

**SCB Securities Co., Ltd.**

Financial statements for the year ended  
31 December 2021  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of SCB Securities Co., Ltd.

#### *Opinion*

I have audited the financial statements of SCB Securities Co., Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process. 4



*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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment 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.

*Thitima P.*

(Thitima Pongchaiyong)  
Certified Public Accountant  
Registration No. 10728

KPMG Phoomchai Audit Ltd.  
Bangkok  
31 March 2022

# SCB Securities Co., Ltd.

## Statement of financial position

Assets	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
Cash and cash equivalents	5, 34	739,655,681	756,123,104
Receivables from Clearing House and broker - dealers	6	822,789,099	782,204,617
Securities business receivables	7	4,707,508,940	4,582,507,550
Derivative assets	8	694,877,060	486,479,480
Non-collateralised investments	9	4,956,001,742	2,234,320,104
Leasehold improvement and equipment	11	35,538,537	37,387,330
Right-of-use assets	36	6,831,989	27,978,348
Intangible assets	12	183,199,907	221,470,175
Deferred tax assets	29	63,835,818	49,466,548
Other assets	13, 34	<u>531,775,039</u>	<u>302,794,163</u>
<b>Total assets</b>		<b><u><u>12,742,013,812</u></u></b>	<b><u><u>9,480,731,419</u></u></b>

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

# SCB Securities Co., Ltd.

## Statement of financial position

Liabilities and equity	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
<b>Liabilities</b>			
Borrowings from financial institution	14, 34	-	1,750,000,000
Payables to Clearing House and broker - dealers	15	182,113,671	717,317,511
Securities business payables	16	2,404,186,896	2,595,972,634
Derivative liabilities	8	288,027,923	242,645,314
Current tax liabilities		201,183,921	65,619,573
Debt issued	17	5,816,492,978	433,960,708
Lease liabilities	34	6,987,856	28,301,510
Provisions	18	112,212,799	87,270,093
Other liabilities	19, 34	543,851,276	272,022,089
<b>Total liabilities</b>		<b>9,555,057,320</b>	<b>6,193,109,432</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
(240,000,000 ordinary shares, par value at Baht 10 per share)		2,400,000,000	2,400,000,000
Issued and paid-up share capital			
(240,000,000 ordinary shares, par value at Baht 8.75 per share)		2,100,000,000	2,100,000,000
Retained earnings			
Appropriated - Legal reserves	21	240,000,000	240,000,000
Unappropriated		846,956,492	947,621,987
<b>Total equity</b>		<b>3,186,956,492</b>	<b>3,287,621,987</b>
<b>Total liabilities and equity</b>		<b>12,742,013,812</b>	<b>9,480,731,419</b>

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

# SCB Securities Co., Ltd.

## Statement of comprehensive income

	Note	Year ended 31 December	
		2021	2020
		<i>(in Baht)</i>	
<b>Income</b>			
Brokerage fees	22, 34	2,336,206,615	1,627,706,274
Fees and service income	23, 34	1,364,340,044	490,670,734
Interest income	24, 34	257,848,930	139,773,978
Gains and return on financial instruments	25	420,162,549	175,133,661
Other income	26, 34	82,045,968	59,053,584
<b>Total income</b>		<b>4,460,604,106</b>	<b>2,492,338,231</b>
<b>Expenses</b>			
Employee benefit expenses	27, 32	1,113,843,298	865,235,609
Fees and service expenses	34	700,120,315	244,707,251
Interest expenses	34	276,382,192	97,093,283
Other expenses	28, 34	488,454,574	345,617,964
<b>Total expenses</b>		<b>2,578,800,379</b>	<b>1,552,654,107</b>
<b>Profit before income tax</b>		<b>1,881,803,727</b>	<b>939,684,124</b>
Income tax	29	(372,358,506)	(187,099,513)
<b>Profit for the year</b>		<b>1,509,445,221</b>	<b>752,584,611</b>
<b>Other comprehensive income (loss)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	18	6,871,605	(1,883,716)
Income tax relating to items that will not be reclassified subsequently to profit or loss	29	(1,374,321)	376,743
<b>Total other comprehensive income (loss), net of tax</b>		<b>5,497,284</b>	<b>(1,506,973)</b>
<b>Total comprehensive income for the year</b>		<b>1,514,942,505</b>	<b>751,077,638</b>
<b>Basic earnings per share</b>	30	<b>6.29</b>	<b>3.14</b>

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

**SCB Securities Co., Ltd.**  
**Statement of changes in equity**

	Note	Retained earnings		Other components of equity		Total
		Appropriated	Unappropriated (in Baht)	Gain (loss) on re-measuring available-for-sale investments		
<b>Year ended 31 December 2020</b>						
<b>Balance at 31 December 2019 - as report</b>		<b>2,100,000,000</b>	<b>240,000,000</b>	<b>662,495,653</b>	<b>2,480,121</b>	<b>3,004,975,774</b>
Impact from changes in accounting policies		-	-	3,008,696	(2,480,121)	528,575
<b>Balance at 1 January 2020 - restated</b>		<b>2,100,000,000</b>	<b>240,000,000</b>	<b>665,504,349</b>	-	<b>3,005,504,349</b>
<b>Changes during the year</b>						
Dividends paid	3/	-	-	(468,960,000)	-	(468,960,000)
Profit for the year		-	-	752,584,611	-	752,584,611
Total other comprehensive income (loss)		-	-	(1,506,973)	-	(1,506,973)
<b>Balance at 31 December 2020</b>		<b>2,100,000,000</b>	<b>240,000,000</b>	<b>947,621,987</b>	-	<b>3,287,621,987</b>
<b>Year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>		<b>2,100,000,000</b>	<b>240,000,000</b>	<b>947,621,987</b>	-	<b>3,287,621,987</b>
<b>Changes during the year</b>						
Dividends paid	3/	-	-	(1,615,608,000)	-	(1,615,608,000)
Profit for the year		-	-	1,509,445,221	-	1,509,445,221
Total other comprehensive income		-	-	5,497,284	-	5,497,284
<b>Balance at 31 December 2021</b>		<b>2,100,000,000</b>	<b>240,000,000</b>	<b>846,956,492</b>	-	<b>3,186,956,492</b>

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

# SCB Securities Co., Ltd.

## Statement of cash flows

		Year ended 31 December	
	Note	2021	2020
		<i>(in Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Profit before income tax		1,881,803,727	939,684,124
<i>Adjustments to reconcile profit before income tax to cash receipts (payments) from operating activities</i>			
Depreciation	11, 36	30,478,494	40,418,370
Amortisation	12	59,077,707	53,032,645
Expected credit loss	7	42,818	92,331
Provisions for employee benefits	18	17,518,782	11,640,392
Loss on revaluation of investments		46,513,266	51,424,928
(Gain) loss on sale of investments		(317,889,030)	180,781,790
Loss on disposal and write-off of leasehold improvement and equipment		2,451,574	27,934
Loss on write-off of intangible assets		6,873,334	-
(Gain) loss on translation of foreign exchange		(27,907,157)	2,805,076
Interest expenses		276,382,192	97,093,283
Interest income	24	(257,848,930)	(139,773,978)
Dividend income	25	(49,854,474)	(26,777,233)
Profit from operation before changes in operating assets and liabilities		1,667,642,303	1,210,449,662
<i>(Increase) decrease in operating assets</i>			
Receivables from Clearing House and broker - dealers		(40,584,482)	(438,688,266)
Securities business receivables		(125,030,095)	(1,399,439,502)
Derivative assets		(208,397,580)	(435,784,476)
Non-collateralised investments measured at fair value through profit or loss		(2,450,461,274)	(634,722,176)
Other assets		(222,177,784)	357,552,483
<i>Increase (decrease) in operating liabilities</i>			
Borrowings from financial institution		(1,750,000,000)	1,750,000,000
Payables to Clearing House and broker - dealers		(535,203,840)	(79,990,575)
Securities business payables		(191,630,338)	1,523,005,920
Derivative liabilities		45,382,609	90,852,834
Debt issued		5,382,532,270	(1,162,486,336)
Provisions		14,295,529	(6,183,147)
Other liabilities		246,002,744	(247,257,603)
Cash receipts from operation		1,832,370,062	527,308,818
Interest paid		(250,273,365)	(133,817,426)
Income tax paid		(252,537,749)	(213,203,805)
<b>Net cash from operating activities</b>		<b>1,329,558,948</b>	<b>180,287,587</b>

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



# SCB Securities Co., Ltd.

## Statement of cash flows

	Note	Year ended 31 December	
		2021	2020
		<i>(in Baht)</i>	
<b><i>Cash flows from investing activities</i></b>			
Proceeds from sale of investment in subsidiary		-	103,750,000
Acquisition of leasehold improvement and equipment		(17,558,611)	(9,066,711)
Proceeds from disposal of leasehold improvement and equipment		7,543,358	51,386
Acquisition of intangible assets		(30,047,528)	(41,415,165)
Interest received		278,950,282	132,392,068
Dividend received		49,843,074	26,455,033
<b>Net cash from investing activities</b>		<b><u>288,730,575</u></b>	<b><u>212,166,611</u></b>
<b><i>Cash flows from financing activities</i></b>			
Payment of lease liabilities	36	(19,148,946)	(24,500,194)
Dividends paid	31	<u>(1,615,608,000)</u>	<u>(468,960,000)</u>
<b>Net cash used in financing activities</b>		<b><u>(1,634,756,946)</u></b>	<b><u>(493,460,194)</u></b>
<b>Net decrease in cash and cash equivalents</b>		<b>(16,467,423)</b>	<b>(101,005,996)</b>
Cash and cash equivalents at beginning of year		<u>756,123,104</u>	<u>857,129,100</u>
<b>Cash and cash equivalents at ending of year</b>	5	<b><u><u>739,655,681</u></u></b>	<b><u><u>756,123,104</u></u></b>
<b><i>Non-cash transactions</i></b>			
Payables for acquisition of leasehold improvement and equipment		2,403,113	(1,936,272)
Payables for acquisition of intangible assets		(2,366,755)	3,095,960

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

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 31 March 2022.

## **1 General information**

SCB Securities Co., Ltd., the “Company”, is incorporated in Thailand under the Civil and Commercial Code on 27 February 1995. The Company’s registered office at 19, Building 3, SCB Park Plaza, 2<sup>nd</sup> and 20<sup>th</sup> - 21<sup>st</sup> Floor Ratchadapisek Road, Chatuchak, Bangkok 10900.

The parent company during the year was The Siam Commercial Bank Public Company Limited (99.9% shareholding) and it was incorporated in Thailand.

The principal activities of the Company are securities brokerage, securities trading business, investment advisory service, securities underwriting and private fund management, for which the Company was granted a license from the Ministry of Finance on 27 March 1995 and was approved from the Thai Securities and Exchange Commission to operate as a derivatives agent and a derivatives dealer on 27 May 2005.

On 22 November 2021, the Company has been approved by the Thai Securities and Exchange Commission to operate digital asset business in accordance with the Emergency Decree on Digital Asset Businesses B.E.2561.

## **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission (SEC). The financial statements are presented in accordance with the notification of SEC number Sor Thor 6/2562 dated 8 January 2019, regarding to *Forms of Financial Statements for Securities Companies (No. 3)* and presented in Thai Baht, which is the Company’s functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## **3 Significant accounting policies**

### **3.1 Income**

Income is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts.

**SCB Securities Co., Ltd.**  
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*Brokerage fees*

Brokerage fees from securities business and derivatives business are recognised at a point in time.  
*Fees and service income*

Fees and service income are recognised at a point in time or over time.

*Interest income on margin loans, interest income from investments and interest income from deposits in financial institutions*

Interest income on margin loans, interest income from investments and interest income from deposits in financial institutions are generally recognised based on accrual basis.

*Gains and return on financial instruments*

Gains and return on financial instruments consist of gain on investments, gain on trading derivatives and dividend income.

*Other income*

Other income is generally recognised based on accrual basis.

**3.2 Interest**

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**3.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash balance and call deposits.

**3.4 Securities business receivables**

Securities business receivables represent the receivables from securities trading business which are in the process of collection in the normal course of business, margin loans and overdue cash accounts receivable. Cash paid as collateral for securities borrowing and lending is recorded as "Collateral receivables".

**3.5 Expected credit loss**

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

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*Stage 1: Financial assets that have not had a significant increase in credit risk*

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no stage 2 or 3 triggers apply). The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

*Stage 2: Financial assets have a SICR*

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk.

Qualitative factor assessments are part of current credit risk management processes including qualitative indicators.

*Stage 3: Financial assets that are credit-impaired*

Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets. Evidence that financial assets are credit-impaired includes observable data such as entering a litigation process.

Financial assets that are credit impaired require a lifetime provision.

Expected credit losses of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

In order to assess the expected credit loss, models are developed based on historical repayment, default information and other information indicating default risk behaviour.

Allowance for expected credit loss is recognised as expected credit loss in profit or loss.

*Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the year in which the recovery occurs.

**3.6 Derivative assets and liabilities**

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The Company issues structured notes, which consist of a host borrowing transaction and an embedded derivative. The embedded derivative is bifurcated and measured separately at fair value as a derivative assets or derivative liabilities in the statement of financial position.

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
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*Derivative warrants*

The Company recorded derivative warrants which are issued by the Company as derivative liabilities and the changes in fair value are recognised in profit or loss.

**3.7 Investments**

*Non-collateralised investments*

*Classification and measurement*

Investments are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for investments measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, an investment is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Investments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing investments, in which case all affected investments are reclassified prospectively from the reclassification date.

Investments measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Derecognition*

The Company derecognises an investment when the contractual rights to receive the cash flows from the investment expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the investment are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the investment.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

**3.8 Properties for sale**

Properties for sale are measured at cost less impairment losses.

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**3.9 Leasehold improvement and equipment**

Leasehold improvement and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling, removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of leasehold improvement and equipment are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on assets under installation.

The estimated useful lives are as follows:

Leasehold improvement	3 and 5 years
Furniture and office equipment	5 years
Computer and equipment	3 and 5 years
Vehicles	5 years

**3.10 Leases**

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

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses The Siam Commercial Bank Public Company Limited's incremental borrowing rate which is the parent company to discount the lease payments to the present value.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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**3.11 Research and development**

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits.

**3.12 Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on assets under development and installation.

The estimated useful lives are as follows:

Software licenses	5 and 10 years
Right-of-use software	3 years

**3.13 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of assets recognised in prior years is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.14 Financial liabilities**

*Classification and measurement*

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to issue of the securities, except for financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to issue of the securities are recognised in profit or loss.



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On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

*Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged, or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

**3.15 Liabilities to deliver security**

The Company records its obligations to return borrowed securities as “Securities business payables” in the statement of financial position.

This represents the Company’s liability to return collateral, in the form of securities for securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions.

Gains or losses arising from securities sold short are included in determining profit or loss. Fees for borrowing and lending are recognised on an accrual basis.

**3.16 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**3.17 Employee benefits**

*Defined contribution plans*

Obligations for contributions to the Company’s provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.18 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**3.19 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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**3.20 Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**3.21 Earnings per share**

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding.

**3.22 Segment reporting**

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**3.23 Foreign currencies**

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

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**4 Financial risk management**

**4.1 Capital management**

The Company is able to maintain Net Capital Ratio (NCR) at a rate according to the requirement which the Company has set the risk ceiling level for controlling and monitoring of Net Capital Ratio level by risk management regularly. As at 31 December 2021, the Company has Net Capital Ratio at 22.8% (2020: 39.8%). Hence, in case of an unprecedented event that could have an impact on the net capital, the Company has prepared a contingency funding plan to support on this need for an emergency funding. Within this contingency funding plan, the Company specifies clearly on source of funding, approved standby line and procedures for requesting for this funding including short-term borrowings from The Siam Commercial Bank and other domestic commercial banks that are trade partners as well as raising funds through the issuance of subordinated debt.

**4.2 Significant risk of financial instruments**

***Risk management framework***

The Company's Board of Directors has overall responsibility for the establishment and approving of the Company's overall risk management framework for all identified risks that are significant to the Company. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**4.2.1 Credit risk**

Credit risk is comprised of margin loan business risk, brokerage business risk, derivatives business risk and credit risk from investment portfolio.

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***Margin loan business risk***

The Company has established an internal guideline for controlling risk from margin loan by considering the limit to be suitable and fit-for-purpose for the financial position and the ability to pay debts of the clients. Moreover, the Company continuously provides credit line review and adjustment to suit the current financial status and trading behaviour of the clients and emphasises on the concentration limit on individual client to be within the regulatory requirement. The Company also has a process for specifying the list of marginable securities and appropriate margin rate for each security to select solely suitable quality ones. The Company has appointed Credit Sub-Committee (CC) to be responsible for credit risk management policies and issues related to credit risk including individual trading securities and suitable credit concentration risk on individual securities. In order to select high quality marginable securities list, the Company relies upon both quantitative and qualitative factors including fundamental factors, volatilities, forward-looking credit risk, correlation risk of securities cluster and liquidity risk of securities for good corporate lending and the Company's credit risk control to be at an acceptable level.

***Brokerage business risk***

The Company has the risk that arising from cash account when the clients cannot settle their securities payables within 2 business days after the purchase date (T+2). However, this risk type is quite limited due to a strict official regulations that requires clients to place collateral not less than 20% of total credit line in the particular account. Nevertheless, the Company's internal force sell guideline is quite rigid thus help mitigate this risk significantly.

Hence, there are prudent measures to control the risk to be within the Company's internal policy by performing a due diligence of clients by considering the credit limit to be suitable for the ability to pay off their debts including an on-going risk assessment throughout our regular credit reviews and closely follow up on clients' securities trading behaviours.

***Derivatives business risk***

The Company has the risk that client may lose from investing in the derivative contracts more than the collateral placed with the Company which then, not adequate to settle the debt with the Clearing House. Therefore, in order to mitigate the risk that may occur, the Company has risk control measures by selecting clients with knowledge and experience in investing in derivatives as according to the criteria specified by the Company. Considering the appropriate credit limit to the client's ability to pay the debt. There is regular risk assessment via credit limit review and closely following up on clients' derivatives trading behaviour, including controlling the adequacy of collateral to be in accordance with specified criteria to prevent the risk of lump-sum losses in the clients' accounts. Thus, this also includes forcing the contract closing in case clients are unable to place additional collateral with respect to the terms and conditions designated by the Company.

***Credit risk from investment portfolio***

The Company has the credit risk from the fixed income proprietary trading portfolio. The Company has allowed to invest in Thai sovereign risk debt instruments such as government debt instruments, debt instrument issued by and/ or guarantee both principal and interest by Ministry of Finance (MOF) in accordance with the investment risk management policy for capital management of the Company. As at 31 December 2021, the Company has an outstanding of fixed income investment for proprietary trading portfolio of Baht 57.2 million (2020: Baht 53.8 million) which comprises Thai government bond of Baht 25.2 million, corporate debt instruments of Baht 14.5 million and foreign debt instruments of Baht 17.5 million (2020: Thai government bond of Baht 43.2 million and corporate debt instruments of Baht 10.6 million).

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***Credit risk from cash and cash equivalents and derivative assets***

The Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

**4.2.2 Liquidity risk**

The Company is exposed to liquidity risk when the Company is unable to liquidate financial assets or procure sufficient funds or able to provide sufficient financing but the cost of financing exceeds acceptable level, including the risk that cannot be cancelled (unwind) or offset existing risks from the assets. As a result, the assets have to be sold at a price lower than the cost of the acquisition because the assets are considering as illiquid or a situation whereby the market becomes less liquid which may affect the Company's financial status both current and in the future as well as the liquidity management of the clients' funds.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount	2021 Contractual cash flows			Total
		1 year or less <i>(in thousand Baht)</i>	More than 1 year but less than 5 years	More than 5 years	
<b><i>Non-derivative financial liabilities</i></b>					
Payables to Clearing House and broker - dealers	182,114	182,114	-	-	182,114
Securities business payables	2,404,187	2,404,187	-	-	2,404,187
Debt issued	5,816,493	5,816,493	-	-	5,816,493
Lease liabilities	6,988	6,413	634	-	7,047
	<u>8,409,782</u>	<u>8,409,207</u>	<u>634</u>	<u>-</u>	<u>8,409,841</u>
<b><i>Derivative financial liabilities</i></b>					
Derivative liabilities	288,028	167,967	120,061	-	288,028
	<u>288,028</u>	<u>167,967</u>	<u>120,061</u>	<u>-</u>	<u>288,028</u>
<b><i>2020</i></b>					
<b><i>Contractual cash flows</i></b>					
	Carrying amount	1 year or less <i>(in thousand Baht)</i>	More than 1 year but less than 5 years	More than 5 years	Total
<b><i>Non-derivative financial liabilities</i></b>					
Borrowings from financial institution	1,750,000	1,750,000	-	-	1,750,000
Payables to Clearing House and broker - dealers	717,318	717,318	-	-	717,318
Securities business payables	2,595,973	2,595,973	-	-	2,595,973
Debt issued	433,961	433,961	-	-	433,961
Lease liabilities	28,302	20,977	7,824	-	28,801
	<u>5,525,554</u>	<u>5,518,229</u>	<u>7,824</u>	<u>-</u>	<u>5,526,053</u>

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	Carrying amount	2020 Contractual cash flows		Total
		1 year or less <i>(in thousand Baht)</i>	More than 1 year but less than 5 years	
<b><i>Derivative financial liabilities</i></b>				
Derivative liabilities	242,645	30,488	212,157	242,645
	<u>242,645</u>	<u>30,488</u>	<u>212,157</u>	<u>242,645</u>

**4.2.3 Market risk**

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

***Interest rate risk***

Interest rate risk is the risk that the Company and its private fund portfolio business may be impact by the changes of interest rate of which the impact could directly affect on Company's assets or liabilities and its obligations. Hence, it might have an impact on Company's proprietary investment portfolio and clients' portfolio under management. The Company's financial asset and liability that is prone to interest rate risk such as saving deposits, clients' collateral assets in all securities trading accounts, margin loan in credit balance account, fixed income investment and company's subordinated debt issued to investors.

<b><i>Exposure to interest rate risk</i></b>	2021			Total
	Variable interest rate	Fixed interest rate	Non-interest bearing	
<b><i>Financial assets</i></b>				
Cash and cash equivalents	275,634	-	464,022	739,656
Receivables from Clearing House and broker - dealers	-	-	822,789	822,789
Securities business receivables	2,222,651	-	2,484,858	4,707,509
Derivative assets	-	-	694,877	694,877
Non-collateralised investments	-	31,979	4,924,023	4,956,002
<b><i>Financial liabilities</i></b>				
Payables to Clearing House and broker - dealers	-	-	182,114	182,114
Securities business payables	-	-	2,404,187	2,404,187
Derivative liabilities	-	-	288,028	288,028
Debt issued	-	5,816,493	-	5,816,493
Lease liabilities	-	6,988	-	6,988

<b><i>Exposure to interest rate risk</i></b>	2020			Total
	Variable interest rate	Fixed interest rate	Non-interest bearing	
<b><i>Financial assets</i></b>				
Cash and cash equivalents	125,727	-	630,396	756,123
Receivables from Clearing House and broker - dealers	-	-	782,205	782,205
Securities business receivables	1,409,318	-	3,173,190	4,582,508
Derivative assets	-	-	486,479	486,479
Non-collateralised investments	-	41,649	2,192,671	2,234,320

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<i>Exposure to interest rate risk</i>	Variable interest rate	2020		Total
		Fixed interest rate <i>(in thousand Baht)</i>	Non- interest bearing	
<b><i>Financial liabilities</i></b>				
Borrowings from financial institution	-	1,750,000	-	1,750,000
Payables to Clearing House and broker - dealers	-	-	717,318	717,318
Securities business payables	-	-	2,595,973	2,595,973
Derivative liabilities	-	-	242,645	242,645
Debt issued	-	433,961	-	433,961
Lease liabilities	-	28,302	-	28,302

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	2021		2020	
	1% increase in interest rate	1% decrease in interest rate <i>(in thousand Baht)</i>	1% increase in interest rate	1% decrease in interest rate
Financial instruments with variable interest rate	24,983	(24,983)	15,343	(15,343)

***Foreign currency risk***

The Company is exposed to foreign currency risk relating to financial assets and liabilities which are denominated in foreign currencies. However, the Company has an internal policy including criteria used for risk assessment, monitoring and controlling and regularly reporting of the foreign currency risk that arising from private fund investment portfolio to Investment Committee.

<i>Exposure to foreign currency</i>	2021			Total
	Hong Kong Dollars	United States Dollars <i>(in thousand Baht)</i>	Other currencies	
Non-collateralised investments	-	17,457	-	17,457
Securities business receivables	75,390	306,465	14,750	396,605
Securities business payables	(68,319)	(191)	(2,931)	(71,441)
<b>Net exposure</b>	<b>7,071</b>	<b>323,731</b>	<b>11,819</b>	<b>342,621</b>

  

<i>Exposure to foreign currency</i>	2020			Total
	Hong Kong Dollars	United States Dollars <i>(in thousand Baht)</i>	Other currencies	
Securities business receivables	16,832	120,564	11,264	148,660
Securities business payables	(16,513)	(3,141)	(3,105)	(22,759)
<b>Net exposure</b>	<b>319</b>	<b>117,423</b>	<b>8,159</b>	<b>125,901</b>



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*Sensitivity analysis*

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement	2021		Movement	2020	
		Strengthening (%)	Weakening (in thousand Baht)		Strengthening (%)	Weakening (in thousand Baht)
United States Dollars	1	173	(173)	1	-	-

*Equity and derivatives price risk*

Equity and derivatives price risk is the risk that the Company and its private fund portfolio business may have an adverse impact on its financial position due to changes in equity and debt instruments price, including underlying assets price which affect derivatives value. Hence, the Company's major price risk comprised investment in financial instruments, proprietary portfolio in derivatives, equity instruments holding due to commitment under underwriting business and clients' portfolio under management.

**5 Cash and cash equivalents**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash	2	30
Current and savings accounts	1,771,404	1,570,663
Less deposits for customers' account	(1,031,750)	(814,570)
<b>Total</b>	<b>739,656</b>	<b>756,123</b>

**6 Receivables from Clearing House and broker - dealers**

	2021	2020
	<i>(in thousand Baht)</i>	
Receivables from Clearing House	1,375,033	1,509,816
Receivables from foreign broker	4,235,699	2,393,012
Less receivables from Clearing House for customers' account	(917,642)	(858,099)
Less receivables from foreign broker for customers' account	(3,870,301)	(2,262,524)
<b>Total</b>	<b>822,789</b>	<b>782,205</b>

**7 Securities business receivables**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash accounts	2,478,012	3,168,967
Margin loans	2,222,651	1,409,318
Collateral receivables	6,756	4,215
Other receivables	58,593	58,568
	4,766,012	4,641,068
Add accrued interest receivables	7,484	7,470
Less allowance for expected credit loss	(65,987)	(66,030)
<b>Total</b>	<b>4,707,509</b>	<b>4,582,508</b>

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As at 31 December 2021, the normal credit term of cash accounts granted by the Company was 2 working days from trade date (2020: 2 working days).

Staging	Securities business receivables and accrued interest receivables	2021		Allowance for expected credit loss
		Exposure at default (in thousand Baht)		
Performing	4,707,580	4,707,580		71
Non-performing	65,916	65,916		65,916
<b>Total</b>	<b>4,773,496</b>	<b>4,773,496</b>		<b>65,987</b>

  

Staging	Securities business receivables and accrued interest receivables	2020		Allowance for expected credit loss
		Exposure at default (in thousand Baht)		
Performing	4,582,540	4,582,540		32
Non-performing	65,998	65,998		65,998
<b>Total</b>	<b>4,648,538</b>	<b>4,648,538</b>		<b>66,030</b>

*Allowance for expected credit loss*

	12-month ECL	Lifetime ECL, credit-impaired (in thousand Baht)	Total
At 1 January 2020	22	65,916	65,938
Changes from remeasurement of ECL	10	82	92
<b>At 31 December 2020 and 1 January 2021</b>	<b>32</b>	<b>65,998</b>	<b>66,030</b>
Changes from remeasurement of ECL	43	-	43
Write-off	(4)	(82)	(86)
<b>At 31 December 2021</b>	<b>71</b>	<b>65,916</b>	<b>65,987</b>

**8 Derivative assets and liabilities**

**8.1 Classified by type of risk**

	2021			
	Assets		Liabilities	
	Fair value	Notional amount (in thousand Baht)	Fair value	Notional amount
Equity price	691,919	7,874,029	285,070	6,029,661
Foreign exchange rate	2,958	526,436	2,958	526,436
<b>Total</b>	<b>694,877</b>	<b>8,400,465</b>	<b>288,028</b>	<b>6,556,097</b>

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	2020		2020	
	Assets	Notional amount	Liabilities	Notional amount
	Fair value	(in thousand Baht)	Fair value	Notional amount
Equity price	486,479	2,494,794	242,645	2,377,235
<b>Total</b>	<b>486,479</b>	<b>2,494,794</b>	<b>242,645</b>	<b>2,377,235</b>

**8.2 Proportion of derivatives classified by type of counterparty according to notional amount**

Type of counterparty	2021		2020	
	Proportion of notional amount Assets	Proportion of notional amount Liabilities	Proportion of notional amount Assets	Proportion of notional amount Liabilities
	(%)			
Companies in the financial group	27.7	82.0	90.2	93.6
External parties	72.3	18.0	9.8	6.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**9 Non-collateralised investments**

**9.1 Cost and fair value**

	2021	2020
	(in thousand Baht)	
<b>Investments measured at fair value through profit or loss</b>		
<b>Trading investments</b>		
Government and state enterprise securities	14,655,297	13,597,189
Corporate debt instruments	14,523	10,552
Foreign debt instruments	17,457	-
Domestic marketable equity instruments	4,895,362	2,137,729
Less investments for customers' account	(14,630,089)	(13,553,939)
<b>Total</b>	<b>4,952,550</b>	<b>2,191,531</b>
<b>Other investments</b>		
Unit trusts	59	39,396
<b>Total</b>	<b>59</b>	<b>39,396</b>
<b>Total investments measured at fair value through profit or loss</b>	<b>4,952,609</b>	<b>2,230,927</b>
<b>Investments measured at fair value through other comprehensive income</b>		
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>		
Domestic non-marketable equity instruments	3,393	3,393
<b>Total investments measured at fair value through other comprehensive income</b>	<b>3,393</b>	<b>3,393</b>
<b>Investments measured at amortised cost</b>		
Certificate deposit	300,000	300,000
Less investments for customers' account	(300,000)	(300,000)
<b>Total investments measured at amortised cost</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,956,002</b>	<b>2,234,320</b>

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

		2021	
Investments	Reason of electing this option in presentation	Fair value <i>(in thousand Baht)</i>	Dividend income
- ASCO Business Promotion Company Limited	To support the financial institution	667	-
- TSFC Securities Public Company Limited	To support the financial institution	2,726	-
<b>Total</b>		<u><u>3,393</u></u>	<u><u>-</u></u>
		2020	
Investments	Reason of electing this option in presentation	Fair value <i>(in thousand Baht)</i>	Dividend income
- ASCO Business Promotion Company Limited	To support the financial institution	667	-
- TSFC Securities Public Company Limited	To support the financial institution	2,726	90
<b>Total</b>		<u><u>3,393</u></u>	<u><u>90</u></u>

**10 Transfer of financial assets**

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets, primarily equity securities. In accordance with the accounting policy, the transferred financial assets continue to be recognised in their entirety or to the extent of the Company's continuing involvement, or are derecognised in their entirety.

The Company transfers financial assets that are not derecognised in their entirety or for which the Company has continuing involvement primarily through securities lending transactions.

Securities lending agreements are transactions in which the Company lends securities for a fee and receives cash as collateral. The Company continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all of the risks and rewards of ownership. The cash received is recognised as a financial asset and a financial liability is recognised for the obligation to repay it. Because as part of the lending arrangement the Company sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement.

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**11 Leasehold improvement and equipment**

	Leasehold improvement	Furniture and office equipment	Computer and equipment (in thousand Baht)	Vehicles	Total
<b>Cost</b>					
At 1 January 2020	34,658	22,979	71,143	1,897	130,677
Additions	2,072	188	4,870	-	7,130
Write-off	(397)	(1,264)	(492)	-	(2,153)
<b>At 31 December 2020 and 1 January 2021</b>	<b>36,333</b>	<b>21,903</b>	<b>75,521</b>	<b>1,897</b>	<b>135,654</b>
Additions	165	823	18,974	-	19,962
Disposal / write-off	(17,400)	(3,871)	(5,808)	(1,897)	(28,976)
<b>At 31 December 2021</b>	<b>19,098</b>	<b>18,855</b>	<b>88,687</b>	<b>-</b>	<b>126,640</b>
<b>Accumulated depreciation</b>					
At 1 January 2020	16,237	16,508	49,159	1,897	83,801
Depreciation charge for the year	5,610	2,009	8,921	-	16,540
Write-off	(340)	(1,264)	(470)	-	(2,074)
<b>At 31 December 2020 and 1 January 2021</b>	<b>21,507</b>	<b>17,253</b>	<b>57,610</b>	<b>1,897</b>	<b>98,267</b>
Depreciation charge for the year	3,013	1,434	7,368	-	11,815
Disposal / write-off	(9,622)	(3,226)	(4,236)	(1,897)	(18,981)
<b>At 31 December 2021</b>	<b>14,898</b>	<b>15,461</b>	<b>60,742</b>	<b>-</b>	<b>91,101</b>
<b>Net book value</b>					
At 31 December 2020	14,826	4,650	17,911	-	37,387
At 31 December 2021	4,200	3,394	27,945	-	35,539

The gross amount of the Company's fully depreciated leasehold improvement and equipment that was still in use as at 31 December 2021 amounting to Baht 64.8 million (2020: Baht 55.1 million).

**12 Intangible assets**

	Software licenses	Right-of-use software	Software under development and installation (in thousand Baht)	Others	Total
<b>Cost</b>					
At 1 January 2020	147,219	6,973	186,354	-	340,546
Additions	4,548	-	39,963	-	44,511
Transfer in (out)	201,614	-	(201,614)	-	-
Write-off	(7)	-	-	-	(7)
<b>At 31 December 2020 and 1 January 2021</b>	<b>353,374</b>	<b>6,973</b>	<b>24,703</b>	<b>-</b>	<b>385,050</b>
Additions	-	-	27,141	2,540	27,681
Transfer in (out)	27,243	-	(27,243)	-	-
Write-off	(402)	-	(6,873)	-	(7,275)
<b>At 31 December 2021</b>	<b>380,215</b>	<b>6,973</b>	<b>15,728</b>	<b>2,540</b>	<b>405,456</b>

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	Software licenses	Right-of-use software	Software under development and installation (in thousand Baht)	Others	Total
<b>Accumulated amortisation</b>					
At 1 January 2020	103,775	6,779	-	-	110,554
Amortisation charge for the year	52,991	42	-	-	53,033
Write-off	(7)	-	-	-	(7)
<b>At 31 December 2020 and 1 January 2021</b>	<b>156,759</b>	<b>6,821</b>	<b>-</b>	<b>-</b>	<b>163,580</b>
Amortisation charge for the year	59,038	40	-	-	59,078
Write-off	(402)	-	-	-	(402)
<b>At 31 December 2021</b>	<b>215,395</b>	<b>6,861</b>	<b>-</b>	<b>-</b>	<b>222,256</b>
<b>Net book value</b>					
At 31 December 2020	196,615	152	24,703	-	221,470
At 31 December 2021	164,820	112	15,728	2,540	183,200

The gross amount of the Company's fully amortised intangible assets that was still in use as at 31 December 2021 amounting to Baht 96.7 million (2020: Baht 89.0 million).

**13 Other assets**

	2021 (in thousand Baht)	2020
Accrued fee income	290,292	115,595
Contribution to the Clearing Fund	166,385	141,604
Accrued interest income	24,470	17,655
Prepaid expenses	14,712	9,956
Marginal deposits	13,460	14,295
Others	22,456	3,689
<b>Total</b>	<b>531,775</b>	<b>302,794</b>

**14 Borrowings from financial institution**

	Interest rate (%)	2021	Interest rate (%)	2020
		The remaining term to maturity of the debt Less than 1 year (in thousand Baht)		The remaining term to maturity of the debt Less than 1 year (in thousand Baht)
Promissory notes				
- Baht	-	-	0.75	1,750,000
<b>Total</b>		<b>-</b>		<b>1,750,000</b>

As at 31 December 2021, the Company has unutilised credit facilities totaling Baht 7,660 million (2020: Baht 6,110 million).

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**15 Payables to Clearing House and broker - dealers**

	2021	2020
	<i>(in thousand Baht)</i>	
Payables to Clearing House	151,587	699,274
Payables to foreign broker	30,527	18,044
<b>Total</b>	<b>182,114</b>	<b>717,318</b>

**16 Securities business payables**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash accounts	2,398,437	2,592,202
Liabilities to deliver security	5,750	3,771
<b>Total</b>	<b>2,404,187</b>	<b>2,595,973</b>

**17 Debt issued**

	2021		2020	
	The remaining term to maturity of the debt		The remaining term to maturity of the debt	
	Interest rate (%)	Less than 1 year <i>(in thousand Baht)</i>	Interest rate (%)	Less than 1 year <i>(in thousand Baht)</i>
Structured notes				
- Baht	0.00 - 17.00*	5,816,493	0.40 - 15.00*	433,961
<b>Total</b>		<b>5,816,493</b>		<b>433,961</b>

\* Variable (Variable rates linked to reference interest rates and average price of marketable equity instruments)

Debt issued represent structured notes which are obligations, including embedded derivatives which the Company has publicly issued to retail investors, under conditions as approved by the Thai Securities and Exchange Commission. The characteristics of these notes are short-term and the return is based on underlying asset price (at fixed dates as mentioned in contracts). The derivative component, which takes the form of an option, is bifurcated and accounted separately in the statement of financial position, are disclosed in note 8.

As at 31 December 2021, the Company has structured notes with a principal amount of Baht 5,816.5 million (2020: Baht 434.0 million) maturing in January to July 2022 (2020: January to June 2021).

**18 Provisions**

	2021	2020
	<i>(in thousand Baht)</i>	
Provisions for employee benefits	89,193	82,365
Others	23,020	4,905
<b>Total</b>	<b>112,213</b>	<b>87,270</b>

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***Defined benefit plan***

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

<b><i>Present value of the defined benefit obligations</i></b>	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	82,365	77,950
<b><i>Recognised in profit or loss:</i></b>		
Current service cost	16,203	10,583
Interest on obligation	1,316	1,057
	<b>17,519</b>	<b>11,640</b>
<b><i>Recognised in other comprehensive income (loss):</i></b>		
Actuarial (gain) loss		
- Demographic assumptions	-	(4,030)
- Financial assumptions	(2,724)	5,881
- Experience adjustment	(4,148)	33
	<b>(6,872)</b>	<b>1,884</b>
Benefit paid	(3,819)	(9,109)
	<b>(3,819)</b>	<b>(9,109)</b>
<b>At 31 December</b>	<b>89,193</b>	<b>82,365</b>

<b><i>Principal actuarial assumptions</i></b>	2021	2020
	<i>(%)</i>	
Discount rate	2.1	1.6
Future salary growth	2.0 - 5.0	2.0 - 5.0
Employee turnover rate	1.5 - 18.0	1.5 - 18.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 12 years (2020: 12 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<b><i>Effect to the defined benefit obligation</i></b>	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(7,673)	(7,059)	8,985	8,234
Future salary growth	8,843	8,078	(7,711)	(7,073)



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**19 Other liabilities**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Accrued expenses		276,716	100,557
Withholding tax payable		97,577	72,340
Accrued shared service expenses	34	82,867	69,736
Value added tax payable		28,087	19,506
Accrued interest expense		25,911	121
Other payables		17,386	5,201
Unearned revenue		8,041	-
Others		7,266	4,561
<b>Total</b>		<b>543,851</b>	<b>272,022</b>

**20 Offsetting of financial assets and financial liabilities**

	Carrying amount	2021 The amount that can offset in the statement of financial position <i>(in thousand Baht)</i>	Net amount that can offset in the statement of financial position	<i>Note</i>
<b><i>Financial assets</i></b>				
Securities business receivables	6,496,014	(1,788,505)	4,707,509	7
Derivative assets	694,877	-	694,877	8
<b>Total</b>	<b>7,190,891</b>	<b>(1,788,505)</b>	<b>5,402,386</b>	
<b><i>Financial liabilities</i></b>				
Securities business payables	4,192,692	(1,788,505)	2,404,187	16
Derivative liabilities	288,028	-	288,028	8
<b>Total</b>	<b>4,480,720</b>	<b>(1,788,505)</b>	<b>2,692,215</b>	
	Carrying amount	2020 The amount that can offset in the statement of financial position <i>(in thousand Baht)</i>	Net amount that can offset in the statement of financial position	<i>Note</i>
<b><i>Financial assets</i></b>				
Securities business receivables	8,272,197	(3,689,689)	4,582,508	7
Derivative assets	486,479	-	486,479	8
<b>Total</b>	<b>8,758,676</b>	<b>(3,689,689)</b>	<b>5,068,987</b>	
<b><i>Financial liabilities</i></b>				
Securities business payables	6,285,662	(3,689,689)	2,595,973	16
Derivative liabilities	242,645	-	242,645	8
<b>Total</b>	<b>6,528,307</b>	<b>(3,689,689)</b>	<b>2,838,618</b>	

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**21 Legal reserves**

Legal reserve is set up under the provision of the Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit, to a reserve account (“legal reserve”) upon each dividend distribution, until the balance reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

As at 31 December 2021, legal reserve of the Company has already reached 10% of the registered authorised capital.

**22 Brokerage fees**

	2021	2020
	<i>(in thousand Baht)</i>	
Brokerage fees from securities business	2,226,544	1,502,644
Brokerage fees from derivatives business	109,663	125,062
<b>Total</b>	<b><u>2,336,207</u></b>	<b><u>1,627,706</u></b>

**23 Fees and service income**

	2021	2020
	<i>(in thousand Baht)</i>	
Agent fee income	715,285	196,303
Underwriting fee income	327,326	230,395
Management fee income from private fund	320,855	61,275
Others	874	2,698
<b>Total</b>	<b><u>1,364,340</u></b>	<b><u>490,671</u></b>

**24 Interest income**

	2021	2020
	<i>(in thousand Baht)</i>	
Interest income from derivatives	146,775	18,645
Interest income on margin loans	73,571	72,366
Interest income from investments in debt instruments	25,407	35,430
Interest income from deposits in financial institutions	11,624	12,232
Others	472	1,101
<b>Total</b>	<b><u>257,849</u></b>	<b><u>139,774</u></b>

**25 Gains and return on financial instruments**

	2021	2020
	<i>(in thousand Baht)</i>	
Gain (loss) on investments		
Trading investments	271,514	(234,480)
Other investments	(138)	2,274
Gain on derivatives for trading	98,933	380,563
Dividend income	49,854	26,777
<b>Total</b>	<b><u>420,163</u></b>	<b><u>175,134</u></b>

**SCB Securities Co., Ltd.**  
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**26 Other income**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Gain on translation of foreign exchange		27,907	-
Other service income		22,608	4,035
Shared service income	34	14,465	13,949
Income from software development	34	-	28,038
Others		17,066	13,032
<b>Total</b>		<b>82,046</b>	<b>59,054</b>

**27 Employee benefit expenses**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Salaries and bonus		990,147	746,566
Defined contribution plans		24,032	23,362
Defined benefit plans	18	17,519	11,640
Director's remuneration		5,123	3,600
Others		77,022	80,068
<b>Total</b>		<b>1,113,843</b>	<b>865,236</b>

**28 Other expenses**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Depreciation and amortisation	11, 12, 36	89,556	93,451
License fee and information service expenses		85,998	64,803
Shared service expenses	34	82,330	69,736
Professional fees		68,545	18,954
Advertising and promotion expenses		60,838	10,764
Maintenance and services expenses		44,168	53,768
Bank charge expenses		13,362	8,840
Taxes and duties		10,651	8,350
Others		33,007	16,952
<b>Total</b>		<b>488,455</b>	<b>345,618</b>

**29 Income tax**

*Income tax recognised in profit or loss*

	2021	2020
	<i>(in thousand Baht)</i>	
<b>Current tax</b>		
Current year	389,009	198,439
Over provided in prior years	(906)	(633)
	<b>388,103</b>	<b>197,806</b>
<b>Deferred tax</b>		
Movements in temporary differences	(15,744)	(10,706)
	<b>(15,744)</b>	<b>(10,706)</b>
<b>Total income tax</b>	<b>372,359</b>	<b>187,100</b>

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*Income tax recognised in other comprehensive income*

	Before tax	2021 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2020 Tax benefit	Net of tax
Defined benefit plan actuarial gain (loss)	6,872	(1,375)	5,497	(1,884)	377	(1,507)
<b>Total</b>	<b>6,872</b>	<b>(1,375)</b>	<b>5,497</b>	<b>(1,884)</b>	<b>377</b>	<b>(1,507)</b>

*Reconciliation of effective tax rate*

	Rate (%)	2021 <i>(in thousand Baht)</i>	Rate (%)	2020 <i>(in thousand Baht)</i>
Profit before income tax		1,881,804		939,684
Income tax using the Thai corporation tax rate	20.0	376,361	20.0	187,937
Income not subject to tax		(603)		(946)
Expenses not deductible for tax purposes		78		1,302
Additional deductible expenses for tax purposes		(2,571)		(560)
Over provided in prior years		(906)		(633)
<b>Total</b>	<b>19.8</b>	<b>372,359</b>	<b>19.9</b>	<b>187,100</b>

*Deferred tax*

	Assets		Liabilities	
	2021	2020 <i>(in thousand Baht)</i>	2021	2020
Total	74,911	58,014	11,075	8,547
Set off of tax	(11,075)	(8,547)	(11,075)	(8,547)
<b>Net deferred tax assets</b>	<b>63,836</b>	<b>49,467</b>	<b>-</b>	<b>-</b>

	At 1 January 2021	Credited to / (charged):		At 31 December 2021
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Non-collateralised investments	39,802	11,952	-	51,754
Properties for sale	668	-	-	668
Securities business receivables	23	(9)	-	14
Lease liabilities	65	(33)	-	32
Provisions	17,456	6,362	(1,375)	22,443
<b>Total</b>	<b>58,014</b>	<b>18,272</b>	<b>(1,375)</b>	<b>74,911</b>
<i>Deferred tax liabilities</i>				
Non-collateralised investments	(8,426)	(2,618)	-	(11,044)
Securities business payables	(121)	90	-	(31)
<b>Total</b>	<b>(8,547)</b>	<b>(2,528)</b>	<b>-</b>	<b>(11,075)</b>
<b>Net</b>	<b>49,467</b>	<b>15,744</b>	<b>(1,375)</b>	<b>63,836</b>

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	At 1 January 2020	Credited to / (charged):		At 31 December 2020
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Non-collateralised investments	28,932	10,870	-	39,802
Properties for sale	668	-	-	668
Securities business receivables	-	23	-	23
Securities business payables	140	(140)	-	-
Lease liabilities	-	65	-	65
Provisions	15,986	1,093	377	17,456
<b>Total</b>	<b>45,726</b>	<b>11,911</b>	<b>377</b>	<b>58,014</b>
<b><i>Deferred tax liabilities</i></b>				
Non-collateralised investments	(7,342)	(1,084)	-	(8,426)
Securities business payables	-	(121)	-	(121)
<b>Total</b>	<b>(7,342)</b>	<b>(1,205)</b>	<b>-</b>	<b>(8,547)</b>
<b>Net</b>	<b>38,384</b>	<b>10,706</b>	<b>377</b>	<b>49,467</b>

**30 Basic earnings per share**

	2021 <i>(in thousand Baht / thousand shares)</i>	2020
Profit attributable to ordinary shareholders of the Company (basic)	1,509,445	752,585
Number of ordinary shares outstanding	240,000	240,000
<b>Earnings per share (basic) (in Baht)</b>	<b>6.29</b>	<b>3.14</b>

**31 Dividends**

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
<b>2021</b>				
Annual dividend (the remaining from the operating result of the year 2020)	22 April 2021	27 April 2021	1.67	400,320
Interim dividend	16 December 2021	28 December 2021	5.06	1,215,288
			<b>6.73</b>	<b>1,615,608</b>
<b>2020</b>				
Annual dividend (the remaining from the operating result of the year 2019)	20 May 2020	26 May 2020	0.49	116,880
Interim dividend	19 June 2020	25 June 2020	0.60	144,240
Interim dividend	20 August 2020	25 August 2020	0.71	169,200
Interim dividend	8 December 2020	14 December 2020	0.16	38,640
			<b>1.96</b>	<b>468,960</b>

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**32 Key management personnel compensation**

The Company has not paid benefits to key management personnel other than the benefits that are normally paid such as salaries, bonus, transportation charges, directors' remuneration and other fringe benefits.

	2021	2020
	<i>(in thousand Baht)</i>	
Short-term benefits	131,931	115,652
Post-employment benefits and others	2,459	2,665
<b>Total</b>	<b>134,390</b>	<b>118,317</b>

**33 Commitments with non-related parties**

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable service agreements</i>		
Within 1 year	-	252
1 - 5 years	-	126
<b>Total</b>	<b>-</b>	<b>378</b>
<i>Other commitments</i>		
Technical assistant agreement	37,883	29,261
<b>Total</b>	<b>37,883</b>	<b>29,261</b>

**34 Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Other related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
The Siam Commercial Bank Public Company Limited	Thailand	Parent company, 99.9% shareholding, and having representatives as directors of the Company
SCB 10X Co., Ltd.	Thailand	Subsidiary of the parent company
Siam Commercial Myanmar Co., Ltd.	Myanmar	Subsidiary of the parent company
Cambodian Commercial Bank Ltd.	Cambodia	Subsidiary of the parent company
SCB-Julius Baer Securities Co., Ltd.	Thailand	Subsidiary of the parent company

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<b>Name of entities</b>	<b>Country of incorporation nationality</b>	<b>Nature of relationships</b>
Monix Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Training Centre Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Protect Co., Ltd.	Thailand	Subsidiary of the parent company
AISCB Co., Ltd. *	Thailand	Subsidiary of the parent company
SCB Asset Management Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Tech X Co., Ltd. *	Thailand	Subsidiary of the parent company
Rutchayothin Assets Management Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Plus Co., Ltd.	Thailand	Subsidiary of the parent company
Mahisorn Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Digital Ventures Company Limited	Thailand	Indirect subsidiary of the parent company
SCB Abacus Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Purple Ventures Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Token X Co., Ltd. **	Thailand	Indirect subsidiary of the parent company
Trex Ventures Co., Ltd. ***	Thailand	Indirect subsidiary of the parent company
SCB-Julius Bear (Singapore) Pte. Ltd.	Singapore	Indirect subsidiary of the parent company
Alpha X Co., Ltd. ****	Thailand	Joint venture of the parent company

\* The Company newly established in 2021

\*\* Subsidiary of SCB 10X Co., Ltd. (100% shareholding) which was newly established in 2021

\*\*\* Subsidiary of SCB 10X Co., Ltd. (51% shareholding) which has registered its dissolution with the Department of Business Development, the Ministry of Commerce on 20 December 2021 and is now under liquidation process

\*\*\*\* Joint venture newly established in 2021

***Significant transactions with related parties***  
***Year ended 31 December***

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Brokerage fees</i></b>		
The Siam Commercial Bank Public Company Limited	11,802	258
<b><i>Fees and service income</i></b>		
The Siam Commercial Bank Public Company Limited	2,976	958
SCB Asset Management Co., Ltd.	37,838	9,122
<b><i>Interest income</i></b>		
The Siam Commercial Bank Public Company Limited	148,569	20,592
<b><i>Shared service income</i></b>		
The Siam Commercial Bank Public Company Limited	3,257	2,721
SCB-Julius Baer Securities Co., Ltd.	11,208	11,228
<b><i>Income from software development</i></b>		
The Siam Commercial Bank Public Company Limited	-	28,038
<b><i>Other income</i></b>		
The Siam Commercial Bank Public Company Limited	4,809	-
<b><i>Fees and service expenses</i></b>		
The Siam Commercial Bank Public Company Limited	135,888	-

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

***Significant transactions with related parties***  
***Year ended 31 December***

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Interest expenses</i></b>		
The Siam Commercial Bank Public Company Limited	6,049	9,600
<b><i>Shared service expenses</i></b>		
The Siam Commercial Bank Public Company Limited	71,434	69,736
SCB 10X Co., Ltd.	8,546	-
Digital Ventures Company Limited	2,350	-
<b><i>Other expenses</i></b>		
The Siam Commercial Bank Public Company Limited	16,549	11,727
SCB 10X Co., Ltd.	48	-
Mahisorn Co., Ltd.	12,153	12,879

Significant balances as at 31 December with related parties were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Cash at bank</i></b>		
The Siam Commercial Bank Public Company Limited	356,707	206,554
<b><i>Other assets</i></b>		
The Siam Commercial Bank Public Company Limited	17,435	2,116
SCB-Julius Baer Securities Co., Ltd.	2,976	3,624
SCB Asset Management Co., Ltd.	2,981	1,254
<b><i>Marginal deposits</i></b>		
The Siam Commercial Bank Public Company Limited	2,288	2,288
Mahisorn Co., Ltd.	2,663	2,663
<b><i>Borrowings from financial institution</i></b>		
The Siam Commercial Bank Public Company Limited	-	1,750,000
<b><i>Lease liabilities</i></b>		
The Siam Commercial Bank Public Company Limited	5,460	24,759
Mahisorn Co., Ltd.	28	111
<b><i>Accrued shared service expenses</i></b>		
The Siam Commercial Bank Public Company Limited	71,942	69,736
SCB 10X Co., Ltd.	8,575	-
Digital Ventures Company Limited	2,350	-
<b><i>Other liabilities</i></b>		
The Siam Commercial Bank Public Company Limited	43,611	9,096
Mahisorn Co., Ltd.	70	126
<b><i>Derivatives (notional amount)</i></b>		
The Siam Commercial Bank Public Company Limited	7,703,218	4,424,594



**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Significant agreements with related parties*

(a) *Rendering of service agreements*

The Company has an investment banking support service agreement with The Siam Commercial Bank Public Company Limited. This agreement is effective until the written of cancellation notice is provided. The scope of services comprises of supporting of Bank's investment banking, capital market and primary distribution. The Company receives service fee as specified in the agreement.

The Company has hardware products, software products and related services support agreement with The Siam Commercial Bank Public Company Limited. This agreement is effective until the written of cancellation notice is provided. The Company receives service fee as specified in the agreement.

The Company has a secondment agreement with The Siam Commercial Bank Public Company Limited. The agreement is effective from 1 December 2020 to 31 December 2021. The Company receives secondment income as specified in the agreement. The Company has terminated the agreement which is effective since 31 March 2021.

The Company has a shared service agreement with SCB-Julius Baer Securities Co., Ltd. This agreement is effective until the written of cancellation notice is provided. The scope of services comprises of information technology support on onshore investment and support system, product and advisory and investment risk oversight. The Company receives shared service income as specified in the agreement.

The Company has a secondment agreement with SCB-Julius Baer Securities Co., Ltd. The agreement is effective from 1 June 2020 to 31 December 2021. The Company receives secondment income as specified in the agreement.

(b) *Product and service referral agreement*

The Siam Commercial Bank Public Company Limited has a product and service referral agreement with the Company. This agreement is effective until the written of cancellation notice is provided. Either of the parties shall be entitled to terminate the agreement by giving a 30-day prior notice to another party. The Company agrees to pay service expense monthly as specified in the agreement.

(c) *Shared service agreements*

The Company has a shared service agreement with The Siam Commercial Bank Public Company Limited for a period of 1 year. The agreement shall be continued 1 year at a time, unless terminated by any counterparty. Any party has no intention to renew the agreement, shall give the written notice of cancellation over 90 days prior to date of expiration of the agreement to another party. Either of the parties shall be entitled to terminate the agreement by giving a 30-day prior notice to another party. The scope of services comprises of Accounting and Finance, Human Resources, Training, Wealth Academy (License), Audit, Compliance, Company Secretary, Marketing, Public Relation, Central Services Management, General Procurement Management and Information Technology Procurement, Building Management, Safety and Security, Technology and Legal. The Company agrees to pay shared service expense as specified in the agreement.

The Company has an advisory agreement with SCB 10X Co., Ltd. This agreement is effective until the written of cancellation notice is provided. Either of the parties shall be entitled to terminate the agreement by giving a 30-day prior notice to another party. The Company agrees to pay service expense semi-annually as specified in the agreement.

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
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The Company has a secondment agreement with SCB 10X Co., Ltd. The agreement is effective from 1 August 2021 to 31 December 2021. The Company agrees to pay service expense as specified in the agreement.

The Company has secondment agreements with Digital Ventures Company Limited. The agreement is effective from 1 October 2021 to 31 March 2022. The Company agrees to pay service expense as specified in the agreement.

*(d) Service agreements*

The Company has several service agreements with The Siam Commercial Bank Public Company Limited and Mahisorn Co., Ltd. for a period of 3 years. Either of the parties shall be entitled to terminate the agreements by giving a 60-day prior notice to another party. The Company agrees to pay service expense monthly as specified in the agreements.

*Commitments with related parties*

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable service agreements</i>		
Within 1 year	5,604	10,532
1 - 5 years	<u>198</u>	<u>3,367</u>
<b>Total</b>	<b><u>5,802</u></b>	<b><u>13,899</u></b>

**35 Segment information**

Information regarding the results of each reportable segment is measured based on profit by segment, as included in the internal management reports that are reviewed by the Company's CODM.

	2021			2020		
	Brokerage fees and IB segment	Others	Total	Brokerage fees and IB segment	Others	Total
	<i>(in thousand Baht)</i>					
Income	2,659,515	1,719,043	4,378,558	1,864,328	568,957	2,433,285
Expenses	<u>(593,840)</u>	<u>(977,196)</u>	<u>(1,571,036)</u>	<u>(545,558)</u>	<u>(265,842)</u>	<u>(811,400)</u>
Profit by segment	<u>2,065,675</u>	<u>741,847</u>	2,807,522	<u>1,318,770</u>	<u>303,115</u>	1,621,885
Other income			82,046			59,054
Unallocate operating expenses			(1,007,764)			(741,254)
Income tax			<u>(372,359)</u>			<u>(187,100)</u>
<b>Profit for the year</b>			<b><u>1,509,445</u></b>			<b><u>752,585</u></b>

*Geographical segments*

The Company is managed and operates principally in Thailand. There is no material income derived from, or assets located in, foreign countries.

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**36 Leases**

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Right-of-use assets</i>		
Buildings	5,370	24,971
Vehicles	1,462	3,007
<b>Total</b>	<b>6,832</b>	<b>27,978</b>

In 2021, additions to the right-of-use assets of the Company were Baht 0.3 million (2020: nil).

The Company leases buildings for a period of 3 years, ending in May 2021 to July 2024 (2020: April 2021 to August 2022) with extension options at the end of lease term. The rental is payable monthly as specified in the agreement.

The Company leases vehicles for a period of 5 years, ending in February 2022 to October 2023. (2020: February 2022 to October 2023). The rental is payable monthly as specified in the agreements.

*Extension options*

The Company has extension options on lease agreements. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Buildings	17,118	22,334
- Vehicles	1,545	1,544
Interest on lease liabilities	319	945

Total cash outflow for leases of the Company for the years ended 31 December 2021 and 2020 were Baht 19.1 million and Baht 14.3 million, respectively.

**37 Fair value measurement**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	2021			Total
	Level 1	Fair value (in thousand Baht)		
	Level 2	Level 3		
<b>Financial assets</b>				
Derivative assets	-	333,800	361,077	694,877
Non-collateralised investments				
Investments measured at fair value through profit or loss	4,895,362	57,247	-	4,952,609
Investments measured at fair value through other comprehensive income	-	-	3,393	3,393
<b>Financial liabilities</b>				
Derivative liabilities	-	287,803	225	288,028
	2020			Total
	Level 1	Fair value (in thousand Baht)		
	Level 2	Level 3		
<b>Financial assets</b>				
Derivative assets	-	91,842	394,637	486,479
Non-collateralised investments				
Investments measured at fair value through profit or loss	2,137,729	93,198	-	2,230,927
Investments measured at fair value through other comprehensive income	-	-	3,393	3,393
<b>Financial liabilities</b>				
Derivative liabilities	-	152,351	90,294	242,645

The following methods and assumptions are used in estimating fair values of financial instruments are disclosed herein:

Cash and cash equivalents	The fair value is approximated based on the carrying amount.
Receivables from Clearing House and broker - dealers	The fair value is approximated based on the carrying amount.
Securities business receivables	The fair value is approximated based on the carrying amount since securities business receivables are short-term in nature and where applicable bear interest at market rates.
Derivative assets	The fair value of stock option contracts is based on broker quotes in active markets or from reliable service providers. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date. Fair values reflect the credit risk of the counterparty.

**SCB Securities Co., Ltd.**  
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For significant unobservable inputs, unwind risk premium which is discount rate that counterparty required in order to buy an option from the Company is calculated from the historical return of underlying asset price.

Non-collateralised investments

The fair value of investments in government-sector debt instruments is determined, using yield rates or prices quoted on the Thai Bond Market Association (“ThaiBMA”). The fair value of investments in other debt instruments issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA’s yield rates adjusted by appropriate risk factors.

The fair value of marketable equity instruments is determined at the last quoted bid price of the Stock Exchange of Thailand at the reporting date. The fair value of an investment unit is determined using the net asset value announced at the reporting date. The fair value of non-marketable equity instruments is determined mainly based on common valuation techniques such as cost approach or adjusted book value.

The fair value of investments in foreign debt instruments is determined as the close price at the reporting date or underlying securities index from reliable service providers.

Other financial assets

The fair value is approximated based on the carrying amount.

Borrowings from financial institution

The fair value of borrowings from financial institution which are due at call is approximated based on the carrying amount.

Payables to Clearing House and broker - dealers

The fair value is approximated based on the carrying amount.

Securities business payables

The fair value approximated based on the carrying amount since securities business payables are short-term in nature.

Liabilities to deliver security

The fair value of liabilities to deliver security is determined at the last quoted bid price of the Stock Exchange of Thailand at the reporting date.

Derivative liabilities

The fair value of derivative liabilities which have no liquidity, are determined as the close price at the reporting date or underlying securities index from reliable service providers.

**SCB Securities Co., Ltd.**  
**Notes to the financial statements**  
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The fair value of stock option contracts is based on broker quotes in active markets or from reliable service providers. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date. Fair values reflect the credit risk of the counterparty.

The fair value of derivative warrants is determined at the quoted ask price at the reporting date.

For significant unobservable inputs, unwind risk premium which is discount rate that counterparty required in order to buy an option from the Company is calculated from the historical return of underlying asset price.

Debt issued

The fair value of debt issued is approximated based on the carrying amount since debt issued are short-term in nature and where applicable bear interest at market rates.

The fair value of embedded derivative is determined using appropriate valuation model and, to the extent possible, observable inputs.