

Maybank Kim Eng Securities (Thailand)
Public Company Limited
Report and financial statements
31 December 2019



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Independent Auditor's Report

To the Shareholders of Maybank Kim Eng Securities (Thailand) Public Company Limited

Opinion

I have audited the accompanying financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited as at 31 December 2019, its 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 period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Recognition of brokerage fees income and interest on margin loans

The Company's income mainly consisted of brokerage fees income and interest on margin loans, amounting to Baht 1,421 million and Baht 565 million, respectively, representing 59 percent and 24 percent 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, whereas interest on credit balance loans is charged at fixed rates that are adjusted periodically based on market conditions and the competitive environment. 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 and interest on margin loans relying primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees and interest on margin loans 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 and interest on margin loans, including computer-based controls relevant to the calculation of brokerage fees income and interest on margin loans. I also tested, on a sampling basis, the brokerage rates, interest rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees income and interest on credit balance loans and examined, on a sampling basis, material manual adjustments made via journal vouchers.

Allowance for doubtful accounts for securities and derivatives business receivables

As discussed in Note 4.6 to the financial statements, the Company's allowance for doubtful accounts for securities and derivatives business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For securities trading and credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts for securities and derivatives business receivables is significant because of the number of customers and the significance of the amount of the receivables to the Company's financial statements, with securities and derivatives business receivables amounting to Baht 12,855 million as at 31 December 2019, representing 80 percent of the Company's total assets. Therefore, I addressed the adequacy of allowance for doubtful accounts for such receivables as a key audit matter.

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

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

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

I 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: 12 February 2020

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of Financial Position

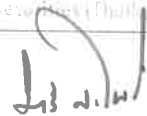
As at 31 December 2019

(Unit: Baht)

	Note	31 December 2019	31 December 2018
Assets			
Cash and cash equivalents	6	363,334,991	371,931,041
Receivables from Clearing House and brokers	7	494,602,634	680,468,535
Securities and derivatives business receivables	8	12,855,308,102	13,769,776,604
Investments	10	1,638,907,197	647,909,306
Loans	33.1	237,808,566	244,063,911
Equipment	11	80,193,874	99,421,198
Intangible assets	12	26,172,069	22,711,070
Deferred tax assets	13.1	47,207,990	40,451,284
Other assets	14	394,161,277	482,788,366
Total assets		16,137,696,700	16,359,521,315

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

บริษัทหลักทรัพย์ เมย์แบงก์ ีเอ็ม เค (ประเทศไทย) จำกัด (มหาชน)
Maybank Kim Eng Securities (Thailand) Public Company Limited



Maybank Kim Eng Securities (Thailand) Public Company Limited

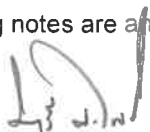
Statement of Financial Position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	31 December 2019	31 December 2018
Liabilities and shareholders' equity			
Liabilities			
Borrowings from financial institutions	15	1,300,000,000	2,965,000,000
Payables to Clearing House and brokers	16	508,202,952	365,598,383
Securities and derivatives business payables	17	1,246,107,312	1,225,398,068
Derivatives liabilities	9	16,800,791	417,942
Income tax payable		45,254,761	38,062,964
Debt issued and other borrowings	18	8,346,566,430	6,806,386,936
Provisions	19	243,388,523	187,824,019
Other liabilities	21	153,957,765	209,714,875
Total liabilities		11,860,278,534	11,798,403,187
Shareholders' equity			
Issued and paid-up share capital			
Ordinary share	23	2,854,072,500	2,854,072,500
Share premium and premium on treasury shares		542,789,399	542,789,399
Retained earnings			
Appropriated - statutory reserve	24	286,125,000	286,125,000
Unappropriated		594,431,267	878,131,229
Total shareholders' equity		4,277,418,166	4,561,118,128
Total liabilities and shareholders' equity		16,137,696,700	16,359,521,315

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



บริษัทหลักทรัพย์ เมย์แบงก์ อยุธยา (มหาชน) จำกัด (มหาชน)
Maybank Kim Eng Securities (Thailand) Public Company Limited

Directors

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	2019	2018
Profit or loss:			
Income			
Brokerage fees income	26	1,421,193,298	1,754,599,996
Fees and service income	27	74,115,579	75,487,376
Interest on margin loans		565,372,985	640,514,393
Gains and returns on financial instruments	28	267,692,201	260,845,825
Other income		74,545,382	57,924,949
Total income		2,402,919,445	2,789,372,539
Expenses			
Employee benefit expenses		1,119,590,924	1,268,476,517
Fee and service expenses		173,727,841	179,729,522
Financial costs		326,947,066	346,542,850
Reversal of bad debt and doubtful accounts		(817,690)	(9,197,639)
Other expenses	31	464,991,169	513,343,763
Total expenses		2,084,439,310	2,298,895,013
Profit before income tax		318,480,135	490,477,526
Income tax	13.2	(63,735,049)	(99,184,288)
Profit for the year		254,745,086	391,293,238
Other comprehensive income:			
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Actuarial gain	20	11,921,090	-
Income tax effect	13.2	(2,384,218)	-
Total other comprehensive income not to be reclassified		9,536,872	-
to profit or loss in subsequent periods		-	-
Other comprehensive income for the year		9,536,872	-
Total comprehensive income for the year		264,281,958	391,293,238
Earnings per share			
Basic earnings per share	32	0.45	0.69

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

บริษัทหลักทรัพย์เมย์แบงก์ (ประเทศไทย) จำกัด (มหาชน)
Maybank Kim Eng Securities (Thailand) Public Company Limited

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

	Issued and paid-up capital	Share premium and premium on treasury shares	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018	2,854,072,500	542,789,399	286,125,000	972,030,316	4,655,017,215
Dividend paid (Note 25)	-	-	-	(485,192,325)	(485,192,325)
Profit for the year	-	-	-	391,293,238	391,293,238
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income	-	-	-	391,293,238	391,293,238
Balance as at 31 December 2018	<u>2,854,072,500</u>	<u>542,789,399</u>	<u>286,125,000</u>	<u>878,131,229</u>	<u>4,561,118,128</u>
Balance as at 1 January 2019	2,854,072,500	542,789,399	286,125,000	878,131,229	4,561,118,128
Dividend paid (Note 25)	-	-	-	(547,981,920)	(547,981,920)
Profit for the year	-	-	-	254,745,086	254,745,086
Other comprehensive income for the year	-	-	-	9,536,872	9,536,872
Total comprehensive income	-	-	-	264,281,958	264,281,958
Balance as at 31 December 2019	<u>2,854,072,500</u>	<u>542,789,399</u>	<u>286,125,000</u>	<u>594,431,267</u>	<u>4,277,418,166</u>

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

บริษัทหลักทรัพย์ ไทยพาณิชย์ จำกัด (มหาชน)
M.B. Bank Kim Eng Securities (Thailand) Public Company Limited

Maybank Kim Eng Securities (Thailand) Public Company Limited

Cash flow statements

For the year ended 31 December 2019

	(Unit: Baht)	
	2019	2018
Cash flows from operating activities		
Profit before income tax expenses	318,480,135	490,477,526
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	58,593,601	80,866,428
Reversal of bad debt and doubtful accounts	(817,690)	(9,197,639)
Doubtful accounts on other assets	2,583,751	-
Unrealised (gain) loss on revaluation of investments	(33,910,529)	78,420,266
Loss on sales and written-off of equipment	1,378,545	530,527
Unrealised (gain) loss on revaluation of derivatives assets and liabilities	8,099,540	(15,370,423)
Unrealised (gain) loss on revaluation of exchange rate	1,439,586	(210,760)
Financial cost	326,947,066	346,542,850
Interest income	(764,104,572)	(820,832,004)
Amortisation of prepaid personnel expenses	109,812,322	135,819,265
Provision for long-term employee benefits	78,838,628	30,528,027
Other provision	1,480,068	-
Profit from operating activities before changes in operating assets and liabilities	108,820,451	317,574,063
(Increase) decrease in operating assets		
Receivables from Clearing House and brokers	176,562,564	(120,257,487)
Securities and derivatives business receivables	911,669,294	1,205,523,174
Investments	(956,824,332)	1,327,961,127
Loans	6,255,345	(3,634,126)
Other assets	(67,110,872)	(30,549,295)
Increase (decrease) in operating liabilities		
Payables to Clearing House and brokers	142,604,569	(6,886,318)
Securities and derivatives business payables	20,446,211	(2,199,680,280)
Derivatives liabilities	17,160,124	(42,304,725)
Provisions	(12,833,102)	(5,702,339)
Other liabilities	(49,575,320)	(102,598,954)
Cash received from operating activities	297,174,932	339,444,840
Cash paid for interest	(208,989,603)	(224,807,773)
Cash received from interest	809,683,847	782,218,700
Cash paid for income tax	(65,684,176)	(135,546,328)
Net cash flows provided by operating activities	832,185,000	761,309,439

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

Maybank Kim Eng Securities (Thailand) Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2019

	(Unit: Baht)	
	2019	2018
Cash flows from investing activities		
Cash received (paid) from investing activities		
Cash paid for purchases of equipment	(29,822,194)	(35,699,299)
Proceeds from disposals of equipment	216,347	148,189
Cash paid for purchases of intangible assets	(13,845,432)	(3,363,606)
Net cash flows used in investing activities	(43,451,279)	(38,914,716)
Cash flows from financing activities		
Cash received (paid) from financing activities		
Cash received for borrowings from financial institutions	62,455,000,000	54,322,000,000
Cash paid for borrowings from financial institutions	(64,120,000,000)	(55,352,000,000)
Cash received from debt issued and other borrowings	25,185,862,722	23,947,546,857
Cash paid for debt issued and other borrowings	(23,765,000,000)	(23,170,678,969)
Cash paid for liabilities under finance lease agreements	(5,210,573)	(5,068,539)
Dividend paid	(547,981,920)	(485,192,325)
Net cash flows used in financing activities	(797,329,771)	(743,392,976)
Net decrease in cash and cash equivalents	(8,596,050)	(20,998,253)
Cash and cash equivalents at the beginning of the year	371,931,041	392,929,294
Cash and cash equivalents at the ending of the year	363,334,991	371,931,041

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

(บริษัทหลักทรัพย์ เมย์แบงก์ ีเอ็มเค (ประเทศไทย) จำกัด (มหาชน))
Maybank Kim Eng Securities (Thailand) Public Company Limited

Maybank Kim Eng Securities (Thailand) Public Company Limited

Notes to financial statements

For the year ended 31 December 2019

1. General information

Maybank Kim Eng Securities (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Maybank Kim Eng Holdings Limited, which is incorporated in Singapore. The ultimate parent company of the Group is Malayan Banking Berhad, which is incorporated in Malaysia. The Company has licenses for securities business, which are securities brokerage, securities trading, underwriting, investment advisory, corporate finance advisory, securities registrar, derivatives brokerage and securities borrowing and lending.

The Company's registered office is at 999/9 the Offices at Central World, 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 December 2019, the Company has 35 branches in Bangkok and upcountry (31 December 2018: 42 branches).

2. Basis for the preparation of financial statements

The financial statements for the year ended 31 December 2019 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 2) No. SorThor 22/2559 dated 2 June 2016.

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

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

สำนักงานคณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจหลักทรัพย์ (ก.ล.ต.)
Maybank Kim Eng Securities (Thailand) Public Company Limited

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3. New financial reporting standards

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

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

บริษัทหลักทรัพย์ ไทยพาณิชย์ จำกัด (มหาชน)
Thai Bank Ltd Eng Securities (Incorporated) Public Company Limited

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

The Federation of Accounting Professions issued a number of new and revised 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Company believes that adoption of these standards will not have any significant impact on the financial statements.

100 Durgamacheri Main Road, Hyderabad - 500043
Raymond & Ray Securities (India) Private Company Limited

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TFRS 16 Leases

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

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

The management of the Company believes that adoption of this standard will not have any significant impact on the financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Brokerage fees income

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

b) Fees and service income

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

c) Interest on margin loans

Interest is recognised over the term of the loans based on the amount of outstanding principal. No accrual has been made for certain loans which, under Notification No. KorThor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, are not qualified for recognition of interest on an accrual basis and consideration of other relevant factors.

d) Gains and returns on financial instruments

Gain (loss) on investments and derivatives

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

Interest and dividend

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

4.2 Expense recognition

Expenses are recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and all bank deposit accounts maturing within 3 months from the date of acquisition, and including certificate of deposit maturing within 3 months or less from the date of acquisition and not subject to withdrawal restrictions.

4.4 Recognition and derecognition of customers' assets

Cash which customers have placed with the Company for securities trading, in term of cash accounts and credit balance accounts, including amounts which customers have placed as collateral for derivative trading, are recorded as assets and liabilities of the Company for internal control purpose. At the financial position date, the Company writes off those amounts of which there are no guarantee obligations from both assets and liabilities and presents only those assets which belong to the Company.

4.5 Receivables from/payables to Clearing House and brokers

Receivables from/payables to Clearing House and brokers comprise the net balance of receivables from/payables to Thailand Clearing House in respect of settlements for securities trades and derivative instruments. They include cash pledged with Thailand Clearing House as collateral for derivatives trading, cash pledged with foreign securities companies as collateral for securities trading, and the net balance of amounts receivable from/payable to foreign securities companies in respect of securities trades settled overseas through foreign securities companies.

4.6 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, and including related accrued interest receivables after deducting allowance for doubtful accounts.

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.

บริษัทหลักทรัพย์ ไทยพาณิชย์ จำกัด (มหาชน)
Maybank Kim Eng Securities (Thailand) Public Company Limited

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The Company provides allowance for doubtful accounts based on specific review of the debtor's repayment capability, taking into consideration recovery risk and the collateral value. Such debt classifications and provisions are made in accordance with the guideline laid down in the Notification No. KorThor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission (SEC), and consideration of other relevant factors.

4.7 Borrowing and lending of securities

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 of the year. Gains or losses arising from such adjustment are included in part of profit or loss. 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 payable". Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

4.8 Investments

- a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in held-to-maturity debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in deposits at financial institutions are fixed deposits and certificate of deposits issued by financial institutions with original maturity of longer than 3 months from the date of acquisition or with an original maturity within 3 months from the date of acquisition, but the company intends to roll-over them, or deposits subject to withdrawal restrictions.
- d) Investments in non-marketable equity securities which the Company classified as other 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 year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

In the event 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 recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.9 Loans

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

4.10 Equipment and Depreciation

Equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any). Depreciation of equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building improvement	5 years
Furniture, fixtures and equipment	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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.

บริษัท ไทยพาณิชย์ จำกัด (มหาชน) จำกัด (มหาชน)
The Bank of Commerce Securities (Thailand) Public Company Limited

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4.11 Intangible assets and Amortisation

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

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

A summary of the intangible assets with finite useful lives is as follows:

Computer software 5 years

No amortisation is provided on TFEX membership fees and software under installation.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.12 Property foreclosed

Property foreclosed consists of immovable properties, and is stated at the lower of cost or net realisable value. Loss on impairment is included in determining income. Gains or losses on disposals of such properties are recognised in the statement of comprehensive income at the date of disposal.

4.13 Income tax

Income tax represents 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.

บริษัทหลักทรัพย์ ไทยอิง (ประเทศไทย) จำกัด (มหาชน)
Bank & Kim Eng Securities (Thailand) Public Co., Limited

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

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

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

4.14 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect such 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.

4.15 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.

4.16 Debt issued and other borrowings

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

4.17 Provisions

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

บริษัท ไทยพาณิชย์ จำกัด (มหาชน)
Maybank and Eng securities (Thailand) Public Company Limited

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4.18 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 plans)

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

c) Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is determined by a professionally independent expert, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.19 Long-term lease

Leases of vehicles which transfer substantially all the risks and rewards of ownership to the lessee 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 recorded as long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of office space and equipment which do not transfer substantially all the risks and reward 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.

સાચી નાણાકીય માહિતી આપવા માટે (વિશ્વાસ) અમે (અમે) યોગદાન આપીએ છીએ. ગ્રાહકો માટેની સેવા અમારું કાર્ય છે. ગ્રાહકોની સહયોગથી અમારું કાર્ય શ્રેષ્ઠ બને છે.

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4.20 Related party transactions

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

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

4.21 Treasury stocks

The consideration paid which is directly related with buying back ordinary share of the Company, including any attributable incremental external costs net of income taxes, is deducted from total shareholders' equity as treasury shares until the treasury shares are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

4.22 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.23 Derivatives

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 are calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last working day of the year.

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 are calculated with reference to the settlement prices quoted on Thailand Futures Exchange Public Company Limited on the last working day of the year.

4.24 Fair value measurement

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Information is subject to audit (U.S. GAAP) and is subject to audit (U.S. GAAP) and is subject to audit (U.S. GAAP)

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5.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.3 Allowances for doubtful accounts for securities and derivatives business receivables

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

5.4 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 exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the financial statements and disclosures of fair value hierarchy.

5.5 Allowance for impairment of investments in securities

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

5.6 Equipment and Depreciation

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

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

5.7 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.

5.8 Deferred tax asset

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

5.9 Post-employment benefits under defined benefit plans

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

5.10 Litigation

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

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>31 December 2019</u>	<u>31 December 2018</u>
Cash, short-term fixed deposits and short-term certificate of deposits maturing within 3 months from date of acquisition	782,709	3,727,466
Less: Cash deposits held for customers	<u>(419,374)</u>	<u>(3,355,535)</u>
Cash and cash equivalents	<u>363,335</u>	<u>371,931</u>

Supplemental cash flows information

	(Unit: Thousand Baht)	
	<u>31 December 2019</u>	<u>31 December 2018</u>
Non-cash items:		
Purchase of equipment and intangible asset on credit	831	76

7. Receivables from Clearing House and brokers

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Receivables from Clearing House	982,995	987,251
Receivables from foreign brokers	438,665	441,382
Less: Receivables from Clearing House held for customers	(496,154)	(327,563)
Less: Receivables from foreign brokers held for customers	(430,903)	(420,601)
Receivables from Clearing House and brokers	<u>494,603</u>	<u>680,469</u>

8. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Securities business receivables		
Cash accounts	1,587,342	1,670,294
Credit balance accounts	11,145,387	11,904,766
Receivables under securities borrowing and lending business	42,394	126,424
Other receivables	249,115	251,937
Total securities business receivables	<u>13,024,238</u>	<u>13,953,421</u>
Add: Accrued interest receivables	64,353	67,970
Less: Allowance for doubtful accounts	(251,164)	(252,151)
Securities business receivables	<u>12,837,427</u>	<u>13,769,240</u>
Derivatives business receivables		
Derivatives business receivables	17,881	537
Other receivables	456	287
Less: Allowance for doubtful accounts	(456)	(287)
Derivatives business receivables	<u>17,881</u>	<u>537</u>
Securities and derivatives business receivables	<u>12,855,308</u>	<u>13,769,777</u>

8.1 Non-accrued securities receivables

As at 31 December 2019, the Company had other receivables (included accrued interest receivables) with book values totaling Baht 264 million from which it has ceased recognising income (31 December 2018: Baht 266 million).


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 True Securities (Thailand) Public Company Limited

8.2 Classification of securities and derivatives business receivables

As at 31 December 2019 and 2018, the Company has classified securities and derivatives business receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Thousand Baht)

Classification	31 December 2019			31 December 2018		
	Debt balance	Allowance for doubtful Accounts	Debt	Debt balance	Allowance for doubtful Accounts	Debt
			balance net			balance net
			of allowance for doubtful accounts			of allowance for doubtful accounts
Normal Debt	12,843,172	-	12,843,172	13,755,806	-	13,755,806
Sub-standard Debt	12,136	-	12,136	13,971	-	13,971
Doubtful Debt	251,621	(251,621)	-	252,438	(252,438)	-
Total	13,106,929	(251,621)	12,855,308	14,022,215	(252,438)	13,769,777

As at 31 December 2019, receivables (included accrued interest receivables) classified as sub-standard debt and doubtful debt approximately Baht 254 million was the Company's receivables before Kim Eng Holdings Limited (currently, Maybank Kim Eng Holdings Limited) became a shareholder and management of the Company in 1998 (31 December 2018: Baht 255 million).

8.3 Allowance for doubtful accounts

(Unit: Thousand Baht)

	31 December 2019	31 December 2018
Balance - beginning of the year	252,438	261,916
Add: Doubtful accounts	389	11,649
Less: Reversal of doubtful accounts	(1,206)	(20,893)
Less: Write-off bad debts	-	(234)
Balance - end of the year	251,621	252,438

(Unit: Thousand Baht)
Kim Eng Holdings Limited

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9. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

	31 December 2019		
	Fair value		Notional amount
	Assets	Liabilities	
Trading derivatives			
Derivatives warrants	-	16,801	3,064,554
Futures ⁽¹⁾	-	-	1,656,835
Derivatives assets and derivatives liabilities	-	16,801	4,721,389

⁽¹⁾ The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level. Fair value of outstanding future at the end of year included in "Receivables from Clearing House and brokers". As at 31 December 2019: fair value of derivative assets- future is Baht 24 million.

(Unit: Thousand Baht)

	31 December 2018		
	Fair value		Notional amount
	Assets	Liabilities	
Trading derivatives			
Derivatives warrants	-	418	11,907
Futures ⁽¹⁾	-	-	658,839
Derivatives assets and derivatives liabilities	-	418	670,746

⁽¹⁾ The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level. Fair value of outstanding future at the end of year included in "Receivables from Clearing House and brokers". As at 31 December 2018: fair value of derivative assets- future is Baht 33 million.

9.1 Gain (loss) on derivatives

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Realised gain (loss) on derivatives trading	(116,406)	157,427
Unrealised gain (loss) on revaluation of derivatives	(8,099)	15,370
Total	(124,505)	172,797

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10. Investments

10.1 Cost and fair value

(Unit: Thousand Baht)

	31 December 2019		31 December 2018	
	Cost / amortised cost	Fair value	Cost / amortised cost	Fair value
Trading securities				
Equity securities	1,599,881	1,625,617	643,469	635,032
Add (less) : Allowance for revaluation	25,736		(8,437)	
Trading securities	<u>1,625,617</u>		<u>635,032</u>	
Held-to-maturity investment				
Government bonds	11,352,000	11,330,384	2,644,000	2,625,307
Fixed deposits	5	5	7,200,004	7,200,004
Deposits with restriction	3,529	3,529	3,527	3,527
Less: Accumulated amortisation	(25,330)		(18,559)	
Less: Investments held for customers	<u>(11,326,671)</u>		<u>(9,825,442)</u>	
Held-to-maturity investment	<u>3,533</u>		<u>3,530</u>	
General investments				
Other securities - ordinary shares	24,420		24,010	
Less: Allowance for impairment	<u>(14,663)</u>		<u>(14,663)</u>	
General investments	<u>9,757</u>		<u>9,347</u>	
Investments	<u>1,638,907</u>		<u>647,909</u>	

ข้อมูลทางการเงินนี้เป็นข้อมูลเบื้องต้น (ไม่มีการ) ตรวจสอบ (ตรวจสอบ)
 ข้อมูลทางการเงินเหล่านี้เป็นข้อมูลเบื้องต้นเท่านั้น (ไม่มีการ) ตรวจสอบ (ตรวจสอบ)

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

(Unit: Thousand Baht)

31 December 2019				
	Within 1 year	1 - 5 years	No maturity	Total
Government bonds	11,326,670	-	-	11,326,670
Fixed deposits	5	-	-	5
Deposits subject to restriction	3,529	-	-	3,529
Less: Investments held for customers	(11,326,671)	-	-	(11,326,671)
Total	3,533	-	-	3,533

(Unit: Thousand Baht)

31 December 2018				
	Within 1 year	1 - 5 years	No maturity	Total
Government bonds	2,625,441	-	-	2,625,441
Fixed deposits	7,200,004	-	-	7,200,004
Deposits subject to restriction	3,527	-	-	3,527
Less: Investments held for customers	(9,825,442)	-	-	(9,825,442)
Total	3,530	-	-	3,530

10.3 Gain (loss) on investments

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Realised gain (loss) on securities trading	128,900	(54,571)
Realised gain (loss) on revaluation of securities trading	33,911	(78,420)
Total	162,811	(132,991)

บริษัท ไทยพาณิชย์ จำกัด (มหาชน) ธนาคารพาณิชย์แห่งแรกของประเทศไทย
 Siam Commercial Bank Public Company Limited

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11. Equipment

(Unit: Thousand Baht)

	Building improvement	Furniture Fixtures and equipment	Asset under financial lease - Vehicles	Assets under installation	Total
Cost					
1 January 2018	223,279	587,315	34,241	8,733	853,568
Additions	3,085	26,382	-	6,113	35,580
Transfer in (out)	6,311	406	-	(6,717)	-
Disposals/written-off	(15,821)	(4,669)	-	-	(20,490)
31 December 2018	216,854	609,434	34,241	8,129	868,658
Additions	2,309	20,599	-	7,669	30,577
Transfer in (out)	4,490	11,300	-	(15,790)	-
Disposals/written-off	(20,746)	(44,115)	-	-	(64,861)
31 December 2019	202,907	597,218	34,241	8	834,374
Accumulated depreciation					
1 January 2018	201,834	495,493	23,473	-	720,800
Depreciation for the year	12,077	51,720	4,451	-	68,248
Disposals/written-off	(15,377)	(4,434)	-	-	(19,811)
31 December 2018	198,534	542,779	27,924	-	769,237
Depreciation for the year	7,396	37,071	3,742	-	48,209
Disposals/written-off	(19,547)	(43,719)	-	-	(63,266)
31 December 2019	186,383	536,131	31,666	-	754,180
Net book value					
31 December 2018	18,320	66,655	6,317	8,129	99,421
31 December 2019	16,524	61,087	2,575	8	80,194
Depreciation charge for the year ended 31 December					
2018					68,248
2019					48,209

As at 31 December 2019 and 2018, the Company had vehicles which were acquired under finance lease agreements with net book value of Baht 3 million and Baht 6 million, respectively.

As at 31 December 2019 and 2018, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 653 million and Baht 594 million, respectively.

บริษัท ไทยพาณิชย์ จำกัด (มหาชน)
Siam Commercial Bank Public Company Limited

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12. Intangible assets

(Unit: Thousand Baht)

For the year ended 31 December 2019

	Useful lives	Cost				Accumulated amortization				Net intangible assets	
		1 January 2019	Increase	Transfer in (transfer out)	Written-off	31 December 2019	1 January 2019	Increase	Written-off		31 December 2019
Computer software	5 years	153,406	4,056	10,309	-	167,771	137,418	10,384	-	147,802	19,969
Software under installation	-	3,402	9,789	(10,309)	-	2,882	-	-	-	-	2,882
Membership fee - Thailand											
Futures Exchanges	-	5,000	-	-	-	5,000	1,679	-	-	1,679	3,321
Total		161,808	13,845	-	-	175,653	139,097	10,384	-	149,481	26,172

(Unit: Thousand Baht)

For the year ended 31 December 2018

	Useful lives	Cost				Accumulated amortization				Net intangible assets	
		1 January 2018	Increase	Transfer in (transfer out)	Written-off	31 December 2018	1 January 2018	Increase	Written-off		31 December 2018
Computer software	5 years	149,394	2,825	1,187	-	153,406	124,800	12,618	-	137,418	15,988
Software under installation	-	4,050	539	(1,187)	-	3,402	-	-	-	-	3,402
Membership fee - Thailand											
Futures Exchanges	-	5,000	-	-	-	5,000	1,679	-	-	1,679	3,321
Total		158,444	3,364	-	-	161,808	126,479	12,618	-	139,097	22,711

As at 31 December 2019 and 2018, certain computer software items have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those intangible assets amounted to approximately Baht 127 million and Baht 104 million, respectively.



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13. Deferred tax assets/liabilities and income tax

13.1 Deferred tax assets/liabilities

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

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Deferred tax assets		
Allowance for doubtful accounts - other receivables	7,917	7,400
Provisions for long-term employee benefits	47,504	36,687
Others	2,469	2,535
Total	57,890	46,622
Deferred tax liabilities		
Unrealised gains on exchange rate	3,079	3,730
Others	7,603	2,441
Total	10,682	6,171
Deferred tax assets - net	47,208	40,451

13.2 Income tax

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Current income tax:		
Corporate income tax for the year	71,522	116,037
Adjustment of corporate income tax expenses of previous years	1,354	245
Deferred tax:		
Relating to origination and reversal of temporary differences	(9,141)	(17,098)
Income tax reported in profit or loss	63,735	99,184

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The amounts of income tax relating the each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Deferred tax relating to actuarial gains	2,384	-

The reconciliation between accounting profit and income tax are shown below.

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Accounting profits before tax	318,480	490,478
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	63,696	98,096
Adjustment of income tax of previous years	1,354	245
Tax effect of non-deductible tax revenue or expenses	(1,315)	843
Income tax reported in profit or loss	63,735	99,184

14. Other assets

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Prepaid expenses	107,076	175,079
Clearing fund	176,515	160,175
Accrued income	30,305	71,517
Deposits	44,742	46,081
Property foreclosed	15,887	15,887
Others	19,636	14,049
Other assets	394,161	482,788



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15. Borrowings from financial institutions

As at 31 December 2019 and 2018, borrowings from financial institutions are domestic borrowings in Baht currency as follows:

(Unit: Thousand Baht)

	31 December 2019			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Within 1 year	Total
Promissory notes	1.60 - 1.75	1,300,000	-	1,300,000
Borrowings from financial institutions		1,300,000	-	1,300,000

(Unit: Thousand Baht)

	31 December 2018			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Within 1 year	Total
Promissory notes	2.10 - 2.20	2,965,000	-	2,965,000
Borrowings from financial institutions		2,965,000	-	2,965,000

16. Payables to Clearing House and brokers

(Unit: Thousand Baht)

	31 December 2019	31 December 2018
Payables to Clearing House	499,472	355,986
Payables to foreign brokers	8,731	9,612
Payables to Clearing House and brokers	508,203	365,598

17. Securities and derivatives business payables

(Unit: Thousand Baht)

	31 December 2019	31 December 2018
Cash accounts	1,144,994	1,066,193
Guaranteed deposit payables	-	6,353
Payables under securities borrowing and lending business	101,113	152,852
Securities and derivatives business payables	1,246,107	1,225,398

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18. Debt issued and other borrowings

As at 31 December 2019 and 2018, debt issued and other borrowings are classified as follows:

(Unit: Thousand Baht)

	31 December 2019			
	Interest rate per annum (percent)	Remaining period to maturity		
		Within 1 year	1 - 5 years	Total
Bills of exchange	1.70 - 2.17	7,815,566	-	7,815,566
Debenture	2.35 - 2.45	531,000	-	531,000
Debt issued and other borrowings		8,346,566	-	8,346,566

(Unit: Thousand Baht)

	31 December 2018			
	Interest rate per annum (percent)	Remaining period to maturity		
		Within 1 year	1 - 5 years	Total
Bills of exchange	1.75 - 2.00	5,806,387	-	5,806,387
Debenture	1.90	1,000,000	-	1,000,000
Debt issued and other borrowings		6,806,387	-	6,806,387

19. Provisions

(Unit: Thousand Baht)

	Provisions for			Total
	long-term employee benefits	Decommissioning cost	Other	
Balance as at 1 January 2018	158,609	4,389	-	162,998
Increase during the year	24,826	-	-	24,826
Balance as at 31 December 2018	183,435	4,389	-	187,824
Increase during the year	54,084	-	1,480	55,564
Balance as at 31 December 2019	237,519	4,389	1,480	243,388

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20. Provisions for long-term employee benefits

As at 31 December 2019 and 2018, provisions for long-term employee benefits were as follows:

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Defined benefit obligation at beginning of year	183,435	158,609
Current service cost	34,063	25,401
Interest cost	3,275	5,127
Past service cost	41,500	-
Actuarial (gains) losses		
Demographic assumption changes	(5,541)	-
Financial assumptions changes	16,780	-
Experience adjustments	(23,160)	-
Benefits paid during the year	(12,833)	(5,702)
Defined benefit obligation at end of year	237,519	183,435

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 42 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Current service cost	34,063	25,401
Interest cost	3,275	5,127
Past service cost	41,500	-
Total	78,838	30,528

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The Company recognised these expenses in operating expenses.

The Company expects to pay Baht 3 million in long-term employee benefits during the next year (31 December 2018: Baht 7 million). As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is about 10 years (31 December 2018: 10 years)

Significant actuarial assumptions are summarised below:

	31 December 2019	31 December 2018
	(% per annum)	(% per annum)
Discount rate	1.62	3.21
Salary increase rate	5.00	6.00
Turnover rate	0.00 - 22.00	0.00 - 20.00

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

(Unit: Million Baht)

	31 December 2019		31 December 2018	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(19)	22	(16)	18
Salary increase rate	22	(20)	18	(16)
Turnover rate	(20)	14	(10)	12

21. Other liabilities

(Unit: Thousand Baht)

	31 December 2019	31 December 2018
Accrued expenses	119,045	173,062
Liabilities under finance lease agreements	4,003	9,214
Others	30,910	27,439
Other liabilities	153,958	209,715

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	31 December 2019	31 December 2018
Liabilities under finance lease agreements	4,208	9,789
Less: Deferred interest expenses	(205)	(575)
Total	4,003	9,214
Less: Portion due within one year	(2,299)	(5,211)
Total liabilities under finance lease agreements - net of portion due within one year	1,704	4,003

The Company has entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	31 December 2019		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	2,451	1,757	4,208
Deferred interest expenses	(152)	(53)	(205)
Present value of future minimum lease payments	2,299	1,704	4,003

	(Unit: Thousand Baht)		
	31 December 2018		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	5,581	4,208	9,789
Deferred interest expenses	(370)	(205)	(575)
Present value of future minimum lease payments	5,211	4,003	9,214

23. Share capital

	31 December 2019		31 December 2018	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
Issued share capital				
(Par value at Baht 5 each)	572,250	2,861,250	572,250	2,861,250
Paid-up share capital				
(Par value at Baht 5 each)	570,815	2,854,073	570,815	2,854,073

24. Statutory reserve

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

25. Dividends

Dividends	Approved by	Dividend paid (Million Baht)	Dividend per share (Baht)
Interim dividend for the period as from 1 January 2019 to 30 June 2019 which had been paid from retained earnings	Annual Board of Director meeting on 6 August 2019	388	0.68
Dividends for the operating result as from 1 January 2018 to 31 December 2018	Annual General Meeting of the shareholders on 1 April 2019	160	0.28
Dividend paid for the year ended 31 December 2019		<u>548</u>	<u>0.96</u>
Interim dividend for operating result as from 1 January 2018 to 30 June 2018	Annual Board of Director meeting on 1 August 2018	228	0.40
Dividends for the operating result as from 1 January 2017 to 31 December 2017	Annual General Meeting of the shareholders on 2 April 2018	257	0.45
Dividend paid for the year ended 31 December 2018		<u>485</u>	<u>0.85</u>

26. Brokerage fees income

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Brokerage fees from securities business	1,282,929	1,571,005
Brokerage fees from derivatives business	138,264	163,796
Other brokerage fees	-	19,799
Brokerage fees income	<u>1,421,193</u>	<u>1,754,600</u>





27. Fees and service income

(Unit: Thousand Baht)

For the years ended 31 December

	2019	2018
Underwriting fee	1,528	18,898
Financial advisory	61,025	41,900
Securities borrowing and lending	5,851	7,237
Others	5,712	7,452
Fees and service income	74,116	75,487

28. Gains and returns on financial instruments

(Unit: Thousand Baht)

For the years ended 31 December

	2019	2018
Gain (loss) on investments	162,811	(132,991)
Gains (loss) on derivatives	(124,505)	172,797
Interest and dividend income	229,386	221,040
Gains and returns on financial instruments	267,692	260,846

29. Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries, bonus, and related benefits payable to executive directors) paid to directors of the Company in accordance with Section 90 of the Public Limited Companies Act.

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 3 - 15 percent of basic salary and the Company contributed to the fund monthly at the rate of 3 - 10 percent. The funds of the Company are managed by TMB Asset Management Company Limited. The funds will be paid to employees upon termination in accordance with the fund rules. During the years ended 31 December 2019 and 2018 amounting to approximately Baht 43 million and Baht 38 million, respectively, were recognised as expenses.

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31. Other expense

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Rental and service fees	98,460	104,545
Utilities expense	14,509	15,933
Maintenance expenses	66,067	60,605
Depreciation and amortization	58,594	80,866
Taxes and duties	23,824	28,298
Travelling expenses	26,068	29,559
Telephone and Information service expenses	56,996	57,869
Others	120,473	135,669
Other expenses	464,991	513,344

32. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

33. Related party transactions

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

Related companies and persons	Relationship
Maybank Kim Eng Holdings Limited	Parent company
Maybank Kim Eng Securities Pte. Ltd.	Fellow subsidiary
Kim Eng Securities (Hong Kong) Limited	Fellow subsidiary
Maybank Kim Eng Research Pte. Ltd.	Fellow subsidiary
Maybank Kim Eng Securities Limited	Fellow subsidiary
Maybank Investment Bank Berhad	Fellow subsidiary of the Group

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 Mr. [Signature] - Securities (Thailand) Limited Company, Director

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Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the years ended		Pricing policies
	31 December		
	2019	2018	
Transactions with related parties			
<u>Brokerage fees income</u>			At normal rate charged to other clients, in accordance with SET's and SEC's notification
Maybank Kim Eng Securities Pte. Ltd.	134	120	
Kim Eng Securities (Hong Kong) Limited	14	7	
<u>Fee and service income</u>			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	1	1	
<u>Research and advisory income</u>			In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	43	30	
<u>Fees and service expenses</u>			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	2	2	
<u>Brokerage expenses</u>			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	1	3	
Maybank Kim Eng Securities Limited	1	1	
<u>Research and advisory expenses</u>			In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	9	10	
<u>Dividend paid</u>			As declared
Maybank Kim Eng Holdings Limited	456	404	
Maybank Kim Eng Securities Pte. Ltd.	1	1	

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 Maybank Kim Eng Securities (Public) Limited (Company Limited)

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As at 31 December 2019 and 2018, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

	31 December 2019	31 December 2018	Pricing Policies
(Unit: Million Baht)			
<u>Securities business receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	276	2	
Kim Eng Securities (Hong Kong) Limited	221	-	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	-	11	
Maybank Kim Eng Securities Limited	-	1	
<u>Foreign deposits receivables</u>			As determined by Maybank
Maybank Kim Eng Securities Pte. Ltd.	438	430	Kim Eng Securities Pte. Ltd.
<u>Securities business payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	42	101	
Kim Eng Securities (Hong Kong) Limited	-	23	
<u>Foreign securities company payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	9	10	
<u>Foreign deposit payables</u>			No interest charged
Kim Eng Securities (Hong Kong) Limited	10	8	
<u>Other payables</u>			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	2	
Maybank Investment Bank Berhad	3	3	

As at 31 December 2019, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 30 million (31 December 2018: Baht 30 million). There is no overdraft outstanding balance as at 31 December 2019 and 2018.

33.1 Loans to employees

As at 31 December 2019, the Company had loans to employees under welfare program amounting to Baht 238 million. The loans charged interest at rate of 1.48 and 2.10 percent per annum (31 December 2018: Baht 244 million, interest at rate of 1.40 and 2.00 percent per annum).



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33.2 Management's remuneration

During the years ended 31 December 2019 and 2018, benefits paid to management of the Company, which presented as part of "Employee benefit expenses", are as follows:

(Unit: Million Baht)

	For the years ended 31 December	
	2019	2018
Management's remuneration		
Short-term employee benefits	93	101
Post-employment benefits	18	11
	111	112

34. Segment information

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

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

- Securities business segment, which provides service according to securities brokerage and derivative brokerage, securities trading and securities borrowing and lending.
- Investment banking segment, which provides service according to underwriting, investment advisory and corporate finance advisory.

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.

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Securities Brokerage Company Limited

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The following tables present revenue and profit information regarding the Company's operating segments for the years ended 31 December 2019 and 2018, respectively.

	(Unit: Million Baht)		
	Securities business segment	Investment banking segment	Total segments
For the year ended 31 December 2019			
Income			
Revenue from external customers			
Brokerage fees income	1,421	-	1,421
Fees and service income	11	63	74
Interest on margin loans	565	-	565
Gains and returns on financial instruments	268	-	268
Other income	75	-	75
Total income	2,340	63	2,403
Expenses			
Employee benefit expenses			1,119
Fee and service expenses			174
Financial cost			327
Reversal of bad debt and doubtful accounts			(1)
Other expenses			465
Total expenses			2,084
Profit before income tax			319
Income tax			(64)
Profit for the year			255

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(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
For the year ended 31 December 2018			
Income			
Revenue from external customers			
Brokerage fees income	1,735	20	1,755
Fees and service income	14	61	75
Interest on margin loans	640	-	640
Gains and returns on financial instruments	261	-	261
Other income	58	-	58
Total income	2,708	81	2,789
Expenses			
Employee benefit expenses			1,268
Fee and service expenses			180
Financial cost			347
Reversal of bad debt and doubtful accounts			(9)
Other expenses			513
Total expenses			2,299
Profit before income tax			490
Income tax			(99)
Profit for the year			391

The following table presents segment assets of the Company's operating segments as at 31 December 2019 and 2018.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Total
Segment assets					
As at 31 December 2019	12,887	14	12,901	3,237	16,138
As at 31 December 2018	13,821	2	13,823	2,537	16,360

Geographic information

The Company operates only in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusive to this geographical reportable segment.

Major customers

For the years ended 31 December 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

35. Commitments and contingent liabilities

35.1 Leases

The Company has significant outstanding commitments under office space, office equipment, and other service agreements as follows:

	(Unit: Million Baht)	
	<u>31 December 2019</u>	<u>31 December 2018</u>
Payable:		
In up to 1 year	87	90
In over 1 and up to 5 years	121	32

35.2 Litigation

As at 31 December 2019 and 2018, the Company has legal disputes in the court that the Company is acting as the respondent. The pending disputed amounts are totaling approximately Baht 55 million for both years. While the final judgments have not yet been reached in respect of these cases, the management of the Company under legal advice believed that no material losses to the financial statements will be incurred as a result of the mentioned legal disputes.

36. Financial instruments

Financial risk management

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

Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. The Company manages the risk by establishing trading credit approval limit for client, performing credit review and increasing credit limit at both of committee and individual level subject to credit level. In addition, the Company assigns Credit Committee to control and monitor the credit risk. Therefore, the Company does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the book value of securities and derivatives business receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, securities and derivatives business receivables, investments, loans, borrowings from financial institutions, debt issued and other borrowings and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate 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)

	Outstanding balance of financial instruments as at 31 December 2019						Interest rate (% p.a.)	
	Floating interest rate	Fixed interest rates			Non-performing debts	Total	Floating interest rate	Fixed interest rate
		Remaining period to the contractual repricing date or maturity date		Without interest				
		Within 1 year	1 - 5 years					
Financial assets								
Cash and cash equivalents	267	-	-	96	-	363	0.10 - 1.10	-
Receivables from Clearing House and brokers	-	-	-	495	-	495	-	-
Securities and derivatives business receivables	11,195	-	-	1,648	264	13,107	5.05 - 5.90	-
Investments	-	4	-	1,635	-	1,639	-	0.08 - 1.00
Loans	238	-	-	-	-	238	1.48 - 2.10	-
Financial liabilities								
borrowings from financial institutions	-	1,300	-	-	-	1,300	-	1.60 - 1.75
Payables to Clearing House and brokers	-	-	-	508	-	508	-	-
Securities and derivatives business payables	-	-	-	1,246	-	1,246	-	-
Derivative liabilities	-	-	-	17	-	17	-	-
Debt issued and other borrowings	-	8,347	-	-	-	8,347	-	1.70 - 2.45
Liabilities under financial lease agreements ⁽¹⁾	-	2	2	-	-	4	-	4.60 - 6.00

⁽¹⁾ Included in "other liabilities" in statement of financial position

(Unit: Million Baht)

Outstanding balance of financial instruments as at 31 December 2018								
	Floating interest rate	Fixed interest rates			Non-performing debts	Total	Interest rate (% p.a.)	
		Remaining period to the contractual repricing date or maturity date		Without interest			Floating interest rate	Fixed interest rate
		Within 1 year	1 - 5 years					
Financial assets								
Cash and cash equivalents	275	-	-	97	-	372	0.10 - 0.75	-
Receivables from Clearing House and brokers	-	-	-	680	-	680	-	-
Securities and derivatives business receivables	11,959	-	-	1,797	266	14,022	5.06 - 6.00	-
Investments	-	4	-	644	-	648	-	0.80 - 1.00
Loans	244	-	-	-	-	244	1.40 - 2.00	-
Financial liabilities								
Borrowings from financial institutions	-	2,965	-	-	-	2,965	-	2.10 - 2.20
Payables to Clearing House and brokers	-	-	-	366	-	366	-	-
Securities and derivatives business payables	-	-	-	1,225	-	1,225	-	-
Derivative liabilities	-	-	-	1	-	1	-	-
Debt issued and other borrowings	-	6,806	-	-	-	6,806	-	1.75 - 2.00
Liabilities under financial lease agreements ⁽¹⁾	-	5	4	-	-	9	-	4.84 - 6.00

⁽¹⁾ Included in "other liabilities" in statement of financial position

Liquidity risk

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

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

ข้อมูลทางการเงินนี้เป็นข้อมูลเบื้องต้น และอาจมีการเปลี่ยนแปลงได้ตามสถานการณ์ทางเศรษฐกิจและตลาดการเงิน

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

(Unit: Million Baht)

	31 December 2019						Total
	At call	Within 1	1 - 5 years	Over 5	No	Non-	
		year		years	maturity	performing	
Financial assets							
Cash and cash equivalents	363	-	-	-	-	-	363
Receivables from Clearing House and brokers	-	495	-	-	-	-	495
Securities and derivatives business receivables	42	1,605	-	-	11,196	264	13,107
Investments	-	4	-	-	1,635	-	1,639
Loans	-	32	105	101	-	-	238
Financial liabilities							
Borrowings from financial institutions	1,300	-	-	-	-	-	1,300
Payables to Clearing House and brokers	-	508	-	-	-	-	508
Securities and derivatives business payables	101	1,145	-	-	-	-	1,246
Derivatives liabilities	-	17	-	-	-	-	17
Debt issued and other borrowings	-	8,347	-	-	-	-	8,347
Liabilities under financial lease agreements ⁽¹⁾	-	2	2	-	-	-	4

⁽¹⁾ Included in "other liabilities" in statement of financial position

(Unit: Million Baht)

	31 December 2018						Total
	At call	Within 1	1 - 5 years	Over 5	No	Non-	
		year		years	maturity	performing	
Financial assets							
Cash and cash equivalents	372	-	-	-	-	-	372
Receivables from Clearing House and brokers	-	680	-	-	-	-	680
Securities and derivatives business receivables	126	1,671	-	-	11,959	266	14,022
Investments	-	4	-	-	644	-	648
Loans	-	34	114	96	-	-	244
Financial liabilities							
Borrowings from financial institutions	2,965	-	-	-	-	-	2,965
Payables to Clearing House and brokers	-	366	-	-	-	-	366
Securities and derivatives business payables	159	1,066	-	-	-	-	1,225
Derivatives liabilities	-	1	-	-	-	-	1
Debt issued and other borrowings	-	6,806	-	-	-	-	6,806
Liabilities under financial lease agreements ⁽¹⁾	-	5	4	-	-	-	9

⁽¹⁾ Included in "other liabilities" in statement of financial position

ข้อมูลทางการเงินนี้เป็นข้อมูลเบื้องต้น และอาจมีการเปลี่ยนแปลงได้ตามสถานการณ์และข้อมูลที่ได้รับ

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Foreign exchange risk

The Company's exposure to foreign currency risk arises mainly from brokerage service for securities listed in stock exchange in overseas.

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

Foreign currency	Financial assets		Financial liabilities		Exchange rate		Exchange rate	
	as at		as at		as at 31 December 2019		as at 31 December 2018	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	Buying	Selling	Buying	Selling
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)		(Baht per 1 foreign currency unit)	
Hong Kong dollar	119	54	119	53	3.8328	3.9136	4.1023	4.1808
Singapore dollar	70	25	67	24	22.0554	22.5935	23.4165	23.9720
US dollar	242	353	239	347	29.9767	30.3313	32.2848	32.6148
Malaysian ringgit	1	1	1	-	7.2154	7.4290	7.6965	7.9146
Euro	8	9	7	8	33.3775	34.0846	36.7620	37.4884
Pound sterling	3	2	1	1	39.0910	39.9523	40.6118	41.5216
Australian dollar	5	1	5	1	20.6800	21.4184	22.4505	23.2317
Japanese Yen	1	4	-	3	0.2723	0.2796	0.2892	0.2970
Vietnamese dong	123	150	115	143	0.0013	0.0013	0.0014	0.0014
Taiwan dollar	-	3	-	1	0.9960	1.0078	1.0491	1.0598
Chinese Yuan	3	4	3	4	4.2558	4.3736	4.6636	4.7838

Market risk

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

ข้อมูลนี้จัดทำขึ้นโดย บริษัทหลักทรัพย์ ไทยพาณิชย์ จำกัด (มหาชน) และ บริษัทหลักทรัพย์ ไทยพาณิชย์ (ต่างประเทศ) จำกัด (มหาชน)

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37. Fair value of financial instruments

As at 31 December 2019 and 2018, the Company has outstanding derivatives assets (liabilities) as stated in Note 9 as follows:

(Unit: Million Baht)

	31 December 2019		31 December 2018	
	Fair value	Notional amount	Fair value	Notional amount
Derivatives warrants	(17)	3,065	(1)	12
Futures ⁽¹⁾	-	1,657	-	659

⁽¹⁾ The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level on settlement date, fair value of outstanding future at the end of year included in "Receivables from Clearing House and brokers". As at 31 December 2019, fair value of derivative assets - future is Baht 24 million (31 December 2018: fair value of derivative assets - future is Baht 33 million).

As at 31 December 2019 and 2018, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 December 2019			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in trading securities				
Equity instruments	1,626	-	-	1,626
Derivatives assets ⁽¹⁾	-	-	-	-
Financial liabilities measured at fair value				
Derivatives liabilities	17	-	-	17

⁽¹⁾ Fair value of derivatives assets - futures as at 31 December 2019 amounting to Baht 24 million, included in "Receivables from Clearing House and brokers", was measured at fair value by using Level 1 of input.

(Unit: Million Baht)

	31 December 2018			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in trading securities				
Equity instruments	635	-	-	635
Derivatives assets ⁽¹⁾	-	-	-	-
Financial liabilities measured at fair value				
Derivatives liabilities	1	-	-	1

⁽¹⁾ Fair value of derivatives assets - futures as at 31 December 2018 amounting to Baht 33 million, included in "Receivables from Clearing House and brokers", was measured at fair value by using Level 1 of input.

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from/payables to Clearing House and brokers, securities and derivatives business receivables/payables, held-to-maturity investments and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) For loans, 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.
- d) For long-term loans and liabilities under financial lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there is no transfers within the fair value hierarchy.

38. Capital management

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

39. Event after the reporting period

On 12 February 2020, the meeting of the Company's Board of Directors resolved to approve annual dividends from the operating result as from 1 January 2019 to 31 December 2019 in cash at Baht 0.18 per share, or a total of Baht 103 million. The cash dividend payments will be made on 20 April 2020.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 February 2020.

บริษัทหลักทรัพย์ ทรู ดีเวลลอปเม้นท์ จำกัด (มหาชน)
True Securities Public Company Limited

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