
***KRUNGSRI SECURITIES PUBLIC
COMPANY LIMITED***

Financial Statements

Six-month period ended June 30, 2021



บริษัท ดีลอยท์ ทูเช่ โทมัทสู จำกัด
สอบบัญชี จำกัด
อาคาร เอไอเอ สาทhorn ทาวเวอร์ ชั้น 23-27
11/1 ถนนสาทรใต้
แขวงยานนาวา เขตสาทร
กรุงเทพฯ 10120
โทร +66 (0) 2034 0000
แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos
Audit Co., Ltd.
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120, Thailand
Tel: +66 (0) 2034 0000
Fax: +66 (0) 2034 0100
www.deloitte.com

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Krungsri Securities Public Company Limited (the "Company"), which comprise the statement of financial position as at June 30, 2021, 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 Securities Public Company Limited as at June 30, 2021, 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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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 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 24, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

UNIT : BAHT			
	Notes	As at June 30, 2021	As at December 31, 2020
ASSETS			
Cash and cash equivalents	4.2	1,136,599,158	1,272,038,365
Receivables from Clearing House	4.3	8,442,817	142,006,423
Securities and derivatives business receivables	4.4	2,170,154,470	1,833,639,916
Derivatives assets	4.6	3,152,200	2,097,600
Non-collateralised investments	4.7	135,872,516	87,441,079
Equipment	4.8	19,531,255	17,137,488
Right-of-use assets	4.9	51,507,795	53,486,279
Intangible assets	4.10	21,231,628	23,860,907
Deferred tax assets	4.11	21,489,467	20,224,754
Other assets	4.12	111,511,704	107,383,039
TOTAL ASSETS		<u>3,679,493,010</u>	<u>3,559,315,850</u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2021

		UNIT : BAHT	
	Notes	As at June 30, 2021	As at December 31, 2020
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Payables to Clearing House		232,880,686	415,181,239
Securities and derivatives business payables		1,072,691,458	885,641,570
Derivatives liabilities	4.6	4,215,000	-
Income tax payable		17,266,814	6,485,539
Lease liabilities	4.9	51,844,074	53,733,669
Provision for liabilities	4.13	106,438,101	92,070,218
Other liabilities	4.14	98,905,743	86,093,041
TOTAL LIABILITIES		<u>1,584,241,876</u>	<u>1,539,205,276</u>
OWNERS' EQUITY			
Issued and paid-up share capital			
135,000,000 ordinary shares of Baht 10 each		1,350,000,000	1,350,000,000
Retained earnings			
Appropriated - Legal reserve	4.15	47,917,000	47,917,000
Unappropriated		697,334,134	622,193,574
TOTAL OWNERS' EQUITY		<u>2,095,251,134</u>	<u>2,020,110,574</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>3,679,493,010</u>	<u>3,559,315,850</u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	Notes	2021	2020
INCOME			
Brokerage fees income	4.16	325,882,179	252,467,228
Fees and services income	4.17	80,511,730	50,755,405
Interest income	4.18	23,734,577	20,853,065
Gain and return on financial instruments	4.19	1,849,073	2,666,092
Other income		10,788,672	6,133,060
Total income		<u>442,766,231</u>	<u>332,874,850</u>
EXPENSES			
Employee benefits expenses	4.20	229,821,299	198,589,611
Fee and service expenses		48,777,906	40,609,103
Interest expenses		4,253,885	4,096,145
Expected credit losses (reversal)		(436,032)	1,753,104
Other expenses	4.21	66,342,011	53,327,085
Total expenses		<u>348,759,069</u>	<u>298,375,048</u>
INCOME BEFORE INCOME TAX EXPENSE		94,007,162	34,499,802
INCOME TAX EXPENSE	4.22	18,905,752	6,819,337
NET PROFIT FOR THE PERIOD		<u>75,101,410</u>	<u>27,680,465</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Gains on investments measuring by fair value			
through other comprehensive income		48,937	238,750
Income tax relating to components of			
other comprehensive income		(9,787)	(47,750)
Total other comprehensive income net of tax		<u>39,150</u>	<u>191,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>75,140,560</u>	<u>27,871,465</u>
BASIC EARNINGS PER SHARE			
	BAHT	0.56	0.21
WEIGHTED AVERAGE NUMBER			
OF ORDINARY SHARES			
	SHARES	135,000,000	135,000,000

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	Issued and Paid-up Share Capital	Retained earnings Appropriated - Legal Reserve	Unappropriated	Total Owners' Equity
Balance as at January 1, 2020	1,350,000,000	44,946,200	564,751,009	1,959,697,209
<u>Changes during the period</u>				
Total comprehensive income	-	-	27,871,465	27,871,465
Ending balance as at June 30, 2020	<u>1,350,000,000</u>	<u>44,946,200</u>	<u>592,622,474</u>	<u>1,987,568,674</u>
Balance as at January 1, 2021	1,350,000,000	47,917,000	622,193,574	2,020,110,574
<u>Changes during the period</u>				
Total comprehensive income	-	-	75,140,560	75,140,560
Ending balance as at June 30, 2021	<u>1,350,000,000</u>	<u>47,917,000</u>	<u>697,334,134</u>	<u>2,095,251,134</u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	94,007,162	34,499,802
Adjustments to reconcile income before income tax		
to cash received from (paid for) operating activities		
Depreciation and amortization	20,541,356	18,608,235
Expected credit losses (reversal)	(436,032)	1,753,104
(Gain) loss from change in fair value of investment	(1,175,000)	70,003
(Gain) loss from change in fair value of derivatives	3,160,400	(166,100)
Employee benefits expenses	9,126,255	8,361,146
(Gain) loss on sale and write-off of equipment and intangible assets	1,470,000	(8,917)
(Gain) loss from write-off of lease agreement	(2,004)	89
Interest expenses from lease liabilities	429,529	104,869
Interest expenses	3,824,356	3,991,276
Interest income	(23,734,577)	(20,829,746)
Dividend income	(675,100)	(315,600)
Income from operations before changes		
in operating assets and liabilities	106,536,345	46,068,161
Operating assets (increase) decrease		
Receivables from Clearing House	133,563,606	87,795,279
Securities and derivatives business receivables	(335,851,930)	(793,946,371)
Non-collateralised investments	(47,207,500)	(2,958,325)
Other assets	(9,306,875)	(16,995,861)
Operating liabilities increase (decrease)		
Payables to Clearing House	(182,300,553)	150,748,073
Securities and derivatives business payables	187,049,888	584,576,899
Provision for liabilities	(1,082,667)	(2,549,166)
Other liabilities	11,911,377	11,153,901
Cash received from (paid for) operations	(243,224,654)	17,824,429
Dividend income	675,100	315,600
Interest expenses	(3,538,671)	(5,831,984)
Interest income	28,254,490	21,163,988
Income tax paid	(9,398,977)	-
Net cash provided by (used in) operating activities	(120,696,367)	79,540,194

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

	UNIT : BAHT	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from (paid for) investing activities		
Cash paid for purchases of equipment	(1,207,939)	(308,327)
Cash received from sale of equipment	-	8,972
Cash paid for purchases of intangible assets	(1,242,949)	(3,755,084)
Net cash used in investing activities	<u>(2,450,888)</u>	<u>(4,054,439)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for financing activities		
Cash paid for repayment of liabilities under		
lease agreements	(12,291,952)	(11,962,317)
Net cash used in financing activities	<u>(12,291,952)</u>	<u>(11,962,317)</u>
Net increase (decrease) in cash and cash equivalents	(135,439,207)	63,523,438
Cash and cash equivalents at the beginning of the period	<u>1,272,038,365</u>	<u>1,327,916,076</u>
Cash and cash equivalents at the ending of the period	<u><u>1,136,599,158</u></u>	<u><u>1,391,439,514</u></u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

1. THE COMPANY'S OPERATIONS

Krungsri Securities Public Company Limited (the "Company") is a company registered in Thailand on December 21, 1998 to undertake the securities business. The head office is located at 898 Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, and as at June 30, 2021 and December 31, 2020, the Company has total numbers of staff are 277 persons and 275 persons, respectively, and the Company has 10 branches.

Bank of Ayudhya Public Company Limited is the parent company, holding 99.84% of the Company's issued and paid-up share capital. The major shareholder of the parent company is MUFG Bank, Ltd. ("MUFG") and its ultimate parent company is Mitsubishi UFJ Financial Group, Inc, both companies are registered in Japan. The Ministry of Commerce granted approval for the Company to operate business under Foreign Business Act B.E. 2542 on September 26, 2014.

The Company has been granted securities business licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. Private Fund Management
6. Derivatives Agent
7. Securities Borrowings and Lending

The Company was approved by the Office of the Securities and Exchange Commission to operate a Crowd Funding Service on June 24, 2021. For the six-month period ended June 30, 2021, the Company has not started such business.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 "Presentation of Financial Statements" and also 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)" which is effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards.
- 2.2 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 and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

The Rent Concessions related to COVID-19

The Company elected to adopt the amendments to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") relating to COVID-19 related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Company adopted the practical expedient regarding COVID-19-related rent concessions of this TFRS16 in the preparation of the financial statements for the six-month period ended June 30, 2021. However, the application of such practical expedient did not have significant impact to the financial statements, so the Company did not restate the financial statements from such impact.

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to Interest Rate Benchmark Reform Phase 2 amendments, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted, as follow:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4	Insurance Contracts
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

These amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as ‘risk free rates’ or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company in the period of initial application.

2.4 The financial statements of the Company have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The significant accounting policies are summarized as follow:

2.4.1 Revenue and expense recognition

Brokerage fees income

Brokerage fees income from securities and derivatives business are recognized at a point in time on execution date of the trades at a certain percentage of the transaction value of the trades executed.

Fees and services income

Underwriting fee

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

Financial advisory fee and Management fees - Private Fund

Financial advisory fee and Management fees - Private Fund income 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 on completion of the transaction.

Interest income on margin loans

Interest income is recognized over the term of the loans. The Company recognizes interest income using the effective interest rate method and recognized on an accrual basis except for having the evidence to prove that all loans are uncollectible or when receivables are impaired.

Gains (losses) and return on financial instruments

The Company's gains (losses) and return on financial instruments consist of gains (losses) on investments and derivatives which are recognized as income or expenses on the transaction dates. Dividends from investments are recognized as income when the right to receive the dividends is established.

Interest income

Interest income is recognized on an accrual basis.

Expenses

Expenses are recognized on an accrual basis.

2.4.2 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities and derivatives trading is recorded as the assets and liabilities of the Company for internal control purposes. As at the statement of financial position date, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

2.4.3 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits with financial institutions, which maturities within 3 months from acquisition date and without commitments but excluding certificates of deposits and Company's deposit accounts for the customers, according to the Notification of the Office of the Securities and Exchange Commission.

2.4.4 Receivables and payables from/to Clearing House

Net balances of receivables or payables incurred from settlement of securities and derivatives trading each day through the Clearing House, are presented as net balances of receivables or payables from/to Clearing House including cash paid as collateral at the Clearing House for securities business.

2.4.5 Securities and derivatives business receivables

Securities and derivatives business receivables are the net securities and derivatives business receivables and include related accrued interest receivables and unearned interest income calculated by using the effective interest method, after deducting allowance for expected credit losses. In addition, securities business receivables include the net receivable balances of cash accounts, credit balance accounts, securities borrowings receivable and guarantee deposit receivables which comprise cash placed as security with securities lenders or securities depositories and other receivables such as overdue cash customer accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

2.4.6 Allowance for expected credit loss on financial

The Company recognize an allowance for expected credit loss ("ECL") on financial assets measured at amortized cost or measured at 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, no impairment loss is recognized on equity instruments measured at fair value through other comprehensive income. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The measurement of allowance for expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, adjusts this for current observable data and plus on the reasonable and supportable forecasts of future economic conditions. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date. The Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis.

For financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognized based on 12-month ECL. The changes in the reversal of loss allowance are recognized in profit or loss as an impairment gain or loss.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Bad debts recovered from written off receivables will be recognized in the statement of comprehensive income. Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets
- For loan commitments and financial guarantee contracts: as a provision

2.4.7 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification and measurement of financial asset and financial liabilities

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets as follows:

(1) 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 net of allowance for expected credit losses (if any) and allocating interest income over the relevant period. Interest income is recognized in statements of comprehensive income in the "Interest income" line item.

(2) A financial asset at FVOCI

The Company 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-investment basis. Gains and losses arising from changes in fair value is recognized in other comprehensive income and the cumulative gain or loss is not be classified to profit or loss in statement of comprehensive income when disposal, it is transferred to retained earnings.

Dividends on these investments are recognized in statement of comprehensive income included in the "Gain and return on financial instruments" unless the dividends clearly represent a recovery of part of the cost of the investment.

Equity securities not listed in the Stock Exchange of Thailand (SET), the fair value is determined by using the latest net book value of invested company.

The Company has designated all investments in equity instruments that are not held for trading as at FVOCI on initial application of TFRS 9.

(3) Financial assets at FVTPL

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 in statement of comprehensive income in the "Gain and return on financial instruments" line item.

Fair values or market values of equity securities which are listed securities are estimated using the last bidding prices at the Stock Exchange of Thailand on the last business day of the period.

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognized in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortized cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, except when the liabilities are held at fair value through profit or loss.

Interest expense and EIR amortization as well as foreign exchange gains or losses on financial liabilities measured at amortized cost are recognized in the statement of comprehensive income.

Derecognition of financial instruments

The Company directly reduces the gross carrying amount of a financial asset when the Company have no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognized in the statement of comprehensive income.

A financial liability is derecognized when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in profit or loss.

2.4.8 Equipment and depreciation

Equipment is stated at cost, net of accumulated depreciation.

Depreciation is calculated by the straight-line method, over the estimated useful lives of the assets of 5 years.

2.4.9 Intangible assets and amortization

Intangible assets with definite useful life are stated at cost, net of accumulated amortization.

Amortization of software is calculated by the straight-line method, over the estimated useful lives of the assets of 5 years.

Intangible assets with indefinite useful life are stated at cost to be tested for impairment at every reporting date. Impairment will be set up, if any, and is recorded as loss on impairment in the statement of comprehensive income.

2.4.10 Right-of-use asset

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

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except for short-term leases (defined as leases with a lease term of 12 months or less) and underlying asset is low value. For these leases, the Company recognize the lease payments as an operating expense on a straight-line basis over the term of the lease.

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognized for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease), any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest (effective interest rate) on the remaining balance of the liability. Finance charges are charged directly to the statements of comprehensive income.

The Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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. In case the lease transfers ownership of the underlying asset; or calculated based on the shorter of the estimated useful lives or the lease term in case the lease does not transfer ownership of the underlying asset.

Impairment of right-of-use assets shall be determined using the TAS 36 Impairment of Assets which explains how to review the carrying amount of its assets, how to determine the recoverable amount of an asset, and when an impairment loss is recognized or reversed.

2.4.11 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties.

2.4.12 Provision for liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that no independent market value can be obtained, then an estimate is assessed.

2.4.13 Employee benefits

2.4.13.1 Employee benefits expenses

Salaries, wages, bonuses, directors' remuneration, the contributions for social security fund and provident fund are recorded as expenses in the statement of comprehensive income on the transaction dates.

2.4.13.2 Employee benefit obligations

1. Post-employment benefit obligations

Legal severance payment

This obligation represents the benefit retiring employees will receive as determined by the Labor Protection Act.

The obligations of this plan is considered unfunded defined benefit obligations according to TAS 19 "Employee Benefits" and is separately measured by an actuary using the projected unit credit method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, staff turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee benefits expenses in the statement of comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income (expense).

Past service cost related to the plan amendment is recognized as an expense in the statements of comprehensive income when the plan amendment is effective.

2. Benefit from carried forward leave

The benefit from cumulative carried forward leave is recognized as a liability in the statement of financial position and employee benefits expenses in the statement of comprehensive income when the employees render the service.

2.4.14 Customer loyalty programmes

Customer loyalty programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for rewards.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through "Deferred revenue customer loyalty programmes" under other liabilities and recognized as "Brokerage fees" when the points are redeemed by customers.

2.4.15 Income tax

Income tax represent the sum of the tax currently payable and deferred tax.

2.4.15.1 Current tax

The current tax is based on taxable profit for the period/year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

2.4.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

Deferred tax assets will be diluted as much as taxable profit be had a chance to use. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when current tax assets and liabilities are offset and when they relate to income taxes levied by the same taxation authority.

Income tax expenses (income) related to profit or loss are presented in the statement of comprehensive income. Current and deferred taxes of related to items recognized directly in other comprehensive income in the same or different period, they will be recognized directly in other comprehensive income.

2.4.16 Basic earnings per share

Basic earnings per share are calculated by dividing net income for the period by the weighted average number of ordinary shares issued and paid-up during the period.

The Company did not have any common share equivalents outstanding which would have a dilutive effect on basic earnings per share.

2.4.17 Derivative financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

The fair value of derivatives is based on the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited.

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 legal right and intention to offset.

The Company records amounts pledged as security for trading derivatives transaction in Thailand Derivatives Market as receivables from Thailand Clearing House (TCH).

2.4.18 Accounting estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. RISKS MANAGEMENT

3.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company's management aims at maintaining flexibility in funding by keeping committed credit lines available.

Under the Notification of the Securities and Exchange Commission No. KorTor. 26/2563 regarding "Net Capital Rules (NCR)" requires the Company to maintain its net capital requirement at the end of the day not less than Baht 25 million and not less than 7% of general liability and assets which are used as guarantee.

The Company has been granted a derivative business license in the form of derivatives agent in accordance to the law of derivatives agent. The Company has to maintain net capital adequacy at the end of the day at least Baht 25 million and at least 7% of general liability and assets which are used as guarantee.

As at June 30, 2021 and December 31, 2020, the Company maintained its net capital requirement higher than the requirement established by the Securities and Exchange Commission and has owners' equity higher than the requirement of Thailand Clearing House Co., Ltd. (TCH).

Financial assets and liabilities in the statement of financial position classified by maturity are presented in the following table:

As at June 30, 2021					
	At call	Less than	1 - 5 years	No maturity	Total
	Baht	1 year	Baht	Baht	Baht
		Baht			
Financial assets					
Cash and cash equivalents	1,136,599,158	-	-	-	1,136,599,158
Receivables from Clearing House	-	8,442,817	-	-	8,442,817
Securities and derivatives					
business receivables	843,915,189	1,326,344,157	-	-	2,170,259,346
Derivatives assets	-	3,152,200	-	-	3,152,200
Non-collateralised investments	-	125,925,000	-	9,947,516	135,872,516
Financial liabilities					
Payables to Clearing House	-	232,880,686	-	-	232,880,686
Securities and derivatives business					
payables	-	1,072,691,458	-	-	1,072,691,458
Derivative liabilities	-	4,215,000	-	-	4,215,000
Lease liabilities	-	23,960,283	27,883,791	-	51,844,074
As at December 31, 2020					
	At call	Less than	1 - 5 years	No maturity	Total
	Baht	1 year	Baht	Baht	Baht
		Baht			
Financial assets					
Cash and cash equivalents	1,272,038,365	-	-	-	1,272,038,365
Receivables from Clearing House	-	142,006,423	-	-	142,006,423
Securities and derivatives					
business receivables	657,445,309	1,176,962,107	-	-	1,834,407,416
Derivatives assets	-	2,097,600	-	-	2,097,600
Non-collateralised investments	-	77,542,500	-	9,898,579	87,441,079
Financial liabilities					
Payables to Clearing House	-	415,181,239	-	-	415,181,239
Securities and derivatives business					
payables	-	885,641,570	-	-	885,641,570
Lease liabilities	-	20,685,819	33,047,850	-	53,733,669

Managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure.

3.2 Important risks of financial instruments

Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 2.4.

3.2.1 Interest rate risk

Interest rate risk of financial assets in the statement of financial position arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Company in the current and in future periods. Interest rate risk arises from the structure and characteristics of the Company's assets, liabilities and equity or the mismatch in repricing of its assets and liabilities.

The Company has no derivatives for hedging with respect to interest rate risk.

The interest rates on financial assets and liabilities

Financial assets and liabilities which have been classified based on maturity of interest repricing period are presented in the following table.

As at June 30, 2021									
Transactions	Floating interest rate Baht	The maturity or interest repricing periods					Total Baht	Interest rate (%)	
		Less than 1 year	1 - 5 years	More than 5 years	No maturity	Non-interest Bearing		Floating rate	Fixed rate
		Baht	Baht	Baht	Baht	Baht			
Financial assets									
Cash and cash equivalents	1,024,928,161	-	-	-	-	111,670,997	1,136,599,158	0.10 - 0.20	-
Receivables from Clearing House	-	8,442,817	-	-	-	-	8,442,817	-	1.14
Securities and derivative business receivables	-	843,915,189	-	-	-	1,326,344,157	2,170,259,346	-	5.30 - 15.00
Derivatives assets	-	-	-	-	-	3,152,200	3,152,200	-	-
Non-collateralised investments	-	50,000,000	-	-	-	85,872,516	135,872,516	-	0.20 - 0.25
Financial liabilities									
Payables to Clearing House	-	-	-	-	-	232,880,686	232,880,686	-	-
Securities and derivative business payables	-	-	-	-	-	1,072,691,458	1,072,691,458	-	-
Derivative liabilities	-	-	-	-	-	4,215,000	4,215,000	-	-
Lease liabilities	-	23,960,283	27,883,791	-	-	-	51,844,074	-	0.65 - 0.94

As at December 31, 2020									
Transactions	Floating interest rate Baht	The maturity or interest repricing periods					Total Baht	Interest rate (%)	
		Less than 1 year Baht	1 - 5 years Baht	More than 5 years Baht	No maturity Baht	Non-interest Bearing Baht		Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	1,164,477,573	-	-	-	-	107,560,792	1,272,038,365	0.10 - 1.00	-
Receivables from Clearing House	-	2,871,111	-	-	-	139,135,312	142,006,423	-	1.23
Securities and derivative business receivables	-	657,445,309	-	-	-	1,176,962,107	1,834,407,416	-	5.50 - 15.00
Derivatives assets	-	-	-	-	-	2,097,600	2,097,600	-	-
Non-collateralised investments	-	50,000,000	-	-	-	37,441,079	87,441,079	-	0.25 - 0.75
Financial liabilities									
Payables to Clearing House	-	-	-	-	-	415,181,239	415,181,239	-	-
Securities and derivative business payables	-	-	-	-	-	885,641,570	885,641,570	-	-
Lease liabilities	-	20,685,819	33,047,850	-	-	-	53,733,669	-	0.86 - 1.61

The average yields on the average financial asset balances for interest bearing financial instruments are presented in the following table.

For the six-month period ended June 30, 2021			
Financial instruments	Average balance	Interest income	Average rate of return
	Baht	Baht	(%)
Financial Assets			
Cash and cash equivalents	260,791,917	135,936	0.104
Securities business loans	764,664,822	18,437,910	4.822
Investments measured at amortized cost	50,000,000	60,342	0.241

For the six-month period ended June 30, 2020			
Financial instruments	Average balance	Interest income	Average rate of return
	Baht	Baht	(%)
Financial Assets			
Cash and cash equivalents	205,251,359	439,623	0.428
Securities business loans	505,702,071	13,287,815	5.255
Investments measured at amortized cost	50,000,000	176,575	0.706

3.2.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparts, credit analysis from customers' information and consistent following-up of customer status. As a result, the Company does not expect to incur material financial losses. In addition, the Company is not exposed to concentrations of credit risk because it has a variety of customer base and large number of customers. In relation to impairment of financial assets, TFRS 9 requires the Company to prepare an expected credit loss model. The Company has established and maintain an appropriate expected credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model. In the case of recognized credit risk, the carrying amount of assets is as recorded in the statement of financial position, net of a portion of allowance for expected credit losses.

3.3 Market risk

The Company's exposure to market situation risk is the risk that volatility on market price of securities and/or derivatives will substantially reduce the value of the Company's investments. However, the Company manages such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as a market risk monitoring function.

3.4 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets or financial liabilities which are measured at fair value at the end of the reporting period:

	Fair value as at		Fair value hierarchy
	June 30, 2021 Baht	December 31, 2020 Baht	
Financial assets			
Derivatives assets	3,152,200	2,097,600	Level 1
Investments, fair value through profit or loss	75,925,000	27,542,500	Level 1
Investments, fair value through other comprehensive income	9,947,516	9,898,579	Level 3
Financial liabilities			
Derivatives liabilities	4,215,000	-	Level 1

Financial assets or financial liabilities which are not measured at fair value are summarized as follows:

	As at June 30, 2021	
	Carrying amount Baht	Their carrying amounts are considered as a reasonable approximate of fair value Baht
Financial assets		
Cash and cash equivalents	1,136,599,158	1,136,599,158
Receivables from Clearing House	8,442,817	8,442,817
Securities and derivative business receivables	2,170,259,346	2,170,259,346
Non-collateralised investments		
Investments, amortised cost	50,000,000	50,000,000
Financial liabilities		
Payables to Clearing House	232,880,686	232,880,686
Securities and derivative business payables	1,072,691,458	1,072,691,458
Lease liabilities	51,844,074	51,844,074

As at December 31, 2020		
	Carrying amount	Their carrying amounts are considered as a reasonable approximate of fair value
	Baht	Baht
Financial assets		
Cash and cash equivalents	1,272,038,365	1,272,038,365
Receivables from Clearing House	142,006,423	142,006,423
Securities and derivative business receivables	1,834,407,416	1,834,407,416
Non-collateralised investments		
Investments, amortised cost	50,000,000	50,000,000
Financial liabilities		
Payables to Clearing House	415,181,239	415,181,239
Securities and derivative business payables	885,641,570	885,641,570
Lease liabilities	53,733,669	53,733,669

Valuation technique for financial assets and financial liabilities not measured at fair value is as follows:

Cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, non-collateralised investments, payables to Clearing House, securities and derivatives business payables and lease liabilities, the carrying values approximate their fair values which presented in the statement of financial position.

4. DETAILS OF THE SIGNIFICANT TRANSACTIONS

4.1 Supplementary disclosures of cash flow information

4.1.1 Cash payments for purchases of equipment and intangible assets for the six-month periods ended June 30, are as follows:

	2021 Baht	2020 Baht
Payables for purchase of equipment and intangible assets (other liabilities) - beginning balance	-	881,600
Purchases of equipment and intangible assets	3,066,527	4,276,222
<u>Less</u> Cash payments for purchase of equipment and intangible assets	<u>(2,450,888)</u>	<u>(4,063,411)</u>
Payables for purchase of equipment and intangible assets (other liabilities) - ending balance	<u>615,639</u>	<u>1,094,411</u>

4.1.2 Changes in liabilities arising from financing activities for the six-month periods ended June 30, are as follows:

	2021 Baht	2020 Baht
Beginning balance	53,733,669	-
Effect from first time TFRS 16 adoption	-	14,802,500
Financing cash flows	(12,291,952)	(11,962,317)
Addition during the period	11,331,918	12,243,193
Other non-cash items	(929,561)	(653,256)
Ending balance	<u>51,844,074</u>	<u>14,430,120</u>

4.2 Cash and cash equivalents

Cash and cash equivalents are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Cash	115,000	115,000
Deposits as current and savings accounts and certificate of deposit matured within 3 months	2,145,001,704	1,861,727,102
<u>Less</u> Deposit accounts for the customers*	<u>(1,008,517,546)</u>	<u>(589,803,737)</u>
Total cash and cash equivalents	<u>1,136,599,158</u>	<u>1,272,038,365</u>

* 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.

4.3 Receivables from Clearing House

Receivables from Clearing House as are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Receivables from Clearing House	55,592,147	182,363,913
<u>Less</u> Receivables from Clearing House for the customers*	<u>(47,149,330)</u>	<u>(40,357,490)</u>
Total receivables from Clearing House	<u>8,442,817</u>	<u>142,006,423</u>

* Receivables from Clearing House for the customers is not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

4.4 Securities and derivatives business receivables

Securities and derivatives business receivables are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
<u>Securities business receivables</u>		
Clients' accounts - cash	1,326,344,157	1,176,962,107
Securities business loans	843,915,189	657,445,309
Total securities business receivables	2,170,259,346	1,834,407,416
<u>Add</u> Accrued interest receivables	3,343,508	2,685,210
<u>Less</u> Allowance for expected credit losses (Note 4.5)	(3,448,384)	(3,452,710)
Total securities and derivatives business receivables	2,170,154,470	1,833,639,916

The Company classified securities and derivative business receivables including related accrued interest receivables and allowance for expected credit loss. The classification was as follows:

	As at June 30, 2021		
	Securities business receivables and derivatives business receivables and accrued interest receivables Baht	Exposure at default Baht	Allowance for expected credit loss Baht
<u>Securities business receivables</u>			
Performing debts	2,173,602,854	847,258,697	(3,448,384)
Under-performing debts	-	-	-
Non-performing debts	-	-	-
Total	2,173,602,854	847,258,697	(3,448,384)

	As at December 31, 2020		
	Securities business receivables and derivatives business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
	Baht	Baht	Baht
<u>Securities business receivables</u>			
Performing debts	1,836,414,070	659,451,963	(2,774,154)
Under-performing debts	678,556	678,556	(678,556)
Non-performing debts	-	-	-
Total	1,837,092,626	660,130,519	(3,452,710)

As at June 30, 2021 and December 31, 2020, the Company provided allowance for expected credit losses of Baht 3.45 million and Baht 3.45 million, respectively.

4.5 Allowance for expected credit losses

Allowances for expected credit losses consisted of the following:

	As at June 30, 2021			Total
	Allowance for performing	Allowance for under-performing	Allowance for non-performing	
	Baht	Baht	Baht	Baht
<u>Securities business receivables</u>				
Beginning balance	2,774,154	678,556	-	3,452,710
Change in transfer between stage	-	-	-	-
Change in allowance for expected credit loss during the period	674,230	(678,556)	-	(4,326)
Ending balance	3,448,384	-	-	3,448,384

	As at December 31, 2020			Total
	Allowance for performing	Allowance for under-performing	Allowance for non-performing	
	Baht	Baht	Baht	Baht
<u>Securities business receivables</u>				
Beginning balance	5,650,111	-	-	5,650,111
Change in transfer between stage	(678,556)	678,556	-	-
Change in allowance for expected credit loss during the year	(2,197,401)	-	-	(2,197,401)
Ending balance	2,774,154	678,556	-	3,452,710

4.6 Derivatives assets and liabilities

As at June 30, 2021, the Company has outstanding derivatives, future contracts-short position, which has total notional amount of Baht 75.86 million (December 31, 2020: Baht 26.94 million). Future contracts are matured in September 2021 - March 2022 (December 31, 2020: March - June 2021). The Company recorded gains and losses arising from changes in the fair value of derivatives as derivatives assets of Baht 3.15 million and derivatives liabilities of Baht 4.21 million as of June 30, 2021. (December 31, 2020: derivatives assets of Baht 2.10 million). Delivery method of futures is cash settlement. Real exposure is a difference between cost of futures and value of underlying instruments on settlement date. Counter parties of derivative transaction is Clearing House.

4.7 Non-collateralised investments

Non-collateralised investments are as follows:

	As at June 30, 2021 Fair value/ Amortized cost Baht	As at December 31, 2020 Fair value/ Amortized cost Baht
<u>Fair value</u>		
Investments, fair value through profit or loss		
Equity securities		
Listed securities	75,925,000	27,542,500
Total	75,925,000	27,542,500
Investments, fair value through other comprehensive income		
Equity securities		
Ordinary shares	9,947,516	9,898,579
Total	9,947,516	9,898,579
<u>Amortized cost</u>		
Fixed deposit	1,150,000,000	1,150,000,000
Certificate of deposit matured longer than 3 months	50,000,000	50,000,000
Less Investments held for customers*	(1,150,000,000)	(1,150,000,000)
Total	50,000,000	50,000,000
Total investments	135,872,516	87,441,079

* 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.

Investments in deposits at financial institutions with outstanding maturities of contracts as follow:

	As at June 30, 2021			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Certificate of deposit matured longer than 3 months	50,000,000	-	-	50,000,000
Total	50,000,000	-	-	50,000,000

	As at December 31, 2020			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Certificate of deposit matured longer than 3 months	50,000,000	-	-	50,000,000
Total	50,000,000	-	-	50,000,000

Investment in equity instruments designated at FVOCI were as follow:

Investments	Reason for use of alternative in presentation as mentioned	As at June 30, 2021		
		Fair value Baht	Dividend received Baht	Retained earnings or retained losses transferred in owner's equity Baht
TSFC Securities Public Company Limited	Intention to held in long-term period	9,086,172	171,600	-
ASCO Business Promotion Company Limited	Intention to held in long-term period	861,344	-	-
Total		9,947,516	171,600	-

Investments	Reason for use of alternative in presentation as mentioned	As at December 31, 2020		
		Fair value Baht	Dividend received Baht	Retained earnings or retained losses transferred in owner's equity Baht
TSFC Securities Public Company Limited	Intention to held in long-term period	9,034,700	249,600	-
ASCO Business Promotion Company Limited	Intention to held in long-term period	863,879	-	-
Total		9,898,579	249,600	-

4.8 Equipment

Equipment consists of the following:

	Balance as at January 1, 2021 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at June 30, 2021 Baht
Cost					
Furniture and fixtures	9,764,441	32,976	-	-	9,797,417
Office equipment	14,546,447	30,836	-	-	14,577,283
Computer	73,198,531	273,988	-	663,148	74,135,667
Leasehold improvement	42,039,873	392,167	-	-	42,432,040
Dismantling and removing costs	4,648,000	6,756,000	-	-	11,404,000
Total cost	<u>144,197,292</u>	<u>7,485,967</u>	<u>-</u>	<u>663,148</u>	<u>152,346,407</u>
Accumulated depreciation					
Furniture and fixtures	(9,348,336)	(88,456)	-	-	(9,436,792)
Office equipment	(13,722,603)	(175,677)	-	-	(13,898,280)
Computer	(59,092,739)	(3,053,393)	-	-	(62,146,132)
Leasehold improvement	(40,769,590)	(271,527)	-	-	(41,041,117)
Dismantling and removing costs	(4,648,000)	(1,981,119)	-	-	(6,629,119)
Total accumulated depreciation	<u>(127,581,268)</u>	<u>(5,570,172)</u>	<u>-</u>	<u>-</u>	<u>(133,151,440)</u>
Work in progress	<u>521,464</u>	<u>477,972</u>	<u>-</u>	<u>(663,148)</u>	<u>336,288</u>
Equipment	<u>17,137,488</u>				<u>19,531,255</u>

	Balance as at January 1, 2020 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at December 31, 2020 Baht
Cost					
Furniture and fixtures	9,898,647	16,300	(150,506)	-	9,764,441
Office equipment	14,273,988	392,368	(119,909)	-	14,546,447
Computer	69,195,852	4,002,679	-	-	73,198,531
Leasehold improvement	42,491,127	177,527	(628,781)	-	42,039,873
Dismantling and removing costs	4,648,000	-	-	-	4,648,000
Total cost	<u>140,507,614</u>	<u>4,588,874</u>	<u>(899,196)</u>	<u>-</u>	<u>144,197,292</u>
Accumulated depreciation					
Furniture and fixtures	(9,313,332)	(185,480)	150,476	-	(9,348,336)
Office equipment	(13,499,620)	(342,886)	119,903	-	(13,722,603)
Computer	(52,966,375)	(6,126,364)	-	-	(59,092,739)
Leasehold improvement	(40,811,817)	(586,535)	628,762	-	(40,769,590)
Dismantling and removing costs	(4,648,000)	-	-	-	(4,648,000)
Total accumulated depreciation	<u>(121,239,144)</u>	<u>(7,241,265)</u>	<u>899,141</u>	<u>-</u>	<u>(127,581,268)</u>
Work in progress	<u>-</u>	<u>521,464</u>	<u>-</u>	<u>-</u>	<u>521,464</u>
Equipment	<u>19,268,470</u>				<u>17,137,488</u>

For the six-month periods
ended June 30,

2021 2020
Baht Baht

Depreciation 5,570,172 3,635,909

As at June 30, 2021 and December 31, 2020, the costs of fully depreciated assets still in use are Baht 104.53 million and Baht 103.90 million, respectively.

4.9 Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are as follows:

4.9.1 Right-of-use assets

	Balances as at January 1, 2021 Baht	Additions Baht	Decreases Baht	Balances as at June 30, 2021 Baht
Cost				
Buildings	62,210,808	747,517	(354,520)	62,603,805
Vehicles	-	10,584,401	(1,574,161)	9,010,240
Total cost	62,210,808	11,331,918	(1,928,681)	71,614,045
Accumulated depreciation				
Buildings	(8,724,529)	(10,441,751)	354,520	(18,811,760)
Vehicles	-	(1,511,566)	217,076	(1,294,490)
Total accumulated depreciation	(8,724,529)	(11,953,317)	571,596	(20,106,250)
Total right-of-use assets	53,486,279			51,507,795

	Balances as at January 1, 2020 Baht	Effects of the initial Adoption of TFRS 16 Baht	Additions Baht	Decreases Baht	Balances as at December 31, 2020 Baht
Cost					
Buildings	-	11,143,179	63,390,620	(12,322,991)	62,210,808
Equipment	-	2,998	-	(2,998)	-
Vehicles	-	3,656,323	6,957	(3,663,280)	-
Total cost	-	14,802,500	63,397,577	(15,989,269)	62,210,808
Accumulated depreciation					
Buildings	-	-	(20,614,094)	11,889,565	(8,724,529)
Equipment	-	-	(2,998)	2,998	-
Vehicles	-	-	(3,338,494)	3,338,494	-
Total accumulated depreciation	-	-	(23,955,586)	15,231,057	(8,724,529)
Total right-of-use assets	-				53,486,279

	For the six-month periods ended June 30,	
	2021 Baht	2020 Baht
Depreciation	11,953,317	11,878,201

The Company leases several assets including buildings, equipment, and vehicles. The average lease term is 3 years. All expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of Baht of 11.33 million in 2021 and Baht 14.80 million in 2020.

For the six-month periods ended June 30, 2021 and 2020, the Company recognized expenses relating to leases of low-value assets in the statements of comprehensive income of Baht 0.26 million.

For the six-month periods ended June 30, 2021 and 2020, the total cash outflow for leases amount to Baht 12.29 million and Baht 11.96 million, respectively.

4.9.2 Lease liabilities

Lease liabilities are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Lease liabilities	52,686,339	54,821,986
<u>Less Deferred interest</u>	<u>(842,265)</u>	<u>(1,088,317)</u>
Total	<u>51,844,074</u>	<u>53,733,669</u>

The undiscounted maturity analysis of lease liabilities are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Lease liabilities		
Within 1 year	24,555,807	21,361,514
Over 1 year and up to 5 years	<u>28,130,532</u>	<u>33,460,472</u>
Total	<u>52,686,339</u>	<u>54,821,986</u>

For the six-month periods ended June 30, 2021 and 2020, the Company recognized interest expense on lease liabilities in the statements of comprehensive income of Baht 0.43 million and Baht 0.10 million, respectively.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

4.10 Intangible assets

Intangible assets consist of the following:

	Remaining Useful life	Balance as at January 1, 2021 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at June 30, 2021 Baht
Cost						
Computer software	1 - 5 years	67,545,784	48,000	-	1,389,439	68,983,223
TFEX membership fee		3,912,329	-	-	-	3,912,329
Settrade One Click fee		519,740	-	-	-	519,740
Total cost		<u>71,977,853</u>	<u>48,000</u>	<u>-</u>	<u>1,389,439</u>	<u>73,415,292</u>
Accumulated amortization						
Computer software		(52,677,613)	(3,017,867)	-	-	(55,695,480)
Total accumulated amortization		<u>(52,677,613)</u>	<u>(3,017,867)</u>	<u>-</u>	<u>-</u>	<u>(55,695,480)</u>
Computer software under installation		4,560,667	1,810,588	(1,470,000)	(1,389,439)	3,511,816
Intangible assets		<u>23,860,907</u>				<u>21,231,628</u>

	Remaining Useful life	Balance as at January 1, 2020 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at December 31, 2020 Baht
Cost						
Computer software	1 - 5 years	65,341,627	1,031,139	-	1,173,018	67,545,784
TFEX membership fee		3,912,329	-	-	-	3,912,329
Settrade One Click fee		519,740	-	-	-	519,740
Total cost		<u>69,773,696</u>	<u>1,031,139</u>	<u>-</u>	<u>1,173,018</u>	<u>71,977,853</u>
Accumulated amortization						
Computer software		(46,515,621)	(6,161,992)	-	-	(52,677,613)
Total accumulated amortization		<u>(46,515,621)</u>	<u>(6,161,992)</u>	<u>-</u>	<u>-</u>	<u>(52,677,613)</u>
Computer software under installation		4,011,725	3,721,960	(2,000,000)	(1,173,018)	4,560,667
Intangible assets		<u>27,269,800</u>				<u>23,860,907</u>

For the six-month periods
ended June 30,

	2021 Baht	2020 Baht
Amortization	3,017,867	3,094,125

As at June 30, 2021 and December 31, 2020, the costs of fully amortized intangible assets still in use are Baht 38.62 million and Baht 37.34 million, respectively.

4.11 Deferred tax

Movements in deferred tax during the period/year were as follows:

	For the six-month period ended June 30, 2021			
	As at January 1, 2021	Items as recognized into profit or loss	Items as recognized into other comprehensive income (expense)	As at June 30, 2021
	Baht	Baht	Baht	Baht
Deferred tax assets				
Temporary differences				
Amortization - Computer software	2,201,463	168,122	-	2,369,585
Allowance for expected credit loss	1,241,755	(86,341)	-	1,155,414
Employee benefits obligation	16,932,187	1,608,717	-	18,540,904
Dismantling and removing costs	929,600	396,224	-	1,325,824
Loss on changing in fair value through other comprehensive income	3,624	-	507	4,131
Others	49,478	17,778	-	67,256
Total	21,358,107	2,104,500	507	23,463,114
Deferred tax liabilities				
Temporary differences				
Gain on changing in fair value through profit or loss	-	830,000	-	830,000
Amortization - intangible assets	886,413	-	-	886,413
Gain on changing in fair value through other comprehensive income	246,940	-	10,294	257,234
Total	1,133,353	830,000	10,294	1,973,647
Deferred tax assets net	20,224,754	1,274,500	(9,787)	21,489,467

	For the year ended December 31, 2020					
	As at January 1, 2020	Effect of change in accounting policy	As at January 1, 2020	Items as recognized into profit or loss	Items as recognized into other comprehensive income (expense)	As at December 31, 2020
	as previously reported		as adjusted			
	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax assets						
Temporary differences						
Amortization - Computer software	1,821,961	-	1,821,961	379,502	-	2,201,463
Allowance for doubtful accounts	1,130,022	(1,130,022)	-	-	-	-
Allowance for expected credit loss	-	1,123,587	1,123,587	118,168	-	1,241,755
Employee benefits obligation	15,365,819	-	15,365,819	1,767,966	(201,598)	16,932,187
Dismantling and removing costs	929,600	-	929,600	-	-	929,600
Loss on changing in fair value through other comprehensive income	-	3,972	3,972	-	(348)	3,624
Others	240,355	-	240,355	(190,877)	-	49,478
Total	19,487,757	(2,463)	19,485,294	2,074,759	(201,946)	21,358,107

	For the year ended December 31, 2020					
	As at January 1, 2020 as previously reported Baht	Effect of change in accounting policy Baht	As at January 1, 2020 as adjusted Baht	Items as recognized into profit or loss Baht	Items as recognized into other comprehensive income (expense) Baht	As at December 31, 2020 Baht
Deferred tax liabilities						
Temporary differences						
Gain on changing in fair value through profit or loss	5,470	-	5,470	(5,470)	-	-
Amortization - intangible assets	886,413	-	886,413	-	-	886,413
Gain on changing in fair value through other comprehensive income	-	199,538	199,538	-	47,402	246,940
Total	891,883	199,538	1,091,421	(5,470)	47,402	1,133,353
Deferred tax assets net	18,595,874	(202,001)	18,393,873	2,080,229	(249,348)	20,224,754

4.12 Other assets

Other assets are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Deposits	7,512,614	7,510,308
Income tax deducted at source	4,800,793	4,800,793
Member Account Clearing Fund	73,177,320	69,635,676
Prepaid expenses	11,061,009	2,925,364
Fee and service receivables net	9,588,171	16,123,934
Other assets	5,371,797	6,386,964
Total	111,511,704	107,383,039

4.13 Provision for liabilities

Provision for liabilities are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Short-term employee benefit obligations	4,459,728	1,617,807
Employee benefit obligations	88,244,795	83,043,128
Dismantling and removing payable	11,404,000	4,648,000
Provision for loan commitments and financial guarantee contracts	2,329,578	2,761,283
Total	106,438,101	92,070,218

4.13.1 Employee benefit obligations

The Company operates post-employment benefits plans under the Thai Labor Protection Act. Amounts recognized in statements of comprehensive income in respect of the defined benefit plans are as follows:

	For the six-month periods ended June 30,	
	2021	2020
	Baht	Baht
Current service cost	5,684,826	5,745,745
Interest cost	599,508	629,310
	<u>6,284,334</u>	<u>6,375,055</u>

Movements in the present value of the defined benefits obligation are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Opening defined benefit obligation	83,043,128	74,526,207
Current service cost	5,684,826	11,491,492
Interest cost	599,508	1,258,619
Remeasurement		
Actuarial gain due to experience adjustments	-	(2,159,153)
Actuarial loss arising from changes in demographic assumptions	-	1,282,122
Actuarial gain arising from changes in financial assumptions	-	(130,959)
Benefit paid	<u>(1,082,667)</u>	<u>(3,225,200)</u>
Closing defined benefits obligation	<u>88,244,795</u>	<u>83,043,128</u>

The principle actuarial assumptions used to calculate the obligation under the defined benefit plans are as follows:

	As at June 30, 2021 %	As at December 31, 2020 %
Financial assumptions		
Discount rate	0.51 - 2.98	0.51 - 2.98
Inflation rate	2.00	2.00
Rate of salary increase	6.00	6.00

Significant actuarial assumptions - impact on increase/(decrease) in defined benefit obligation are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Discount rate - 1% increase	(9,463,692)	(8,786,519)
Discount rate - 1% decrease	10,996,766	10,203,346
Rate of salary increase - 1% increase	11,448,123	9,760,335
Rate of salary increase - 1% decrease	(9,972,991)	(8,528,949)

4.13.2 Provision for loan commitments and financial guarantee contracts are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Beginning balance	2,761,283	-
Effect of change in new accounting standards	-	1,640,056
Beginning balance	2,761,283	1,640,056
Change in ECL during the period/year	(431,705)	1,121,227
Ending balance	<u>2,329,578</u>	<u>2,761,283</u>

4.14 Other liabilities

Other liabilities are as follows:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Accrued staff's bonus expenses	13,682,030	19,345,381
Accrued staff's commission expenses	55,753,797	38,622,373
Withholding tax payable - staff	2,432,848	4,315,565
Accrued expenses	12,803,497	11,789,856
Other liabilities	<u>14,233,571</u>	<u>12,019,866</u>
Total	<u>98,905,743</u>	<u>86,093,041</u>

4.15 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5% of its net income after retained deficit brought forward (if any) until the reserve is not less than 10% of registered capital. The reserve is not available for dividend distribution.

4.16 Brokerage fees income

Brokerage fees income for the six-month periods ended June 30, consists of the following:

2021			
Timing of revenue recognition			
	At a point in time	Overtime	Total
	Baht	Baht	Baht
Brokerage fees from securities business	309,307,742	-	309,307,742
Brokerage fees from derivatives business	16,574,437	-	16,574,437
Total	325,882,179	-	325,882,179

2020			
Timing of revenue recognition			
	At a point in time	Overtime	Total
	Baht	Baht	Baht
Brokerage fees from securities business	234,352,825	-	234,352,825
Brokerage fees from derivatives business	17,697,573	-	17,697,573
Other brokerage fees	416,830	-	416,830
Total	252,467,228	-	252,467,228

4.17 Fees and services income

Fees and services income for the six-month periods ended June 30, consists of the following:

2021			
Timing of revenue recognition			
	At a point in time	Overtime	Total
	Baht	Baht	Baht
Underwriting fee	347,300	-	347,300
Management fees - Private Fund	-	19,731,487	19,731,487
Mutual Funds Selling Agent fee	57,994,031	-	57,994,031
Receive / payment fee	2,438,912	-	2,438,912
Total	60,780,243	19,731,487	80,511,730

2020			
Timing of revenue recognition			
	At a point in time	Overtime	Total
	Baht	Baht	Baht
Underwriting fee	9,757,750	-	9,757,750
Management fees - Private Fund	-	7,328,261	7,328,261
Mutual Funds Selling Agent fee	33,669,394	-	33,669,394
Total	43,427,144	7,328,261	50,755,405

4.18 Interest income

Interest income for the six-month periods ended June 30, consists of the following:

	2021 Baht	2020 Baht
Margin loans	18,437,910	13,287,815
Deposit at financial institutions	5,144,296	7,426,901
Others	152,371	138,349
Total	23,734,577	20,853,065

4.19 Gain and return on financial instruments

Gain and return on financial instruments for the six-month periods ended June 30, consists of the following:

	2021 Baht	2020 Baht
Gain (loss) on investment	3,271,852	(5,526,267)
Gain (loss) on derivatives	(2,097,879)	7,876,759
Dividend income	675,100	315,600
Total	1,849,073	2,666,092

4.20 Employee benefit expenses

Employee benefit expenses included director's remuneration for the six-month periods ended June 30, 2021 and 2020 amounting to Baht 810,000 and Baht 750,000, respectively.

4.21 Other expenses

Other expenses for the six-month periods ended June 30, consists of the following:

	2021 Baht	2020 Baht
Premises and equipment expenses	31,759,594	29,087,140
Other expenses	34,582,417	24,239,945
Total	66,342,011	53,327,085

4.22 Income tax

Income tax for the six-month periods ended June 30, consists of the following:

	2021 Baht	2020 Baht
<u>Current tax:</u>		
Current tax expense in respect of the current period	20,180,253	8,107,708
<u>Deferred tax:</u>		
The amount of deferred tax income relating to the origination and reversal of temporary differences	(1,264,714)	(1,240,621)
Income tax relating to components of other comprehensive income	(9,787)	(47,750)
Total deferred tax	(1,274,501)	(1,288,371)
Total income tax expense	18,905,752	6,819,337

Reconciliation of income tax expenses between domestic tax rate and effective tax rate

	For the six-month periods ended June 30,			
	2021		2020	
	Baht	Tax rate (%)	Baht	Tax rate (%)
Income before income tax expense	94,007,162		34,499,802	
Income tax at the tax rate	18,801,432	20.00	6,899,960	20.00
Add Tax effect of expenses that are not deductible for tax purposes	556,200		315,891	
Less Tax effect of income and expenses that are exempt for tax purposes	(357,661)		(315,415)	
Adjustments recognized in the current period in relation to the current tax of prior year	(94,219)		(81,099)	
Total income tax expense	18,905,752	20.11	6,819,337	19.77

The Company used tax rate of 20% for income tax calculation for the six-month periods ended June 30, 2021 and 2020. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

4.23 Provident fund

The Company and employees set up a provident fund which is contributory and was registered as the provident fund in accordance with the Provident Fund Act B.E. 2530.

	For the six-month periods ended June 30,	
	2021	2020
	Baht	Baht
Provident fund included in personnel expenses	7,981,833	7,532,405

5. ADDITIONAL INFORMATION

5.1 Directors and managements' remuneration

The compensations paid to key management personnel under TAS 24 "Related Party Disclosures" are as follows:

	For the six-month periods ended June 30,	
	2021	2020
	Baht	Baht
Short-term employee benefits	34,870,971	35,731,262
Post-employment benefits	1,876,854	1,973,243
Total	36,747,825	37,704,505

5.2 Related party transactions

The Company has business transactions with related companies. These transactions are with companies that have common shareholders and/or directors with the Company and/or under the parent company or have relationship with the parent company. The financial statements reflect the effects of these transactions in the normal business practice, and the price, interest rates, terms and conditions are considered to be in normal business practice and normal terms and conditions.

The names of the related companies, that have business transactions with the Company, are shown as follows:

Name	Relationship	Business type
Bank of Ayudhya Public Company Limited	Parent company	Commercial bank
Krungsri Asset Management Company Limited	Related company	Investment management
Bangkok Broadcasting & TV Company Limited	Related company	Advertising agency
Sunrise Equity Company Limited	Related company	Consulting for investment in Thailand
Super Assets Company Limited	Related company	Property development
BBTV Productions Company Limited	Related company	Advertising agency
BBTV Equity Company Limited	Related company	Advertising agency
Krungsriayudhya Card Company Limited	Related company	Personal loan and credit card
Siam Realty and Services Security Company Limited	Related company	Car rental service
Allianz Ayudhya Capital Public Company Limited	Related company	Holding company
Allianz Ayudhya General Insurance Public Company Limited	Related company	Non-life insurance
Morgan Stanley & Co. International Public Company Limited	Related company	Financial service

Significant balances and transactions with the related companies consist mainly of the following:

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Cash and cash equivalents		
Bank of Ayudhya Public Company Limited	988,052,256	1,135,620,634
Right-of-use assets		
Bank of Ayudhya Public Company Limited	2,124,625	2,651,416
BBTV Equity Company Limited	30,616,361	37,357,920
Siam Realty and Services Security Company Limited	7,715,750	-
Total	<u>40,456,736</u>	<u>40,009,336</u>
Other assets - deposits		
Bank of Ayudhya Public Company Limited	269,780	269,780
BBTV Equity Company Limited	5,045,249	5,042,944
Total	<u>5,315,029</u>	<u>5,312,724</u>
Other assets - fee and service receivables		
Bank of Ayudhya Public Company Limited	-	909,755
Krungsri Asset Management Company Limited	407,944	531,113
Total	<u>407,944</u>	<u>1,440,868</u>

	As at June 30, 2021 Baht	As at December 31, 2020 Baht
Other assets - others		
Bank of Ayudhya Public Company Limited	742,210	5,925,879
Lease liabilities		
Bank of Ayudhya Public Company Limited	2,135,971	2,662,979
BBTV Equity Company Limited	30,771,352	37,461,870
Siam Realty and Services Security Company Limited	7,724,956	-
Total	<u>40,632,279</u>	<u>40,124,849</u>
Other liabilities - others		
Bank of Ayudhya Public Company Limited	3,667,113	2,028,926
BBTV Equity Company Limited	389,210	339,210
Siam Realty and Services Security Company Limited	16,519	-
Total	<u>4,072,842</u>	<u>2,368,136</u>

	For the six-month periods ended June 30, 2021 Baht	2020 Baht	Pricing Policies
Income			
Brokerage fees income			
Bank of Ayudhya Public Company Limited	2,957,226	1,257,569	0.025% - 0.25% of trading volume and/or as specified in contract
Bangkok Broadcasting & TV Company Limited	-	1,554	
Sunrise Equity Company Limited	88	-	
Super Assets Company Limited	50	-	
BBTV Production Company Limited	-	493	
BBTV Equity Company Limited	-	37,861	
Allianz Ayudhya Capital Public Company Limited	48,259	195,298	
Morgan Stanley & Co. International Public Company Limited	10,587,793	4,599,825	
Total	<u>13,593,416</u>	<u>6,092,600</u>	
Fees and services income			
Bank of Ayudhya Public Company Limited	-	1,831,158	As specified in contract
Krungsri Asset Management Company Limited	3,056,075	5,191,315	As specified in contract
Total	<u>3,056,075</u>	<u>7,022,473</u>	
Interest income			
Bank of Ayudhya Public Company Limited	5,083,953	6,973,655	At market

	For the six-month periods ended June 30,		Pricing Policies
	2021	2020	
	Baht	Baht	
Other income			
Bank of Ayudhya Public Company Limited	-	419	As specified in contract
Krungsriayudhya Card Company Limited	-	550	As specified in contract
Siam Realty and Services Security Company Limited	2,004	364	As specified in contract
Morgan Stanley & Co. International Public Company Limited	65,610	-	As specified in contract
Total	<u>67,614</u>	<u>1,333</u>	
Expenses			
Employee benefits expenses			
Bank of Ayudhya Public Company Limited	70,000	-	As specified in contract
Fee and service expenses			
Bank of Ayudhya Public Company Limited	2,153,525	1,894,276	As specified in contract
Interest expense			
Bank of Ayudhya Public Company Limited	12,553	2,247	As specified in contract
BBTV Equity Company Limited	268,932	19,773	As specified in contract
Siam Realty and Services Security Company Limited	53,197	18,235	As specified in contract
Total	<u>334,682</u>	<u>40,255</u>	
Other expenses			
Bank of Ayudhya Public Company Limited	9,580,044	5,984,727	As specified in contract
BBTV Equity Company Limited	12,750,210	12,412,793	As specified in contract
Siam Realty and Services Security Company Limited	1,737,256	1,654,941	As specified in contract
Allianz Ayudhya General Insurance Public Company Limited	-	29,557	As specified in contract
Total	<u>24,067,510</u>	<u>20,082,018</u>	

5.3 Segment information

The majority of the operations of the Company involve the single business segment of securities, and the business is mainly carried on in a single geographic area in Thailand. Therefore, the management concludes that the Company has only one business segment and one geographic area.

5.4 Long-term operating lease and service agreements

Long-term operating lease and service agreements are as follows:

	As at June 30, 2021		As at December 31, 2020	
	Baht	USD	Baht	USD
Not later than 1 year	7,481,094	31,000	7,751,134	31,000
Later 1 year but not later than 5 years	8,584,632	41,333	12,123,559	56,833

5.5 The approval date of financial statements

The financial statements for the six-month period ended June 30, 2021 have been approved for issue by the Company's Board of Directors on August 24, 2021.



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