

Maybank Securities (Thailand) Public
Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2022

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position of Maybank Securities (Thailand) Public Company Limited as at 30 September 2022, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statement of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 1 November 2022

Maybank Securities (Thailand) Public Company Limited

Statement of Financial Position

As at 30 September 2022

		(Unit: Thousand Baht)	
	Note	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	355,549	800,844
Receivables from Clearing House and brokers		1,611,435	550,049
Securities and derivatives business receivables	3	17,352,732	21,600,700
Derivatives assets	4	236,351	71,638
Investments	5	2,328,846	3,273,149
Loans to employees		187,325	198,211
Equipment		96,367	88,426
Right-of-use assets		203,262	267,789
Intangible assets		48,875	35,137
Deferred tax assets		94,099	83,292
Other assets		454,184	384,424
Total assets		22,969,025	27,353,659

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

Maybank Securities (Thailand) Public Company Limited

Statement of Financial Position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

Note	30 September 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Liabilities		
Borrowings from financial institutions	2,085,000	-
Payables to Clearing House and brokers	4,472	1,450,434
Securities and derivatives business payables	6 2,301,191	2,511,550
Financial liabilities designated at fair value through profit or loss	99,321	-
Derivatives liabilities	4 1,530	24,771
Income tax payable	38,029	98,283
Debt issued and other borrowings	7 12,745,805	17,520,271
Provisions	325,445	295,452
Lease liabilities	199,709	260,408
Other liabilities	325,914	378,879
Total liabilities	18,126,416	22,540,048
Shareholders' equity		
Issued and paid-up share capital		
570,814,500 ordinary shares of Baht 5 each	2,854,073	2,854,073
Share premium	523,571	523,571
Premium on treasury shares	19,218	19,218
Retained earnings		
Appropriated - statutory reserve	286,125	286,125
Unappropriated	1,157,120	1,128,453
Other components of shareholders' equity	2,502	2,171
Total shareholders' equity	4,842,609	4,813,611
Total liabilities and shareholders' equity	22,969,025	27,353,659

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



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

Directors

(Unaudited but reviewed)

Maybank Securities (Thailand) Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2022

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2022	2021
Profit or loss:			
Income			
Brokerage fees income	9	345,182	614,377
Fees and service income	10	85,992	47,685
Interest income	11	179,151	178,360
Gains (losses) and returns on financial instruments	12	37,747	(2,969)
Other income		28,118	17,900
Total income		676,190	855,353
Expenses			
Employee benefit expenses		309,992	397,056
Fees and service expenses		43,810	59,300
Interest expenses		55,550	65,132
Expected credit losses		655	684
Other expenses		122,320	107,362
Total expenses		532,327	629,534
Profit before income tax		143,863	225,819
Income tax	13	(26,169)	(42,179)
Profit for the period		117,694	183,640
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		117,694	183,640
Earnings per share			
Basic earnings per share		0.21	0.32

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

(Unaudited but reviewed)

Maybank Securities (Thailand) Public Company Limited**Statement of comprehensive income****For the nine-month period ended 30 September 2022**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	2022	2021
Profit or loss:			
Income			
Brokerage fees income	9	1,316,215	1,953,515
Fees and service income	10	177,009	111,699
Interest income	11	543,230	481,870
Gains and returns on financial instruments	12	155,060	66,763
Other income		59,789	46,156
Total income		<u>2,251,303</u>	<u>2,660,003</u>
Expenses			
Employee benefit expenses		964,084	1,163,545
Fees and service expenses		136,191	177,999
Interest expense		179,842	174,755
Expected credit losses (reversal)		(227)	664
Other expenses		359,559	356,538
Total expenses		<u>1,639,449</u>	<u>1,873,501</u>
Profit before income tax		611,854	786,502
Income tax	13	(120,827)	(154,820)
Profit for the period		<u>491,027</u>	<u>631,682</u>
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Gain on investments in equity instruments designated at fair value through other comprehensive income		414	133
Income tax effect		(83)	(27)
Gain on investments in equity instruments designated at fair value through other comprehensive income - net of income tax effect		<u>331</u>	<u>106</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax effect		<u>331</u>	<u>106</u>
Other comprehensive income for the period		<u>331</u>	<u>106</u>
Total comprehensive income for the period		<u><u>491,358</u></u>	<u><u>631,788</u></u>
Earnings per share			
Basic earnings per share		<u>0.86</u>	<u>1.11</u>

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

(Unaudited but reviewed)

Maybank Securities (Thailand) Public Company Limited

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Issued and paid-up capital	Share premium	Premium on treasury shares	Retained earnings		Gain from investments in equity instruments	Other components of equity	Total
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2021	2,854,073	523,571	19,218	286,125	916,502	2,065	4,601,554	
Dividend paid (Note 8)	-	-	-	-	(559,398)	-	(559,398)	
Profit for the period	-	-	-	-	631,682	-	631,682	
Other comprehensive income for the period	-	-	-	-	-	106	106	
Total comprehensive income for the period	-	-	-	-	631,682	106	631,788	
Balance as at 30 September 2021	2,854,073	523,571	19,218	286,125	988,786	2,171	4,673,944	
Balance as at 1 January 2022	2,854,073	523,571	19,218	286,125	1,128,453	2,171	4,813,611	
Dividend paid (Note 8)	-	-	-	-	(462,360)	-	(462,360)	
Profit for the period	-	-	-	-	491,027	-	491,027	
Other comprehensive income for the period	-	-	-	-	-	331	331	
Total comprehensive income for the period	-	-	-	-	491,027	331	491,358	
Balance as at 30 September 2022	2,854,073	523,571	19,218	286,125	1,157,120	2,502	4,842,609	

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

(Unaudited but reviewed)

Maybank Securities (Thailand) Public Company Limited

Cash flows statement

For the nine-month period ended 30 September 2022

	(Unit: Thousand Baht)	
	2022	2021
Cash flows from operating activities		
Profits before income tax	611,854	786,502
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities		
Depreciation and amortisation	99,568	99,144
Gain on modification of lease agreement	-	(252)
Expected credit losses (reversal)	(227)	664
Doubtful accounts - other assets	-	22,460
Unrealised loss on revaluation of investments	195,760	378,058
Unrealised loss on revaluation of exchange rate	355,699	103,538
Unrealised gain on revaluation of derivatives assets and liabilities	(374,725)	(161,504)
(Gain) loss on sales and written-off of equipment	20	(988)
Interest expenses	179,842	174,755
Interest income	(543,230)	(481,870)
Amortisation of prepaid personal expenses	335	406
Provision for long-term employee benefits	32,112	23,155
Profit from operating activities before changes in operating assets and liabilities	557,008	944,068
(Increase) decrease in operating assets		
Receivables from Clearing House and brokers	(878,298)	917,877
Securities and derivatives business receivables	4,237,959	(7,028,020)
Investments	747,123	(5,023,311)
Loans to employees	10,874	12,039
Other assets	(39,323)	35,227

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

(Unaudited but reviewed)

Maybank Securities (Thailand) Public Company Limited

Cash flows statement (continued)

For the nine-month period ended 30 September 2022

	(Unit: Thousand Baht)	
	2022	2021
Increase (decrease) in operating liabilities		
Payables to Clearing House and brokers	(1,445,958)	1,938,170
Securities and derivatives business payables	(208,524)	(589,026)
Financial liabilities designated at fair value through profit or loss	104,100	-
Derivative liabilities	1,940	(19,313)
Provisions	(2,119)	(18,487)
Other liabilities	(51,499)	87,552
Cash received (paid) from operating activities	3,033,283	(8,743,224)
Cash paid for interest	(104,959)	(97,011)
Cash received from interest	522,124	456,659
Cash paid for income tax	(191,970)	(220,221)
Net cash flows provided by (used in) operating activities	3,258,478	(8,603,797)
Cash flows from investing activities		
Cash received (paid) from investing activities		
Cash paid for purchases of equipment	(34,878)	(16,873)
Proceeds from disposals of equipment	87	1,051
Cash paid for purchases of intangible assets	(20,093)	(17,080)
Net cash flows used in investing activities	(54,884)	(32,902)
Cash flows from financing activities		
Cash received (paid) from financing activities		
Cash received from borrowings from financial institutions	45,210,000	77,630,000
Cash paid for borrowings from financial institutions	(43,125,000)	(76,820,000)
Cash received from debt issued and other borrowings	22,180,337	26,844,258
Cash paid for debt issued and other borrowings	(27,384,547)	(17,702,000)
Cash paid for lease liabilities	(67,899)	(69,662)
Dividend paid	(462,360)	(559,398)
Net cash flows provided by (used in) financing activities	(3,649,469)	9,323,198
Net increase (decrease) in cash and cash equivalents	(445,875)	686,499
(Increase) decrease in allowance for expected credit losses	580	(378)
Cash and cash equivalents at the beginning of the period	800,844	130,770
Cash and cash equivalents at the ending of the period (Note 2)	355,549	816,891

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

Maybank Securities (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2022

1. General information

1.1 Corporate information

Maybank Securities (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Maybank IBG Holdings Limited (Formerly known as “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 located at No. 999/9 The Offices at Central World Building, 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok. As at 30 September 2022, the Company has 25 branches in Bangkok and upcountry (31 December 2021: 28 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No.34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements and the presentation of the financial statements has been made in compliance with 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 3) No. SorThor. 6/2562 dated 8 January 2019.

The interim financial statements are intended to provide additional information to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

(Unaudited but reviewed)

1.3 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

2. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>30 September 2022</u>	<u>31 December 2021</u>
Cash, short-term fixed deposits and short-term certificates of deposit maturing within 3 months from date of acquisition	3,488,105	4,102,517
Less: Cash deposits held for customers	<u>(3,132,315)</u>	<u>(3,300,852)</u>
	355,790	801,665
Less: Allowance for expected credit losses	<u>(241)</u>	<u>(821)</u>
Cash and cash equivalents	<u><u>355,549</u></u>	<u><u>800,844</u></u>

Supplemental cash flows information

	(Unit: Thousand Baht)	
	<u>30 September 2022</u>	<u>30 September 2021</u>
Non-cash items:		
Increase in right-of-use assets and lease liabilities	4,095	-
Purchase of equipment and intangible asset on credit	-	8,075

(Unaudited but reviewed)

3. Securities and derivatives business receivables

(Unit: Thousand Baht)

	<u>30 September 2022</u>	<u>31 December 2021</u>
Securities business receivables		
Cash accounts receivables	1,609,273	4,098,003
Credit balance accounts receivables	15,511,338	17,357,725
Receivables under securities borrowing and lending business	139,462	31,768
Other receivables	264,365	263,656
Total securities business receivables	<u>17,524,438</u>	<u>21,751,152</u>
Add: Accrued interest receivables	50,560	60,212
Less: Allowance for expected credit losses	<u>(253,033)</u>	<u>(252,648)</u>
Securities business receivables	<u>17,321,965</u>	<u>21,558,716</u>
Derivatives business receivables		
Derivatives business receivables	30,598	41,861
Other receivables	134,020	134,020
Less: Allowance for expected credit losses	<u>(133,851)</u>	<u>(133,897)</u>
Derivatives business receivables	<u>30,767</u>	<u>41,984</u>
Securities and derivatives business receivables	<u><u>17,352,732</u></u>	<u><u>21,600,700</u></u>

(Unaudited but reviewed)

3.1 Classification of securities and derivatives business receivables

As at 30 September 2022 and 31 December 2021, classification are as follows:

	(Unit: Thousand Baht)		
	30 September 2022		
	Securities business receivables and accrued interest	Exposure at Default	Allowance for expected credit losses
Securities business receivables			
12-month ECL	17,310,633	17,310,633	(1,058)
Lifetime ECL - not credit impaired	-	-	-
Lifetime ECL - credit impaired	264,365	264,365	(251,975)
Total securities business receivables	<u>17,574,998</u>	<u>17,574,998</u>	<u>(253,033)</u>
Derivative business receivables			
12-month ECL	30,598	30,598	-
Lifetime ECL - not credit impaired	-	-	-
Lifetime ECL - credit impaired	134,020	134,020	(133,851)
Total derivative business receivables	<u>164,618</u>	<u>164,618</u>	<u>(133,851)</u>
Total securities and derivative business receivables	<u>17,739,616</u>	<u>17,739,616</u>	<u>(386,884)</u>
			(Unit: Thousand Baht)
			31 December 2021
	Securities business receivables and accrued interest	Exposure at Default	Allowance for expected credit losses
Securities business receivables			
12-month ECL	21,547,708	21,547,708	(1,306)
Lifetime ECL - not credit impaired	-	-	-
Lifetime ECL - credit impaired	263,656	263,656	(251,342)
Total securities business receivables	<u>21,811,364</u>	<u>21,811,364</u>	<u>(252,648)</u>
Derivative business receivables			
12-month ECL	41,861	41,861	-
Lifetime ECL - not credit impaired	-	-	-
Lifetime ECL - credit impaired	134,020	134,020	(133,897)
Total derivative business receivables	<u>175,881</u>	<u>175,881</u>	<u>(133,897)</u>
Total securities and derivative business receivables	<u>21,987,245</u>	<u>21,987,245</u>	<u>(386,545)</u>

(Unaudited but reviewed)

As at 30 September 2022, credit impaired loans (including accrued interest) totalling Baht 254 million is the Company's receivables before Kim Eng Holdings Limited (Current name is Maybank IBG Holdings Limited) became a shareholders and management of the Company in 1998.

4. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

Type of risk	30 September 2022			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Equity price				
- Derivatives warrants	-	-	1,530	302,213
- Futures ⁽¹⁾	-	727,936	-	1,652,498
Exchange rate				
- Forward contract	236,351	1,991,398	-	-
Total	236,351	2,719,334	1,530	1,954,711

⁽¹⁾ The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level. Net fair value of outstanding futures as at 30 September 2022, fair value of derivative assets - futures is Baht 82 million included in "Receivables from clearing house and brokers".

(Unit: Thousand Baht)

Type of risk	31 December 2021			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Equity price				
- Futures ⁽¹⁾	-	833,270	-	2,499,065
Exchange rate				
- Forward contract	71,638	1,599,633	24,771	2,390,348
Total	71,638	2,432,903	24,771	4,889,413

⁽¹⁾ The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level. Net fair value of outstanding futures as at 31 December 2021, fair value of derivative liabilities - futures is Baht 98 million included in "Receivables from Clearing House and brokers".

Derivatives warrants are cash settlement between the closing price of underlying equities as at last trading day and the exercise price.

(Unaudited but reviewed)

5. Investments**5.1 Cost and fair value**

(Unit: Thousand Baht)

	30 September 2022			31 December 2021		
	Fair value/Amortised cost			Fair value/Amortised cost		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
<u>Fair value</u>						
Investments measured at fair value through profit or loss						
Trading securities						
Marketable equity instruments in domestic market						
	2,308,284	4,148	2,312,432	3,254,565	2,585	3,257,150
Total	2,308,284	4,148	2,312,432	3,254,565	2,585	3,257,150
Investments designated at fair value through other comprehensive income						
Non-marketable equity instruments in domestic market						
	12,885	-	12,885	12,471	-	12,471
Total	12,885	-	12,885	12,471	-	12,471
<u>Amortised cost</u>						
Investments measured at amortised cost						
Fixed deposits	4,000,000	-	4,000,000	3,000,000	-	3,000,000
Deposits with restriction	-	3,531	3,531	-	3,531	3,531
Government bonds	11,542,818	-	11,542,818	9,435,304	-	9,435,304
Less: Investments held for customers	(15,542,818)	-	(15,542,818)	(12,435,304)	-	(12,435,304)
Less: Allowance for expected credit losses	-	(2)	(2)	-	(3)	(3)
Total	-	3,529	3,529	-	3,528	3,528
Total investments	2,321,169	7,677	2,328,846	3,267,036	6,113	3,273,149

(Unit: Thousand Baht)

30 September 2022 31 December 2021

Restricted investments in equity instruments in domestic market

Fair value of securities lending 4,148 2,585

(Unaudited but reviewed)

6. Securities and derivatives business payables

(Unit: Thousand Baht)

	30 September 2022	31 December 2021
Cash accounts payables	2,134,284	2,452,857
Payables under securities borrowings and lending business	166,907	58,693
Securities and derivatives business payables	<u>2,301,191</u>	<u>2,511,550</u>

7. Debt issued and other borrowings

As at 30 September 2022 and 31 December 2021, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	30 September 2022			
	Interest rate	Remaining years to maturity		
	per annum (percent)	Within 1 year	1 - 5 years	Total
Bills of exchange	0.85 - 1.20	10,509,313	-	10,509,313
Subordinated loans (USD 59 million, matured within October 2022)	1.95	2,236,492	-	2,236,492
Debt issued and other borrowings		<u>12,745,805</u>	-	<u>12,745,805</u>

(Unit: Thousand Baht)

	31 December 2021			
	Interest rate	Remaining years to maturity		
	per annum (percent)	Within 1 year	1 - 5 years	Total
Bills of exchange	0.95 - 1.05	13,483,147	-	13,483,147
Subordinated loan (USD 121 million, mature within October 2022)	1.90 - 2.00	4,037,124	-	4,037,124
Debt issued and other borrowings		<u>17,520,271</u>	-	<u>17,520,271</u>

(Unaudited but reviewed)

8. Dividends

Dividends	Approved by	Dividend paid (Million Baht)	Dividend per share (Baht)
Interim dividends for the operating result as from 1 January 2022 to 30 June 2022	Board of Directors' meeting on 29 August 2022	188	0.33
Dividends for the operating result as from 1 January 2021 to 31 December 2021	Annual General Meeting of the shareholders on 11 April 2022	274	0.48
Dividend paid during the nine-month period ended 30 September 2022		462	0.81
Interim dividends for the operating result as from 1 January 2021 to 30 June 2021	Board of Directors' meeting on 13 August 2021	274	0.48
Dividends for the operating result as from 1 January 2020 to 31 December 2020	Annual General Meeting of the shareholders on 8 April 2021	285	0.50
Dividend paid during the nine-month period ended 30 September 2021		559	0.98

9. Brokerage fees income

	(Unit: Thousand Baht)			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2022	2021	2022	2021
Brokerage fees income from securities business	304,457	569,082	1,195,506	1,832,620
Brokerage fees income from derivatives business	40,725	44,502	120,709	120,102
Other brokerage fees	-	793	-	793
Brokerage fee income	345,182	614,377	1,316,215	1,953,515

(Unaudited but reviewed)

10. Fees and service income

	(Unit: Thousand Baht)			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2022	2021	2022	2021
Underwriting fee	56,504	23,411	106,669	54,430
Financial advisory	17,341	5,800	34,379	24,344
Securities borrowing and lending	1,853	1,077	4,907	4,016
Others	10,294	17,397	31,054	28,909
Fees and service income	<u>85,992</u>	<u>47,685</u>	<u>177,009</u>	<u>111,699</u>

11. Interest income

	(Unit: Thousand Baht)			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2022	2021	2022	2021
Interest income on margin loans	154,736	159,423	476,239	427,258
Interest income on bank deposits and government bonds	23,576	18,099	64,531	51,686
Interest income on staff loans	839	838	2,460	2,926
Interest income	<u>179,151</u>	<u>178,360</u>	<u>543,230</u>	<u>481,870</u>

12. Gains (losses) and returns on financial instruments

	(Unit: Thousand Baht)			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2022	2021	2022	2021
Gains (losses) on trading investments	(71,920)	(146,508)	(238,410)	77,683
Gains (losses) on trading derivatives	103,519	112,795	313,563	(82,710)
Dividend income	6,148	30,744	79,907	71,790
Gains (losses) and returns on financial instruments	<u>37,747</u>	<u>(2,969)</u>	<u>155,060</u>	<u>66,763</u>

(Unaudited but reviewed)

13. Income tax

Income tax for the three-month and nine-month periods ended 30 September 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Current income tax:				
Corporate income tax for the period	41,338	55,516	128,931	182,684
Adjustment of corporate income tax of previous years	-	-	2,785	(76)
Deferred tax:				
Adjust of deferred tax liabilities and corporate income tax payable of previous year				
Decrease in deferred tax liabilities	-	-	-	(98,057)
Increase in corporate income tax payable of previous year	-	-	-	98,057
Relating to origination and reversal of temporary differences	(15,169)	(13,337)	(10,889)	(27,788)
Income tax reported in profit or loss	26,169	42,179	120,827	154,820

14. Related party transactions

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

Related parties	Relationship
Malayan Banking Berhad	The ultimate parent company
Maybank IBG Holdings Limited (Formerly known as "Maybank Kim Eng Holdings Limited")	Parent company
Maybank Securities Pte. Ltd. (Formerly known as "Maybank Kim Eng Securities Pte. Ltd.")	Fellow subsidiary
MIB Securities (Hong Kong) Limited (Formerly known as "Kim Eng Securities (Hong Kong) Limited")	Fellow subsidiary
Maybank Research Pte. Ltd. (Formerly known as "Maybank Kim Eng Research Pte. Ltd.")	Fellow subsidiary
Maybank Securities Limited (Formerly known as "Maybank Kim Eng Securities Limited")	Fellow subsidiary
Maybank Investment Bank Berhad	Fellow subsidiary of the Group
Maybank Shared Services Sdn. Bhd.	Fellow subsidiary of the Group

(Unaudited but reviewed)

Such related parties transactions have been concluded on commercial terms and base agreed upon the ordinary course of businesses between the Company and those related parties. Below is a summary of those transactions.

(Unit: Million Baht)

	For the		For the		Pricing policies
	three-month	three-month	nine-month	nine-month	
	periods ended	periods ended	periods ended	periods ended	
	30 September	30 September	30 September	30 September	
	2022	2021	2022	2021	
Transactions with related parties					
<u>Brokerage fees income</u>					
Maybank Securities Pte. Ltd. ⁽¹⁾	21	31	65	97	At normal rate charged to other clients which is in accordance with SET's and SEC's notification
MIB Securities (Hong Kong) Limited ⁽²⁾	-	-	1	1	
<u>Research and advisory service income</u>					In accordance with the agreement
Maybank Research Pte. Ltd. ⁽³⁾	17	11	34	26	
<u>Corporate finance advisory fee income</u>					In accordance with the agreement
Maybank Investment Bank Berhad	-	-	1	-	
<u>Fees and service expenses</u>					In accordance with the agreement
Maybank Securities Pte. Ltd. ⁽¹⁾	-	1	-	1	
<u>Brokerage fees expenses</u>					In accordance with the agreement
Maybank Securities Pte. Ltd. ⁽¹⁾	1	2	5	6	
Maybank Securities Limited ⁽⁴⁾	-	1	1	1	
<u>Research and advisory service expenses</u>					In accordance with the agreement
Maybank Research Pte. Ltd. ⁽³⁾	1	1	3	3	
<u>Interest expenses</u>					In accordance with the agreement
Maybank IBG Holdings Limited ⁽⁵⁾	15	6	50	10	
<u>Other expenses</u>					In accordance with the agreement
Maybank Shared Services Sdn. Bhd.	3	-	8	-	
<u>Dividend paid</u>					As declared
Maybank IBG Holdings Limited ⁽⁵⁾	157	228	385	466	
Maybank Securities Pte. Ltd. ⁽¹⁾	-	1	1	2	

⁽¹⁾ Formerly known as "Maybank Kim Eng Securities Pte. Ltd."

⁽²⁾ Formerly known as "Kim Eng Securities (Hong Kong) Limited."

⁽³⁾ Formerly known as "Maybank Kim Eng Research Pte. Ltd."

⁽⁴⁾ Formerly known as "Maybank Kim Eng Securities Limited"

⁽⁵⁾ Formerly known as "Maybank Kim Eng Holdings Limited."

(Unaudited but reviewed)

As at 30 September 2022 and 31 December 2021, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

(Unit: Million Baht)

	30 September 2022	31 December 2021	Pricing Policies
<u>Securities business receivables</u>			No interest charged
Maybank Securities Pte. Ltd. ⁽¹⁾	-	1,577	
MIB Securities (Hong Kong) Limited ⁽²⁾	50	-	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Securities Pte. Ltd. ⁽¹⁾	1	1	
<u>Foreign deposits receivables</u>			As determined by Maybank Securities Pte. Ltd. ⁽¹⁾
Maybank Securities Pte. Ltd. ⁽¹⁾	427	358	
<u>Accrued research and advisory fee income</u>			In accordance with the agreement
Maybank Research Pte. Ltd. ⁽³⁾	32	-	
<u>Other receivables</u>			In accordance with the agreement
Maybank Investment Bank Berhad	-	10	
<u>Securities business payables</u>			No interest charged
Maybank Securities Pte. Ltd. ⁽¹⁾	866	-	
<u>Foreign securities company payables</u>			No interest charged
Maybank Securities Pte. Ltd. ⁽¹⁾	4	4	
<u>Foreign deposit payables</u>			No interest charged
MIB Securities (Hong Kong) Limited ⁽²⁾	8	4	
<u>Subordinated loan</u>			In accordance with the agreement
Maybank IBG Holdings Limited ⁽⁴⁾	2,236	4,037	
<u>Accrued research and advisory fee expense</u>			In accordance with the agreement
Maybank Research Pte. Ltd. ⁽³⁾	3	-	
<u>Interest payables</u>			In accordance with the agreement
Maybank IBG Holdings Limited ⁽⁴⁾	10	15	
<u>Other payables</u>			In accordance with the agreement
Maybank Investment Bank Berhad	1	1	
Maybank Securities Pte. Ltd. ⁽¹⁾	1	-	

⁽¹⁾ Formerly known as "Maybank Kim Eng Securities Pte. Ltd."

⁽²⁾ Formerly known as "Kim Eng Securities (Hong Kong) Limited."

⁽³⁾ Formerly known as "Maybank Kim Eng Research Pte. Ltd."

⁽⁴⁾ Formerly known as "Maybank Kim Eng Holdings Limited."

(Unaudited but reviewed)

As at 30 September 2022, Maybank IBG Holdings Limited (Formerly known as “Maybank Kim Eng Holdings Limited.”) guaranteed the overdraft facilities of the Company amounting to Baht 30 million (31 December 2021: Baht 30 million). There is no overdraft outstanding balance as at 30 September 2022 (31 December 2021: none).

14.1 Loans from related parties

As at 30 September 2022, the loans from related parties between the Company and the related company and the movement of loans are as follows:

		(Unit: Million Baht)			
Subordinated loan	Relationship	Balance as at 1 January 2022	Decrease during the period	Loss on exchange rate	Balance as at 30 September 2022
Maybank IBG Holdings Limited (Formerly known as “Maybank Kim Eng Holdings Limited.”)	Parent: company	4,037	(2,159)	358	2,236
Total		4,037	(2,159)	358	2,236

14.2 Management’s remuneration

During the three-month and nine-month periods ended 30 September 2022 and 2021, benefits paid to management of the Company, which presented as part of “Employee benefit expenses” are as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Management’s remuneration				
Short-term employee benefits	16	26	59	88
Post-employment benefits	5	4	12	13
Total	21	30	71	101

(Unaudited but reviewed)

15. Segment information

The Company is organised into business units based on their products and services. During the current period, the Company has not changed the organisation of their reportable segments from the last financial statements.

The following tables present revenue and profit information regarding the Company's operating segments for the nine-month periods ended 30 September 2022 and 2021, respectively.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
For the nine-month period ended 30 September 2022			
Income			
Revenue from external customers			
Brokerage fees income	1,316	-	1,316
Fees and service income	36	141	177
Interest income	543	-	543
Gains and returns on financial instruments	155	-	155
Other income	60	-	60
Total income	2,110	141	2,251
Expenses			
Employee benefit expenses			964
Fees and service expenses			136
Interest expenses			180
Expected credit losses			-
Other expenses			359
Total expenses			1,639
Profit before income tax			612
Income tax			(121)
Profit for the period			491

(Unaudited but reviewed)

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
For the nine-month period ended 30 September 2021			
Income			
Revenue from external customers			
Brokerage fees income	1,952	1	1,953
Fees and service income	33	79	112
Interest income	482	-	482
Gains and returns on financial instruments	67	-	67
Other income	46	-	46
Total income	2,580	80	2,660
Expenses			
Employee benefit expenses			1,163
Fees and service expenses			178
Interest expenses			175
Expected credit losses			1
Other expenses			356
Total expenses			1,873
Profit before income tax			787
Income tax			(155)
Profit for the period			632

The following table presents segment assets of the Company's operating segments as at 30 September 2022 and 31 December 2021.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Total
Segment assets					
As at 30 September 2022	19,058	1	19,059	3,910	22,969
As at 31 December 2021	20,404	5	20,409	6,945	27,354

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 nine-month periods ended 30 September 2022 and 2021, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

16. Commitments and contingent liabilities

16.1 Litigation

As at 30 September 2022, the Company has legal disputes in the court that the Company is acting as the respondent. The pending disputed amounts are totaling approximately Baht 418 million. While the final judgments have not yet been reached in respect of these cases, the management of the Company under legal opinion believed that no material losses to the financial statements will be incurred as a result of the mentioned legal disputes.

17. Fair value measurement of financial instruments

The Company applies the market approach in measuring the fair value of assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in the case where there is no active market or a quoted price in active market is not available, the Company is to measure the fair value using assumptions e.g. net book value, cost method or valuation technique to measure the assets and liabilities.

17.1 Fair value of financial instruments

As of 30 September 2022 and 31 December 2021, the Company had the following financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	30 September 2022			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value				
Securities and derivatives business receivables				
Receivables under securities borrowing and lending business	139	-	-	139
Derivatives assets ⁽¹⁾				
Forward contract	-	236	-	236
Investments				
Marketable equity instruments in domestic market	2,312	-	-	2,312
Non-marketable equity instruments in domestic market	-	-	13	13
Financial liabilities				
Financial liabilities measured at fair value				
Securities and derivatives business payables				
Payables under securities borrowing and lending business	167	-	-	167
Derivatives liabilities				
Derivatives warrants	2	-	-	2

⁽¹⁾ Fair value of derivatives assets - futures (net) as at 30 September 2022 amounting to Baht 82 million, included in "Receivables from clearing house and brokers", were measured at fair value by using Level 1 of input.

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2021			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value				
Securities and derivatives business receivables				
Receivables under securities borrowing and lending business	32	-	-	32
Derivatives assets				
Forward contract	-	72	-	72
Investments				
Marketable equity instruments in domestic market	3,257	-	-	3,257
Non-marketable equity instruments in domestic market	-	-	12	12
Financial liabilities				
Financial liabilities measured at fair value				
Securities and derivatives business payables				
Payables under securities borrowing and lending business	59	-	-	59
Derivatives liabilities ⁽¹⁾				
Forward contract	-	25	-	25

⁽¹⁾ Fair value of derivatives liabilities - futures (net) as at 31 December 2021 amounting to Baht 98 million, included in "Receivables from Clearing House and brokers", were measured at fair value by using Level 1 of input.

During the current period, the entity does not change methods and assumptions used in estimating fair value of financial instruments, and there is no transfers within the fair value hierarchy.

18. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 1 November 2022.