	3,986,328
Total intangible assets		77,828,899	42,986,587	-	(29,058,539)	91,756,947
Less: Accumulated amortisation		(30,632,435)	-	(9,315,702)	-	(39,948,137)
Net intangible assets		<u>47,196,464</u>	<u>42,986,587</u>	<u>(9,315,702)</u>	<u>(29,058,539)</u>	<u>51,808,810</u>
Amortisation expenses for the year ended 31 December 2021						<u>9,315,702</u>

15. Deferred tax assets/liabilities and income tax

Income tax expenses for the six-month periods ended 30 June 2022 and 2021 are made up as follows:

	(Unit: Baht)	
	2022	2021
Current income tax:		
Current income tax charge	16,042,419	61,566,315
Adjustment in respect of current income tax of previous period	(468,660)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	23,948,227	4,319,760
Income tax expense reported in the statement of comprehensive income	<u>39,521,986</u>	<u>65,886,075</u>

Reconciliation between accounting profit and income tax expense is as follows:

	(Unit: Baht)	
	2022	2021
Accounting profit before income tax	199,744,032	329,457,901
Applicable tax rate	20 percent	20 percent
Accounting profit before tax multiplied by applicable tax rate	39,948,806	65,891,580
Adjustment in respect of income tax of prior period	(468,660)	-
Effects of:		
Non-deductible expense	88,110	345,235
Non-taxable income	(39,613)	(73,657)
Additional expense deductions allowed	(6,657)	(277,083)
Total	41,840	(5,505)
Income tax expenses reported in the statement of comprehensive income	39,521,986	65,886,075

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

	(Unit: Baht)	
	30 June 2022	31 December 2021
Deferred tax assets		
Allowance for impairment of property foreclosed	5,570,240	5,570,240
Allowance for expected credit losses of account receivables and other receivables	1,208,446	1,160,873
Provisions for long-term employee benefits	25,268,113	27,377,556
Accrued employee expenses	16,031,595	37,479,039
Others	13,970,584	14,493,535
Total deferred tax assets	62,048,978	86,081,243
Deferred tax liabilities		
Others	(100,393)	(184,431)
Total deferred tax liabilities	(100,393)	(184,431)
Net deferred tax assets	61,948,585	85,896,812

16. Other assets

	(Unit: Baht)	
	30 June 2022	31 December 2021
Loans to employees	43,951,305	49,214,888
Deposit and contribution to the clearing fund and securities deposits	118,732,258	112,940,492
Prepaid expenses	41,637,094	48,991,938
Deposits	17,519,952	17,519,952
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	1,058,171	1,012,729
Deposit for derivative business	4,957,990	4,993,862
Fees and service income receivables	45,352,956	45,246,175
Others	10,002,030	7,996,891
Total other assets	298,211,756	302,916,927

16.1 Loans to employees

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
Loan that the credit risk has not increased significantly		
Not over 1 year	177	31
Over 1 year	43,774	49,184
Total	43,951	49,215

17. Borrowings from financial institutions

As at 30 June 2022 and 31 December 2021, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

	(Unit: Thousand Baht)			
	30 June 2022			
Interest rate per annum (percent)	Remaining period to maturity			Total
	At call	Less than 1 year	1 - 5 years	
Borrowings				
Borrowings from financial institutions	0.93 - 1.26	-	4,450,000	-
Total borrowings from financial institutions		-	4,450,000	-

(Unit: Thousand Baht)

	31 December 2021				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Less than		
			1 year	1 - 5 years	
Borrowings					
Borrowings from financial institutions	0.93 – 1.31	-	4,350,000	-	4,350,000
Total borrowings from financial institutions		-	4,350,000	-	4,350,000

18. Payables to Clearing House and broker - dealers

(Unit: Baht)

	30 June 2022	31 December 2021
Payables to Clearing House		
Equity and debt securities	566,511	906,048
Derivatives	2,268,080	1,644,282
Payables from foreign companies	2,600,361	12,691,863
Total payables to Clearing House and broker-dealers	5,434,952	15,242,193

19. Securities and derivatives business payables

(Unit: Baht)

	30 June 2022	31 December 2021
<u>Securities business payables</u>		
Cash accounts	617,556,168	1,547,847,448
Guarantee deposit payables	569,273,251	425,107,889
Payable under securities borrowing and lending business	621,649,246	742,475,531
Total securities business payables	1,808,478,665	2,715,430,868
Accrued interest payables	1,931,602	2,628,603
Total securities business payables	1,810,410,267	2,718,059,471
<u>Derivatives business payables</u>		
Derivatives business payables	84,780	793,198
Total derivatives business payables	84,780	793,198
Net securities and derivatives business payables	1,810,495,047	2,718,852,669

20. Provisions

(Unit: Thousand Baht)

	Provisions for long-term employee benefits	Decommissioning Cost	Allowance for expected credit losses	Total
Balance as at 1 January 2021	143,673	15,975	760	160,408
Increase (decrease) during the year	(6,785)	(193)	491	(6,487)
Balance as at 31 December 2021	136,888	15,782	1,251	153,921
Increase (decrease) during the period	(10,547)	-	565	(9,982)
Balance as at 30 June 2022	126,341	15,782	1,816	143,939

21. Provisions for long-term employee benefits

Provision for long - term employee benefits, which are compensations on employees' retirement, are as follows:

(Unit: Baht)

	For the six-month period ended 30 June 2022	For the year ended 31 December 2021
Provisions for long-term employee benefits at beginning of period/year	136,887,780	143,672,816
Included in profit or loss:		
Current service cost	4,681,266	8,007,129
Interest cost	1,045,518	3,357,335
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	-	(2,207,770)
Financial assumptions changes	-	(6,253,679)
Experience adjustments	-	(9,445,785)
Benefits paid during the period/year	(16,274,000)	(242,266)
Provisions for long-term employee benefits at end of period/year	126,340,564	136,887,780

The Company has obligation relating to long-term employee benefits expected to be paid to its employees in the next one year amount of Baht 9 million.

As at 30 June 2022, the weighted average duration of the liabilities for long-term employee benefit was 12.27 years.

Significant actuarial assumptions are summarised below:

	30 June 2022	31 December 2021
Discount rate	1.53 percent per annum	1.53 percent per annum
Salary increase rate	5 - 6 percent per annum	5 - 6 percent per annum
Average turnover rate	3 - 26 percent per annum based on employee's year of services	3 - 26 percent per annum based on employee's year of services

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 June 2022 and 31 December 2021 are summarised below:

(Unit: Million Baht)

	30 June 2022		31 December 2021	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5.5)	5.9	(5.5)	5.9
Salary increase rate	5.7	(5.3)	5.4	(5.0)

(Unit: Million Baht)

	30 June 2022		31 December 2021	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Average turnover rate	(4.6)	4.9	(4.2)	4.6

22. Other liabilities

(Unit: Baht)

	30 June 2022	31 December 2021
Accrued employee expenses	80,456,193	188,585,303
Accrued interest expenses	13,744,036	15,704,078
Accrued expenses	59,212,205	95,240,326
Others	19,261,636	16,992,087
Total other liabilities	<u>172,674,070</u>	<u>316,521,794</u>

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. Capital Management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission. The Company specifies the scope of transaction. Thus the Risk Management Department is assigned to be responsible for closely monitoring NCR figures. During the period, the Company can maintain net capital ratio in accordance with the rules.

25. Brokerage fee income

(Unit: Baht)

	For the six-month periods ended 30 June	
	2022	2021
Brokerage fee from securities business	349,204,366	458,761,026
Brokerage fee from derivatives business	30,695,501	25,859,116
Total brokerage fee income	<u>379,899,867</u>	<u>484,620,142</u>

26. Fees and service income

(Unit: Baht)

	For the six-month periods ended 30 June	
	2022	2021
Underwriting fee	10,226,708	17,760,785
Financial advisory	17,314,647	1,427,263
Selling agent	126,776,994	252,488,449
Securities borrowing and lending	7,993,966	10,021,844
Business support	48,557,838	53,039,121
Others	2,445,411	3,019,057
Total fees and service income	<u>213,315,564</u>	<u>337,756,519</u>

27. Interest income

(Unit: Baht)

	For the six-month periods ended 30 June	
	2022	2021
Interest on margin loans	189,064,700	162,937,023
Interest from deposits in financial institutions	2,732,425	2,436,236
Interest from investment	7,431,433	4,199,622
Others	630,970	634,792
Total interest income	<u>199,859,528</u>	<u>170,207,673</u>

28. Gain and return on financial instruments

(Unit: Baht)

	For the six-month periods ended 30 June	
	2022	2021
Gain (loss) on securities	(38,929,359)	13,276,229
Gain (loss) on derivatives	47,577,290	(7,034,625)
Dividend	4,784,404	2,294,870
Total gain and return on financial instruments	<u>13,432,335</u>	<u>8,536,474</u>

29. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E 2530. The employees contribute to the fund monthly at the rate of 5 - 15 percent of basic salary and the Company contributes to the fund monthly at the rate of 5 - 10 percent of basic salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the fund rules.

During the six-month period ended 30 June 2022, the Company contributed Baht 14.7 million to the fund (2021: Baht 13.6 million).

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

30. Earnings per share

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

31. Dividends

During the periods, the Company declared the following dividends for payment to shareholders:

	Approved by	Total dividend declaration (Million Baht)	Dividend declaration per share (Baht)
Dividends from the operating results for the year ended 31 December 2021	The annual ordinary meeting of the Company's shareholders No. 1/2565 on 22 April 2022	447	0.208 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)
Dividends from the operating results for the year ended 31 December 2020	The annual ordinary meeting of the Company's shareholders No. 1/2564 on 28 April 2021	344	0.16 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)

32. Related party transactions

During the periods, the Company had significant business transactions with the following related parties.

Related parties	Relationship
Nomura Holdings, Inc.	Ultimate parent company
Nomura Asia Investment (Singapore) Pte.Ltd.	Parent company
Nomura Singapore Limited	Having common major shareholders
Nomura Securities Co., Ltd.	Having common major shareholders
Nomura International (Hong Kong) Limited	Having common major shareholders
Nomura International Plc.	Having common major shareholders
Instinet Pacific Limited	Having common major shareholders

Such transactions with its related companies were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business. The significant transactions are summarised below.

(Unit: Baht)

	For the six-month periods		Pricing policies (for the period 2022)
	ended 30 June		
	2022	2021	
<u>Transactions occurred during the periods</u>			
Brokerage fees income			
- Common major shareholder	14,164,684	7,405,606	At normal rate charged to other clients
Fees income from business support services			
- Common major shareholder	14,186,315	17,760,000	At actual costs plus a margin of 10 percent
Fees income from international investment banking services			
- Common major shareholder	15,838,210	13,839,168	At actual costs plus a margin of 10 percent
Fees income from introducing broker			
- Common major shareholder	448,001	618,981	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fees income from securities borrowing and lending			
- Common major shareholder	-	627,426	At normal rate charged to other clients
Fees income from other services			
- Common major shareholder	2,719,740	2,881,535	At the contract rate determined by extent and amount of work assigned
Fee income from sales and trading services and research			
- Common major shareholder	15,813,573	18,558,418	At actual costs plus a margin of 10 percent net with the brokerage commission received
Fee income from late delivery			
- Common major shareholder	895,216	11,329	At normal rate charged to other clients
Fees expense from other services			
- Common major shareholder	1,856,968	-	At the contract rate determined by extent and amount of work assigned
Brokerage fees expense from foreign securities trading			
- Common major shareholder	17,248	17,179	Calculated based on trade volume and at the referential rate charged to other clients without dependent interest

As at 30 June 2022 and 31 December 2021, the outstanding balances of the related party transactions are as follows:

	(Unit: Baht)	
	30 June 2022	31 December 2021
Securities business receivables		
- Common major shareholder	644,131	78,347,529
Other assets - accrued income receivables		
- Common major shareholder	23,117,930	17,923,967
Other assets - Securities borrowing and Lending receivables		
- Common major shareholder	-	2,000
Other assets - others		
- Common major shareholder	7,249	7,450
Securities business payables		
- Common major shareholder	170,922,736	63,205,843
Other liabilities - others		
- Common major shareholder	1,856,968	1,253,795

Management's remuneration

During the six-month periods ended 30 June 2022 and 2021, the Company had employee benefit expenses payable to their management as below.

	(Unit: Baht)	
	For the six-month periods ended 30 June	
	2022	2021
Short-term employee benefits	50,259,928	52,102,436
Post-employment benefits	2,323,082	2,370,176
Total	52,583,010	54,472,612

33. Operating information by segment

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

For management purposes, the Company is organised into business units based on its products and services and have four reportable segments as follows:

- Securities business segment, which provides service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provides service according to underwriting, investment advisory and financial advisory.
- Fixed Income segment, which provides service according to trading debt securities.
- Other segments, which provide support services and operating management.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The following tables present the Company operating segments information as at 30 June 2022 and 31 December 2021, and for the six-month periods ended 30 June 2022 and 2021 of the Company by segment.

(Unit: Million Baht)

	Securities business		Investments		Fixed income		Other segments		Total	
	segment		banking segment		segment					
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	533	765	36	21	7	14	18	26	594	826
Segment operating profit	133	285	6	(7)	2	3	5	13	146	294
Unallocated income and expenses										
Interest income									200	170
Gain and return on financial instruments									13	5
Other income									1	9
Financial costs									(30)	(18)
Personnel expenses and other expenses									(129)	(130)
Expected credit losses									(1)	-
Income tax									(40)	(66)
Profit for the period									160	264

(Unit: Million Baht)

As at

	Securities business		Investments banking		Fixed income		Other segments		Total	
	segment		segment		segment					
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Premises and equipment									83	87
Unallocated assets									12,011	13,325
Total assets									12,094	13,412

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the six-month periods ended 30 June 2022 and 2021, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

34. Commitments and contingent liabilities

As at 30 June 2022 and 31 December 2021, the Company has the following outstanding commitments and contingent liabilities.

- 34.1** The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 34.2** The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the specific rate for each purchase or sale of a futures contract transacted.
- 34.3** The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses. The fee is calculated accordance with the Notification of the Office of the Securities and Exchange Commission. The minimum total fee is Baht 25,000 per annum and the maximum total fee is Baht 10,000,000 per annum.
- 34.4** The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to derivatives business licenses at the rate of Baht 0.10 per contract and Baht 0.01 per contract for single stock futures with underlying price not over Baht 100. The minimum total fee is Baht 25,000 per annum and the maximum total fee is Baht 1,000,000 per annum.
- 34.5** As at 30 June 2022, the Company had capital commitments of approximately Baht 2 million, relating to the purchases of office equipment and software. (31 December 2021: Baht 2 million)

35. Risk management policy

Financial risk management objectives and policies

The significant financial instruments of the Company principally comprise cash and cash equivalents, receivables from Clearing House and broker-dealers, securities and derivatives business receivables, Non-collateralised investments, loans to employees, deposits, fees and service income receivables, borrowings from financial institutions, payables to Clearing House and broker-dealers, securities and derivatives business payables. The financial risks associated with these financial instruments of the Company and how they are managed is described below.

35.1 Credit risk

Credit risk is the risk that the counterparty will be unable to meet its contractual obligations or have a significant increase in credit risk and unable to pay principal and interest.

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables, loans, deposits with banks and financial institutions, receivables from Clearing House and broker-dealers and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

In relation to impairment of financial assets, TFRS 9 requires the Company to prepare an expected credit loss model. The Company has established and maintained an appropriate credit loss model. The Company periodically reviews the parameters and the data used in the credit loss model.

Securities and derivatives business receivables

The Company manages the credit risk for securities and derivatives business receivables by establishing a credit quality review process and trading credit limit, placing collateral and approval and reviewing credit limit at both of committee and individual level subject to credit level. In addition, the Company assigns Risk Management Department to control and monitor the credit risk on a regular basis.

Deposits with banks and financial institutions and other financial instruments

The credit risk on deposits with banks and financial institutions and investment in debt instruments is limited because the Company has deposit with banks and financial institutions with high credit-ratings assigned by credit-rating agencies. For investment in debt instruments, the Company invests in Government bond with low credit risk.

Loans to employees

The credit risk on loans is limited because this account represents loans to employees under welfare program, with full collateral. In case of default, the Company has the right to proceed legal actions to foreclose the collateral to repay the loans.

35.2 Market risk

Market risk is the risk that the future cash flows or fair value of financial instruments will fluctuate due to changes in market variables related primarily to interest rate, foreign currency and equity instruments price. The Company manages their risk exposure as follows.

35.2.1 Interest rate risk

The Company's exposures to interest rate risk relates primarily to their cash and cash equivalents, receivable from Clearing House and broker-dealers, securities and derivatives business receivables, investments measured at amortised cost, loans to employees, borrowings from financial institutions, payables to Clearing House and broker-dealers, and securities and derivatives business payables. However, the Company's financial assets and liabilities are mostly bear floating interest rates or fixed interest rates which are close to the market rate due to the short-term in nature. Therefore the interest rate risk of the Company is limited.

As at 30 June 2022 and 31 December 2021, financial assets and liabilities that carry the significant interest rate risk are classified by type of interest rates. Those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	30 June 2022							
	Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date			Without interest	Total	Interest rate	
								Floating interest rate
Within 1 year		1 - 5 years	% p.a.					% p.a.
Financial assets								
Cash and cash equivalents	-	-	-	182	182	-	-	
Receivable from Clearing House and broker-dealers	-	-	-	66	66	-	-	
Securities and derivatives business receivables	8,702	608	-	1,304	10,614	4.31 - 6.06	3.50	
Investments measured at amortised cost	-	2	-	-	2	0.30 - 0.70	-	
Loans to employees	44	-	-	-	44	0.50	-	
Financial liabilities								
Borrowings from financial institutions	-	4,450	-	-	4,450	-	0.93 - 1.26	
Payables to Clearing House and broker-dealers	-	-	-	5	5	-	-	
Securities and derivatives business payables	-	622	-	1,187	1,809	-	2.50	

(Unit: Million Baht)

31 December 2021

Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Interest rate	
		Within 1 year	1 - 5 years			Floating interest rate	Fixed interest rate
						% p.a.	% p.a.
Financial assets							
Cash and cash equivalents	274	-	-	340	614	0.05 - 0.45	-
Receivable from Clearing House and broker-dealers	-	-	-	550	550	-	-
Securities and derivatives business receivables	9,034	460	-	1,749	11,243	4.31 - 6.06	3.50
Investments measured at amortised cost	-	2	-	-	2	-	0.40 - 0.49
Loans to employees	49	-	-	-	49	0.50	-
Financial liabilities							
Borrowings from financial institutions	-	4,350	-	-	4,350	-	0.93 - 1.31
Payables to Clearing House and broker-dealers	-	-	-	15	15	-	-
Securities and derivatives business payables	-	742	-	1,974	2,716	-	2.50

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of credit balance account receivables affected as at 30 June 2022, with all other variables held constant.

	Increase/(decrease)	Effect on profit before tax
	(%)	(Million Baht)
Credit balance account receivables	0.25	22
	(0.25)	(22)

The impact analysis is not a prediction or forecast of future market conditions. Actual events or results may differ from the analysis.

35.2.2 Foreign exchange risk

The Company's exposure to foreign currency risk arises from brokerage service for securities listed in stock exchange in overseas, and revenue and expense transactions that are denominated in foreign currencies. However, net foreign exchange risk is not significant to the Company.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 June 2022 and 31 December 2021 are summarised below:

(Unit: Thousand unit)

Foreign currency	Financial assets		Financial liabilities		Average exchange rates	
	30	31	30	31	30	31
	June	December	June	December	June	December
	2022	2021	2022	2021	2022	2021
	(Baht per 1 foreign currency unit)					
Japanese yen	1,491	1,007	409	-	0.2587	0.2906
Hong Kong dollar	1,231	272	847	-	4.499	4.2886
Singapore dollar	11	8	-	-	25.3626	24.7357
United States dollar	237	758	63	623	35.2970	33.4199
Australia dollar	5	2	-	-	24.2768	24.2627
United Kingdom pound	8	4	4	-	42.8194	45.0984
Euro Zone	4	3	-	-	36.8703	37.8948
Canada dollar	11	50	-	45	27.3691	26.1428
Laos kip	926,492	926,968	-	-	0.0023	0.0030
Peso Philippines	-	655	-	655	0.6418	0.6550

35.3 Liquidity risk

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

The Company manages liquidity risk through monitoring and planning of their cash flows, including the arrangement of credit facilities, in order to ensure that they will have sufficient funds for their operations.

As at 30 June 2022 and 31 December 2021, remaining years to maturity of financial instrument, counted from the end of the reporting periods, are follows:

(Unit: Million Baht)

	30 June 2022					Total
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
Financial assets						
Cash and cash equivalents	182	-	-	-	-	182
Receivable from Clearing House and broker-dealers	-	66	-	-	-	66
Securities and derivatives business receivables	1,249	688	-	-	8,702	10,639
Non-collateralised investments	548	2	-	-	1	551
Loans to employees	-	-	10	34	-	44
Financial liabilities						
Borrowings from financial institutions	-	4,450	-	-	-	4,450
Payables to Clearing House and broker-dealers	-	5	-	-	-	5
Securities and derivatives business payables	1,191	619	-	-	-	1,810
Lease liabilities	-	34	138	-	-	172

(Unit: Million Baht)

	31 December 2021					Total
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
Financial assets						
Cash and cash equivalents	614	-	-	-	-	614
Receivable from Clearing House and broker-dealers	-	550	-	-	-	550
Securities and derivatives business receivables	1,225	1,012	-	-	9,034	11,271
Non-collateralised investments	268	2	-	-	1	271
Loans to employees	-	1	12	36	-	49
Financial liabilities						
Borrowings from financial institutions	-	4,350	-	-	-	4,350
Payables to Clearing House and broker-dealers	-	15	-	-	-	15
Securities and derivatives business payables	1,168	1,551	-	-	-	2,719
Lease liabilities	-	34	139	13	-	186

36. Fair value

The Company applies the market approach in measuring the fair value of assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in the case where there is no active market or a quoted price in active market is not available, the Company is to measure the fair value using assumptions e.g. net book value, the cost method or income approach to measure the assets and liabilities.

36.1 Fair value of financial instruments

Majority of financial assets and financial liabilities of the Company is classified as short term or bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, the Company estimated the fair value approximate to their carrying amounts in the statement of financial position.

As of 30 June 2022 and 31 December 2021, the Company had the following financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)				
	30 June 2022				
	Book	Fair Value			
	value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Securities and derivatives business receivables					
Receivables under securities borrowing and lending business	607,849	607,849	-	-	607,849
Investments					
Marketable equity instruments in domestic market	548,504	548,504	-	-	548,504
Non-marketable equity instruments in domestic market	1,000	-	-	1,000	1,000
Derivatives assets ⁽¹⁾	-	-	-	-	-
Financial liabilities measured at fair value					
Securities and derivatives business payables					
Payables under securities borrowing and lending business	621,649	621,649	-	-	621,649
Derivatives liabilities ⁽¹⁾	-	-	-	-	-

⁽¹⁾ Fair value of derivatives assets/liabilities - futures as at 30 June 2022 amounting to Baht 10.5 million and Baht 4.8 million, respectively, included in "Receivables from Clearing House and broker-dealers", were measured at fair value by using Level 1 of input.

(Unit: Thousand Baht)

31 December 2021

	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Securities and derivatives business receivables					
Receivables under securities borrowing and lending business					
	460,272	460,272	-	-	460,272
Investments					
Marketable equity instruments in domestic market					
	267,510	267,510	-	-	267,510
Non-marketable equity instruments					
in domestic market					
	1,000	-	-	1,000	1,000
Derivatives assets ⁽¹⁾					
	-	-	-	-	-
Financial liabilities measured at fair value					
Securities and derivatives business payables					
Payables under securities borrowing and lending business					
	742,476	742,476	-	-	742,476
Derivatives liabilities ⁽¹⁾					
	-	-	-	-	-

⁽¹⁾ Fair value of derivatives assets/liabilities - futures as at 31 December 2021 amounting to Baht 19.2 million and Baht 1.7 million, respectively, included in "Receivables from Clearing House and broker-dealers", were measured at fair value by using Level 1 of input.

Valuation techniques and inputs used for fair value measurement

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, Receivable from Clearing House and broker-dealers, Securities and derivatives business receivables, Payables to Clearing House and broker-dealers, Securities and derivatives business payables and investments measured at amortised cost, their carrying amounts in the statement of financial position approximate their fair value.
- b) Fair value of marketable-equity instruments in the domestic market is determined using the latest bid price of the last working day. Fair value of non-marketable-equity instruments in the domestic market is determined using current book value of investee. For debt securities, their fair values are generally derived from quoted market prices, or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

- c) Fair value of receivables and payables under securities borrowing and lending business and derivative warrants in the domestic market is determined using the close price or latest offer price of the last working day.
- d) The fair value of marketable futures is calculated with reference to the settlement prices quoted on Thailand Futures Exchange Public Company Limited on the last working day.
- e) For Borrowings from financial institutions carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- f) Lease liabilities carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

During the current period, there were no transfers within the fair value hierarchy.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 30 August 2022.