
**KRUNGSRI CAPITAL SECURITIES PUBLIC
COMPANY LIMITED**
(FORMERLY "CAPITAL NOMURA SECURITIES
PUBLIC COMPANY LIMITED")

Financial Statements

Six-month period ended June 30, 2023



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไซยบศ
สอบบัญชี จำกัด
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED

(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

Opinion

We have audited the financial statements of Krungsri Capital Securities Public Company Limited (formerly “Capital Nomura Securities Public Company Limited”) (the “Company”), which comprise the statement of financial position as at June 30, 2023, and the related statements of comprehensive income, changes in owners’ 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Krungsri Capital Securities Public Company Limited as at June 30, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Krungsri Capital Securities Public Company Limited (formerly “Capital Nomura Securities Public Company Limited”) for the six-month period ended June 30, 2022 and for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on August 30, 2022 and March 21, 2023, respectively.



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 TFRSs, 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK
August 29, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

UNIT : BAHT

	Notes	As at June 30, 2023	As at December 31, 2022
ASSETS			
Cash and cash equivalents	6.1	1,405,478,147	792,266,064
Receivables from Clearing House and broker - dealers	7	28,510,297	1,066,453,463
Securities and derivatives business receivables	8	10,478,722,054	10,337,830,953
Derivative assets	9	8,748,650	20,656,962
Non-collateralized investments	10	69,979,398	397,497,254
Premises and equipment	12	81,399,892	91,370,816
Right-of-use assets	13.1	169,812,425	150,645,184
Intangible assets	14	48,223,027	46,884,128
Deferred tax assets	15.1	60,137,384	68,280,495
Other assets	16	297,092,102	287,519,653
TOTAL ASSETS		<u>12,648,103,376</u>	<u>13,259,404,972</u>

Notes to the financial statements form an integral part of these financial statements

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2023

UNIT : BAHT

	Notes	As at June 30, 2023	As at December 31, 2022
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Borrowings from financial institutions	17	4,250,000,000	5,300,000,000
Payables to Clearing House and broker - dealers	18	1,115,765,226	5,437,781
Securities and derivatives business payables	19	1,457,201,535	1,946,673,548
Derivative liabilities	9	668,500	4,947,730
Corporate income tax payables		2,875,915	32,260,288
Provisions	20	153,457,006	146,921,759
Lease liabilities	13.2	180,745,207	160,432,580
Other liabilities	22	153,585,174	202,171,015
TOTAL LIABILITIES		<u>7,314,298,563</u>	<u>7,798,844,701</u>
OWNERS' EQUITY			
Issued and paid-up share capital			
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		621,223,807	747,979,265
OTHER COMPONENTS OF EQUITY - GAIN (LOSS) ON			
EQUITY INVESTMENTS MEASURED AT FVOCI		(1,255,744)	(1,255,744)
TOTAL OWNERS' EQUITY		<u>5,333,804,813</u>	<u>5,460,560,271</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>12,648,103,376</u>	<u>13,259,404,972</u>

Notes to the financial statements form an integral part of these financial statements

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

UNIT : BAHT

	Notes	2023	2022
REVENUES			
Brokerage fee income	25	254,167,615	379,899,867
Fees and service income	26,32	138,162,309	213,315,564
Interest income	27,32	246,500,073	199,859,528
Gain and return on financial instruments	28	19,356,875	13,432,335
Other income	32	1,025,477	1,356,796
Total Revenues		659,212,349	807,864,090
EXPENSES			
Personnel expenses		313,689,873	338,150,124
Fees and service expenses		75,302,716	98,045,565
Interest expenses	32	58,405,070	30,960,446
Expected credit losses (reversal)		(83,068)	674,205
Other expenses	32	148,381,305	140,289,718
Total expenses		595,695,896	608,120,058
PROFIT BEFORE INCOME TAX		63,516,453	199,744,032
INCOME TAX	15.2	(16,083,922)	(39,521,986)
PROFIT FOR THE PERIODS		47,432,531	160,222,046
OTHER COMPREHENSIVE INCOME:			
OTHER COMPREHENSIVE INCOME FOR THE PERIODS		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		47,432,531	160,222,046
BASIC EARNINGS PER SHARE	30	0.02	0.07

Notes to the financial statements form an integral part of these financial statements

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

UNIT : BAHT

	Notes	Issued and paid-up share capital	Premium on share capital and treasury stock	Retained earnings		Unappropriated	Other components of equity - gain (loss) on equity investments measured at FVOCI	Total
				Statutory reserve	Appropriated			
Balance - as at January 1, 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
Total comprehensive income for the period		-	-	-	-	160,222,046	-	160,222,046
Dividend paid	31	-	-	-	-	(447,297,552)	-	(447,297,552)
Balance - as at June 30, 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
Balance - as at January 1, 2023		2,150,469,000	2,133,320,850	215,046,900	215,000,000	747,979,265	(1,255,744)	5,460,560,271
Total comprehensive income for the period		-	-	-	-	47,432,531	-	47,432,531
Dividend paid	31	-	-	-	-	(174,187,989)	-	(174,187,989)
Balance - as at June 30, 2023		2,150,469,000	2,133,320,850	215,046,900	215,000,000	621,223,807	(1,255,744)	5,333,804,813

Notes to the financial statements form an integral part of these financial statements

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

UNIT : BAHT

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	63,516,453	199,744,032
Adjustments to reconcile profit before income tax to net cash received from (paid for) operating activities		
Depreciation and amortisation	52,043,722	44,768,472
Expected credit losses (reversal)	(83,068)	674,205
Gain on revaluation of investments	(2,097,016)	(9,683,726)
(Gain) loss on disposal, written-off equipment and right-of-use assets	(77,873)	2
Loss on revaluation of derivatives	7,629,082	11,859,663
Interest expenses	58,405,070	30,960,446
Interest income	(246,500,073)	(199,859,528)
Dividend income	(3,062,863)	(4,784,404)
Long-term employee benefits	8,706,580	5,726,784
Gain (loss) from operating activities before changes in operating assets and liabilities	(61,519,986)	79,405,946
Operating assets (increase) decrease		
Receivables from Clearing House and broker-dealers	1,037,943,166	472,621,319
Securities and derivatives business receivables	(139,490,707)	628,826,412
Non-collateralized investments	335,332,556	(288,188,588)
Other assets	(9,414,272)	4,460,066
Operating liabilities increase (decrease)		
Borrowings from financial institutions	(1,050,000,000)	100,000,000
Payables to Clearing House and broker-dealers	1,110,327,445	(9,807,242)
Securities and derivatives business payables	(492,552,507)	(890,782,055)
Provision for long-term employee benefits	(1,813,333)	(16,274,000)
Other liabilities	(56,418,023)	(132,887,420)
Cash received (paid) from operating activities	672,394,339	(52,625,562)

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

UNIT : BAHT

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)		
Cash received from dividend	2,578,200	4,388,275
Cash paid for interest expenses	(45,847,152)	(31,514,598)
Cash received from interest	227,308,527	195,088,568
Cash paid for income tax	(37,325,185)	(60,024,653)
Net cash provided by operating activities	<u>819,108,729</u>	<u>55,312,030</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sales of equipment	162,480	-
Cash paid for acquisition of equipment	(16,405,246)	(26,431,025)
Cash paid for acquisition of intangible assets	(7,919,872)	(2,161,694)
Cash received from interest	14,425,380	8,086,877
Cash received from dividend	484,663	396,129
Net cash used in investing activities	<u>(9,252,595)</u>	<u>(20,109,713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for lease liability	(22,142,083)	(19,723,144)
Dividends paid	(174,187,989)	(447,297,552)
Net cash used in financing activities	<u>(196,330,072)</u>	<u>(467,020,696)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	613,526,062	(431,818,379)
EXPECTED CREDIT LOSSES DECREASE (INCREASE)	(313,979)	128,604
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE PERIODS	<u>792,266,064</u>	<u>614,128,121</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIODS	<u><u>1,405,478,147</u></u>	<u><u>182,438,346</u></u>

Notes to the financial statements form an integral part of these financial statements

KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED
(FORMERLY “CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED”)
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

1. GENERAL INFORMATION

Krungsri Capital Securities Public Company Limited (“the Company”) is a public company which was incorporated under the Thai Civil and Commercial Code on February 24, 1994. Its parent company is Bank of Ayudhya Public Company Limited, which was registered in Thailand, holding 99.35% of the Company’s authorized share capital. The major shareholder of the parent company and its ultimate parent companies are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan.

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 June 30, 2023 and December 31, 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

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 “Presentation of Financial Statements” and the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies (No.3)”.
- 2.2 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.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Accounting Standards (TASs) and Thai Financial Reporting Standards (TFRSs) which have been announced in the Royal Gazette on August 8, 2023 and will be effective for the financial statements for the period beginning on or after January 1, 2024 onwards. The revised TASs and TFRSs which are related to the Company are as follows:

Thai Accounting Standard No. 8 - Accounting Policy, Changes in Accounting Estimates and Errors

The amendments involve revision to accounting estimates definition and supplementary amendments to distinguish the "Changes in Accounting Estimates" from "Changes in Accounting Policies".

Thai Accounting Standard No. 1 - Presentation of Financial Statements, Thai Accounting Standard No. 26 - Accounting and Reporting by Retirement Benefit Plans, Thai Accounting Standard No. 34 - Interim Financial Reporting, and Thai Accounting Standard No. 7 - Financial Instruments: Disclosures

The enhancements substitute the requirements for entity from "Disclosure of Significant Accounting Policies Used by the Entity" to "Disclosure of Material Accounting Policy Information Used by the Entity".

Thai Accounting Standard No. 12 "Income Taxes"

The amendments narrow the scope of the recognition exception by setting additional conditions on the recognizing the deferred tax upon initial recognition that give rise to equal the taxable temporary differences and deductible temporary differences.

The Company's management will adopt such TASs and TFRSs in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of these TASs and TFRSs on the financial statements of the Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

a) Brokerage fees

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

b) Fees and service income

Underwriting fee

Underwriting fee is recognized when the relevant placing, underwriting is completed. Accordingly, the revenue is recognized at a point in time.

Financial advisory fee

Financial advisory fees are recognized when the Company has satisfied its performance obligation in providing the promised service to the customer and recognized based on contractual rate agreed with customers. Accordingly, the revenue is recognized at over time.

Selling agent fee

Selling agent fee is comprised of commission income from front-end fee and back- end fee which are recognized as the revenue at a point in time on completion of the transaction.

Trailing fees are recognized as revenue over the period during which the fund is operate.

Securities borrowing and lending fees

Securities borrowing and lending fees are recognized as revenue over the period as the securities are lent.

c) Interest income

The Company recognizes interest income using the effective interest rate method and recognized 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 (loss) and return on financial instruments

Gain (loss) on trading in securities and derivatives

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

Dividend income

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

4.2 Expense recognition

a) Expenses

Expenses are recognized on an accrual basis.

b) Interest expense

Interest expense from financial liabilities at amortized cost is calculated using the effective interest method and recognized 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".

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 amortized 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 amortized 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 recognized at fair value on trade date and subsequently measured at amortized 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 derecognized, 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 unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized 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 recognized 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 recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized 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 recognized in profit or loss. Dividends on these investments are recognized 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 recognized 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 recognized 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 recognized in other comprehensive income.

Financial liabilities

The Company classifies financial liabilities as measured at amortized cost. Financial liabilities are initially recognized at fair value and subsequently measured at amortized 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 recognized 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 derecognizes 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 recognized as financial assets.

The Company derecognizes 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 recognized 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 Derivative financial instruments

Futures

The Company initially recognizes the fair value of future and subsequently remeasured to their fair value at each reporting date. The resulting gain or loss 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.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both a legally enforceable right and intention to offset.

4.10 Allowance for expected credit losses on financial assets

The Company recognizes 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, receivables under securities borrowing and lending business, derivatives business receivables, other receivables, investments in debt securities, loans to employees and partial other assets, which are measured at amortized cost or fair value through other comprehensive income. The Company recognizes 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 recognizes 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 recognized 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 derecognized 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 recognized in profit or loss when the asset is derecognized.

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 recognizes 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 recognized, 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	1 - 4	years
Motor vehicles	4 - 5	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 recognized 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 recognized as expenses on a straight-line basis over the lease term.

4.13 Intangible assets and amortization

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

Intangible assets with finite lives are amortized 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 amortization year and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

Intangible assets with finite useful lives is amortized 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 recognizes deferred tax liabilities for all taxable temporary differences while it recognizes 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 utilized.

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 utilized.

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 realizable 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 premises and 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 recognized 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 recognized in profit or loss.

4.17 Borrowings from financial institution

Borrowings from financial institution are recognized initially at the fair value of the proceeds received. Borrowings from financial institution are subsequently stated at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized 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 recognized initially at the fair value of the proceeds received. Debt issued is subsequently stated at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized 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 recognized 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 recognized 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 recognized immediately in other comprehensive income.

4.23 Provisions

Provisions are recognized 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 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.

4.25 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 maximizes 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 categorized 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 recognize or to derecognize 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 realized, 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 recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, 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. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

6.1 Cash and cash equivalents consisted of the following:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Cash	47,000	47,000
Current deposits and savings deposits	1,648,496,192	2,364,429,257
Promissory notes at call	1,209,000,000	696,000,000
Total cash and cash equivalents	2,857,543,192	3,060,476,257
<u>Less</u> Deposits for customers' account*	(1,451,537,971)	(2,267,997,098)
	1,406,005,221	792,479,159
<u>Less</u> Allowance for expected credit losses	(527,074)	(213,095)
Net cash and cash equivalents	1,405,478,147	792,266,064

* Deposit accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

6.2 Payables for purchases of equipment and intangible assets are as follows:

	For the six-month periods ended	
	June 30,	
	2023	2022
	Baht	Baht
Beginning balance as at January 1,	2,515,879	19,213,009
Purchases of equipment and intangible assets	22,481,391	19,529,456
<u>Less</u> Cash paid for purchases of equipment and intangible assets	(24,325,118)	(28,529,719)
Ending balance as at June 30,	<u>672,152</u>	<u>10,212,746</u>

6.3 Changes in liabilities arising from financing activity are as follows:

	For the six-month periods ended	
	June 30,	
	2023	2022
	Baht	Baht
Beginning balance as at January 1,	160,432,580	185,971,014
Increase in lease liabilities during the periods	40,182,153	3,466,372
<u>Less</u> Cash paid for repayment of lease liabilities	(22,142,083)	(19,723,144)
Non-cash items	2,272,557	2,102,893
Ending balance as at June 30,	<u>180,745,207</u>	<u>171,817,135</u>

7. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from Clearing House and broker - dealers consisted of

	As at	As at
	June 30, 2023	December 31, 2022
	Baht	Baht
Receivables from Clearing House		
Equity and debt securities	-	1,032,807,244
Derivatives	77,546,587	106,299,662
Receivables from foreign broker - dealers	1,519,444	2,161,024
Total receivables from Clearing House and broker - dealers	79,066,031	1,141,267,930
<u>Less</u> Receivables from Clearing House for customers' accounts*	(50,555,734)	(74,814,467)
Net receivables from Clearing House and broker - dealers	<u>28,510,297</u>	<u>1,066,453,463</u>

* Receivables from clearing house and broker - dealers for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

8. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Securities and derivatives business receivables consisted of the following:

	As at	As at
	June 30,	December 31,
	2023	2022
	Baht	Baht
<u>Securities business receivables</u>		
Cash accounts	838,671,768	273,344,799
Credit balances receivables	8,323,249,104	9,230,010,916
Guaranteed deposit receivables	860,598,861	482,698,918
Receivables under securities borrowing and lending business	420,352,786	314,872,568
Other receivables	6,160,545	6,199,593
Total securities business receivables	10,449,033,064	10,307,126,794
<u>Add</u> Accrued interest receivables	35,511,659	34,150,312
<u>Less</u> Allowance for expected credit losses	(6,160,545)	(6,199,593)
Net securities business receivables	<u>10,478,384,178</u>	<u>10,335,077,513</u>

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
<u>Derivatives business receivables</u>		
Derivatives business receivables	337,876	2,753,440
Total derivatives business receivables	<u>337,876</u>	<u>2,753,440</u>
Net securities and derivatives business receivables	<u>10,478,722,054</u>	<u>10,337,830,953</u>

8.1 Classification of securities and derivatives receivables

As at June 30, 2023 and December 31, 2022, classification are as follows:

	Unit : Thousand Baht		
	As at June 30, 2023		
	Securities and derivatives business receivables and accrued interest	Exposure at default	Allowance for expected credit losses
<u>Securities business receivables</u>			
Performing loans	10,434,178	10,434,178	-
Under-performing loans ⁽¹⁾	44,206	44,206	-
Credit impaired loans	6,161	6,161	(6,161)
Total securities business receivables	<u>10,484,545</u>	<u>10,484,545</u>	<u>(6,161)</u>
<u>Derivatives business receivables</u>			
Performing loans	338	338	-
Total derivatives business receivables	<u>338</u>	<u>338</u>	<u>-</u>
Total securities and derivatives business receivables	<u>10,484,883</u>	<u>10,484,883</u>	<u>(6,161)</u>

	Unit : Thousand Baht		
	As at December 31, 2022		
	Securities and derivatives business receivables and accrued interest	Exposure at default	Allowance for expected credit losses
<u>Securities business receivables</u>			
Performing loans	10,335,008	10,335,008	-
Under-performing loans ⁽¹⁾	70	70	-
Credit impaired loans	6,200	6,200	(6,200)
Total securities business receivables	<u>10,341,278</u>	<u>10,341,278</u>	<u>(6,200)</u>
<u>Derivatives business receivables</u>			
Performing loans	2,753	2,753	-
Total derivatives business receivables	<u>2,753</u>	<u>2,753</u>	<u>-</u>
Total securities and derivatives business receivables	<u>10,344,031</u>	<u>10,344,031</u>	<u>(6,200)</u>

⁽¹⁾ As of June 30, 2023 and December 31, 2022, the Company has classified receivables as under-performing loans to reflect the credit risk of the customer according to the current situation, presenting the amount used to set exposure at default with the total outstanding balance of securities and derivatives business receivables including accrued interest. The credit balances receivables fell below the maintenance margin requirement, totaling Baht 1,461,452.53 and Baht 3,374.70, respectively.

- 8.2 Referring to the case where the Company filed a civil lawsuit to recover the debt from a debtor (the Company's client) at the amount of approximately Baht 106 million and later the Company has recovered to full amount of debt in the year 2020 and withdrawn such recovery case from the Court and has proceeded with the trial of the counter claim filed by such debtor in the same court case. The latest update was that on June 28, 2023, the Court of the First of Instance has already issued the decision that the debtor's counter claim be dismissed.
- 8.3 As at June 30, 2023 and December 31, 2022, guaranteed deposit receivables of approximately Baht 861 million and Baht 483 million, respectively 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 584 million and Baht 437 million, respectively.

9. DERIVATIVE ASSETS/DERIVATIVE LIABILITIES

- 9.1 Derivative assets and liabilities, consisted of the following:

	As at June 30, 2023			
	Assets		Liabilities	
	Fair value Baht	Notional amount Baht	Fair value Baht	Notional amount Baht
Type of risk				
Equity price				
- Futures ⁽¹⁾	8,748,650	208,094,250	668,500	15,312,500
Total	8,748,650	208,094,250	668,500	15,312,500

	As at December 31, 2022			
	Assets		Liabilities	
	Fair value Baht	Notional amount Baht	Fair value Baht	Notional amount Baht
Type of risk				
Equity price				
- Futures ⁽¹⁾	20,656,962	442,796,462	4,947,730	73,791,770
Total	20,656,962	442,796,462	4,947,730	73,791,770

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level.

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

	As at June 30, 2023		As at December 31, 2022	
	Proportion based on contract amount		Proportion based on contract amount	
	Assets (percent)	Liabilities (percent)	Assets (percent)	Liabilities (percent)
Type of parties				
Clearing House	100	100	100	100
Total	100	100	100	100

10. NON-COLLATERALIZED INVESTMENTS

10.1 Cost and fair value, consisted of the following:

	As at June 30, 2023	As at December 31, 2022
	Fair value / Amortized cost Baht	Fair value / Amortized cost Baht
<u>Fair value</u>		
Investments measured at fair value through profit or loss		
Marketable equity instruments in domestic market	62,826,500	393,591,000
Total	<u>62,826,500</u>	<u>393,591,000</u>
Investments measured at fair value through other comprehensive income		
Non-marketable equity instruments in domestic market	1,000,000	1,000,000
Total	<u>1,000,000</u>	<u>1,000,000</u>
<u>Amortized cost</u>		
Investments measured at amortized cost		
Treasury bill	2,763,165,156	2,112,870,574
<u>Less</u> Investments for customer's accounts*	<u>(2,757,012,258)</u>	<u>(2,109,964,320)</u>
Total	<u>6,152,898</u>	<u>2,906,254</u>
Investments	<u>69,979,398</u>	<u>397,497,254</u>

* Investments for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

10.2 Investments in deposits at financial institutions and investments in debt securities classified by remaining periods of contracts, consisted of the following:

	As at June 30, 2023			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Treasury bill	2,763,165,156	-	-	2,763,165,156
<u>Less</u> Investments for customer's accounts	<u>(2,757,012,258)</u>	<u>-</u>	<u>-</u>	<u>(2,757,012,258)</u>
Total	<u>6,152,898</u>	<u>-</u>	<u>-</u>	<u>6,152,898</u>
	As at December 31, 2022			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Treasury bill	2,112,870,574	-	-	2,112,870,574
<u>Less</u> Investments for customer's accounts	<u>(2,109,964,320)</u>	<u>-</u>	<u>-</u>	<u>(2,109,964,320)</u>
Total	<u>2,906,254</u>	<u>-</u>	<u>-</u>	<u>2,906,254</u>

10.3 Investment in equity instruments measured at fair value through other comprehensive income, consisted of the following:

Investment	Reason for using option in presentations as mentioned	As at June 30, 2023			Reason to transfer
		Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity	
		Thousand Baht	Thousand Baht	Thousand Baht	
TRIS Corporation Limited	Intend to hold for long-term	1,000	470	-	-
Tawana Hotel Co., Ltd.	Intend to hold for long-term	-	-	-	-
TSFC Securities Public Company Limited	Intend to hold for long-term	-	15	-	-
ASCO Business Promotion Co., Ltd.	Intend to hold for long-term	-	-	-	-
Total		<u>1,000</u>	<u>485</u>	<u>-</u>	

Investment	Reason for using option in presentations as mentioned	As at December 31, 2022			Reason to transfer
		Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity	
		Thousand Baht	Thousand Baht	Thousand Baht	
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>	

11. ALLOWANCE FOR EXPECTED CREDIT LOSSES

	As at June 30, 2023 Thousand Baht	As at December 31, 2022 Thousand Baht
Cash and cash equivalents	527	213
Securities and derivatives business receivables	6,161	6,200
Total	<u>6,688</u>	<u>6,413</u>

As at June 30, 2023 and December 31, 2022, allowance for expected credit losses of are as follows:

	Allowance for 12-month ECL Thousand Baht	Allowance for Lifetime ECL - not credit impaired Thousand Baht	Allowance for Lifetime ECL - credit impaired Thousand Baht	Total Thousand Baht
Cash and cash equivalents				
Balance as of January 1, 2022	165	-	-	165
Expected credit losses	48	-	-	48
Balance as of December 31, 2022	213	-	-	213
Expected credit losses	314	-	-	314
Balance as of June 30, 2023	<u>527</u>	<u>-</u>	<u>-</u>	<u>527</u>

	Allowance for 12-month ECL	Allowance for Lifetime ECL - not credit impaired	Allowance for Lifetime ECL - credit impaired	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Securities and derivatives business receivables				
Balance as of January 1, 2022	-	-	6,013	6,013
Expected credit losses	-	-	276	276
Recoveries	-	-	(89)	(89)
Balance as of December 31, 2022	-	-	6,200	6,200
Expected credit losses	-	-	13	13
Recoveries	-	-	(52)	(52)
Balance as of June 30, 2023	-	-	6,161	6,161
Total	527	-	6,161	6,688

12. PREMISES AND EQUIPMENT

	Balances as at January 1, 2023	Additions	Decreases	Transfer in (out)	Balances as at June 30, 2023
	Baht	Baht	Baht	Baht	Baht
Cost					
Condominium	22,704,701	-	-	-	22,704,701
Office Equipment	432,624,605	13,954,721	(1,364,066)	3,978,331	449,193,591
Furniture and fixtures	150,793,200	287,587	(62,162)	-	151,018,625
Motor vehicles	24,448,946	-	-	-	24,448,946
Total cost	630,571,452	14,242,308	(1,426,228)	3,978,331	647,365,863
Accumulated depreciation					
Condominium	(18,441,571)	-	-	-	(18,441,571)
Office Equipment	(361,056,721)	(23,427,776)	1,279,462	-	(383,205,035)
Furniture and fixtures	(149,126,417)	(506,165)	62,160	-	(149,570,422)
Motor vehicles	(14,554,258)	(194,685)	-	-	(14,748,943)
Total accumulated depreciation	(543,178,967)	(24,128,626)	1,341,622	-	(565,965,971)
Premises and equipment - net	87,392,485	(9,886,318)	(84,606)	3,978,331	81,399,892
Construction in progress	3,978,331	-	-	(3,978,331)	-
Total premises and equipment	91,370,816				81,399,892

	Balances as at January 1, 2022 Baht	Additions Baht	Decreases Baht	Transfer in (out) Baht	Balances as at December 31, 2022 Baht
Cost					
Condominium	22,704,701	-	-	-	22,704,701
Office Equipment	391,385,866	41,668,381	(429,642)	-	432,624,605
Furniture and fixtures	151,437,247	139,776	(783,823)	-	150,793,200
Motor vehicles	24,448,946	-	-	-	24,448,946
Total cost	<u>589,976,760</u>	<u>41,808,157</u>	<u>(1,213,465)</u>	<u>-</u>	<u>630,571,452</u>
Accumulated depreciation					
Condominium	(18,441,571)	-	-	-	(18,441,571)
Office Equipment	(321,955,538)	(39,528,269)	427,086	-	(361,056,721)
Furniture and fixtures	(148,854,250)	(1,055,951)	783,784	-	(149,126,417)
Motor vehicles	(14,070,858)	(483,400)	-	-	(14,554,258)
Total accumulated depreciation	<u>(503,322,217)</u>	<u>(41,067,620)</u>	<u>1,210,870</u>	<u>-</u>	<u>(543,178,967)</u>
Premises and equipment - net	86,654,543	740,537	(2,595)	-	87,392,485
Construction in progress	-	3,978,331	-	-	3,978,331
Total premises and equipment	<u>86,654,543</u>				<u>91,370,816</u>

Depreciation for the six-month periods ended June 30,

2023	Baht	<u>24,128,626</u>
2022	Baht	<u>18,951,380</u>

As at June 30, 2023 and December 31, 2022, the Company's office equipment have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 486.09 million and Baht 473.70 million, respectively.

13. LEASE

The Company has lease contracts used in their operation. Leases generally have lease terms between 1 - 5 years.

13.1 Right-of-use assets

	Balances as at January 1, 2023 Baht	Additions Baht	Decreases Baht	Balances as at June 30, 2023 Baht
Cost				
Building	227,033,570	3,252,965	-	230,286,535
Office equipment	5,462,472	-	-	5,462,472
Motor vehicles	-	36,929,188	-	36,929,188
Total cost	<u>232,496,042</u>	<u>40,182,153</u>	<u>-</u>	<u>272,678,195</u>
Accumulated depreciation				
Building	(80,126,322)	(17,034,873)	-	(97,161,195)
Office equipment	(1,724,536)	(1,575,779)	-	(3,300,315)
Motor vehicles	-	(2,404,260)	-	(2,404,260)
Total accumulated depreciation	<u>(81,850,858)</u>	<u>(21,014,912)</u>	<u>-</u>	<u>(102,865,770)</u>
Total right-of-use assets	<u>150,645,184</u>			<u>169,812,425</u>

	Balances as at January 1, 2022 Baht	Additions Baht	Decreases Baht	Balances as at December 31, 2022 Baht
Cost				
Building	222,581,225	4,452,345	-	227,033,570
Office equipment	2,636,841	5,462,472	(2,636,841)	5,462,472
Motor vehicles	405,755	-	(405,755)	-
Total cost	<u>225,623,821</u>	<u>9,914,817</u>	<u>(3,042,596)</u>	<u>232,496,042</u>
Accumulated depreciation				
Building	(45,504,557)	(34,621,765)	-	(80,126,322)
Office equipment	(994,833)	(3,195,964)	2,466,261	(1,724,536)
Motor vehicles	(304,316)	(101,439)	405,755	-
Total accumulated depreciation	<u>(46,803,706)</u>	<u>(37,919,168)</u>	<u>2,872,016</u>	<u>(81,850,858)</u>
Total right-of-use assets	<u>178,820,115</u>			<u>150,645,184</u>
Depreciation for the six-month periods ended June 30,				
2023			Baht	<u>21,014,912</u>
2022			Baht	<u>19,063,153</u>

The Company leases several assets including buildings, equipment, and vehicles. The average lease term is 3 years. For the six-month period ended June 30, 2023 and for the year ended December 31, 2022, expired building contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of Baht 3.25 million and Baht 4.45 million, respectively.

13.2 Lease liabilities

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Lease Liabilities	191,038,276	169,628,548
<u>Less</u> Deferred interest expenses	<u>(10,293,069)</u>	<u>(9,195,968)</u>
Total	<u>180,745,207</u>	<u>160,432,580</u>

The maturity analysis of lease liabilities are as follows:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Lease liabilities		
Within 1 year	41,558,232	35,066,170
Over 1 year and up to 5 years	137,791,325	123,599,799
Over 5 years	1,395,650	1,766,611
Total	<u>180,745,207</u>	<u>160,432,580</u>

	For the six-month periods ended June 30,	
	2023	2022
	Thousand Baht	Thousand Baht
Depreciation expense of right-of-use assets	21,015	19,063
Interest expense on lease liabilities	2,273	2,103
Total	<u>23,288</u>	<u>21,166</u>

The Company has total cash outflows for leases for the six-month periods ended June 30, 2023 and 2022 by Baht 22.14 and 19.72 million, respectively.

14. INTANGIBLE ASSETS

	Remaining useful lives	Balances as at January 1, 2023 Baht	Additions Baht	Decreases Baht	Transfer in/ (Transfer out) Baht	Balances as at June 30, 2023 Baht
Cost						
Computer software	0 - 5 years	91,196,003	4,543,434	-	5,857,457	101,596,894
Total cost		<u>91,196,003</u>	<u>4,543,434</u>	<u>-</u>	<u>5,857,457</u>	<u>101,596,894</u>
Accumulated amortization						
Computer software		(53,195,442)	(6,900,184)	-	-	(60,095,626)
Total accumulated amortization		<u>(53,195,442)</u>	<u>(6,900,184)</u>	<u>-</u>	<u>-</u>	<u>(60,095,626)</u>
Intangible assets - net		38,000,561	(2,356,750)	-	5,857,457	41,501,268
System software in progress		8,883,567	3,695,649	-	(5,857,457)	6,721,759
Total intangible assets		<u>46,884,128</u>				<u>48,223,027</u>
	Remaining useful lives	Balances as at January 1, 2022 Baht	Additions Baht	Decreases Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2022 Baht
Cost						
Computer software	0 - 5 years	87,770,619	-	-	3,425,384	91,196,003
Total cost		<u>87,770,619</u>	<u>-</u>	<u>-</u>	<u>3,425,384</u>	<u>91,196,003</u>
Accumulated amortization						
Computer software		(39,948,137)	(13,247,305)	-	-	(53,195,442)
Total accumulated amortization		<u>(39,948,137)</u>	<u>(13,247,305)</u>	<u>-</u>	<u>-</u>	<u>(53,195,442)</u>
Intangible assets - net		47,822,482	(13,247,305)	-	3,425,384	38,000,561
System software in progress		3,986,328	-	(1,507,309)	6,404,548	8,883,567
Total intangible assets		<u>51,808,810</u>				<u>46,884,128</u>
Amortization for the six-month periods ended June 30,						
2023					Baht	<u>6,900,184</u>
2022					Baht	<u>6,463,391</u>

15. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX

15.1 Deferred tax assets and liabilities, consisted of the follows:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Deferred tax assets	60,137,384	68,413,646
Deferred tax liabilities	-	(133,151)
Total	<u>60,137,384</u>	<u>68,280,495</u>

Movements of deferred tax assets and liabilities during the period/year were as follows:

	Balances as at January 1, 2023 Baht	Recognized in profit or loss Baht	Recognized in other comprehensive income Baht	Balances as at June 30, 2023 Baht
Temporary difference				
Allowance for impairment of property foreclosed	5,570,240	-	-	5,570,240
Allowance for expected credit losses of account receivables and other receivables	1,198,195	(7,810)	-	1,190,385
Provisions for long-term employee benefits	25,982,563	1,378,649	-	27,361,212
Accrued employee expenses	22,185,866	(8,188,387)	-	13,997,479
Deferred tax assets - Others	13,476,782	(1,458,714)	-	12,018,068
Deferred tax liabilities - Others	(133,151)	133,151	-	-
Deferred tax assets net	<u>68,280,495</u>	<u>(8,143,111)</u>	<u>-</u>	<u>60,137,384</u>

	Balances as at January 1, 2022 Baht	Recognized in profit or loss Baht	Recognized in other comprehensive income Baht	Balances as at December 31, 2022 Baht
Temporary difference				
Allowance for impairment of property foreclosed	5,570,240	-	-	5,570,240
Allowance for expected credit losses of account receivables and other receivables	1,160,873	37,322	-	1,198,195
Provisions for long-term employee benefits	27,377,556	(1,394,993)	-	25,982,563
Accrued employee expenses	37,479,039	(15,293,173)	-	22,185,866
Deferred tax assets - Others	14,493,535	(1,016,753)	-	13,476,782
Deferred tax liabilities - Others	(184,431)	51,280	-	(133,151)
Deferred tax assets net	<u>85,896,812</u>	<u>(17,616,317)</u>	<u>-</u>	<u>68,280,495</u>

15.2 Tax expense

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

	2023 Baht	2022 Baht
Current income tax:		
Current income tax charge	7,956,367	16,042,419
Adjustment in respect of current income tax of previous year	(15,556)	(468,660)
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>8,143,111</u>	<u>23,948,227</u>
Income tax expense reported in the statement of comprehensive income	<u>16,083,922</u>	<u>39,521,986</u>

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

	2023		2022	
	Tax rate Percent	Amount Baht	Tax rate Percent	Amount Baht
Accounting profit before income tax		<u>63,516,453</u>		<u>199,744,032</u>
Accounting profit before tax multiplied by applicable tax rate	20	12,703,291	20	39,948,806
Adjustment in respect of income tax of prior year		(15,556)		(468,660)
Effects of:				
Non-deductible expense		3,545,980		88,110
Non-taxable income		(120,270)		(39,613)
Additional expense deductions allowed		<u>(29,523)</u>		<u>(6,657)</u>
Income tax expenses reported in the statement of comprehensive income	25	<u>16,083,922</u>	20	<u>39,521,986</u>

16. OTHER ASSETS

Other assets consisted of the following:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Loans to employees (See note 16.1)	46,055,787	41,997,436
Deposit and contribution to the clearing fund and securities deposits	124,462,229	123,526,977
Prepaid expenses	53,531,587	54,067,863
Deposits	14,506,052	14,505,004
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	1,301,556	1,143,381
Deposit for derivative business	4,986,713	4,951,351
Fees and service income receivables	24,191,308	21,979,289
Others	<u>13,056,870</u>	<u>10,348,352</u>
Total other assets	<u>297,092,102</u>	<u>287,519,653</u>

16.1 Loan to staff as follows:

	As at June 30, 2023 Thousand Baht	As at December 31, 2022 Thousand Baht
Loan that the credit risk has not increased significantly		
Not over 1 year	15	109
Over 1 year	<u>46,041</u>	<u>41,888</u>
Total	<u>46,056</u>	<u>41,997</u>

17. BORROWINGS FROM FINANCIAL INSTITUTIONS

Borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

	Interest rate per annum (percent)	As at June 30, 2023			Total Thousand Baht
		Remaining period to maturity			
		At call	Less than 1 year	1 - 5 years	
		Thousand Baht	Thousand Baht	Thousand Baht	
Borrowings					
Borrowings from financial institutions	1.63 - 2.66	-	4,250,000	-	4,250,000
Total borrowings from financial institutions		<u>-</u>	<u>4,250,000</u>	<u>-</u>	<u>4,250,000</u>

	Interest rate per annum (percent)	As at December 31, 2022			Total Thousand Baht
		Remaining period to maturity			
		At call	Less than 1 year	1 - 5 years	
		Thousand Baht	Thousand Baht	Thousand Baht	
Borrowings					
Borrowings from financial institutions	1.02 - 2.17	-	5,300,000	-	5,300,000
Total borrowings from financial institutions		<u>-</u>	<u>5,300,000</u>	<u>-</u>	<u>5,300,000</u>

18. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

Payables to Clearing House and broker - dealers consisted of the following:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Payables to Clearing House		
Equity and debt securities	1,101,478,519	25,000
Derivatives	474,086	2,563,019
Payables from foreign companies	13,812,621	2,849,762
Total payables to Clearing House and broker-dealers	<u>1,115,765,226</u>	<u>5,437,781</u>

19. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and Derivatives Business payables consisted of the following:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
<u>Securities business payables</u>		
Cash accounts	628,899,938	1,348,439,761
Guarantee deposit payables	238,795,525	159,331,929
Payable under securities borrowing and lending business	583,716,786	436,780,068
Total securities business payables	<u>1,451,412,249</u>	<u>1,944,551,758</u>
Accrued interest payables	2,647,642	2,038,190
Total securities business payables	<u>1,454,059,891</u>	<u>1,946,589,948</u>
<u>Derivatives business payables</u>		
Derivatives business payables	3,141,644	83,600
Total derivatives business payables	<u>3,141,644</u>	<u>83,600</u>
Net securities and derivatives business payables	<u>1,457,201,535</u>	<u>1,946,673,548</u>

20. PROVISIONS

Provisions consisted of the following:

	Provisions for long-term employee benefits Thousand Baht	Decommissioning Cost Thousand Baht	Allowance for expected credit losses Thousand Baht	Total Thousand Baht
Balance as at January 1, 2022	136,888	15,782	1,251	153,921
Decrease during the year	(6,975)	-	(24)	(6,999)
Balance as at December 31, 2022	<u>129,913</u>	<u>15,782</u>	<u>1,227</u>	<u>146,922</u>
Increase (decrease) during the period	6,893	-	(358)	6,535
Balance as at June 30, 2023	<u>136,806</u>	<u>15,782</u>	<u>869</u>	<u>153,457</u>

21. PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS

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

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Provisions for long-term employee benefits at beginning of period/year	129,912,813	136,887,780
Included in profit or loss:		
Current service cost	7,583,518	14,333,333
Interest cost	1,123,062	2,091,033
Benefits paid during the period/year	<u>(1,813,333)</u>	<u>(23,399,333)</u>
Provisions for long-term employee benefits at end of period/year	<u>136,806,060</u>	<u>129,912,813</u>

As at June 30, 2023 and December 31, 2022, 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 6.18 million and Baht 5.73 million, respectively.

As at June 30, 2023 and December 31, 2022, the weighted average duration of the liabilities for long-term employee benefit was 12.27 years.

Significant actuarial assumptions are summarized below:

	As at June 30, 2023	As at December 31, 2022
Discount rate	1.85 percent per annum	1.80 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 June 30, 2023 and December 31, 2022 are summarized below:

	Unit: Million Baht			
	As at June 30, 2023		As at December 31, 2022	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5.4)	5.9	(5.5)	5.9
Salary increase rate	6.3	(5.9)	6.0	(5.6)

	Unit: Million Baht			
	As at June 30, 2023		As at December 31, 2022	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Average turnover rate	(5.2)	5.7	(4.9)	5.3

22. OTHER LIABILITIES

Other liabilities consisted of the following:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Accrued employee expenses	76,450,440	111,647,229
Accrued interest expenses	29,488,033	19,812,125
Accrued expenses	34,189,362	54,045,363
Others	13,457,339	16,666,298
Total other liabilities	<u>153,585,174</u>	<u>202,171,015</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.

As at June 30, 2023 and December 31, 2022, the Company's legal reserve is 10% of authorized capital.

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

Brokerage fee income for the six-month periods ended June 30, were as follows:

	2023		
	Timing of revenue recognition		
	At the point in time Baht	Over time Baht	Total Baht
Brokerage fee from securities business	222,608,161	-	222,608,161
Brokerage fee from derivatives business	31,559,454	-	31,559,454
Total brokerage fee income	254,167,615	-	254,167,615
	2022		
	Timing of revenue recognition		
	At the point in time Baht	Over time Baht	Total Baht
Brokerage fee from securities business	349,204,366	-	349,204,366
Brokerage fee from derivatives business	30,695,501	-	30,695,501
Total brokerage fee income	379,899,867	-	379,899,867

26. FEES AND SERVICE INCOME

Fees and service income for the six-month periods ended June 30, were as follows:

	2023		
	Timing of revenue recognition		
	At the point in time Baht	Over time Baht	Total Baht
Underwriting fee	9,798,950	-	9,798,950
Financial advisory	-	1,900,000	1,900,000
Selling agent	35,684,461	73,589,420	109,273,881
Securities borrowing and lending	-	7,015,538	7,015,538
Business support	-	8,557,187	8,557,187
Others	1,616,753	-	1,616,753
Total fees and service income	<u>47,100,164</u>	<u>91,062,145</u>	<u>138,162,309</u>

	2022		
	Timing of revenue recognition		
	At the point in time Baht	Over time Baht	Total Baht
Underwriting fee	10,226,708	-	10,226,708
Financial advisory	-	17,314,647	17,314,647
Selling agent	51,200,234	75,576,760	126,776,994
Securities borrowing and lending	-	7,993,966	7,993,966
Business support	-	48,557,838	48,557,838
Others	2,445,411	-	2,445,411
Total fees and service income	<u>63,872,353</u>	<u>149,443,211</u>	<u>213,315,564</u>

27. INTEREST INCOME

Interest income for the six-month periods ended June 30, were as follows:

	2023 Baht	2022 Baht
Interest on margin loans	219,944,398	189,064,700
Interest from deposits in financial institutions	7,376,755	2,732,425
Interest from investment	17,672,023	7,431,433
Others	1,506,897	630,970
Total interest income	<u>246,500,073</u>	<u>199,859,528</u>

28. GAIN AND RETURN ON FINANCIAL INSTRUMENTS

Gain and return on financial instruments for the six-month periods ended June 30, were as follows:

	2023 Baht	2022 Baht
Loss on securities	(9,383,242)	(38,929,359)
Gain on derivatives	25,677,254	47,577,290
Dividend	3,062,863	4,784,404
Total gain and return on financial instruments	<u>19,356,875</u>	<u>13,432,335</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 period ended June 30, 2023 and 2022, the Company contributed Baht 13.03 million and Baht 14.65 million to the fund, respectively.

30. BASIC EARNINGS PER SHARE

Basic earnings per share for the six-month periods ended June 30, are as follow:

	2023	2022
Profit for the periods (Baht)	47,432,531	160,222,046
Weighted average number of common shares outstanding (shares)	2,150,469,000	2,150,469,000
Basic earnings per share (Baht/share)	0.02	0.07

31. DIVIDENDS

The Ordinary Meeting No.1/2566 held on April 24, 2023, approved the annual dividend payment to the shareholders of 2,150,469,000 ordinary shares at Baht 0.081 per share, totaling Baht 174.19 million. The payment date was on May 8, 2023.

The Ordinary Meeting No.1/2565 held on April 22, 2022, approved the annual dividend payment to the shareholders of 2,150,469,000 ordinary shares at Baht 0.208 per share, totaling Baht 447.30 million. The payment date was on May 5, 2022.

32. RELATED PARTY TRANSACTIONS

Related person or parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions with related person or parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties other than subsidiaries, associates and joint ventures as at June 30, 2023 and December 31, 2022 were as follows:

Name of entities	Relationship
Bank of Ayudhya Public Company Limited	Parent company
Krungsri Asset Management Company Limited	Related company
Nomura Group ⁽¹⁾	
- Nomura Holdings, Inc.	Former ultimate parent company
- Nomura Asia Investment (Singapore) Pte. Ltd.	Former parent company
- Nomura Singapore Limited	Had common major shareholders
- Nomura Securities Co., Ltd.	Had common major shareholders
- Nomura International (Hong Kong) Limited	Had common major shareholders
- Nomura International Plc.	Had common major shareholders
- Insinet Pacific Limited	Had common major shareholders

⁽¹⁾ On March 7, 2023, Nomura Asia Investment (Singapore) Pte. Ltd. sold all of shares to the parent company, consequently, as at June 30, 2023, the Company has no relation as the related company.

Significant transactions with related parties for the six-month periods ended June 30, 2023 and 2022 were as follows:

	For the six-month periods ended		Pricing policies
	June 30,		
	2023 Baht	2022 Baht	
Bank of Ayudhya Public Company Limited			
Interest income from deposits in financial institutions	498	-	Market rate
Other incomes	2,250	-	At the agree rate
Interest expense	17,023,568	-	Market rate
Other fee expenses	89,180	-	At the agree rate
Other expenses	826,548	-	At the agree rate
Krungsri Asset Management Company Limited			
Selling agent	6,644,084	-	At the contract rate

	For the six-month periods ended		Pricing policies
	2023	2022	
	Baht	Baht	
Nomura Group			
Brokerage fees income	-	14,164,684	At normal rate charge other clients
Fees income from business support services	4,468,362	14,186,315	At actual cost plus a margin of 10 percent
Fees income from international investment banking services	2,763,595	15,838,210	At actual costs plus a margin of 10 percent
Fees income from introducing broker	190,517	448,001	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 other services	1,325,230	2,719,740	At the contact rate determined by extent and amount of work assigned
Fee income from sales and trading services and research	-	15,813,573	At actual cost plus a margin of 10 percent net with the brokerage commission received
Fee income from late delivery	-	895,216	At normal rate charge to other clients
Fees expense from other services	-	1,856,968	At contact rate determined by extent and amount of work assigned
Brokerage fees expense from foreign securities trading	-	17,248	Calculation base on trade volume and at the referential rate charged to other clients without dependent interest

Balances with related parties as at June 30, 2023 and December 31, 2022 were as follows:

	As at June 30, 2023 Baht	As at December 31, 2022 Baht
Bank of Ayudhya Public Company Limited		
Cash and cash equivalents	6,687,640	-
Other receivables	2,407	-
Borrowings from institution	2,650,000,000	-
Other payables	826,548	-
Accrued interest expenses	17,836,937	-
Dividend paid	172,613,189	-
Krungsri Asset Management Company Limited		
Accrued fee and service income	6,644,064	-
Nomura Group		
Accrued fee and service income	-	4,967,277
Other assets	-	7,239
Dividend paid	-	443,253,620

Management's remuneration

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

	For the six-month periods ended	
	June 30,	
	2023	2022
	Baht	Baht
Short-term employee benefits	31,950,565	50,259,928
Post-employment benefits	890,437	2,323,082
Total	<u>32,841,002</u>	<u>52,583,010</u>

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 organized 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.

Operating segments information of the Company are as follows:

	Securities business segment		Investments banking segment		Fixed income segment		Other segments		Unit: Million Baht Total	
	For the six-month periods ended		For the six-month periods ended		For the six-month periods ended		For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,		June 30,		June 30,		June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	372	533	8	36	7	7	7	18	394	594
Segment operating profit (loss)	(1)	133	(5)	6	1	2	2	5	(3)	146
Unallocated income and expenses										
Interest income									246	200
Gain and return on financial instruments									18	13
Other income									1	1
Interest expenses									(57)	(30)
Personnel expenses and other expenses									(142)	(129)
Expected credit losses									-	(1)
Income tax									(16)	(40)
Profit for the periods									<u>47</u>	<u>160</u>

									Unit: Million Baht		
	Securities business		Investments				Other segments		Total		
	segment		banking segment		Fixed income segment						
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	
June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Premises and equipment										81	91
Unallocated assets										12,567	13,168
Total assets										12,648	13,259

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 information

For the periods ended June 30, 2023 and 2022, 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 June 30, 2023 and December 31, 2022, 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 June 30, 2023 and December 31, 2022, the Company had capital commitments of approximately Baht 9.93 million and Baht 1.73 million, respectively, relating to the purchases of office equipment and software.

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, derivative assets, Non-collateralized 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 and derivative liabilities. 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 deposits with banks and financial institutions, securities and derivatives business receivables, loans to staff 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.

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.

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.

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, derivative assets, investments measured at amortized cost, loans to employees, borrowings from financial institutions, payables to Clearing House and broker -dealers, securities and derivatives business payables and derivative liabilities. 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 June 30, 2023 and December 31, 2022, 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.

	As at June 30, 2023						Unit: Million Baht	
	Floating interest rate	Outstanding balances of financial instruments			Total	Floating interest rate % p.a.	Fixed interest rate % p.a.	
		Fixed interest rate which the remaining period before	Without interest					
		Within 1 year	1 - 5 years					
<u>Financial assets</u>								
Cash and cash equivalents	1,329	-	-	76	1,405	0.00 - 0.80	-	
Receivable from Clearing House and broker-dealers	-	-	-	29	29	-	-	
Securities and derivatives business receivables	8,323	420	-	1,706	10,449	5.11 - 6.50	3.50	
Derivative assets	-	-	-	9	9	-	-	
Investments measured at amortized cost	-	6	-	-	6	-	1.40 - 1.86	
Loans to employees	46	-	-	-	46	1.35	-	
<u>Financial liabilities</u>								
Borrowings from financial institutions	-	4,250	-	-	4,250	-	1.63 - 2.66	
Payables to Clearing House and broker-dealers	-	-	-	1,116	1,116	-	-	
Securities and derivatives business payables	-	584	-	871	1,455	-	2.50	
Derivative liabilities	-	-	-	1	1	-	-	

Unit: Million Baht

	As at December 31, 2022						
	Floating interest rate	Outstanding balances of financial instruments			Total	Floating interest rate % p.a.	Fixed interest rate % p.a.
		Fixed interest rate which the remaining period before		Without interest			
		Within 1 year	1 - 5 years				
Financial assets							
Cash and cash equivalents	745	-	-	47	792	0.05 - 0.35	-
Receivable from Clearing House and broker-dealers	-	-	-	1,066	1,066	-	-
Securities and derivatives business receivables	9,230	315	-	765	10,310	4.31 - 6.06	3.50
Derivative assets	-	-	-	21	21	-	-
Investments measured at amortized cost	-	3	-	-	3	-	0.72 - 1.10
Loans to employees	42	-	-	-	42	1.00	-
Financial liabilities							
Borrowings from financial institutions	-	5,300	-	-	5,300	-	1.02 - 2.17
Payables to Clearing House and broker-dealers	-	-	-	5	5	-	-
Securities and derivatives business payables	-	437	-	1,508	1,945	-	2.50
Derivative liabilities	-	-	-	5	5	-	-

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 June 30, 2023, with all other variables held constant.

	As at June 30, 2023	
	Increase/(decrease)	Effect on profit before tax
	Percent	Million Baht
Credit balance account receivables	0.25 / (0.25)	22.42 / (22.42)

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 June 30, 2023 and December 31, 2022 are summarized below:

Currencies	Financial assets		Financial liabilities		Average exchange rates	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2023	2022	2023	2022	2023	2022
					(Baht per foreign currency unit)	
Japanese yen	1,302	1,128	-	-	0.2461	0.2609
Hong Kong dollar	604	1,109	108	682	4.5418	4.4340
Singapore dollar	16	13	-	-	26.2558	25.7206
United States dollar	279	274	214	53	35.5893	34.5624
Australia dollar	48	8	40	-	23.5615	23.3791
United Kingdom pound	4	4	-	-	44.9140	41.6639
Euro Zone	5	5	-	-	38.6512	36.8274
Canada dollar	128	12	116	-	26.8366	25.4899
Laos kip	926,315	926,351	-	-	0.0019	0.0020
China Yuan	-	24	-	24	4.9043	4.9664
Korean Won	115,743	-	115,653	-	0.0269	0.0274

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 June 30, 2023 and December 31, 2022, remaining years to maturity of financial instrument, counted from the end of the reporting periods, are follows:

	Unit: Million Baht					
	Outstanding balances of financial instruments					
	As at June 30, 2023					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	1,405	-	-	-	-	1,405
Receivable from Clearing House and broker-dealers	-	29	-	-	-	29
Securities and derivatives business receivables	1,281	875	-	-	8,323	10,479
Derivative assets	-	9	-	-	-	9
Non-collateralized investments	63	6	-	-	1	70
Loans to employees	-	-	12	34	-	46
<u>Financial liabilities</u>						
Borrowings from financial institutions	-	4,250	-	-	-	4,250
Payables to Clearing House and broker-dealers	-	1,116	-	-	-	1,116
Securities and derivatives business payables	822	635	-	-	-	1,457
Derivative liabilities	-	1	-	-	-	1
Lease liabilities	-	42	138	1	-	181

Unit: Million Baht

Outstanding balances of financial instruments
As at December 31, 2022

	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	792	-	-	-	-	792
Receivable from Clearing House and broker-dealers	-	1,066	-	-	-	1,066
Securities and derivatives business receivables	798	310	-	-	9,230	10,338
Derivative assets	-	21	-	-	-	21
Non-collateralized investments	393	3	-	-	1	397
Loans to employees	-	-	9	33	-	42
Financial liabilities						
Borrowings from financial institutions	-	5,300	-	-	-	5,300
Payables to Clearing House and broker-dealers	-	5	-	-	-	5
Securities and derivatives business payables	596	1,351	-	-	-	1,947
Derivative liabilities	-	5	-	-	-	5
Lease liabilities	-	35	123	2	-	160

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 June 30, 2023 and December 31, 2022, the Company had the following financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

Unit: Million Baht

As at June 30, 2023

	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	420,353	420,353	-	-	420,353
Derivatives assets	8,749	8,749	-	-	8,749
Non-collateralized Investments					
Marketable equity instruments in domestic market	62,827	62,827	-	-	62,827
Non-marketable equity instruments in domestic market	1,000	-	-	1,000	1,000
Financial liabilities measured at fair value					
Securities and derivatives business payables					
Payables under securities borrowing and lending business	583,717	583,717	-	-	583,717
Derivatives liabilities	669	669	-	-	669

	Unit: Million Baht				
	As at December 31, 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	314,873	314,873	-	-	314,873
Derivatives assets	20,657	20,657	-	-	20,657
Non-collateralized Investments					
Marketable equity instruments in domestic market	393,591	393,591	-	-	393,591
Non-marketable equity instruments in domestic market	1,000	-	-	1,000	1,000
Financial liabilities measured at fair value					
Securities and derivatives business payables					
Payables under securities borrowing and lending business	436,780	436,780	-	-	436,780
Derivatives liabilities	4,948	4,948	-	-	4,948

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, investments measured at amortized cost, payables to Clearing House and broker - dealers, Securities and derivatives business payables and lease liabilities, 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. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2022, to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Account	Previous presentation	Current presentation	Amount Baht
Derivative assets	Receivables from Clearing House and broker-dealers	Derivative assets	20,656,962
Derivative liabilities	Receivables from Clearing House and broker-dealers	Derivative liabilities	4,947,730

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on August 29, 2023.