

# Independent Auditor's Report

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## Independent Auditor's Report

To the Shareholders of Finansia Syrus Securities Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Finansia Syrus Securities Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Finansia Syrus Securities Public Company Limited for the same year.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Finansia Syrus Securities Public Company Limited and its subsidiary and of Finansia Syrus Securities Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

## **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### **Recognition of brokerage fees income**

The Group's core revenues consisted of brokerage fees income, totaling Baht 914 million, representing 71 percent of the total revenues. The Company charges brokerage fees income at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees relying primarily on data processed by information and technology (IT) systems, I therefore focused on examining that brokerage fees are recognised correctly as actually incurred.

I assessed and tested, on a sampling basis, the operation of the Company's internal controls relevant to recognition of brokerage fees, the IT controls relevant to the calculation of brokerage fees and checked, on a sampling basis, the brokerage rates, calculation and recording. In addition, I performed analytical procedures on brokerage fees and tested, on a sampling basis, material manual adjustments made through journal vouchers.

### **Allowance for doubtful accounts on securities and derivatives business receivables**

As discussed in Note 4.8 to the financial statements, the Company set aside allowance for doubtful accounts, taking into consideration, status of each debtor, collection risk and the value of the collateral. For securities trading and credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts on securities and derivatives business receivables is importance because of the number of customers and the significance to the Company's financial statements (As at 31 December 2019, securities business receivables were Baht 2,559 million, representing 60 percent of the Group's total assets). Therefore, I focused on the adequacy of allowance for doubtful accounts on such receivables.

I have performed audit procedures on the adequacy of allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the status of receivables, calculation of collateral value, calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the Company in determination and calculation of the allowance for doubtful accounts, and compared the Company's policies with the regulatory requirements. I tested, on a sampling basis, the operation of the IT controls relevant to the calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the adequacy of allowance for doubtful accounts as at the end of reporting period by testing, on a sampling basis, the data used in calculation of allowance for doubtful accounts, the status of receivables, the valuation of collateral, the collections after the end of reporting period, the debt classification and the calculation of the allowance for doubtful accounts.

## **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 18 February 2020

Finasia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Assets</b>					
Cash and cash equivalents	6, 29, 3	101,512,582	376,612,496	76,595,803	354,046,723
Receivables from Clearing House and broker-dealers	7	142,228,011	688,722,575	142,228,011	688,722,575
Securities and derivatives business receivables	8	2,558,517,795	2,220,757,080	2,558,517,795	2,220,757,080
Derivatives assets	9	-	-	-	-
Investments	10	781,523,326	820,769,503	781,523,326	820,769,503
Loans to employees		275,307	1,248,294	275,307	1,248,294
Investments in a subsidiary and an associate	11	116,410,684	119,060,796	113,162,491	113,162,491
Equipment	12	69,723,616	74,105,487	69,723,616	74,105,487
Intangible assets	13	246,462,968	260,339,270	246,462,968	260,339,270
Deferred tax assets	14.1	59,625,254	25,292,812	61,446,067	27,886,746
Current tax assets		6,866,942	6,598,703	5,404,472	4,820,669
Withholding tax receivables		6,598,703	-	4,820,669	-
Other assets	15	187,207,164	160,812,548	191,319,597	163,778,487
<b>Total assets</b>		<b>4,276,952,352</b>	<b>4,754,319,564</b>	<b>4,251,480,122</b>	<b>4,729,637,325</b>
<b>Liabilities and owners' equity</b>					
<b>Liabilities</b>					
Borrowings from financial institutions	16	50,000,000	-	50,000,000	-
Payables to Clearing House and broker-dealers	17	662,572,829	423,883,317	662,572,829	423,883,317
Securities and derivatives business payables	18	940,532,459	1,495,294,583	940,532,459	1,495,294,583
Derivatives liabilities	9	19,371,381	4,772,145	19,371,381	4,772,145
Provision for long-term employee benefits	19	64,492,736	55,463,100	62,648,911	54,834,762
Other payables	20	1,438,802	1,438,802	1,438,802	8,838,802
Other liabilities	21	189,295,347	242,311,018	186,755,139	234,676,411
<b>Total liabilities</b>		<b>1,927,703,554</b>	<b>2,223,162,965</b>	<b>1,923,319,521</b>	<b>2,222,300,020</b>

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Owners' equity</b>					
Share capital					
Issued and paid-up share capital					
581,403,025 ordinary shares of Baht 1.60 each		930,244,840	930,244,840	930,244,840	930,244,840
Share premium		620,892,885	620,892,885	620,892,885	620,892,885
Capital reserve for share-based payment transactions		322,946	322,946	322,946	322,946
Deficit as a result of change in holding percentage					
in a subsidiary		(251,580)	(251,580)	-	-
Retained earnings					
Appropriated - statutory reserve	22	78,640,769	78,640,769	78,640,769	78,640,769
Unappropriated		725,419,484	901,949,260	698,059,161	877,235,865
Other component of owners' equity					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(6,772,407)	(1,417,318)	-	-
Total equity attributable to the Company's shareholders		2,348,496,937	2,530,381,802	2,328,160,601	2,507,337,305
Non-controlling interests of the subsidiary		751,861	774,797	-	-
<b>Total owners' equity</b>		<b>2,349,248,798</b>	<b>2,531,156,599</b>	<b>2,328,160,601</b>	<b>2,507,337,305</b>
<b>Total liabilities and owners' equity</b>		<b>4,276,952,352</b>	<b>4,754,319,564</b>	<b>4,251,480,122</b>	<b>4,729,637,325</b>

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

Mr. Chuangchai Nawongs  
President & CEO

Ms. Pornpring Suksantisuwan  
Director



Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Income</b>					
Brokerage fees income	23, 29.2	914,154,999	1,049,505,108	914,154,999	1,049,505,108
Fees and service income	24	81,389,301	94,195,367	81,389,301	94,195,367
Interest income on margin loans		55,245,854	67,677,923	55,245,854	67,677,923
Gain (loss) and return on financial instruments	25	198,578,095	226,280,431	198,314,435	226,217,315
Shares of gain (loss) from investments in an associate	11.2	4,043,752	2,832,737	-	-
Gain on sale of investment in joint venture		-	8,797,834	-	-
Other income	29.2	41,903,026	20,203,634	45,481,564	23,803,633
<b>Total income</b>		<b>1,295,315,027</b>	<b>1,469,493,034</b>	<b>1,294,586,153</b>	<b>1,461,399,346</b>
<b>Expenses</b>					
Employee benefits expenses	26	796,367,244	874,700,850	756,261,308	841,148,211
Fees and service expenses		218,920,476	172,554,025	218,865,476	172,494,025
Finance costs		28,167,826	31,537,137	28,167,826	31,537,137
Bad debt and doubtful accounts (reversal)		(49,450)	(96,000)	(49,450)	(96,000)
Other expenses	29.2	421,995,087	414,617,796	464,868,053	455,199,883
<b>Total expenses</b>		<b>1,465,401,183</b>	<b>1,493,313,808</b>	<b>1,468,113,213</b>	<b>1,500,283,256</b>
<b>Profit (loss) before income tax</b>		<b>(170,086,156)</b>	<b>(23,820,774)</b>	<b>(173,527,060)</b>	<b>(38,883,910)</b>
Income tax	14.2	32,002,984	133,647	32,694,222	3,094,068
<b>Profit (loss) for the year</b>		<b>(138,083,172)</b>	<b>(23,687,127)</b>	<b>(140,832,838)</b>	<b>(35,789,842)</b>
<b>Other comprehensive income (loss):</b>					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements					
in foreign currency - net of income tax		(5,355,089)	(479,011)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(5,355,089)	(479,011)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Share of other comprehensive income					
from investments in joint venture - net of income tax					
Actuarial loss - net of income tax		(3,586,073)	(5,254,228)	(3,460,399)	(4,778,548)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(3,586,073)	(5,254,228)	(3,460,399)	(4,778,548)
<b>Other comprehensive income (loss) for the year</b>		<b>(8,941,162)</b>	<b>(5,733,239)</b>	<b>(3,460,399)</b>	<b>(4,778,548)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(147,024,334)</b>	<b>(29,420,366)</b>	<b>(144,293,237)</b>	<b>(40,568,390)</b>

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>					
The Company's shareholders		(138,064,953)	(23,797,934)	(140,832,838)	(35,789,842)
Non-controlling interests of the subsidiary		(18,219)	110,807		
		<u>(138,083,172)</u>	<u>(23,687,127)</u>		
<b>Comprehensive income (loss) attributable to:</b>					
The Company's shareholders		(147,001,398)	(29,513,317)	(144,293,237)	(40,568,390)
Non-controlling interests of the subsidiary		(22,936)	92,951		
		<u>(147,024,334)</u>	<u>(29,420,366)</u>		
<b>Earnings per share</b>					
Basic earnings (loss) per share					
Profit (loss) attributable to shareholders of the Company	27	(0.24)	(0.04)	(0.24)	(0.06)

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(170,086,156)	(23,820,774)	(173,527,060)	(38,883,910)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	63,415,901	60,247,624	63,415,901	60,247,624
Bad debt and doubtful accounts (reversal)	(49,450)	(96,000)	(49,450)	(96,000)
(Gain) loss on disposals and write-off of equipment and intangible assets	31,193	215,942	31,193	215,942
Unrealised (gain) loss on revaluation of trading investments	(11,641,056)	23,256,367	(11,641,056)	23,256,367
Unrealised (gain) loss on revaluation of derivatives	12,414,620	(10,605,531)	12,414,620	(10,605,531)
(Gain) loss on sale of investment in a joint venture	-	(8,797,834)	-	-
Share of (gain) loss from investments in an associate	(4,043,752)	(2,832,737)	-	-
Provision for long-term employee benefits	16,633,045	(3,096,790)	15,574,651	607,124
Interest and dividend income	(81,562,858)	(74,775,849)	(81,299,198)	(74,712,732)
Interest income on margin loans	(55,245,854)	(67,677,923)	(55,245,854)	(67,677,923)
Finance costs	28,167,826	31,516,820	28,167,826	31,516,820
Amortisation of interest expense on financial lease agreement	-	20,317	-	20,317
Amortisation of discount on debt issued	-	1,143,113	-	1,143,113
<b>Profit (loss) from operating activities before changes in operating assets and liabilities</b>	(201,966,541)	(75,303,255)	(202,158,427)	(74,968,789)
(Increase) decrease in operating assets				
Receivables from Clearing Houses and broker-dealers	534,978,190	(517,836,210)	534,978,190	(517,836,210)
Securities and derivatives business receivables	(338,512,809)	1,702,836,465	(338,512,809)	1,702,836,465
Investments	50,887,233	129,516,999	50,887,233	129,516,999
Loan to employees	972,987	(981,736)	972,987	(981,736)
Other assets	(20,008,443)	13,337,813	(21,154,938)	14,240,488
Increase (decrease) in operating liabilities				
Payables to Clearing Houses and broker-dealers	238,689,512	(485,846,666)	238,689,512	(485,846,666)
Securities and derivatives business payables	(554,762,124)	(78,401,607)	(554,762,124)	(78,401,607)
Derivatives liabilities	13,700,990	(93,329,374)	13,700,990	(93,329,374)
Paid for long-term employee benefits	(12,086,000)	(9,121,400)	(12,086,000)	(9,121,400)
Other payables	-	(361)	(7,400,000)	7,399,639
Other liabilities	(10,926,097)	(55,387,238)	(5,831,698)	(62,228,592)
Cash received (paid) from operating activities	(299,033,102)	529,483,430	(302,677,084)	531,279,217
Proceeds on interest and dividend income	131,224,086	152,947,804	130,960,426	152,884,687
Cash paid on interest expense	(28,485,989)	(31,406,494)	(28,485,989)	(31,406,494)
Cash paid on income tax expense	(6,961,108)	(11,276,933)	(5,404,472)	(9,515,980)
<b>Net cash provided by (used in) operating activities</b>	(203,256,113)	639,747,807	(205,607,119)	643,241,430

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Cash received (paid) from investing activities				
Cash received from disposal of investment in a joint venture	-	117,640,655	-	117,640,655
Proceeds on disposals of equipment	90,256	565,533	90,256	565,533
Proceeds on disposals of intangible assets	183	-	183	-
Cash paid for purchases of equipment	(21,096,792)	(25,844,658)	(21,096,792)	(25,844,658)
Cash paid for purchases of intangible assets	(65,953,981)	(100,465,905)	(65,953,981)	(100,465,905)
<b>Net cash provided by (used in) investing activities</b>	<b>(86,960,334)</b>	<b>(8,104,375)</b>	<b>(86,960,334)</b>	<b>(8,104,375)</b>
<b>Cash flows from financing activities</b>				
Cash received (paid) from financing activities				
Cash received (paid) from borrowings from financial institutions	50,000,000	(200,000,000)	50,000,000	(200,000,000)
Cash received (paid) from debt issued	-	(160,000,000)	-	(160,000,000)
Cash paid for liabilities under finance lease agreement	-	(669,865)	-	(669,865)
Dividend paid	(34,883,467)	(34,883,900)	(34,883,467)	(34,883,900)
<b>Net cash provided by (used in) financing activities</b>	<b>15,116,533</b>	<b>(395,553,765)</b>	<b>15,116,533</b>	<b>(395,553,765)</b>
Net increase (decrease) in cash and cash equivalents	(275,099,914)	236,089,667	(277,450,920)	239,583,290
Cash and cash equivalents at the beginning of the year	376,612,496	140,522,829	354,046,723	114,463,433
<b>Cash and cash equivalents at the ending of the year</b>	<b>101,512,582</b>	<b>376,612,496</b>	<b>76,595,803</b>	<b>354,046,723</b>

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

**Finansia Syrus Securities Public Company Limited and its subsidiary**  
**Statement of changes in owners' equity**  
**For the year ended 31 December 2019**

(Unit: Baht)

		Consolidated financial statements									
		Equity attributable to of the Company's shareholders					Other component of owners' equity				
Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit as a result of change in holding percentage in the subsidiary	Retained earnings	Unappropriated statutory reserve	Appropriated - statutory reserve	Exchange differences on translation of financial statements in foreign currency - net of income tax	Total equity attributable to the Company's shareholders	Non-controlling interest of the subsidiary	Total owners' equity
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	985,867,466	(938,307)	2,594,779,019	681,848	2,595,460,865	
	-	-	-	-	-	(23,797,934)	-	(23,797,934)	110,807	(23,687,127)	
	-	-	-	-	-	(5,236,372)	(479,011)	(5,715,383)	(17,856)	(5,733,239)	
	-	-	-	-	-	(29,034,306)	(479,011)	(29,513,317)	92,951	(29,420,366)	
28	-	-	-	-	-	(34,883,900)	-	(34,883,900)	-	(34,883,900)	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	901,949,260	(1,417,318)	2,530,381,802	774,797	2,531,156,599	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	901,949,260	(1,417,318)	2,530,381,802	774,797	2,531,156,599	
	-	-	-	-	-	(138,064,953)	-	(138,064,953)	(18,219)	(138,083,172)	
	-	-	-	-	-	(3,581,356)	(5,355,089)	(8,936,445)	(4,717)	(8,941,162)	
	-	-	-	-	-	(141,846,309)	(5,355,089)	(147,001,398)	(22,936)	(147,024,334)	
28	-	-	-	-	-	(34,883,467)	-	(34,883,467)	-	(34,883,467)	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	725,419,484	(6,772,407)	2,348,496,937	751,861	2,349,248,798	

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

**Finansia Syrus Securities Public Company Limited and its subsidiary**  
**Statement of changes in owners' equity (continued)**  
**For the year ended 31 December 2019**

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total owners' equity
					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>		930,244,840	620,892,885	322,946	78,640,769	952,688,155	2,582,789,595
Profit (loss) for the year		-	-	-	-	(35,789,842)	(35,789,842)
Other comprehensive income (loss) for the year		-	-	-	-	(4,778,548)	(4,778,548)
Total comprehensive income (loss) for the year		-	-	-	-	(40,568,390)	(40,568,390)
Dividend paid	28	-	-	-	-	(34,883,900)	(34,883,900)
<b>Balance as at 31 December 2018</b>		930,244,840	620,892,885	322,946	78,640,769	877,235,865	2,507,337,305
<b>Balance as at 1 January 2019</b>		930,244,840	620,892,885	322,946	78,640,769	877,235,865	2,507,337,305
Profit (loss) for the year		-	-	-	-	(140,832,838)	(140,832,838)
Other comprehensive income (loss) for the year		-	-	-	-	(3,460,399)	(3,460,399)
Total comprehensive income (loss) for the year		-	-	-	-	(144,293,237)	(144,293,237)
Dividend paid	28	-	-	-	-	(34,883,467)	(34,883,467)
<b>Balance as at 31 December 2019</b>		930,244,840	620,892,885	322,946	78,640,769	698,059,161	2,328,160,601

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

## **Finansia Syrus Securities Public Company Limited and its subsidiary**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2019**

#### **1. General information**

Finansia Syrus Securities Public Company Limited (“the Company”) is a public company incorporated under Thai laws and domiciled in Thailand. Its major shareholders are Finansia Fund Management Limited which held shares in the Company at the rates of 29.29% of the Company’s issued and paid-up share capital. The Company’s registered address and head office are located at No. 999/9, 18th and 25th floors of The Offices at Centralworld, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

The Company has been operating its businesses in Thailand and undertaken business licenses as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Financial advisory
6. Derivatives brokerage
7. Securities borrowing and lending
8. Mutual fund management
9. Private fund management

As at 31 December 2019 and 2018, the Company had 27 branches and 31 branches, respectively.

#### **2. Basis for preparation of financial statements**

- 2.1** The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and the principles stipulated by the Office of the Securities and Exchange Commission (“SEC”). The presentation of the financial statements has been made in compliance with the requirement of the Notification of the SEC relating to the format of the financial statements of securities companies (Version 2), No. SorThor. 22/2559 dated 2 June 2016.

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

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

## 2.2 Basis of consolidation

- (a) The consolidated financial statements included the financial statements of the Company and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2019	31 December 2018
			(%)	(%)
FSS International Investment Advisory Securities Company Limited	Advisory	Thailand	96.25	96.25

- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those of the Company.
- (e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within owners' equity in the consolidated statement of financial position.
- (g) The net assets in the financial statements of an overseas associate are translated into Baht using the exchange rate prevailing at the end of the reporting periods. Profit or loss of the associate is translated using a monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” and presented as a part of other component of owners' equity in the statements of financial position.

## 2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investments in a subsidiary and an associate under the cost method.



### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiary's financial statements.

## **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

(a) Brokerage fees income

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

(b) Fees and service income

Fees and service income are recognised as revenue, taking into account the stage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when it is probable that the amount will be collected.

(c) Interest income on margin loans

Interest income is recognised as it accrues based on the effective rate method, except that there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Receivables from general debtors, which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than every three months and for which principal or interest is overdue longer than three months.
- (3) Installment loans with repayments scheduled longer than every three months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions.
- (5) Other receivables from which interest payment is overdue for three months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission ("SEC").

- (d) Gain and return on financial instruments

*Gain (loss) on investments and derivatives*

Gain (loss) on investments and derivatives are recognised as income/expense on the transaction date.

*Interest and dividend*

Interest is recognised on an accrual basis based on an effective rate. Dividend is recognised when the right to receive the dividend is established.

#### **4.2 Expenses recognition**

Expenses are recognised on an accrual basis.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, all bank deposit accounts with an original maturity less than 3 months, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

#### **4.4 Recognition and derecognition of customers' assets**

Cash received from customers on their cash balance accounts, credit balance accounts and derivatives trading accounts are recorded as assets and liabilities of the Company for internal control purposes. At the end of the reporting period, the Company excludes these amounts from its both assets and liabilities and presents only those belong to the Company.

#### **4.5 Receivables from/payables to Clearing House and broker-dealer**

Receivables from/payables to Clearing House and broker - dealer comprise the net receivable from/payables to Thailand Clearing House (TCH) for settlement of equity securities trading and derivatives trading, including cash collateral pledged with TCH for derivatives trading instruments and receivable/payables from 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 are the balances of securities business receivables and derivatives business receivables and including accrued interest receivables after deducting allowance for doubtful accounts.

Securities business receivables comprise receivables on cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables and guaranteed deposit receivables which comprise cash placed as guarantee for borrowers of securities and other receivables (such as overdue in cash accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are being settled in installments).

#### **4.7 Securities borrowing and lending**

The Company records its obligations to return borrowed securities which it has been sold as short selling or lent as “Securities borrowing and lending payables” in the statements of financial position. At the end of the reporting periods, the balance of securities borrowing and lending payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the reporting period. Gains or losses arising from such adjustment are recorded in profit or loss in the statement of comprehensive income. Securities lent to customers are recorded as “Securities borrowing and lending receivables” in the statements of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Collateral receivables” or “Collateral payables”. Fees on securities borrowing and lending are recognised on an accrual basis.

#### **4.8 Allowance for doubtful accounts**

The Company has provided an allowance for doubtful accounts based on a review of each debtor’s repayment capability, taking into consideration the risk of recovery and the value of the collateral. An allowance will be set aside for doubtful accounts that their collaterals are not fully covered and/or debtors can not be recovered in full. Such debt classifications and allowances are made in accordance with guidelines stipulated by the Office of the Securities and Exchange Commission (“SEC”) as the following criteria:

- (a) Debts classified as bad debts are defined as follows:
  - (1) Debts which the Company has made effort to follow up, but could not collect repayment. The Company has written them off in accordance with tax law.
  - (2) Debts on which the Company has forgiven.

- (b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
  - (1) Debtors in general, problem financial institutions, and other debtors which have the value of the underlying collateral less than the debts.
  - (2) Installment loans with repayments scheduled no longer than three months for each installment, which principal or interest is overdue by three months or more.
  - (3) Installment loans with repayments scheduled longer than three months for each installment, unless there is clear evidence and high degree of certainty that full is recovered.
- (c) Sub-standard debt is defined as the collateralised portion of debts, which meet the criteria in (b).

Bad debts will be written off when identified. Full allowance of the debt balance will be set aside for debts classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission (“SEC”).

#### **4.9 Investments**

- (a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded in profit or loss in the statement of comprehensive income.
- (b) Investments in deposits at financial institutions are fixed deposits with original maturity within 3 months from the date of acquisition, but the Company intends to roll-over them, or deposits subject to withdrawal restrictions.
- (c) Investments in non-marketable equity securities which the Company classified as general investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period. The fair value of investment units is determined based on their net asset value at the end of the reporting period.

Impairment loss (if any) is recognised in profit or loss.

In the event that the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recognised in profit or loss or in other component of owners’ equity depending on the type of investment that is reclassified.

Purchase and sales of investments are recorded on trade date. On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for computation of the cost of investment.

#### **4.10 Loans**

Loans to employees under welfare program are recognised initially at the amount granted to the employees and are subsequently stated at amorised cost, based on the effective interest rate. Returns are recognised in the statement of comprehensive income over the term of loan.

#### **4.11 Investments in a subsidiary and an associate**

(a) Consolidated financial statements

Investments in an associate is accounted for in the consolidated financial statements using the equity method.

(b) Separate financial statements

Investments in a subsidiary and an associate are stated in the separate financial statements at cost net of allowance for impairment loss (if any).

#### **4.12 Equipment and depreciation**

Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

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

Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

No depreciation is provided for equipment under installation.

Depreciation is included in profit or loss.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

**4.13 Intangible assets and amortisation**

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

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

Intangible assets with finite useful lives are amortised on a straight line method over the estimated period of their economic benefits as follows:

Futures exchange membership fee	10 years
Retail brokerage business acquisition cost	2 years
Computer softwares	5 -15 years
Right to use system	5 years

No amortisation is provided for computer softwares under development and exchange membership fee.

**4.14 Income tax**

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

**Current tax**

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

**Deferred tax**

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

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses brought forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses brought forward can be utilised.



At each reporting date, the Company and its subsidiary review and reduce 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 assets to be utilised.

The Company and its subsidiary record deferred income tax directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

#### **4.15 Impairment of assets**

At each end of reporting year, the Company and its subsidiary perform impairment reviews in respect of equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.16 Borrowings from financial institution**

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

#### **4.17 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 and obligations to return assets held by the Company as collateral for securities lending.

#### **4.18 Debt issued**

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

#### 4.19 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

#### 4.20 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plan

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

Defined benefit plan

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat 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 the defined benefit plan are recognised in other comprehensive income or loss and as a part of retained earnings.

#### **4.21 Long-term leases**

Leases of equipment, which transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the lower of the useful life of the asset or lease periods.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line method over the lease term.

#### **4.22 Related party transactions**

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

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that give them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiary's operations, together with closed family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

#### **4.23 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of each entity.

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

Gains and losses on exchange are included in profit or loss.

#### **4.24 Derivatives**

(a) Derivative warrants

The Company initially recognises the fair value of derivative warrants as derivatives liabilities and will subsequently recognise unrealised gains or losses resulting from changes in the fair values of derivative warrants in profit or loss in the statement of comprehensive income. The fair value of marketable derivative warrants being calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last working day of the year.

(b) Futures

The Company initially recognises future as off-balance transactions. Gains (losses) from changes in the fair value of the future is induced in profit or loss in the statement of comprehensive income. The fair value of marketable future being calculated with reference to the last bid/offer prices quoted on Thailand Futures Exchange Public Company Limited on the last working day of the year.

(c) Forward exchange contracts

Forward exchange contracts are initially recognised as off-balance transactions. Gains (losses) from changes in the fair value of derivatives is included in profit or loss. The fair value of forward foreign currency contracts is determined based on an average rate of buying or selling for the remaining period of each contract.

#### **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 and its subsidiary apply 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 and its subsidiary measure fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorisation 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 and its subsidiary determine 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 estimates. Significant judgements and estimates are as follows:

### **5.1 Recognition and derecognition of assets and liabilities**

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

### **5.2 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position 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 (the Company and its subsidiary and their counterparties) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these variables could affect the fair value recognised in the statements of financial position and reported in disclosures of fair value hierarchy.

### **5.3 Allowance for doubtful accounts on securities and derivatives business receivables**

Allowances for doubtful accounts on securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each debtor when there is any doubt about the debtor's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

### **5.4 Allowance for impairment on investments**

The Company and its subsidiary treat investments in equity securities as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

### **5.5 Equipment and depreciation**

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

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

### **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 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

## 5.8 Provision for long-term employee benefits

Provision for long-term employee benefits is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate.

## 5.9 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether or not significant risk and rewards of ownership of the leased asset has been transferred to the Company and its subsidiary, taking into consideration terms and conditions of the arrangement.

## 5.10 Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation whereby the management have used judgement to assess the outcome of the litigation cases. In case where the management believe that loss will not be incurred, no contingent liabilities will be recorded for such cases.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated	financial statements	Separate	financial statements
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cash, short-term deposits and short-term note				
receivables with original maturity periods of less				
than 3 months	682,965	593,134	658,048	570,569
Less: Cash deposits held for customers	(581,452)	(216,522)	(581,452)	(216,522)
Cash and cash equivalents	<u>101,513</u>	<u>376,612</u>	<u>76,596</u>	<u>354,047</u>

### Supplemental cash flows information

	(Unit: Thousand Baht)			
	Consolidated	financial statements	Separate	financial statements
	For the years ended 31 December			
	2019	2018	2019	2018
Non-cash items:				
Purchase of equipment and intangible assets on				
credit	105	41,876	105	41,876

## 7. Receivables from Clearing House and broker-dealers

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
Receivables from Clearing House	265,028	727,708
Receivables from overseas securities companies	212,009	233,762
Receivables from securities company	1,047	4,555
Less: Receivables from Clearing House for customers' account	(134,912)	(58,495)
Less: Receivables from overseas securities companies for customers' account	(200,944)	(218,807)
Receivables from Clearing House and broker-dealers	<u>142,228</u>	<u>688,723</u>

## 8. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
<u>Securities business receivables</u>		
Cash accounts receivables	1,625,164	1,091,714
Credit balance accounts	910,630	928,833
Collateral receivables	6,193	90,731
Securities borrowing and lending receivables	4,105	90,890
Other receivables	1,007	74,856
Total securities business receivables	<u>2,547,099</u>	<u>2,277,024</u>
Add: Accrued interest receivables	4,287	4,954
Less: Allowance for doubtful accounts	(207)	(69,358)
Securities business receivables	<u>2,551,179</u>	<u>2,212,620</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	7,339	8,137
Other receivables	5,911	5,960
Less: Allowance for doubtful accounts	(5,911)	(5,960)
Securities and derivatives business receivables	<u>2,558,518</u>	<u>2,220,757</u>



### 8.1 Non-accrued securities and derivatives business receivables

As at 31 December 2019 and 2018, the Company has securities and derivatives business receivables (included accrued interest receivables) of Baht 6 million and Baht 81 million, respectively, for which the recognition of interest income has been ceased and the Company has set aside allowances for doubtful accounts of Baht 6 million and Baht 75 million, respectively.

### 8.2 Classification of securities and derivatives business receivables

As at 31 December 2019 and 2018, the Company has classified securities and derivatives business receivables in accordance with the Office of the Securities and Exchange Commission's Notification regarding accounting for non-performing debts of securities companies as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2019			31 December 2018		
	Debt balance		Net debt balance after allowance for doubtful accounts	Debt balance		Net debt balance after allowance for doubtful accounts
	Debt balance	Allowance for doubtful accounts	for doubtful accounts	Debt balance	Allowance for doubtful accounts	for doubtful accounts
Normal debt	2,558	-	2,558	2,216	-	2,216
Sub-standard debts	1	-	1	5	-	5
Doubtful debts	6	(6)	-	75	(75)	-
<b>Total</b>	<b>2,565</b>	<b>(6)</b>	<b>2,559</b>	<b>2,296</b>	<b>(75)</b>	<b>2,221</b>

### 8.3 Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2019	2018
Balances - beginning of the year	75,318	75,510
Write-off doubtful accounts	(69,151)	-
Allowance for doubtful accounts (reversal)	(49)	(192)
<b>Balances - end of the year</b>	<b>6,118</b>	<b>75,318</b>

## 9. Derivatives assets and liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2019		
	Fair value		Notional
	Assets	Liabilities	amount
<b>Trading derivatives</b>			
Derivatives warrants	-	19,371	1,450,585
Futures <sup>(1)</sup>	-	-	695,144
Forward exchange contracts	-	-	-
<b>Total</b>	-	19,371	2,145,729

<sup>(1)</sup> Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2019, the fair value of derivative assets and liabilities for futures contracts are Baht 17 million and Baht 3 million respectively.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2018		
	Fair value		Notional
	Assets	Liabilities	amount
<b>Trading derivatives</b>			
Derivatives warrants	-	4,772	1,083,365
Futures <sup>(1)</sup>	-	-	404,295
<b>Total</b>	-	4,772	1,487,660

<sup>(1)</sup> Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2018, the fair value of derivative assets and liabilities for futures contracts are Baht 26 million and Baht 1 million respectively.

Delivery method of the derivatives warrants is cash settlement between the close price of the underlying asset as quoted on the last trading date and the exercise price.

Forward exchange contracts have a short-term maturity period and delivery method is cash settlement between contract buying/selling rates and buying/selling rates as quoted by the Bank of Thailand on the contract maturity dates. Therefore, real exposure under forward exchange contracts would be such price difference.

## 9.1 Gain (loss) on derivatives

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Realised gain (loss) on derivatives trading	52,806	272,157
Unrealised gain (loss) on revaluation of derivatives	(12,415)	10,606
<b>Total</b>	<b>40,391</b>	<b>282,763</b>

## 10. Investments

### 10.1 Cost value and fair value

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2019		31 December 2018	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
<b>Trading securities</b>				
Equity securities	788,387	778,641	440,114	418,402
Add (less): Revaluation allowance	(9,746)		(21,712)	
Trading securities	<u>778,641</u>		<u>418,402</u>	
<b>Held-to-maturity securities</b>				
Fixed deposits	1,501,289		1,251,279	
Bank of Thailand bond	1,096,565		2,345,890	
Less: Investment held for customers	(2,597,854)		(3,197,272)	
Held-to-maturity securities	<u>-</u>		<u>399,897</u>	
<b>General investments</b>				
Equity securities	20,190		19,779	
Less: Allowance for impairment	(17,308)		(17,308)	
General investments	<u>2,882</u>		<u>2,471</u>	
<b>Investments</b>	<u><b>781,523</b></u>		<u><b>820,770</b></u>	

## 10.2 Investments in debt securities classified by remaining periods to maturity

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2019			
	Within 1 year	1 - 5 years	No maturity	Total
<b>Held-to-maturity securities</b>				
Fixed deposits	1,501,289	-	-	1,501,289
Bank of Thailand bond	1,096,565	-	-	1,096,565
Less: Investments held for customers	(2,597,854)	-	-	(2,597,854)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2018			
	Within 1 year	1 - 5 years	No maturity	Total
<b>Held-to-maturity securities</b>				
Fixed deposits	1,251,279	-	-	1,251,279
Bank of Thailand bond	2,345,890	-	-	2,345,890
Less: Investments held for customers	(3,197,272)	-	-	(3,197,272)
<b>Total</b>	<b>399,897</b>	<b>-</b>	<b>-</b>	<b>399,897</b>

## 10.3 Gain (loss) on investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Realised gain (loss) on trading securities	64,983	(108,002)
Unrealised gain (loss) on revaluation of trading securities	11,641	(23,256)
<b>Total</b>	<b>76,624</b>	<b>(131,258)</b>

## 11. Investments in a subsidiary and an associate

### 11.1 Details of investments in a subsidiary and an associate

Investments in a subsidiary and an associate as at 31 December 2019 and 2018 were as follows:

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital				Investment value under equity method	
					31 December		Percentage of shareholding		31 December	
					2019	2018	2019	2018	2019	2018
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
<b>Associate</b>										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	116,411	119,061
Total Investment in an associate									<u>116,411</u>	<u>119,061</u>
Separate financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital				Investment value under cost method	
					31 December		Percentage of shareholding		31 December	
					2019	2018	2019	2018	2019	2018
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
<b>Subsidiary</b>										
FSS International Investment Advisory Securities Co., Ltd.	Advisory	Thailand	Equity securities	Baht	8,000	8,000	96.25	96.25	7,700	7,700
Total Investment in a subsidiary									<u>7,700</u>	<u>7,700</u>
<b>Associate</b>										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	105,462	105,462
Total Investment in an associate									<u>105,462</u>	<u>105,462</u>
Total investments in a subsidiary and an associate									<u>113,162</u>	<u>113,162</u>

### 11.2 Share of gain (loss) and dividend income from an associate

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Shares of other comprehensive income					
	Share of gain (loss) from investments in an associate and a joint venture for the years ended 31 December		from investments in an associate and a joint venture for the years ended 31 December		Dividend received during the years ended 31 December	
	2019	2018	2019	2018	2019	2018
<b>Associate</b>						
SBI Royal Securities Plc.	4,044	4,342	6,694	(598)	-	-
<b>Joint venture</b>						
SBI Thai Online Securities Co., Ltd.	-	(1,509)	-	-	-	-
Total	<u>4,044</u>	<u>2,833</u>	<u>6,694</u>	<u>(598)</u>	<u>-</u>	<u>-</u>

During the years ended 31 December 2019 and 2018, the Company recognised shares of gain (loss) from the associate under equity method based on financial information, as prepared by the associate's management.

However, the Company obtained the 2018 financial statements of the associate, which were audited by associate's auditors, and showed the amounts that are not significantly different from the financial information prepared by the associate's management used in recognition of share of comprehensive income in that year.

### 11.3 Summarised financial information about material associate

#### Summarised information from statements of financial position

(Unit: Million Baht)

	Associate	
	SBI Royal Securities Plc.	
	31 December 2019	31 December 2018
Cash and cash equivalents	409	420
Other current assets	12	37
Non-current assets	31	34
Current liabilities	1	(27)
Net assets	453	464
Shareholding percentage	20.01	20.01
The Company's equity interest in the investments net assets	91	94
Goodwill	25	25
Total investment values	116	119
Carrying values of investments in an associate (under equity method)	116	119

#### Summarised information from statements of comprehensive income

(Unit: Million Baht)

	Associate	
	SBI Thai Online Securities Co., Ltd.	
	For the years ended 31 December	
	2019	2018
Revenues	42	43
Profit (loss) for the year	20	22
Other comprehensive income for the year	-	-
Total comprehensive income for the year	20	22

## 12. Equipment

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	Office equipment	Furniture and fixtures	Vehicles	Equipment under installation	Total
<b>Cost</b>					
1 January 2018	296,065	187,929	12,430	762	497,186
Additions	14,575	1,729	-	8,538	24,842
Disposals/write-off	(42,410)	(15,847)	(1,545)	-	(59,802)
Transfers in (out)	6,816	8,597	-	(9,092)	6,321
31 December 2018	275,046	182,408	10,885	208	468,547
Additions	9,091	2,669	-	9,085	20,845
Disposals/write-off	(3,523)	(10,084)	-	-	(13,607)
Transfers in (out)	5,519	2,058	-	(7,577)	-
31 December 2019	286,133	177,051	10,885	1,716	475,785
<b>Accumulated depreciation</b>					
1 January 2018	241,174	174,331	9,943	-	425,448
Depreciation for the year	19,488	6,777	1,749	-	28,014
Accumulated depreciation on disposals/write-off	(42,340)	(15,135)	(1,545)	-	(59,020)
Transfers in (out)	-	-	-	-	-
31 December 2018	218,322	165,973	10,147	-	394,442
Depreciation for the year	18,692	5,674	738	-	25,104
Accumulated depreciation on disposals/write-off	(3,401)	(10,084)	-	-	(13,485)
Transfers in (out)	-	-	-	-	-
31 December 2019	233,613	161,563	10,885	-	406,061
<b>Net book value</b>					
31 December 2018	56,724	16,435	738	208	74,105
31 December 2019	52,520	15,488	-	1,716	69,724
<b>Depreciation for the years</b>					
31 December 2018					28,014
31 December 2019					25,104

As at 31 December 2019 and 2018, certain equipment items have been fully depreciated but are still in use. The original costs, before deducting accumulated depreciation and allowance for impairment loss, of these assets amounted to approximately Baht 352 million and Baht 334 million, respectively.

### 13. Intangible assets

(Unit: Thousand Baht)

#### Consolidated and separate financial statements

	Exchange and future exchange membership fee	Retail brokerage business acquisition cost	Computer software	Right to use system	Computer software under development	Total
<b>Cost</b>						
1 January 2018	5,000	6,384	342,276	7,332	8,086	369,078
Additions	-	-	20,790	-	25,067	45,857
Write-off	-	-	-	-	(43)	(43)
Transfers in (out)	-	-	22,933	(7,332)	(22,750)	(7,149)
31 December 2018	5,000	6,384	385,999	-	10,360	407,743
Additions	1,605	-	7,419	-	15,411	24,435
Write-off	-	-	(22)	-	-	(22)
Transfer in (out)	-	-	19,162	-	(19,162)	-
31 December 2019	6,605	6,384	412,558	-	6,609	432,156
<b>Accumulated amortisation</b>						
1 January 2018	4,913	6,384	104,480	221	-	115,998
Amortisation for the year	87	-	31,540	607	-	32,234
Write-off	-	-	-	-	-	-
Transfer in (out)	-	-	-	(828)	-	(828)
31 December 2018	5,000	6,384	136,020	-	-	147,404
Amortisation for the year	-	-	38,311	-	-	38,311
Write-off	-	-	(22)	-	-	(22)
Transfer in (out)	-	-	-	-	-	-
31 December 2019	5,000	6,384	174,309	-	-	185,693
<b>Net book value</b>						
31 December 2018	-	-	249,979	-	10,360	260,339
31 December 2019	1,605	-	238,249	-	6,609	246,463
<b>Amortisation for the years ended</b>						
31 December 2018						32,234
31 December 2019						38,311

As at 31 December 2019 and 2018, certain computer software items have been fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of these assets amounted to Baht 99 million and Baht 89 million, respectively.



## 14. Deferred tax assets and income tax

### 14.1 Deferred tax assets

Deferred tax assets consisted of tax effects on the following temporary differences:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December	31 December	Changes in deferred income tax reported in the statements of comprehensive income	
			For the years ended 31 December	
	2019	2018	2019	2018
<b>Deferred tax assets arose from:</b>				
Allowance for doubtful accounts	1,182	1,192	(10)	(2)
Allowance for impairment loss on investments	3,462	3,462	-	(128)
Share of (profit) loss from investments in an associate	(2,190)	(2,719)	529	(11,742)
Provision for long-term employee benefits	12,899	11,093	1,806	(846)
Unrealised (gain) loss on revaluation of investments and derivatives	(1,503)	(1,658)	155	3,668
Unutilised tax loss	42,301	10,581	31,720	10,581
Others	3,474	3,342	132	60
<b>Deferred tax assets</b>	<b>59,625</b>	<b>25,293</b>	<b>34,332</b>	<b>1,591</b>
Recognised as income tax revenue (expense):				
- Recognised in profit or loss			32,097	182
- Recognised in other comprehensive income			2,235	1,409
<b>Total</b>			<b>34,332</b>	<b>1,591</b>

(Unit: Thousand Baht)

	Separate financial statements			
	31 December	31 December	Changes in deferred income tax reported in the statements of comprehensive income	
			For the years ended 31 December	
	2019	2018	2019	2018
<b>Deferred tax assets arose from:</b>				
Allowance for doubtful accounts	1,182	1,192	(10)	(2)
Allowance for impairment loss on investments	3,462	3,462	-	(9,511)
Provision for long-term employee benefits	12,530	10,967	1,563	(508)
Unrealised (gain) loss on revaluation of investments and derivatives	(1,503)	(1,658)	155	3,668
Unutilised tax loss	42,301	10,581	31,720	10,581
Others	3,474	3,342	132	60
<b>Deferred tax assets</b>	<b>61,446</b>	<b>27,886</b>	<b>33,560</b>	<b>4,288</b>
Recognised as income revenue (expense):				
- Recognised in profit or loss			32,694	3,094
- Recognised in other comprehensive income			866	1,194
<b>Total</b>			<b>33,560</b>	<b>4,288</b>

## 14.2 Income tax

Income tax for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	(94)	(49)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	32,097	182	32,694	3,094
Income (expense) tax reported in the statement of comprehensive income	32,003	133	32,694	3,094

Reconciliations between income tax and the product of accounting profits for the years ended 31 December 2019 and 2018 and the applicable tax rate are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Accounting profit (loss) before tax	(170,086)	(23,821)	(173,527)	(38,884)
Applicable tax rate	20%	20%		20%
Accounting (profit) loss before tax multiplied by income tax rate	34,017	4,764	34,705	7,776
Effects of:				
Revenue or expenses that are not taxable or not deductible in determining taxable profits	(2,014)	(4,630)	(2,011)	(4,682)
Income (expense) tax reported in the statement of comprehensive income	32,003	134	32,694	3,094

## 15. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
Interest receivables	7,385	2,500	7,385	2,500
Prepaid expenses	28,351	33,968	28,164	33,849
Deposits	21,980	21,409	21,980	21,409
Contribution to the compensation fund for clearing and securities delivery system	97,339	84,703	97,339	84,703
Asset for protecting the clearing system	5,000	5,000	5,000	5,000
Fee receivables	3,301	4,820	3,301	4,820
Advances paid	18,345	6,730	18,345	6,730
Dividend receivables	317	284	317	284
Other receivable - related party	-	-	4,301	3,085
Others	8,045	4,255	8,044	4,254
Total	190,063	163,669	194,176	166,634
Less: Allowance for doubtful accounts/ allowance for impairment	(2,856)	(2,856)	(2,856)	(2,856)
Other assets	187,207	160,813	191,320	163,778

## 16. Borrowings from financial institutions

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2019				
Interest rate per annum (percent)	Remaining period to maturity			Total
	Less than 1 year	1 - 5 years	More than 5 years	
<b>Financial institutions</b>				
Promissory notes	1.70	50,000	-	50,000
Total		50,000	-	50,000

## 17. Payables to Clearing House and broker - dealers

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	31 December 2019	31 December 2018
Payables to Clearing House	660,293	423,409
Payables to overseas securities companies	2,280	474
Payables to Clearing House and broker - dealers	662,573	423,883

## 18. Securities and derivatives business payables

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	31 December 2019	31 December 2018
<u>Securities business payables</u>		
Cash accounts payable	923,182	1,295,601
Collateral payables	4,096	90,731
Securities borrowing and lending payables	6,210	90,890
Securities business payable	933,488	1,477,222
<u>Derivatives business payables</u>		
Derivatives business payables	7,044	18,073
Securities and derivatives business payables	940,532	1,495,295

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits under a defined benefit plan are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Provision for long-term employee benefit				
at the beginning of the year	55,463	61,139	54,835	57,376
Included in profit or loss:				
Current service cost	9,579	6,210	8,538	5,802
Interest cost	1,478	1,357	1,460	1,251
Past service costs	5,576	(10,664)	5,576	(6,446)
Included in other comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumption changes	-	(277)	-	(218)
Financial assumption changes	4,483	657	4,326	657
Experience adjustments	-	6,162	-	5,534
Benefits paid during the year	(12,086)	(9,121)	(12,086)	(9,121)
Provision for long-term employee benefit				
at the end of the year	64,493	55,463	62,649	54,835

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 7 million (The Company only: Baht 7 million) as a result. The Company and its subsidiary reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

As at 31 December 2019, the Company and its subsidiary expect to pay Baht 6 million of long-term employee benefits during the next year (the Company only: Baht 6 million).

As at 31 December 2019, the Company's and its subsidiary's weighted average durations of the liabilities for long-term employee benefit is 9 years (the Company only: 9 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
	Discount rate	1.22 - 2.43
Salary increase rate	1.2 - 7.0	1.2 - 7.0
Turnover rate	0.0 - 33.0	0.0 - 33.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	Consolidated financial statement			
	31 December 2019			
	Increase in assumption	Provision for employee benefits were increased (decreased) by	Decrease in assumption	Provision for employee benefits were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(4.0)	1.0	4.5
Salary increase rate	1.0	5.1	1.0	(4.7)
Turnover rate	20.0	(7.3)	20.0	9.1

  

	Consolidated financial statement			
	31 December 2018			
	Increase in assumption	Provision for employee benefits were increased (decreased) by	Decrease in assumption	Provision for employee benefits were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.2)	1.0	3.6
Salary increase rate	1.0	3.6	1.0	(3.3)
Turnover rate	20.0	(5.1)	20.0	6.2

	Separate financial statement			
	31 December 2019			
		Provision for employee benefits		Provision for employee benefits
	Increase in assumption	were increased (decreased) by	Decrease in assumption	were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.9)	1.0	4.3
Salary increase rate	1.0	4.9	1.0	(4.5)
Turnover rate	20.0	(7.1)	20.0	8.8

	Separate financial statement			
	31 December 2018			
		Provision for employee benefits		Provision for employee benefits
	Increase in assumption	were increased (decreased) by	Decrease in assumption	were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.2)	1.0	3.5
Salary increase rate	1.0	3.5	1.0	(3.2)
Turnover rate	20.0	(5.0)	20.0	6.1

## 20. Other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Other payable - CIMB Thai Bank Plc.	1,353	1,353	1,353	1,353
Other payable - related party	86	86	86	7,486
Total other payables	1,439	1,439	1,439	8,839

Other payable - CIMB Thai Bank Plc. is payable as a result of cash received from debtors under Loan Management Agency Agreement on behalf of the bank.

## 21. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Accrued expenses	158,864	212,636	157,095	205,393
Withholding tax payable	8,708	7,035	8,198	6,643
Value added tax payable	6,045	5,896	5,784	5,896
Employee retention payables	2,512	3,112	2,512	3,112
Others	13,166	13,632	13,166	13,632
Total other liabilities	189,295	242,311	186,755	234,676

## 22. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 23. Brokerage fees income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Brokerage fee from securities business	795,592	951,429
Brokerage fee from derivatives business	113,707	98,076
Other brokerage fee	4,856	-
Total	914,155	1,049,505



## 24. Fees and service income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Underwriting fee	48,323	51,927
Financial advisory fee	9,860	15,110
Borrowing and lending fee	1,224	1,145
Research fee	801	14,309
Selling agent fee	18,016	9,671
Others	3,165	2,033
<b>Total</b>	<b>81,389</b>	<b>94,195</b>

## 25. Gain (loss) and return on financial instruments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Gain (loss) on investments	76,624	(131,258)	76,624	(131,258)
Gain (loss) on derivatives	40,391	282,763	40,391	282,763
Interest and dividend income	81,563	74,775	81,299	74,712
<b>Total</b>	<b>198,578</b>	<b>226,280</b>	<b>198,314</b>	<b>226,217</b>

## 26. Provident fund

The Company, its subsidiary and their employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and employees of each company contributed to the funds monthly at the rates of 5% to 10% of basic salary. The funds, which are managed by two asset management companies, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years ended 31 December 2019 and 2018 were recognised as expenses as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Contributions to provident funds	23,374	26,899	21,654	25,086

## 27. Earnings per share

Basic earnings (loss) per share for the year was calculated by dividing profit (loss) (excluding other comprehensive income) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

## 28. Dividends

Dividends	Approved by	Dividends paid (Million Baht)	Dividend paid per share (Baht)
Dividend for 2017	Annual General Meeting of the shareholders on 24 April 2018	35	0.06
Dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	35	0.06

## 29. Related party transactions

### 29.1 The relationships

Name	Relationship
FSS International Investment Advisory Securities Company Limited	Subsidiary
SBI Royal Securities Plc.	Associate
SBI Thai Online Securities Company Limited	Joint venture until April 2018
Finansa Fund Management Limited	Major shareholder of the Company
Finansa Public Company Limited	Parent of major shareholder of the Company
Finansa Securities Company Limited	Subsidiary of parent of major shareholder of the Company
Industrial and Commercial Bank of China (Thai) Public Company Limited	Having common director
True Vision Group Public Company Limited	Having common director
True Touch Company Limited	Having common director

## 29.2 Significant transactions during the year

During the year, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and base agreed upon in the ordinary course of businesses between the Company, the subsidiary and those parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Transfer Pricing Policy
	statements		statements		
	For the years ended 31 December				
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Other income	-	-	3,600	3,600	Contract value
Other expenses	-	-	44,400	42,900	Contract value
<u>Transactions with related parties</u>					
Directors and executive employees					
Brokerage fees income	1	13	1	13	Similar rates charged to general customers
Major shareholders					
Brokerage fees income	159	27	159	27	Similar rates charged to general customers
Interest income	-	10,336	-	10,336	Similar rates charged to general customers
Related companies and person					
Brokerage fees income	-	322	-	322	Similar rates charged to general customers
Other income	-	3,378	-	3,378	Contract value
Rental and service expenses	1,871	7,934	1,871	7,934	As mutually agreed

### 29.3 Outstanding balances

The balances of accounts as at 31 December 2019 and 2018 between the Company, its subsidiary and their related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Cash and cash equivalents</b>				
Industrial and Commercial Bank of China (Thai) Public Company Limited	999	1,900	999	1,900
<b>Cash collateral for derivatives trading</b>				
Industrial and Commercial Bank of China (Thai) Public Company Limited	-	617	-	617
<b>Other receivables</b>				
FSS International Investment Advisory Securities Company Limited	-	-	4,301	3,085
<b>Other payables</b>				
FSS International Investment Advisory Securities Company Limited	-	-	-	7,400
<b>Accrued expenses</b>				
Directors and executive employees	14	280	14	280
Related companies and person	-	494	-	494

### 29.4 Directors' and key management's remunerations

For the years ended 31 December 2019 and 2018, the Company and its subsidiary had employee benefit expenses incurred for their directors and key management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Short-term employee benefits	172	188	162	179
Post-employment benefits	10	7	10	6
Total	182	195	172	185

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2019, the Company has capital commitments of approximately Baht 15 million (31 December 2018: Baht 3 million), relating to the installation of software and equipment.

#### 30.2 Operating lease and service agreements commitments

The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space, vehicles and equipment which the terms of the agreements are generally 1 - 5 years, and various service agreements which the terms of the agreements are generally 1 - 3 years.

As at 31 December 2019 and 2018, future minimum lease and service payments required under these agreements of the Company and its subsidiary were as follows:

(Unit: Million Baht)		
Consolidated financial statements		
Payable within	31 December 2019	31 December 2018
1 year	167	106
1 to 5 years	133	84
(Unit: Million Baht)		
Separate financial statements		
Payable within	31 December 2019	31 December 2018
1 year	166	105
1 to 5 years	132	84

#### 30.3 Litigation

As at 31 December 2019, the Company have been sued for compensation totaling approximately Baht 16 million. Final judgements have not yet been reached in respect of these cases. The management of the Company believe that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

### 31. Segment information

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 and its subsidiary are summarize into business units based on their products and services and have 3 reportable segments as follows:

- Securities and derivatives brokerage segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Proprietary trading segment, which provide service according to investment.

No operating segments have been aggregated to form the above reportable operating segments.

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 on a basis consistent with that used to measure operating profit or loss in the financial statements.

The following table presents information by operating segment for the years ended 31 December 2019 and 2018:

(Unit: Million Baht)

	For the years ended 31 December									
	Securities and derivatives brokerage segment		Investment banking segment		Proprietary trading segment		Elimination of inter-segment transactions		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external	1,036	1,279	47	62	93	90	44	(43)	1,220	1,388
Profit (loss) from operating by segment	102	205	22	33	25	28	(1)	(43)	148	223
Unallocated income and expenses:										
Interest and dividend income									58	49
Other income									60	26
Operating expenses									(436)	(323)
Income tax expenses									32	1
Profits (loss) for the year attributable to the Company									(138)	(24)

The following table presents segment assets, classified by operating segments, as at 31 December 2019 and 2018:

(Unit: Million Baht)

Segment assets	Securities and derivatives brokerages	Investment banking segment	Proprietary trading segment	Total segments	Unallocated assets	Total
	segment	banking segment	trading segment	Total segments	assets	Total
31 December 2019	2,801	1	-	2,802	1,475	4,277
31 December 2018	2,476	-	-	2,476	2,278	4,754

## Geographic information

The Company and its subsidiary are operated in only Thailand and as a result all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical segment.

## Major customers

During the years ended 31 December 2019 and 2018, the Company and its subsidiary do not have revenue generated from any customer more than 10 percent of the consolidated revenues.

## 32. Financial instruments

### 32.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, receivables from and payables to Clearing House and broker - dealers, securities and derivatives business receivables and payables, derivatives assets and liabilities, investment, loans to employees, borrowings from financial institutions, debt issued and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to receivables from Clearing House and broker - dealers, securities and derivatives business receivables, investment in deposits at financial institutions, investments in debt securities and so on. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and depositing and investing with creditable financial institutions and therefore do not expect to incur material financial loss. In addition, the Company does not have high concentration of credit risk since it has a large customer base.

#### Interest rate risk

The Company's and its subsidiary's exposure to interest rate risk relates primarily to their cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivative business receivables, derivatives assets and liabilities, investments, loans to employees, payables to Clearing House and broker - dealers, securities and derivative business payables, borrowings from financial institutions and debt

issued. However, since most of the Company and its subsidiary's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2019 and 2018 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement										
31 December 2019										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate				Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Total				Floating	Fixed
		At call	Less than 1 year	1 - 5 years						
<b>Financial assets</b>										
Cash and cash equivalents	78	-	-	-	-	24	102	0.13 - 1.10	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	142	142	-	-	
Securities and derivatives business receivables	911	6	-	-	7	1,635	2,559	5.25	5.25	
Investments	-	-	-	-	-	782	782	-	-	
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-	
<b>Financial liabilities</b>										
Borrowings from financial institutions	-	50	-	-	-	-	50	-	1.70	
Payables to Clearing House and broker - dealers	-	-	-	-	-	663	663	-	-	
Securities and derivatives business payables	-	4	-	-	-	937	941	0.70	3.00	
Derivatives liabilities	-	-	-	-	-	19	19	-	-	



(Unit: Million Baht)

## Consolidated financial statement

31 December 2018

## Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate				Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Non-performing receivables			Floating	Fixed
		At call	Less than 1 year	1 - 5 years					
<b>Financial assets</b>									
Cash and cash equivalents	332	-	-	-	-	45	377	0.13 - 1.10	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	689	689	-	-
Securities and derivatives business receivables	929	91	-	-	81	1,120	2,221	5.25	5.25
Investments	-	-	400	-	-	421	821	-	-
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-
<b>Financial liabilities</b>									
Payables to Clearing House and broker - dealers	-	-	-	-	-	424	424	-	-
Securities and derivatives business payables	-	91	-	-	-	1,404	1,495	0.80	3.00
Derivatives liabilities	-	-	-	-	-	5	5	-	-

(Unit: Million Baht)

## Separate financial statement

31 December 2019

## Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate				Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Non-performing receivables			Floating	Fixed
		At call	Less than 1 year	1 - 5 years					
<b>Financial assets</b>									
Cash and cash equivalents	58	-	-	-	-	19	77	0.13 - 1.10	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	142	142	-	-
Securities and derivatives business receivables	911	6	-	-	7	1,635	2,559	5.25	5.25
Investments	-	-	-	-	-	782	782	-	-
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-
<b>Financial liabilities</b>									
Borrowings from financial institutions	-	50	-	-	-	-	50	-	1.70
Payables to Clearing House and broker - dealers	-	-	-	-	-	663	663	-	-
Securities and derivatives business payables	-	4	-	-	-	937	941	0.70	3.00
Derivatives liabilities	-	-	-	-	-	19	19	-	-

Separate financial statement										
31 December 2018										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate				Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Total				Floating	Fixed
		At call	Less than 1 year	1 - 5 years						
<b>Financial assets</b>										
Cash and cash equivalents	311	-	-	-	-	43	354	0.13 - 1.10	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	689	689	-	-	
Securities and derivatives business receivables	929	91	-	-	81	1,120	2,221	5.25	5.25	
Investments	-	-	400	-	-	421	821	-	-	
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-	
<b>Financial liabilities</b>										
Payables to Clearing House and broker - dealers	-	-	-	-	-	424	424	-	-	
Securities and derivatives business payables	-	91	-	-	-	1,404	1,495	0.80	3.00	
Derivatives liabilities	-	-	-	-	-	5	5	-	-	

### Liquidity risk

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

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

As at 31 December 2019 and 2018, remaining periods to maturity of financial instruments, counted from the reporting period-end dates, are as follows:

(Unit: Million Baht)

Consolidated financial statement						
31 December 2019						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>						
Cash and cash equivalents	102	-	-	-	-	102
Receivables from Clearing House and broker - dealers	-	142	-	-	-	142
Securities and derivatives business receivables	6	1,635	-	911	7	2,559
Investments	-	-	-	782	-	782
Loans to employees	1	-	-	-	-	1
<b>Financial liabilities</b>						
Borrowings from financial institutions	50	-	-	-	-	50
Payables to Clearing House and broker - dealers	-	663	-	-	-	663
Securities and derivatives business payables	4	937	-	-	-	941
Derivatives liabilities	-	19	-	-	-	19

(Unit: Million Baht)

Consolidated financial statement						
31 December 2018						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>						
Cash and cash equivalents	377	-	-	-	-	377
Receivables from Clearing House and broker - dealers	-	689	-	-	-	689
Securities and derivatives business receivables	91	1,120	-	929	81	2,221
Investments	-	400	-	421	-	821
Loans to employees	1	-	-	-	-	1
<b>Financial liabilities</b>						
Payables to Clearing House and broker – dealers	-	424	-	-	-	424
Securities and derivatives business payables	91	1,404	-	-	-	1,495
Derivatives liabilities	-	5	-	-	-	5

(Unit: Million Baht)

Separate financial statement					
31 December 2019					
At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>					
Cash and cash equivalents	77	-	-	-	77
Receivables from Clearing House and broker - dealers	-	142	-	-	142
Securities and derivatives business receivables	6	1,635	-	911	2,559
Investments	-	-	-	782	782
Loans to employees	1	-	-	-	1
<b>Financial liabilities</b>					
Borrowings from financial institutions	50	-	-	-	50
Payables to Clearing House and broker - dealers	-	663	-	-	663
Securities and derivatives business payables	4	937	-	-	941
Derivatives liabilities	-	19	-	-	19

(Unit: Million Baht)

Separate financial statement					
31 December 2018					
At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>					
Cash and cash equivalents	354	-	-	-	354
Receivables from Clearing House and broker - dealers	-	689	-	-	689
Securities and derivatives business receivables	91	1,120	-	929	2,221
Investments	-	400	-	421	821
Loans to employees	1	-	-	-	1
<b>Financial liabilities</b>					
Payables to Clearing House and broker - dealers	-	424	-	-	424
Securities and derivatives business payables	91	1,404	-	-	1,495
Derivatives liabilities	-	5	-	-	5

## Foreign exchange risk

The Company's exposure to foreign currency risk arises mainly from brokerage service for securities listed in stock exchange in overseas and revenue and expense transactions that are denominated in foreign currencies.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2019 and 2018 are summarised below:

(Unit: Million unit)

Foreign currency	Financial assets		Financial liabilities		Average exchange rates	
	31 December	31 December	31 December	31 December	31 December	31 December
	2019	2018	2019	2018	2019	2018
					(Baht per 1 foreign currency unit)	
Vietnamese dong	106,351	121,673	101,236	118,458	0.0013	0.0014
Hong Kong dollar	2.9	2.2	2.8	2.1	3.8732	4.1416
United States dollar	1.5	1.1	1.4	1.0	30.1540	32.4498
Laos kip	385.8	343.5	364.0	324.6	0.0034	0.0038
Singapore dollar	0.1	0.1	0.1	0.1	22.3245	23.6943
Cambodian riel	258.9	232.5	189.6	221.3	0.0074	0.0080
Japanese yen	13.5	13.5	13.4	13.4	0.2759	0.2931

In addition to the above, as of 31 December 2019, the Company has no forward contract USD.

## Market risk

The Company's exposure to market risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of its investments and collateral for securities and derivatives business receivables. However, the Company manages the market risk by analysing the market risk inherent in their various transactions, setting appropriate policies to manage such risk, and controlling risk to conform with policies.

### 33. Fair value of financial instruments

As of 31 December 2019 and 2018, the Company and its subsidiary had the financial assets and liabilities that were measured at fair value or their fair values are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2019				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments				
Equity securities	779	-	-	779
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Derivatives warrants	19	-	-	19

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2018				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments				
Equity securities	418	-	-	418
Bank of Thailand bond	-	400	-	400
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Derivatives warrants	5	-	-	5

(Unit: Million Baht)

Consolidated financial statement				
31 December 2019				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	102	-	-	102
Receivable from Clearing House and broker - dealers	-	142	-	142
Securities and derivatives business receivables	-	2,559	-	2,559
General investments	-	-	3	3
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	663	-	663
Securities and derivatives business payables	-	941	-	941

(Unit: Million Baht)

Consolidated financial statement				
31 December 2018				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	377	-	-	377
Receivable from Clearing House and broker - dealers	-	689	-	689
Securities and derivatives business receivables	-	2,221	-	2,221
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	424	-	424
Securities and derivatives business payables	-	1,495	-	1,495

(Unit: Million Baht)

	Separate financial statement			
	31 December 2019			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	77	-	-	77
Receivable from Clearing House and broker - dealers	-	142	-	142
Securities and derivatives business receivables	-	2,559	-	2,559
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	663	-	663
Securities and derivatives business payables	-	941	-	941

(Unit: Million Baht)

	Separate financial statement			
	31 December 2018			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	354	-	-	354
Receivable from Clearing House and broker - dealers	-	689	-	689
Securities and derivatives business receivables	-	2,221	-	2,221
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	424	-	424
Securities and derivatives business payables	-	1,495	-	1,495



The Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- (a) Financial assets and liabilities, which have short-term maturity periods or bear interest at rates close to market interest rates, including cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, general investment, short-term loans, payables to Clearing Houses and broker - dealers, and securities and derivative business payables, their fair values approximate their carrying values in the statements of financial position.
- (b) The fair value of marketable equity securities is derived from market price. The fair value of non-marketable equity securities is determined using net asset value per share of the investee company, except investment units which are not listed on the Stock Exchange of Thailand, is determined using the net asset value per unit announced by fund managers.
- (c) The fair value of derivatives has been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and forward exchange rates.
- (d) For loans to employees, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- (e) Liabilities under financial lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

#### **34. Capital management**

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern, to have an appropriate financial structure and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

#### **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2020.