

Independent Auditor's Report

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 2020, and the related consolidated statements of comprehensive income, changes in shareholders' 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 period.

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 2020, 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 year. 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 income mainly consisted of brokerage fees income, amounting to Baht 1,315 million, representing 75% of the Company's total revenues. The Company charges brokerage fees 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 income relying primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees as a key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the Company's internal controls relevant to recognition of brokerage fees income, including computer-based controls relevant to the calculation of brokerage fees income. I also tested, on a sampling basis, the brokerage rates, staging, calculation and account recording. In addition, I performed analytical procedures on brokerage fees income and examined, on a sampling basis, material manual adjustments made via journal vouchers.

Allowance for expected credit losses on securities and derivatives business receivables

As of 31 December 2020, securities and derivatives business receivables amounting to Baht 3,759 million, representing 63% of the Company's total assets. As discussed in Note 4.10 and 8 to the financial statements, the Company recognised allowance for expected credit losses on such receivables based on Thai Financial Reporting Standard No. 9. The estimation of allowance for expected credit losses on securities and derivatives business receivables is significant because management of the Company must exercise judgement to identify significant changes in credit risk and to determine assumptions used in the expected credit loss model. Moreover, the Company has a large number of customers and the balance of these receivables is significant to the financial statements. Therefore, I addressed the adequacy of allowance for expected credit losses for such receivables as a key audit matter.

I performed audit procedures on the adequacy of allowance for expected credit losses as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the status of account receivables, the staging in accordance with changes in credit risk of receivables, the calculation of allowance for expected credit losses and the recording. I also assessed, and tested on a sampling basis, the reasonableness of assumptions and the expected credit loss model.
- I examined the adequacy of allowance for expected credit losses as at the end of reporting period by testing on a sampling basis, data used in the calculation of allowance for expected credit losses, the status of outstanding receivable, the staging in accordance with changes in credit risk of receivables, the collections after the end of reporting period and the calculation of allowance for expected credit losses, as well as the adequacy and appropriateness of disclosure.

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 year 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: 23 February 2021

Finansia Syrus Securities Public Company Limited and its subsidiary
Statement of financial position
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Cash and cash equivalents	6,35.3	221,568,415	101,512,582	203,539,871	76,595,803
Receivables from Clearing House and broker-dealers	7	282,415,413	142,228,011	282,415,413	142,228,011
Securities and derivatives business receivables	8	3,759,476,374	2,558,517,795	3,759,476,374	2,558,517,795
Accrued fees and service income		11,734,334	1,542,530	11,734,334	1,542,530
Derivatives assets	9	685,760	-	685,760	-
Investments	10	707,618,483	781,523,326	707,618,483	781,523,326
Loans to employees		642,016	275,307	642,016	275,307
Investments in a subsidiary and an associate	11	121,190,346	116,410,684	113,162,491	113,162,491
Equipment	13	99,569,126	69,723,616	99,569,126	69,723,616
Right-of-use-assets	14.1	279,359,808	-	278,303,212	-
Intangible assets	15	214,672,070	246,462,968	214,672,070	246,462,968
Deferred tax assets	16.1	37,428,967	59,625,254	39,977,427	61,446,067
Other assets	17	210,574,772	199,130,279	208,587,456	200,002,208
Total assets		5,946,935,884	4,276,952,352	5,920,384,033	4,251,480,122
Liabilities and owners' equity					
Liabilities					
Borrowings from financial institutions	18	350,000,000	50,000,000	350,000,000	50,000,000
Payables to Clearing House and broker-dealers	19	303,175,543	662,572,829	303,175,543	662,572,829
Securities and derivatives business payables	20	1,928,433,700	940,532,459	1,928,433,700	940,532,459
Debt issued	21	278,975,449	-	278,975,449	-
Derivatives liabilities	9	23,383,873	19,371,381	23,383,873	19,371,381
Provision	22	32,582,413	-	32,582,413	-
Provision for long-term employee benefits	23	73,313,868	64,492,736	70,340,228	62,648,911
Other payables	24	1,438,802	1,438,802	1,438,802	1,438,802
Lease liabilities	14.2	180,216,447	-	179,148,243	-
Other liabilities	25	344,251,730	189,295,347	336,932,971	186,755,139
Total liabilities		3,515,771,825	1,927,703,554	3,504,411,222	1,923,319,521

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

Finasia Syrus Securities Public Company Limited and its subsidiary
Statement of financial position (continued)
As at 31 December 2020

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Owners' equity					
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 the subsidiary					
		(251,580)	(251,580)	-	-
Retained earnings					
Appropriated - statutory reserve	26	83,019,059	78,640,769	83,019,059	78,640,769
Unappropriated		803,461,496	725,419,484	781,246,681	698,059,161
Other component of owners' equity					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(7,158,957)	(6,772,407)	-	-
Gains on investments in equity designated at fair value through other comprehensive income - net of income tax		246,400	-	246,400	-
Total equity attributable to the Company's shareholders					
		2,430,777,089	2,348,496,937	2,415,972,811	2,328,160,601
Non-controlling interests of the subsidiary					
		386,970	751,861	-	-
Total owners' equity					
		2,431,164,059	2,349,248,798	2,415,972,811	2,328,160,601
Total liabilities and owners' equity					
		5,946,935,884	4,276,952,352	5,920,384,033	4,251,480,122

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Income					
Brokerage fees income	27	1,314,751,682	914,154,999	1,314,751,682	914,154,999
Fees and service income	28	122,787,047	81,389,301	122,717,047	81,389,301
Interest income	29	84,768,537	113,268,625	84,633,876	113,004,965
Gain and return on financial instruments	30	168,833,928	140,555,324	168,833,928	140,555,324
Shares of gain (loss) from investments in an associate	11.2	5,262,851	4,043,752	-	-
Other income	35.2	50,699,688	41,903,026	54,299,688	45,481,564
Total income		1,747,103,733	1,295,315,027	1,745,236,221	1,294,586,153
Expenses					
Employee benefits expenses	23,32	942,792,913	796,367,244	892,851,871	756,261,308
Fees and service expenses		231,920,233	218,920,246	231,886,233	218,865,476
Interest expenses	31	34,720,606	28,167,826	34,697,149	28,167,826
Bad debt and doubtful accounts (reversal)		-	(49,450)	-	(49,450)
Expected credit losses	12,22	10,885,458	-	10,885,458	-
Other expenses	35.2	422,497,787	421,995,087	465,942,660	464,868,053
Total expenses		1,642,816,997	1,465,401,183	1,636,263,371	1,468,113,213
Profit (loss) before income tax		104,286,736	(170,086,156)	108,972,850	(173,527,060)
Income tax	16.2	(22,231,325)	32,002,984	(21,407,040)	32,694,222
Profit (loss) for the year		82,055,411	(138,083,172)	87,565,810	(140,832,838)
Other comprehensive income (loss):					
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		(386,550)	(5,355,089)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(386,550)	(5,355,089)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial loss - net of income tax		-	(3,586,073)	-	(3,460,399)
fair value through other comprehensive income		246,400	-	246,400	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		246,400	(3,586,073)	246,400	(3,460,399)
Other comprehensive income (loss) for the year		(140,150)	(8,941,162)	246,400	(3,460,399)
Total comprehensive income (loss) for the year		81,915,261	(147,024,334)	87,812,210	(144,293,237)

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

Finansia Syrus Securities Public Company Limited and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2020

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit (loss) attributable to:					
The Company's shareholders		82,420,302	(138,064,953)	87,565,810	(140,832,838)
Non-controlling interests of the subsidiary		(364,891)	(18,219)		
		82,055,411	(138,083,172)		
Comprehensive income (loss) attributable to:					
The Company's shareholders		82,280,152	(147,001,398)	87,812,210	(144,293,237)
Non-controlling interests of the subsidiary		(364,891)	(22,936)		
		81,915,261	(147,024,334)		
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) attributable to shareholders of the Company	33	0.14	(0.24)	0.15	(0.24)

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before income tax	104,286,736	(170,086,156)	108,972,850	173,527,060
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	142,573,178	63,415,901	142,416,184	63,415,901
Bad debt and doubtful accounts (reversal)	-	(49,450)	-	(49,450)
Expected credit losses	10,885,458	-	10,885,458	-
(Gain) loss on disposals and write-off of equipment and intangible assets	4,070,134	31,193	4,070,134	31,193
Unrealised (gain) loss on revaluation of trading investments	81,993,532	(11,641,056)	81,993,532	(11,641,056)
Unrealised (gain) loss on revaluation of derivatives	(12,400,715)	12,414,620	(12,400,715)	12,414,620
Share of (gain) loss from investments in an associate	(5,262,851)	(4,043,752)	-	-
Provision for long-term employee benefits	12,683,132	16,633,045	11,553,317	15,574,651
Interest income	(84,768,537)	(113,268,625)	(84,633,876)	(113,004,965)
dividend income	(12,877,682)	(23,540,087)	(12,877,682)	(23,540,087)
Interest expenses	34,720,606	28,167,826	34,697,149	28,167,826
Profit (loss) from operating activities before changes in operating assets and liabilities	275,902,991	(201,966,541)	284,676,351	(202,158,427)
(Increase) decrease in operating assets				
Receivables from Clearing Houses and broker-dealers	(125,341,311)	534,978,190	(125,341,311)	534,978,190
Securities and derivatives business receivables	(1,209,812,980)	(338,512,809)	(1,209,812,980)	(338,512,809)
Derivatives assets	(653,460)	-	(653,460)	-
Investments	(9,064,836)	50,887,233	(9,064,836)	50,887,233
Loan to employees	(366,709)	972,987	(366,709)	972,987
Other assets	(23,126,195)	(20,008,443)	(20,266,950)	(21,154,938)
Increase (decrease) in operating liabilities				
Payables to Clearing Houses and broker-dealers	(359,397,286)	238,689,512	(359,397,286)	238,689,512
Securities and derivatives business payables	989,185,387	(554,762,124)	989,185,387	(554,762,124)
Derivatives liabilities	1,534,816	13,700,990	1,534,816	13,700,990
Paid for long-term employee benefits	(3,862,000)	(12,086,000)	(3,862,000)	(12,086,000)
Other payables	-	-	-	(7,400,000)
Other liabilities	143,187,053	(10,926,097)	138,408,501	(5,831,698)
Cash received (paid) from operating activities	(321,814,530)	(299,033,102)	(314,960,477)	(302,677,084)
Proceeds on interest income	82,330,425	107,812,679	82,195,764	107,549,019
Proceeds on dividend income	12,858,567	23,411,407	12,858,567	23,411,407
Cash paid on interest expense	(24,367,596)	(28,485,989)	(24,367,596)	(28,485,989)
Cash paid on income tax expense	(4,694,151)	(6,961,108)	(4,694,151)	(5,404,472)
Net cash provided by (used in) operating activities	(225,687,285)	(203,256,113)	(248,967,893)	(205,607,119)

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash received (paid) from investing activities				
Cash received from disposal of investment in a joint venture	88,782	90,256	88,782	90,256
Proceeds on disposals of intangible assets	-	183	-	183
Cash paid for purchases of equipment	(45,877,916)	(21,096,792)	(45,877,916)	(21,096,792)
Cash paid for purchases of intangible assets	(7,977,624)	(65,953,981)	(7,977,624)	(65,953,981)
Net cash provided by (used in) investing activities	(53,766,758)	(86,960,334)	(53,766,758)	(86,960,334)
Cash flows from financing activities				
Cash received (paid) from financing activities				
Cash received (paid) from borrowings from financial institutions	300,000,000	50,000,000	300,000,000	50,000,000
Cash received (paid) from debt issued	275,192,812	-	275,192,812	-
Cash paid for liabilities under finance lease agreement	(145,682,936)	-	(145,514,093)	-
Dividend paid	-	(34,883,467)	-	(34,883,467)
Net cash provided by (used in) financing activities	429,509,876	15,116,533	429,678,719	15,116,533
Net increase (decrease) in cash and cash equivalents	120,055,833	(275,099,914)	126,944,068	(277,450,920)
Cash and cash equivalents at the beginning of the year	101,512,582	376,612,496	76,595,803	354,046,723
Cash and cash equivalents at the ending of the year	221,568,415	101,512,582	203,539,871	76,595,803

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 2020

(Unit: Baht)

Consolidated financial statements											
Equity attributable to of the Company's shareholders											
Note	Retained earnings						Other component of owners' equity				
	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	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency - net of income tax	Gain on investments in equity instruments designated at fair value through other comprehensive income	Total equity attributable to the Company's shareholders	Non-controlling interest of the subsidiary	Total owners' equity
Balance as at 1 January 2019	930,244,840	620,892,885	322,946	(251,580)	78,640,769	901,949,260	(1,417,318)	-	2,530,381,802	774,797	2,531,156,599
Profit (loss) for the year	-	-	-	-	-	(138,064,953)	-	-	(138,064,953)	(18,219)	(138,083,172)
Other comprehensive income (loss) for the year	-	-	-	-	-	(3,581,356)	(5,355,089)	-	(8,936,445)	(4,717)	(8,941,162)
Total comprehensive income (loss) for the year	-	-	-	-	-	(141,646,309)	(5,355,089)	-	(147,001,398)	(22,936)	(147,024,334)
Dividend paid	34	-	-	-	-	(34,883,467)	-	-	(34,883,467)	-	(34,883,467)
Balance as at 31 December 2019	930,244,840	620,892,885	322,946	(251,580)	78,640,769	725,419,484	(6,772,407)	-	2,348,496,937	751,861	2,349,248,798
Balance as at 1 January 2020	930,244,840	620,892,885	322,946	(251,580)	78,640,769	725,419,484	(6,772,407)	-	2,348,496,937	751,861	2,349,248,798
Transfer to statutory reserve	26	-	-	-	4,378,290	(4,378,290)	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	-	82,420,302	-	-	82,420,302	(364,891)	82,055,411
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(386,550)	246,400	(140,150)	-	(140,150)
Total comprehensive income (loss) for the year	-	-	-	-	4,378,290	78,042,012	(386,550)	246,400	82,280,152	(364,891)	81,915,261
Balance as at 31 December 2020	930,244,840	620,892,885	322,946	(251,580)	83,019,059	803,461,496	(7,158,957)	246,400	2,430,777,089	386,970	2,431,164,059

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 2020

(Unit: Baht)

		Separate financial statements						
		Retained earnings				Other component of owners' equity		
		Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Appropriated - statutory reserve	Unappropriated	Gain on investments in equity instruments designated at fair value through other comprehensive income	Total owners' equity
Note								
Balance as at 1 January 2019		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	34	-	-	-	-	(34,883,467)	-	(34,883,467)
Balance as at 31 December 2019		930,244,840	620,892,885	322,946	78,640,769	698,059,161	-	2,328,160,601
Balance as at 1 January 2020		930,244,840	620,892,885	322,946	78,640,769	698,059,161	-	2,328,160,601
Transfer to statutory reserve	26	-	-	-	4,378,290	(4,378,290)	-	-
Profit (loss) for the year		-	-	-	-	87,565,810	-	87,565,810
Other comprehensive income (loss) for the year		-	-	-	-	-	246,400	246,400
Total comprehensive income (loss) for the year		-	-	-	4,378,290	83,187,520	246,400	87,812,210
Balance as at 31 December 2020		930,244,840	620,892,885	322,946	83,019,059	781,246,681	246,400	2,415,972,811

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 2020

1. General information

1.1 Company 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 2020 and 2019, the Company had 25 branches and 28 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. 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 3), No. SorThor. 6/2562 dated 8 January 2019.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2020	31 December 2019
			(%)	(%)
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) The 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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves 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 Group'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. The adoption of these financial reporting standard has resulted in change in the Group's accounting policy as summarised below.

Change of classification and measurement

Financial assets classified as debt instruments

The Group classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortised cost or fair value depends on the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at amortised cost if both conditions are met, the financial asset are held within a business model with an objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through other comprehensive income if both conditions are met, the financial asset is held within a business model with an objective to hold financial assets in order to collect contractual cash flows, and to sell the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss when the financial asset is held within a business model without an objective to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding.

Financial assets classified as equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Group classifies investments in equity instruments as financial assets to be measured at fair value through profit or loss, except certain items that are classified as financial assets to be measured at fair value through other comprehensive income in accordance with the Group's investment policy.

The Group's management review and evaluate financial assets as at 1 January 2020 according to the facts and circumstances that exist at that date and summarised the significant changes to the financial assets of the Group which were related to classification and measurement as follows:

- The previous classification of held-to-maturity and general investments is no longer applicable.
- All investments in held-to-maturity debt instruments are to be classified as financial assets that are measured at amortised cost.
- All general investments are to be classified as financial assets that are measured at fair value through other comprehensive income.
- The majority of investments in equity instruments are to be classified as financial assets that are measured at fair value through profit or loss, except certain items that are classified as financial assets measured at fair value through other comprehensive income in accordance with the Group's investment policy.
- For investments in equity instruments that have been measured at fair value through other comprehensive income, all gains and losses subsequently incurred will be shown in other comprehensive income, except dividends that are recognised in profit or loss.

Financial liabilities

- The classification of all financial liabilities of the Group has not been changed. The majority of its financial liabilities are still measured at amortised cost, except securities borrowing and lending payables, derivative (losses) that are measured at fair value through profit or loss.

Impairment of financial assets

Impairment requirements according to TFRS 9 Financial Instruments are recognised in accordance with the Expected Credit Loss model and management overlay. The financial reporting standard requires the Group to recognise an allowance for expected credit losses for all financial assets classified as debt instruments that are not measured at fair value through profit or loss. The Group uses a general approach to determine an allowance for expected credit losses for cash equivalents, receivables from clearing house and broker-dealers, cash accounts receivables, credit balance accounts receivables, collateral receivables, derivative business receivables, other securities and derivatives business receivables, investments in debt securities, loans to employees and partial other assets. Expected credit losses must be measured at the amount equal to 12-month expected credit losses, except in the cases that credit risk has increased significantly since initial recognition or assets are impaired, the allowance must be measured at the amount equal to the lifetime expected credit losses of financial instruments. The Group considers using a simplified approach to determine expected credit losses for accrued fee and service income, other receivable - related party and partial other assets. Impairment under these financial reporting standards leads to credit losses being recognised faster compared to the previous method.

Practice during the transition period

Changes in accounting policies resulted from the adoption of financial reporting standards related to financial instruments must be applied retrospectively, except for the part of financial reporting standards which allows the Group to choose one of the following alternatives:

- It may not to restate the financial statements presented for comparative purposes, and make an adjustment to the cumulative effect of the initial adoption of the financial reporting standards related to financial instruments through an adjustment of retained earnings (or other components of shareholders' equity) as at 1 January 2020.
- It may reclassify financial assets according to the Group's business model and management of its assets on the basis of the facts and circumstances that exist at the date of first-time adoption of these financial reporting standards.

The cumulative effect of the change is described in Note 3.3.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The financial reporting 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.

The Group recognised the cumulative effect of the adoption of this financial reporting standards as an adjustment to right-of-use assets and lease liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.3.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand.

The Group does not apply the temporary relief measures for Entities Providing Assistance to Debtors.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group does not apply temporary relief measures for Accounting Alternative in Response to the Impact of the Covid-19 Pandemic.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group has evaluated that these standards do not have any significant impact on the Company's financial statements in the year when they are adopted.

3.3 Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3.1 to the financial statements, the Group has adopted financial reporting standards related to financial instruments and TFRS 16 during the current year. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statement of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	31 December		
	2019	TFRS 16	1 January 2020
Assets			
Right-of-use assets	-	238,069	238,069
Other assets	188,019	(159)	187,860
Liabilities			
Provisions	-	22,690	22,690
Lease liabilities	-	215,219	215,219

3.3.1 Financial Instruments

The classifications and measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at 1 January 2020, compared with the classification and the carrying amounts under the former basis, are as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as of 1 January 2020					
Cash and cash equivalents	102	-	-	102	102
Receivables from Clearing House and broker-dealers	142	-	-	142	142
Securities and derivatives business receivables	2,559	4	-	2,555	2,559
Accrued fees and service income from asset management business	3	-	-	3	3
Investments	782	779	3	-	782
Loans to employees	1	-	-	1	1
Other assets	132	-	-	132	132
Total Financial assets	3,721	783	3	2,935	3,721

(Unit: Million Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial liabilities as of 1 January 2020					
Borrowings from financial institutions	50	-	-	50	50
Payables to Clearing House and brokers- dealers	663	-	-	663	663
Securities and derivatives business payables	941	6	-	935	941
Derivatives liabilities	19	19	-	-	19
Other payables	1	-	-	1	1
Other liabilities	189	-	-	189	189
Total Financial liabilities	1,863	25	-	1,838	1,863

(Unit: Million Baht)

		Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as of 1 January 2020					
Cash and cash equivalents	77	-	-	77	77
Receivables from Clearing House and broker-dealers	142	-	-	142	142
Securities and derivatives business receivables	2,559	4	-	2,555	2,559
Accrued fees and service income from asset management business	3	-	-	3	3
Investments	782	779	3	-	782
Loans to employees	1	-	-	1	1
Other assets	137	-	-	137	137
Total Financial assets	3,701	783	3	2,915	3,701
Financial liabilities as of 1 January 2020					
Borrowings from financial institutions	50	-	-	50	50
Payables to Clearing House and broker-dealers	663	-	-	663	663
Securities and derivatives business payables	941	6	-	935	941
Derivatives liabilities	19	19	-	-	19
Other payables	1	-	-	1	1
Other liabilities	187	-	-	187	187
Total Financial liabilities	1,861	25	-	1,836	1,861

3.3.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020 approximately 2.70% and 4.51% per annum.

	(Unit: Million Baht)
	Consolidated and separate financial statements
Operating lease commitments as at 31 December 2019	298
Less: Short-term leases and leases of low-value assets	(14)
Add: Option to extend lease term	77
Less: Contracts reassessed as service agreements	(50)
Less: Lease agreement not yet effective	(74)
Less: Deferred interest expenses	(22)
Increase in lease liabilities due to TFRS 16 first-time adoption	215
Liabilities under finance lease agreements as at 31 December 2019	-
Lease liabilities as at 1 January 2020	215

The adjustments of right-of-use assets due to TFRS 16 first-time adoption as at 1 January 2020 are summarised below:

	(Unit: Million Baht)
	Consolidated and separate financial statements
Building and office equipment	208
Motor vehicles	30
Total right-of-use assets	238

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

Accounting policy adopted since 1 January 2020

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

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

Accounting policy adopted before 1 January 2020

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.

Dividend

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

4.2 Expenses recognition

Expenses are recognised on an accrual basis.

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

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, all bank deposit accounts with an original maturity less than 3 months, short-term investments, 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 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 comprise the net securities and derivatives business receivables, and including related accrued interest receivables after deducting allowance for expected credit losses. In addition, securities business receivables comprise the net receivable balances of cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables and guaranteed deposit receivables (which comprise cash placed as guarantee from borrowers of securities) as well as other receivables such as overdue cash customer accounts and receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

4.7 Securities borrowing and lending

The Company is engaged in securities borrowing and lending, whereby the Company acts as an agent and the Company is the intermediary between the borrowers and lenders of securities.

The Company records its obligations to return borrowed securities which it has lent as “Payables under securities borrowing and lending business” and securities lent to customers are recorded as “Receivables under securities borrowing and lending business” in the statement of financial position. At the end of the reporting period, the balance of payables/ receivables under securities and lending business are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day. Gains or losses arising from such adjustment are included in part of profit or loss. In addition, the Company records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables” and cash received as collateral for securities lending as “Guaranteed deposit payables”. Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

4.8 Financial instruments

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

Accounting policy adopted since 1 January 2020

The classification and measurement of financial assets and financial liabilities

Financial asset - debt instruments

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

- A financial asset measured at amortised cost only if both following conditions are met: the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- A financial asset measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially

recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realised, after which such gains or losses on disposal of the instruments will be recognised as gain or losses in income statement. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognised in profit or loss.

- A financial asset measured at fair value through profit or loss unless the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. Unrealised gains and losses from change in fair value, and gains and losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

Financial asset - equity instruments

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

Financial liabilities

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

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all

or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Group, are still recognised as financial.

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

Write-off

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

4.9 Derivative

(a) Derivative warrants

The Company initially recognises the fair value of derivative warrants as financial liabilities. Unrealised gains or losses resulting from changes in the fair values of derivative warrants are recognised in profit or loss. The fair value of marketable derivative warrants is calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last working day.

(b) Futures

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

(c) Options

Options are recorded at fair value. Gains or losses from changes in the fair value of options is included in profit or loss. The fair value of marketable options is calculated with reference to the settlement prices quoted on Thailand Futures Exchange Public Company Limited on the last working day.

(d) Forward contracts

Forward contracts are recorded at fair value. Unrealised gains or losses on revaluation are included in determining income.

4.10 Allowance for expected credit loss on financial assets/allowance for doubtful account

Accounting policy adopted since 1 January 2020

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

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

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

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

At every reporting date, the Group will determine whether credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

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

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

For accrued fee and service income and partial other assets, the Group consider using a simplified approach to determine expected credit losses over the expected life.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the year in profit or loss in the statements of comprehensive income.

Accounting policy adopted before 1 January 2020

The Group 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").

4.11 Investments

Accounting policy adopted before 1 January 2020

- (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.

4.12 Employee loans

Accounting policy adopted before 1 January 2020

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.

4.13 Investments in a subsidiary and an associate

- (a) Consolidated financial statements

Investments in an associate are 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).

4.14 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 life:

Office equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Leasehold improvement	14 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.

4.15 Leases

Accounting policy adopted since 1 January 2020

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

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

Right-of-use assets

The Group recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

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

Building and leasehold improvement	2 - 14 years
Office equipment	2 years
Motor vehicles	2 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Accounting policy adopted before 1 January 2020

Leases of plant, equipment and motor vehicles, which transfer substantially all the risks and rewards of ownership 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 assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of plant, equipment and motor vehicles which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.16 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 life 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 life 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.

4.17 Impairment of non-financial asset

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

An impairment loss is recognised in profit or loss.

4.18 Income tax

Income tax 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 Group 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 Group 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 Group record deferred income tax directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

4.19 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.

4.20 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.

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

Defined benefit plan

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group 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.

4.22 Debt issued

Debt issued are initially recognised at the fair value of the proceeds received. Debt issued are subsequently measured 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.

4.23 Provisions for liabilities

Provisions are recognised when the Group 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.

4.24 Related party transactions

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

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

4.25 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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.

4.26 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 Group 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 Group 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 Group 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 Allowance for expected credit losses on financial assets

The management is required to use judgement in estimation in determining the allowance for expected credit losses of financial assets. The calculation of allowance for expected credit losses of the Group is based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit losses model, analysis of collective and individual receivables status including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

5.3 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 year 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.

5.4 Determining the lease term of contracts with renewal and termination options

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

5.5 Estimating the incremental borrowing rate

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

5.6 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 Post-employment benefit under defined benefit plans

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

5.9 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, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these could affect the fair value recognised in the statements of financial position and disclosures of fair value hierarchy.

5.10 Litigation

The Group 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	31 December	31 December	31 December
	2020	2019	2020	2019
Cash, short-term deposits, short-term note receivables and short-term investments with original maturity periods of less than 3 months	1,743,884	682,965	1,725,855	658,048
Less: Cash deposits held for customers	(1,522,278)	(581,452)	(1,522,278)	(581,452)
Less: Allowance for expected credit loss	(38)	-	(38)	-
Cash and cash equivalents	221,568	101,513	203,539	76,596

Supplemental cash flows information

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Non-cash items:				
Purchase of equipment and intangible assets on credit	12,476	105	12,476	105
Increasing of right-of-use assets and lease liabilities	126,691	-	125,477	-

7. Receivables from Clearing House and broker-dealers

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Receivables from Clearing House	523,969	265,028
Receivables from overseas securities companies	278,096	212,009
Receivables from securities company	5,311	1,047
Less: Receivables from Clearing House held for customers' account	(311,480)	(134,912)
Less: Receivables from overseas securities companies for customers' account	(213,481)	(200,944)
Receivables from Clearing House and broker-dealers	282,415	142,228

8. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
<u>Securities business receivables</u>		
Cash accounts	2,374,751	1,625,164
Credit balance accounts	1,161,614	910,630
Collateral receivables	94,933	6,193
Receivables under securities borrowing and lending business	50,815	4,105
Other receivables	10,738	1,007
Total securities business receivables	3,692,851	2,547,099
Add: Accrued interest receivables	4,466	4,287
Less: Allowance for doubtful accounts	-	(207)
Less: Allowance for expected credit losses	(8,148)	-
Securities business receivables	3,689,169	2,551,179
<u>Derivatives business receivables</u>		
Derivatives business receivables	71,307	7,339
Other receivables	6,003	5,911
Less: Allowance for doubtful accounts	-	(5,911)
Less: Allowance for expected credit losses	(7,003)	-
Derivatives business receivable	70,307	7,339
Securities and derivatives business receivables	3,759,476	2,558,518

8.1 Classification of securities and derivatives business receivables

As at 31 December 2020 and 2019, the Company has classified securities and derivatives business receivables including related accrued interest receivables in accordance with TFRS 9/the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2020		
	Securities and derivatives business receivables and accrued interest	Exposure at Default	Allowance for expected credit loss
Securities business receivables			
Performing loans	3,686,579	3,686,579	-
Under-performing loans	-	-	-
Credit impaired loans	10,738	10,738	(8,148)
Total securities business receivables	3,697,317	3,697,317	(8,148)
Derivatives business receivables			
Performing loans	71,307	71,307	(1,000)
Under-performing loans	-	-	-
Credit impaired loans	6,003	6,003	(6,003)
Total derivatives business receivables	77,310	77,310	(7,003)
Total securities and derivatives business receivables	3,774,627	3,774,627	(15,151)

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2019		
	Debt balance	Allowance for doubtful accounts	Net debt balance after allowance for doubtful accounts
Normal debt	2,557,511	-	2,557,511
Sub-standard debts	1,007	-	1,007
Doubtful debts	5,911	(5,911)	-
Total	2,564,429	(5,911)	2,558,518

9. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2020				
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Trading derivatives				
Derivatives warrants	-	-	22,966	4,032,458
Futures ⁽¹⁾	-	640,661	-	239,150
Options	686	10,655	418	12,235
Total	686	651,316	23,384	4,283,843

⁽¹⁾ *Futures contracts are cash settlement. Real exposure is a difference between cost of futures contracts and underlying assets level on settlement date, fair value of outstanding futures contracts as at the end of year included in "Receivables from Clearing House and broker-dealers". As at 31 December 2020, the fair value of derivative assets and liabilities for futures contracts are Baht 32 million and Baht 2 million respectively.*

(Unit: Thousand Baht)

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

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

10. Investments

10.1 Cost and fair value

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
	Fair value/ Amortised cost	Fair value/ Book value
Fair value		
Investments measured at fair value through profit or loss		
Trading securities		
Marketable equity instruments in domestic market at fair value	704,428	778,641
Total	704,428	778,641
Investments measured at fair value through other comprehensive income		
Non-marketable equity instruments in domestic market	3,190	-
Total	3,190	-
Amortised cost		
Investments measured at amortised cost		
Fixed deposits	2,101,295	-
Bank of Thailand bond	1,478,177	-
Less: Investments held for customers	(3,579,472)	-
Total	-	-
Held-to-maturity securities		
Fixed deposits	-	1,501,289
Bank of Thailand bond	-	1,096,565
Less: Investments held for customers	-	(2,597,854)
Total	-	-
Cost		
General investments		
Equity instruments	-	20,190
Less: Allowance for impairment	-	(17,308)
Total	-	2,882
Investments	707,618	781,523

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

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2020				
	Within 1 year	1 - 5 years	No maturity	Total
Investments measured at amortised cost				
Fixed deposits	2,101,295	-	-	2,101,295
Bank of Thailand bond	1,478,177	-	-	1,478,177
Less: Investments held for customers	(3,579,472)	-	-	(3,579,472)
Total	-	-	-	-

(Unit: Thousand Baht)

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

10.3 Investments in equity instruments designated at fair value through other comprehensive income

(Unit: Thousand Baht)

Consolidated and separate financial statements					
31 December 2020					
Investments	Reason for use of alternative in presentation as mentioned	Fair value	Dividend received	Retained earning or retained losses transferred in owner's equity	Reason to transfer
Securities Industry	Intend to held for long-term	2,308	64	-	
Others	Intend to held for long-term	882	-	-	
Total		3,190	64	-	

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 2020 and 2019 were as follows:

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Type of investme nt	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under equity method	
					31	31	31	31	31	31
					December	December	December	December	December	December
					2020	2019	2020	2019	2020	2019
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Associate										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	121,190	116,411
Total Investment in an associate									121,190	116,411
Separate financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under cost method	
					31	31	31	31	31	31
					December	December	December	December	December	December
					2020	2019	2020	2019	2020	2019
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Subsidiary										
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									7,700	7,700
Associate										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodia n Riel (KHR)	63,960,000	63,960,000	20.01	20.01	105,462	105,462
Total Investment in an associate									105,462	105,462
Total investments in a subsidiary and an associate									113,162	113,162

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

Company's name	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate financial statements	
	Share of gain (loss) from investments in an associate and a joint venture for the years ended 31 December		Shares of other comprehensive income from investments in an associate and a joint venture for the years ended 31 December		Dividend received during the years ended 31 December	
	2020	2019	2020	2019	2020	2019
Associate						
SBI Royal Securities Plc.	5,263	4,044	(483)	6,694	-	-
Total	5,263	4,044	(483)	6,694	-	-

During the years ended 31 December 2020 and 2019, 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 2019 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 2020	31 December 2019
Cash and cash equivalents	433	409
Other current assets	13	12
Non-current assets	31	31
Current liabilities	(2)	(1)
Net assets	475	451
Shareholding percentage	20.01	20.01
The Company's equity interest in the investments' net assets	96	91
Goodwill	25	25
Total investment values	121	116
Carrying values of investments in an associate (under equity method)	121	116

Summarised information from statements of comprehensive income

	(Unit: Million Baht)	
	Associate	
	SBI Royal Securities Plc.	
	For the years ended 31 December	
	2020	2019
Revenues	49	42
Profit for the year	26	20
Other comprehensive income for the year	-	-
Total comprehensive income for the year	26	20

12. Allowance for expected credit losses / Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Allowance for expected credit losses of accounts		
Cash and cash equivalents	38	-
Securities and derivatives business receivables	15,151	6,118
Total	15,189	6,118

As at 31 December 2020 and 2019 Expected Credit Losses / Allowance for doubtful accounts of securities and derivatives business receivables are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2020				
	Allowance for expected credit losses			Allowance for doubtful accounts	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Beginning balance	-	-	-	6,118	6,118
Changes from adoption of new accounting standards	-	-	6,118	(6,118)	-
Changes from revaluation of expected credit losses	-	-	8,033	-	8,033
Others	1,000	-	-	-	1,000
Ending balance	1,000	-	14,151	-	15,151

(Unit: Thousand Baht)

	Consolidated and separate financial statements
	For the year ended 31 December 2019
Allowance for doubtful accounts	
Balance - beginning of the year	75,318
Less: Bad debts	(69,151)
Less: Reversal of doubtful accounts	(49)
Balance - end of the year	6,118

13. Equipment

(Unit: Thousand Baht)

Consolidated and separate financial statements

	Office equipment	Furniture and fixtures	Leasehold improvement	Motor vehicles	Equipment under installation	Total
Cost						
1 January 2019	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
Additions	12,555	7,572	30,156	-	7,967	58,250
Disposals/write-off	(12,549)	(18,174)	-	-	-	(30,723)
Transfers in (out)	3,349	(4,904)	8,853	-	(7,298)	-
31 December 2020	289,488	161,545	39,009	10,885	2,385	503,312
Accumulated depreciation						
1 January 2019	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)
31 December 2019	233,613	161,563	-	10,885	-	406,061
Depreciation for the year	18,861	5,715	236	-	-	24,812
Accumulated depreciation on disposal/write-off	(12,549)	(14,581)	-	-	-	(27,130)
31 December 2020	239,925	152,697	236	10,885	-	403,743
Net book value						
31 December 2019	52,520	15,488	-	-	1,716	69,724
31 December 2020	49,563	8,848	38,773	-	2,385	99,569
Depreciation for the year ended						
31 December 2019						25,104
31 December 2020						24,812

As at 31 December 2020 and 2019, 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 341 million and Baht 352 million, respectively.

14. Lease

The Group has lease contracts for used in its operation. Lease generally have lease terms between 1 - 14 years.

14.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 is summarised.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Building	Office equipment	Motor vehicles	Total
Cost				
1 January 2020 - Changes from adoption of new financial reporting standards	207,795	-	30,274	238,069
Additions	118,204	1,141	7,346	126,691
Written-off	(8,527)	-	-	(8,527)
31 December 2020	317,472	1,141	37,620	356,233
Accumulated depreciation				
1 January 2020	-	-	-	-
Depreciation for the year	65,844	435	11,714	77,993
Written-off	(1,120)	-	-	(1,120)
31 December 2020	64,724	435	11,714	76,873
Net book value				
31 December 2020	252,748	706	25,906	279,360

(Unit: Thousand Baht)

	Separate financial statements			
	Building	Office equipment	Motor vehicles	Total
Cost				
1 January 2020 - Changes from adoption of new financial reporting standards	207,795	-	30,274	238,069
Additions	118,204	1,141	6,132	125,477
Written-off	(8,527)	-	-	(8,527)
31 December 2020	317,472	1,141	36,406	355,019
Accumulated depreciation				
1 January 2020	-	-	-	-
Depreciation for the year	65,844	435	11,557	77,836
Written-off	(1,120)	-	-	(1,120)
31 December 2020	64,724	435	11,557	76,716
Net book value				
31 December 2020	252,748	706	24,849	278,303

4.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	31 December 2020	
Lease Liabilities	196,805	195,660
Less: Deferred interest expenses	(16,589)	(16,512)
Total	180,216	179,148

A maturity analysis of lease payments is disclosed in Note 38 under the liquidity risk.

14.3 Expenses relating to lease that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	For the years ended 31 December 2020	
Depreciation expense of right-of-use assets	78,084	77,927
Interest expense on lease liabilities	7,210	7,187
Expense relating to short-term leases	10,414	9,966
Total	95,708	95,080

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 157 million (separate financial statement: Baht 156 million).

15. 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
Cost						
1 January 2019	5,000	6,384	385,999	-	10,360	407,743
Additions	1,605	-	7,419	-	15,411	24,435
Write-off	-	-	(22)	-	-	(22)
Transfers in (out)	-	-	19,162	-	(19,162)	-
31 December 2019	6,605	6,384	412,558	-	6,609	432,156
Additions	-	-	2,385	-	5,592	7,977
Transfer in (out)	-	-	5,612	-	(5,612)	-
31 December 2020	6,605	6,384	420,555	-	6,589	440,133
Accumulated amortisation						
1 January 2019	5,000	6,384	136,020	-	-	147,404
Amortisation for the year	-	-	38,311	-	-	38,311
Write-off	-	-	(22)	-	-	(22)
31 December 2019	5,000	6,384	174,309	-	-	185,693
Amortisation for the year	-	-	39,768	-	-	39,768
31 December 2020	5,000	6,384	214,077	-	-	225,461
Net book value						
31 December 2019	1,605	-	238,249	-	6,609	246,463
31 December 2020	1,605	-	206,478	-	6,589	214,672
Amortisation for the year ended						
31 December 2019						38,311
31 December 2020						39,768

As at 31 December 2020 and 2019, certain computer software items have been fully amortised but are still in use. The original costs, before deducting accumulated summarised, of these assets amounted to Baht 109 million and Baht 99 million, respectively.

16. Deferred tax assets and income tax

16.1 Deferred tax assets

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

	(Unit: Thousand Baht)			
	Consolidated financial statements			
			Changes in deferred income taxes reported in the statements of comprehensive income	
	31 December 2020	31 December 2019	For the years ended 31 December 2020	31 December 2019
Deferred tax assets arose from:				
Allowance for expected credit losses/allowance for doubtful account	3,401	1,182	2,219	(10)
Share of (profit) loss from investments in an associate	(3,146)	(2,190)	(956)	529
Provision for long-term employee benefits	14,663	12,899	1,764	1,806
Unrealised (gain) loss on revaluation of investments and derivatives	12,041	(1,503)	13,544	155
Unutilised tax loss	849	42,301	(41,452)	31,720
Others	9,621	6,936	2,685	132
Deferred tax assets	37,429	59,625	(22,196)	34,332
Recognised as income tax revenue (expenses):				
-Recognised in profit or loss			(22,231)	32,097
-Recognised in other comprehensive income			35	2,235
Total			(22,196)	34,332

(Unit: Thousand Baht)

	Separate financial statements			
			Changes in deferred income taxes reported in the statements of comprehensive income	
			For the years ended 31 December	
	31 December 2020	31 December 2019	2020	2019
Deferred tax assets arose from:				
Allowance for expected credit losses/allowance for doubtful account	3,401	1,182	2,219	(10)
Provision for long-term employee benefits	14,068	12,530	1,538	1,563
Unrealised (gain) loss on revaluation of investments and derivatives	12,041	(1,503)	13,544	155
Unutilised tax loss	849	42,301	(41,452)	31,720
Others	9,618	6,936	2,682	132
Deferred tax assets	39,977	61,446	(21,469)	33,560
Recognised as income tax revenue (expenses):				
- Recognised in profit or loss			(21,407)	32,694
- Recognised in other comprehensive income			(62)	866
Total			(21,469)	33,560

16.2 Income tax

Income tax for the year ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Current income tax				
Current income tax charge	-	(94)	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(22,231)	32,097	(21,407)	32,694
Income (expense) tax reported in the statements of comprehensive income	(22,231)	32,003	(21,407)	32,694

Reconciliations between income tax and the product of accounting profits and the applicable tax rate are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Accounting profit (loss) before tax	104,287	(170,086)	108,973	(173,527)
Applicable tax rate	20%	20%	20%	20%
Accounting (profit) loss before tax multiplied by income tax rate	(20,857)	34,017	(21,795)	34,705
Effects of:				
Revenue or expense that are not taxable or not deductible in determining taxable profits	392	(2,014)	388	(2,011)
Tax losses not recognised as deferred tax assets	(1,766)	-	-	-
Income (expense) tax reported in the statements of comprehensive income	(22,231)	32,003	(21,407)	32,694

As at 31 December 2020, the subsidiary has unused tax losses totaling Baht 8.8 million on which deferred tax assets have not been recognised because future taxable profits of the subsidiary may not be sufficient to allow utilisation of the unused tax losses.

17. Other assets

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	31	31	31	31
	December 2020	December 2019	December 2020	December 2019
Interest receivables	9,644	7,385	9,644	7,385
Prepaid expenses	26,313	28,351	26,070	28,164
Deposits	20,980	21,980	20,979	21,980
Contribution to the compensation fund for clearing and securities delivery system	115,461	97,339	115,461	97,339
Deposit asset for protecting the clearing system	5,000	5,000	5,000	5,000
Advances paid	8,143	10,103	8,118	10,103
Advance for lease agreement not yet effective	-	8,242	-	8,242
Dividend receivables	336	317	336	317
Other receivable – related party	-	-	705	4,301
Withholding tax receivables	18,640	13,465	16,217	10,224
Others	8,914	9,804	8,913	9,803
Total	213,431	201,986	211,443	202,858
Less: Allowance for doubtful accounts/ allowance for impairment	(2,856)	(2,856)	(2,856)	(2,856)
Other assets	210,575	199,130	208,587	200,002

18. Borrowings from financial institutions

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	31 December 2020			
	Interest rate	Remaining period to maturity		Total
	per annum (percent)	Less than 1 year	More than 5 years	
		1 – 5 years		
Financial institutions				
Promissory notes	0.95 – 1.85	350,000	-	350,000
Total		350,000	-	350,000

(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	
Financial institutions					
Promissory notes	1.70	50,000	-	-	50,000
Total		50,000	-	-	50,000

19. Payables to Clearing House and broker – dealers

(Unit: Thousand Baht)

Consolidated and separate financial
statements

	31 December 2020	31 December 2019
Payables to Clearing House	291,002	660,293
Payables to overseas securities companies	12,174	2,280
Payables to Clearing House and broker – dealers	303,176	662,573

20. Securities and derivatives business payables

(Unit: Thousand Baht)

Consolidated and separate financial
statements

	31 December 2020	31 December 2019
<u>Securities business payables</u>		
Cash accounts payable	1,779,866	923,182
Collateral payables	50,815	4,096
Securities borrowing and lending payables	87,415	6,210
Securities business payable	1,918,096	933,488
<u>Derivatives business payables</u>		
Derivatives business payables	10,338	7,044
Securities and derivatives business payables	1,928,434	940,532

21. Debt issued

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2020				
Interest rate/discount Per annum (percent)	Remaining period to maturity			Total
	Less than 1 year	1 -5 years	More than 5 years	
Debt issued				
Bills of exchange (Zero – coupon note with Baht 280 million face value)	3.25	278,975	-	278,975
Total		278,975	-	278,975

22. Provisions

(Unit: Thousand Baht)

Consolidated and separate financial statements		
31 December 2020		
Decommissioning cost	Allowance for expected credit losses	Total
Total provisions	30,768	32,582

23. 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			
	2020	2019	2020	2019
Provision for long-term employee benefit at the beginning of the year	64,493	55,463	62,649	54,835
Included in profit or loss:				
Current service cost	11,087	9,579	10,003	8,538
Interest cost	1,596	1,478	1,550	1,460
Past service costs	-	5,576	-	5,576
Included in other comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumption changes	-	-	-	-
Financial assumption changes	-	4,483	-	4,326
Experience adjustments	-	-	-	-
Benefits paid during the year	(3,862)	(12,086)	(3,862)	(12,086)
Provision for long-term employee benefit at the end of the year	73,314	64,493	70,340	62,649

Long-term employee benefits expenses included in the profit or loss were as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Current service cost	11,087	9,579	10,003	8,538
Interest cost	1,596	1,478	1,550	1,460
Past service costs	-	5,576	-	5,576
Total long-term employee benefit expenses	12,683	16,633	11,553	15,574

As at 31 December 2020, the Group expects to pay Baht 12 million, of long-term employee benefits during the next year (the Company only: Baht 11 million).

As at 31 December 2020, the Group's weighted average durations of the liabilities for long-term employee benefit is 9 years (the Company only: 9 years).

Significant actuarial assumptions are summarized below:

	(Unit: % per annum)	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Discount rate	1.22 - 2.43	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 2020 and 2019 are summarized below:

	Consolidated financial statement			
	31 December 2020			
		Provision for employee benefits were increased		Provision for employee benefits were increased
	Increase in assumption	(decreased) by	Decrease in assumption	(decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(4.3)	1.0	4.8
Salary increase rate	1.0	6.2	1.0	(5.7)
Turnover rate	20.0	(8.5)	20.0	10.4

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

Separate financial statement

31 December 2020

	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	(4.1)	1.0	4.6
Salary increase rate	1.0	5.9	1.0	(5.4)
Turnover rate	20.0	(8.1)	20.0	10.0

	Separate financial statement			
	31 December 2019			
	Provision for employee benefits were increased		Provision for employee benefits were increased	
	Increase in assumption (% per annum)	(decreased) by (Million Baht)	Decrease in assumption (% per annum)	(decreased) by (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

24. Other payables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Other payable	1,353	1,353
Other payable - related party	86	86
Total other payables	1,439	1,439

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

25. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Accrued expenses	307,234	158,864	300,124	157,095
Withholding tax payable	9,573	8,708	9,559	8,198
Value added tax payable	11,362	6,045	11,168	5,784
Employee retention payables	2,212	2,512	2,212	2,512
Others	13,871	13,166	13,870	13,166
Total other liabilities	344,252	189,295	336,933	186,755

26. 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.

27. Brokerage fees income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2020	2019
Brokerage fee from securities business	1,188,652	795,592
Brokerage fee from derivatives business	120,644	113,707
Other brokerage fee	5,456	4,856
Total	1,314,752	914,155

28. Fees and service income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Underwriting fee	57,501	48,323	57,501	48,323
Financial advisory fee	17,200	9,860	17,200	9,860
Borrowing and lending fee	2,326	1,224	2,326	1,224
Research fee	3,168	801	3,098	801
Selling agent fee	38,253	18,016	38,253	18,016
Others	4,339	3,165	4,339	3,165
Total	122,787	81,389	122,717	81,389

29. Interest income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Interest income on margin loans	40,947	55,246	40,947	55,246
Interest income from deposits in financial institution and Bank of Thailand bonds	43,822	58,023	43,687	57,759
Total	84,769	113,269	84,634	113,005

30. Gain and return on financial instruments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2020	2019
Gain (loss) on investments	(21,179)	76,623
Gain on derivatives	177,135	40,392
Dividend income	12,878	23,540
Total	168,834	140,555

31. Interest expense

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Borrowings from financial intuitions	5,546	1,655	5,546	1,655
Lease liabilities	7,211	-	7,187	-
Customer's deposits	21,964	26,513	21,964	26,513
Total	34,721	28,168	34,697	28,168

32. Provident fund

The Group and their employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. The Group 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. During the year ended 31 December 2020 and 2019, the group contributed Baht 22 million to the fund (separate financial statement: Baht 20 million) (2019: Baht 12 million in the consolidated financial statement and Baht 11 million in the separate financial statement).

33. 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.

34. Dividends

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

35. Related party transactions

35.1 The relationships

Name	Relationship
FSS International Investment Advisory Securities Company Limited	Subsidiary
SBI Royal Securities Plc.	Associate
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

35.2 Significant transactions during the years

During the years, the Group 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 Group and those related parties. Below is a summary of those transactions.

					(Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements		
	For the years ended 31 December				
	2020	2019	2020	2019	Transfer Pricing Policy
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Other income	-	-	3,600	3,600	Contract value
Other expenses	-	-	45,000	44,400	Contract value
<u>Transactions with related parties</u>					
Directors and executive employees					
Brokerage fees income	95	1	95	1	Similar rates charged to general customers
Related companies and person					
Brokerage fees income	323	159	323	159	Similar rates charged to general customers
Fees and service income	13,903	-	13,903	-	Contract value
Rental and service expenses	529	1,871	529	1,871	As mutually agreed
Other expenses	5,400	-	5,400	-	Contract value

35.3 Outstanding balances

The balances of accounts as at 31 December 2020 and 2019 between the Group and their related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Cash and cash equivalents				
Industrial and Commercial Bank of China (Thai) Public Company Limited	5,355	999	5,355	999
Other receivables				
FSS International Investment Advisory Securities Company Limited	-	-	705	4,301
Finansa Public Company Limited	1,303	-	1,303	-
Prepaid expenses				
Finansa Public Company Limited	153	-	153	-
Accrued expenses				
FSS International Investment Advisory Securities Company Limited	-	-	5,300	-
Directors and executive employees	-	14	-	14
Other liabilities				
Finansa Securities Company Limited	5,400	-	5,400	-

35.4 Directors and key management's remunerations

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses incurred for their directors and key management as below.

(Unit: Million Baht)

	Consolidated financial		Separate financial statements	
	statements			
	For the years ended 31 December			
	2020	2019	2020	2019
Short-term employee benefits	205	172	186	162
Post-employment benefits	9	10	8	9
Total	214	182	194	171

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 16 million (31 December 2019: Baht 15 million) relating to the installation of software and equipment.

36.2 Litigation

As at 31 December 2020, 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.

37. 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 Group are summarise 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 securities 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 2020 and 2019:

(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	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	from external	1,432	1,036	55	47	103	93	(45)	44	1,545	1,220
Profit (loss)	from operating by segment	396	102	24	22	31	25	(1)	(1)	450	148
Unallocated income and expenses:											
Interest and dividend income										85	113
Other income										51	42
Operating expenses										(526)	(473)
Income tax expenses										22	32
Profits (loss) for the years attributable to the Company										82	(138)

The following table presents segment assets, classified by operating segments, as at 31 December 2020 and 2019:

(Unit: Million Baht)

Segment assets	Securities and derivatives brokerages segment	Investment banking segment	Proprietary trading segment	Total segments	Unallocated assets	Total
31 December 2020	4,042	-	708	4,750	1,197	5,947
31 December 2019	2,801	1	-	2,802	1,475	4,277

Geographic information

The Group is 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 2020 and 2019, the Group does not have revenue generated from any customer more than 10% of the consolidated revenues.

38. Risk management

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, receivables from clearing house and brokers, securities and derivatives business receivables, derivatives assets, investments, loans to employee, borrowings from financial institutions, payables to clearing house and brokers, securities and derivatives business payables, derivatives liabilities and debt issued. The financial risks associated with these financial instruments and how they are managed is described below.

38.1 Credit risk

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

The Group is exposed to credit risk primarily with respect to securities and derivatives business receivables, accrued fee and service income from asset management business, deposits with banks and financial institutions, receivables from clearing house and brokers and investments in debt instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

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

Securities and derivatives business receivables

The Company manages the risk by establishing trading credit approval limit for client, performing credit review, placing collateral and increasing credit limit at both of committee and individual level subject to credit level and assigns Credit Committee to control and monitor the credit risk. In addition, the Company does not have high concentration of credit risk since it has a large customer base.

Deposits with banks and financial institutions and investments in debt instruments.

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

38.2 Market risk

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

38.2.1 Interest rate risk

The Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, securities and derivative business receivables, borrowings from financial institutions and debt issued. However, the Group's financial assets and liabilities are mostly bear floating interest rates or fixed interest rates which are close to the market rate due to the short-term in nature, therefore the interest rate risk of the Group is limited.

Significant financial assets and liabilities as at 31 December 2020 and 2019 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 2020									
Outstanding balances of financial instruments									
	Fixed interest rate						Interest rate		
	Repricing or maturity dates						(% p.a.)		
	Floating interest rate	Less than 1 year	1 – 5 years	Non-performing receivables	Non-interest bearing	Total	Floating	Fixed	
Financial assets									
Cash and cash equivalents	122	-	-	-	100	222	0.05 – 0.75	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	282	282	-	-	
Securities and derivatives business receivables	1,162	95	-	15	2,487	3,759	4.75 - 5.25	-	
Derivative assets	-	-	-	-	1	1	-	-	
Loans to employees	1	-	-	-	-	1	-	3.43	
Financial liabilities									
Borrowings from financial institutions	-	350	-	-	-	350	-	0.95 - 1.85	
Payables to Clearing House and broker - dealers	-	-	-	-	303	303	-	-	
Securities and derivatives business payables	-	51	-	-	1,877	1,928	-	0.30	
Debt issued	-	-	279	-	-	279	-	3.25	
Derivatives liabilities	-	-	-	-	23	23	-	-	

(Unit: Million Baht)

Consolidated financial statement

31 December 2019

Outstanding balances of financial instruments

	Fixed interest rate							Interest rate (% p.a.)	
	Repricing or maturity dates				Non- perfor ming receiva bles	Non- interest bearing	Total		
	Floating interest	Less than	1 - 5						
	rate	At call	1 year	years					
Financial assets									
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	-
Loans to employees	1	-	-	-	-	-	1	-	3.40 - 3.43
Financial liabilities									
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
Derivatives liabilities	-	-	-	-	-	19	19	-	-

(Unit: Million Baht)

	Separate financial statement								
	31 December 2020								
	Outstanding balances of financial instruments								
	Fixed interest rate						Interest rate (% p.a.)		
	Repricing or maturity dates					Non-performing receivables			
	Floating interest rate	At call	Less than 1 year	1 - 5 years					Floating
Financial assets									
Cash and cash equivalents	105	-	-	-	-	99	204	0.05 - 0.75	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	282	282	-	-
Securities and derivatives business receivables	1,162	95	-	-	15	2,487	3,759	4.75 - 5.25	-
Derivative assets	-	-	-	-	-	1	1	-	-
Loans to employees	1	-	-	-	-	-	1	-	3.43
Financial liabilities									
Borrowings from financial institutions	-	350	-	-	-	-	350	-	0.95 - 1.85
Payables to Clearing House and broker - dealers	-	-	-	-	-	303	303	-	-
Securities and derivatives business payables	-	51	-	-	-	1,877	1,928	-	0.30
Debt issued	-	-	279	-	-	-	279	-	3.25
Derivatives liabilities	-	-	-	-	-	23	23	-	-

(Unit: Million Baht)

Separate financial statement								
31 December 2019								
Outstanding balances of financial instruments								
Fixed interest rate						Interest rate (% p.a.)		
Repricing or maturity dates								
Floating interest rate	At call	Less than 1 year	1 - 5 years	Non-performing receivables	Non-interest bearing	Total	Floating	Fixed
Financial assets								
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	-
Loans to employees	1	-	-	-	-	1	-	3.40 - 3.43
Financial liabilities								
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
Derivatives liabilities	-	-	-	-	19	19	-	-

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of margin loans account receivables affected as at 31 December 2020.

	Interest rate increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)
Margin loans account receivables	0.25%	2,904
	(0.25%)	(2,904)

The above sensitivity analysis has been prepared assuming that the amounts of margin loans and other variables remain constant over one year as additional information. This information is not a forecast or prediction of future market conditions.

38.2.2 Foreign exchange risk

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

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2020 and 2019 are summarised below:

Foreign currency	Financial assets		Financial liabilities		(Unit: Million unit)	
	31		31		Average exchange rates	
	31 December	December	31 December	December	31 December	31 December
	2020	2019	2020	2019	2020	2019
(Baht per 1 foreign currency unit)						
Vietnamese dong	94,684.3	106,350.7	86,777.4	101,236.4	0.0013	0.0013
Hong Kong dollar	11.0	2.9	10.9	2.8	3.8753	3.8732
United States dollar	3.7	1.5	1.9	1.4	30.0371	30.1540

In addition to the above, as of 31 December 2020 and 2019, the Company has no foreign forward contract.

38.2.3 Equity instruments price risk

The Company's exposure to equity instruments price 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.

38.3 Liquidity risk

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

The Group 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 2020 and 2019, 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 2020

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	222	-	-	-	-	-	222
Receivables from Clearing House and broker - dealers	-	282	-	-	-	-	282
Securities and derivatives business receivables	95	2,487	-	-	1,162	15	3,759
Derivative assets	-	1	-	-	-	-	1
Loans to employees	1	-	-	-	-	-	1
Financial liabilities							
Borrowings from financial institutions	350	-	-	-	-	-	350
Payables to Clearing House and broker - dealers	-	303	-	-	-	-	303
Securities and derivatives business payables	51	1,877	-	-	-	-	1,928
Debt issued	-	279	-	-	-	-	279
Derivatives liabilities	-	23	-	-	-	-	23
Leased liabilities	-	54	124	2	-	-	180

(Unit: Million Baht)

Consolidated financial statement

31 December 2019

	At call	Within 1 year	1 - 5 years	No maturity	Non- performing receivables	Total
Financial assets						
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
Loans to employees	1	-	-	-	-	1
Financial liabilities						
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 2020							
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	204	-	-	-	-	-	204
Receivables from Clearing House and broker - dealers	-	282	-	-	-	-	282
Securities and derivatives business receivables	95	2,487	-	-	1,162	15	3,759
Derivative assets	-	1	-	-	-	-	1
Loans to employees	1	-	-	-	-	-	1
Financial liabilities							
Borrowings from financial institutions	350	-	-	-	-	-	350
Payables to Clearing House and broker - dealers	-	303	-	-	-	-	303
Securities and derivatives business payables	51	1,877	-	-	-	-	1,928
Debt issued	-	279	-	-	-	-	279
Derivatives liabilities	-	23	-	-	-	-	23
Leased liabilities	-	54	123	2	-	-	179

(Unit: Million Baht)

Separate financial statement						
31 December 2019						
	At call	Within 1 year	1 - 5 years	No maturity	Non- performing receivables	Total
Financial assets						
Cash and cash equivalents	77	-	-	-	-	77
Receivables from Clearing House and broker - dealers	-	142	-	-	-	142
Securities and derivatives business receivables	6	1,635	-	911	7	2,559
Loans to employees	1	-	-	-	-	1
Financial liabilities						
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

39. Fair value measurement of financial instruments

The Group uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

39.1 Fair value of financial instruments

As of 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)					
Consolidated and separate financial statements					
31 December 2020					
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value					
Securities and derivatives business					
receivables					
Receivables under securities					
borrowing and lending business	51	51	-	-	51
Derivative assets					
Options	1	1	-	-	1
Investments					
Marketable equity instruments in					
domestic market	704	704	-	-	704
Non-marketable equity instruments					
in domestic market	3	-	-	3	3
Financial liabilities					
Financial liabilities measured at fair value					
Securities and derivatives business					
payables					
Payables under securities					
borrowing and lending business	87	87	-	-	87
Derivatives liabilities					
Derivatives warrants	23	23	-	-	23

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2019			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Securities and derivatives business				
receivables				
Receivables under securities borrowing				
and lending business	4	-	-	4
Investments				
Equity instruments	779	-	-	779
Financial liabilities measured at fair value				
Securities and derivatives business payables				
Payables under securities borrowing and				
lending business	6	-	-	6
Derivatives liabilities				
Derivatives warrants	19	-	-	19

During the current year, there is no transaction of levels of fair value.

The Group in estimating the fair value of financial instruments are as follows:

- (a) Financial assets and liabilities, which have short-term maturity periods, including cash and cash equivalents, receivables from/payables to Clearing House and broker - dealers, securities and derivatives business receivables/payables, short-term loans, and investments measured at amortised cost, their carrying amounts in the statement of financial position approximate their fair value.
- (b) Fair value of marketable-equity instruments in the domestic market is determined using the latest bid price of the last working day. Fair value of non-marketable-equity instruments in the domestic market is determined using current book value of investee.
- (c) Fair value of derivative warrants in the domestic market is determined using the latest offer price of the last working day.
- (d) The fair value of marketable futures and options are calculated with reference to the settlement prices quoted on Thailand Futures Exchange Public Company Limited on the last working day.
- (e) 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.

- (f) For long-term loans and lease liabilities carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

40. 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.

41. Event after the reporting period

On 23 February 2021, the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders 2021. For approval the payment of a dividend of Baht 0.06 per share, or a total of Baht 35 million, to the ordinary shareholders.

42. Reclassifications

The Company has reclassified certain accounts to comply with the Notification of SEC relating to the format of financial statements of securities companies (version 3) No. SorThor. 6/2562 dated 8 January 2019. The details are as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the year ended 31 December 2019	
	As reclassified	As previously reported
Interest on margin loans	-	55,246
Interest income	113,269	-
Gain (loss) and return on financial instruments		
- interest income	-	58,023
	Separate financial statements	
	For the year ended 31 December 2019	
	As reclassified	As previously reported
Interest on margin loans	-	55,246
Interest income	113,005	-
Gain (loss) and return on financial instruments		
- interest income	-	57,759

The reclassifications had no effect to previously reported profit or owners' equity.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2021.