

InnovestX Securities Co., Ltd.
(Formerly SCB Securities Co., Ltd.)

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the shareholders of InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Opinion

I have audited the financial statements of InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.) (the "Company"), which comprise the statement of financial position as at 31 December 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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.

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
29 March 2023

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of financial position

Assets	Note	31 December	
		2022	2021
		<i>(in Baht)</i>	
Cash and cash equivalents	5, 37	792,822,727	739,655,681
Receivables from Clearing House and broker - dealers	6	1,211,502,256	822,789,099
Securities business receivables	7	6,130,223,278	4,707,508,940
Derivative assets	9	1,274,039,441	694,877,060
Non-collateralised investments	10	3,992,098,484	4,956,001,742
Leasehold improvement and equipment	12	44,647,202	35,538,537
Right-of-use assets	13	20,677,645	6,831,989
Intangible assets	14	393,635,596	183,199,907
Deferred tax assets	32	151,301,847	63,835,818
Other assets	15, 37	<u>571,539,357</u>	<u>531,775,039</u>
Total assets		<u>14,582,487,833</u>	<u>12,742,013,812</u>

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of financial position

Liabilities and equity	Note	31 December	
		2022	2021
		<i>(in Baht)</i>	
Liabilities			
Borrowings from financial institution	16, 37	1,100,000,000	-
Payables to Clearing House and broker - dealers	17	843,317,390	182,113,671
Securities business payables	18	2,419,065,648	2,404,186,896
Derivative liabilities	9	454,463,460	288,027,923
Current tax liabilities		-	201,183,921
Debt issued	19	4,355,998,424	5,816,492,978
Lease liabilities	37	20,790,476	6,987,856
Provisions	20	99,264,137	112,212,799
Other liabilities	21, 37	672,840,504	543,851,276
Total liabilities		9,965,740,039	9,555,057,320
Equity			
Share capital	23		
Authorised share capital			
(331,500,000 ordinary shares, par value at Baht 10 per share)		3,315,000,000	
(240,000,000 ordinary shares, par value at Baht 10 per share)			2,400,000,000
Issued and paid-up share capital			
(331,500,000 ordinary shares, par value at Baht 10 per share)		3,315,000,000	-
(240,000,000 ordinary shares, par value at Baht 8.75 per share)		-	2,100,000,000
Retained earnings			
Appropriated - Legal reserves	24	240,000,000	240,000,000
Unappropriated		1,061,747,794	846,956,492
Total equity		4,616,747,794	3,186,956,492
Total liabilities and equity		14,582,487,833	12,742,013,812

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of comprehensive income

		Year ended 31 December	
	Note	2022	2021
		<i>(in Baht)</i>	
Income			
Brokerage fees	25, 37	1,689,196,501	2,336,206,615
Fees and service income	26, 37	485,916,345	1,364,340,044
Interest income	27, 37	537,819,700	257,848,930
Gains and return on financial instruments	28	889,398,305	420,162,549
Other income	29, 37	77,013,907	82,045,968
Total income		3,679,344,758	4,460,604,106
Expenses			
Employee benefit expenses	30, 37	1,036,980,856	1,113,843,298
Fees and service expenses	37	480,708,594	700,120,315
Interest expenses	37	662,966,951	276,382,192
Expected credit loss	8	626,277,216	42,818
Other expenses	31, 37	625,366,732	488,411,756
Total expenses		3,432,300,349	2,578,800,379
Profit before income tax		247,044,409	1,881,803,727
Income tax	32	(46,576,293)	(372,358,506)
Profit for the year		200,468,116	1,509,445,221
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on remeasurements of defined benefit plans	20	17,903,983	6,871,605
Income tax relating to items that will not be reclassified subsequently to profit or loss	32	(3,580,797)	(1,374,321)
Total other comprehensive income, net of tax		14,323,186	5,497,284
Total comprehensive income for the year		214,791,302	1,514,942,505
Basic earnings per share	33	0.69	6.29

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of changes in equity

	Note	Issued and paid-up share capital	Retained earnings		Total
			Appropriated	Unappropriated	
<i>(in Baht)</i>					
Year ended 31 December 2021					
Balance at 1 January 2021		2,100,000,000	240,000,000	947,621,987	3,287,621,987
Changes during the year					
Dividends paid	34	-	-	(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
Balance at 31 December 2021		2,100,000,000	240,000,000	846,956,492	3,186,956,492
Year ended 31 December 2022					
Balance at 1 January 2022		2,100,000,000	240,000,000	846,956,492	3,186,956,492
Changes during the year					
Increase in issued and paid-up share capital	23	1,215,000,000	-	-	1,215,000,000
Profit for the year		-	-	200,468,116	200,468,116
Total other comprehensive income		-	-	14,323,186	14,323,186
Balance at 31 December 2022		3,315,000,000	240,000,000	1,061,747,794	4,616,747,794

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of cash flows

	Note	Year ended 31 December	
		2022	2021
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit before income tax		247,044,409	1,881,803,727
<i>Adjustments to reconcile profit before income tax to cash receipts (payments) from operating activities</i>			
Depreciation	12, 13	24,233,318	30,478,494
Amortisation	14	70,619,648	59,077,707
Expected credit loss	8	626,277,216	42,818
Provisions for employee benefits	30	17,161,308	17,518,782
Loss on revaluation of investments		142,166,981	46,513,266
Gain on sale of investments		(1,380,870,876)	(317,889,030)
(Gain) loss on disposal and write-off of leasehold improvement and equipment		(67,204)	2,451,574
(Gain) loss on disposal and write-off of intangible assets		(4,265,594)	6,873,334
Gain on translation of foreign exchange	29	-	(27,907,157)
Interest expenses		662,966,951	276,382,192
Interest income	27	(537,819,700)	(257,848,930)
Dividends income	28	(82,107,352)	(49,854,474)
(Loss) profit from operation before changes in operating assets and liabilities		(214,660,895)	1,667,642,303
<i>(Increase) decrease in operating assets</i>			
Receivables from Clearing House and broker - dealers		(539,143,432)	(40,584,482)
Securities business receivables		(1,898,465,000)	(125,030,095)
Derivative assets		(579,162,381)	(208,397,580)
Non-collateralised investments measured at fair value through profit or loss		2,206,775,513	(2,450,461,274)
Other assets		69,080,996	(222,177,784)

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of cash flows

	Note	Year ended 31 December	
		2022	2021
		<i>(in Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>			
Borrowings from financial institution		1,100,000,000	(1,750,000,000)
Payables to Clearing House and broker - dealers		661,203,719	(535,203,840)
Securities business payables		10,710,393	(191,630,338)
Derivative liabilities		166,435,537	45,382,609
Debt issued		(1,460,494,554)	5,382,532,270
Provisions		(11,137,720)	10,475,929
Provisions for employee benefits paid	20	(1,068,267)	3,819,600
Other liabilities		134,685,782	246,002,744
Cash (paid) generated from operations		(355,240,309)	1,832,370,062
Interest paid		(671,893,144)	(250,273,365)
Income tax paid		(457,669,577)	(252,537,749)
Net cash (used in) from operating activities		(1,484,803,030)	1,329,558,948
<i>Cash flows from investing activities</i>			
Acquisition of leasehold improvement and equipment		(17,719,257)	(17,558,611)
Proceeds from disposal of leasehold improvement and equipment		145,148	7,543,358
Acquisition of intangible assets		(268,728,797)	(30,047,528)
Proceeds from disposal of intangible assets		592,793	-
Interest received		545,609,894	278,950,282
Dividends received		75,068,093	49,843,074
Net cash from investing activities		334,967,874	288,730,575
<i>Cash flows from financing activities</i>			
Proceeds from increasing in share capital	23	1,215,000,000	-
Payment of lease liabilities	13	(11,997,798)	(19,148,946)
Dividends paid	34	-	(1,615,608,000)
Net cash from (used in) financing activities		1,203,002,202	(1,634,756,946)

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Statement of cash flows

		Year ended 31 December	
		2022	2021
		<i>(in Baht)</i>	
Net increase (decrease) in cash and cash equivalents		53,167,046	(16,467,423)
Cash and cash equivalents at the beginning of the year		<u>739,655,681</u>	<u>756,123,104</u>
Cash and cash equivalents at the end of the year	5	<u>792,822,727</u>	<u>739,655,681</u>
 <i>Non-cash transactions</i>			
Payables for acquisition of leasehold improvement and equipment		4,001,809	2,403,113
Payables for acquisition of intangible assets		(516,269)	(2,366,755)
Intangible assets acquired by exchange		4,267,360	-

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

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)
Notes to the financial statements
For the year ended 31 December 2022

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Notes to the financial statements

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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 29 March 2023.

1 General information

InnovestX Securities Co., Ltd. (formerly 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 18, Building 1, 2nd Floor and 19, Building 3, 2nd and 20th Floor, SCB Park Plaza, Ratchadapisek Road, Chatuchak, Bangkok 10900.

On 29 September 2022, SCB X Public Company Limited purchased all of the Company’s ordinary shares from The Siam Commercial Bank Public Company Limited which was the former parent company. As a result, the new parent company has changed to SCB X Public Company Limited (99.9% shareholding), which 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.

On 25 February 2022, the Board of Directors’ meeting passed a resolution to approve the change of the Company’s name and seal from SCB Securities Co., Ltd. to InnovestX Securities Co., Ltd. The Company registered the change of the Company’s name with the Department of Business Development, the Ministry of Commerce on 25 August 2022.

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, described in note 3, 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 that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)

Notes to the financial statements

For the year ended 31 December 2022

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 and value added tax.

Brokerage fees

Brokerage fees from securities business, derivatives business and digital assets 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 from derivatives, interest income on margin loans and interest income from deposits in financial institutions

Interest income from derivatives, interest income on margin loans 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 comprise 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".

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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:

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 amount 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.

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Notes to the financial statements

For the year ended 31 December 2022

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.

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 plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, an investment is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or 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.

Investment in equity instruments 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.

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 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 sister 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. 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 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 years
Right-of-use software	10 years

3.13 Digital assets

The Company's digital assets are accounted for either as inventories or intangibles assets, according to the business model of the Company's activities and the characteristics of each of the relevant digital assets.

Digital assets as inventories

Digital assets are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the digital assets. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of sale.

Digital assets as intangible assets

Digital assets are identifiable non-monetary assets that have indefinite useful life because, at the time of assessment, there is no foreseeable limit to the period over which such assets are expected to generate cash flows. The assessment of their status with indefinite useful lives is reviewed at each reporting date.

The Company initially recognises digital assets at cost, which is the fair value of the digital assets on the date of receipt. Subsequent to initial recognition, digital assets are measured at cost using the weighted average method less impairment losses.

The Company performs impairment assessment of digital assets at each reporting date. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its fair value at the end of the reporting period.

The recoverable amount of digital assets measured at fair value less costs to sell. Fair value is determined using the closing price at the end of the reporting period on the relevant digital assets exchange.

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Digital assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any difference between the fair value of the initial recognition of digital assets and the actual realised price upon disposal are recognised as a gain or loss from disposal of digital assets.

Digital assets excluded digital assets held on behalf of customers which are not recorded on the financial position.

3.14 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.

An impairment loss of asset 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.

3.15 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 plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its issue.

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.

3.16 Liabilities to deliver security

The Company recognises its obligations to return borrowed securities as "Securities business payables" in the statement of financial position.

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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.

3.17 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.

3.18 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.

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.

3.19 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.

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3.20 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.

3.21 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 it relates 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 the financial statements.

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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.

3.22 *Earnings per share*

Basic earnings per share (EPS) is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.23 *Segment reporting*

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

3.24 *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.

4 **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 2022, the Company has Net Capital Ratio at 32.8% (2021: 22.8%). 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.

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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.

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.

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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 2022, the Company has an outstanding of fixed income investment for proprietary trading portfolio of Baht 77.4 million (2021: Baht 57.2 million) which comprises Thai government bond of Baht 48.3 million, corporate debt instruments of Baht 3.7 million and foreign debt instruments of Baht 25.4 million (2021: 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).

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.

In addition, the Risk Management Department and the Accounting and Finance Departments also cooperate to regularly monitor liquidity levels in a forward-looking manner which will conduct daily report to summarize the Net Capital (NC) and the Net Capital Ratio (NCR) to report related senior executives.

The following table shows 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.

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	Carrying amount	2022 Contractual cash flows			Total
		1 year or less (in thousand Baht)	More than 1 year but less than 5 years		
<i>Non-derivative financial liabilities</i>					
Borrowings from financial institution	1,100,000	1,100,000	-		1,100,000
Payables to Clearing House and broker - dealers	843,317	843,317	-		843,317
Securities business payables	2,419,066	2,419,066	-		2,419,066
Debt issued	4,355,998	4,355,998	-		4,355,998
Lease liabilities	20,790	9,268	11,898		21,166
	<u>8,739,171</u>	<u>8,727,649</u>	<u>11,898</u>		<u>8,739,547</u>
<i>Derivative financial liabilities</i>					
Derivative liabilities	454,463	261,467	192,996		454,463
	<u>454,463</u>	<u>261,467</u>	<u>192,996</u>		<u>454,463</u>

	Carrying amount	2021 Contractual cash flows			Total
		1 year or less (in thousand Baht)	More than 1 year but less than 5 years		
<i>Non-derivative financial liabilities</i>					
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>8,409,841</u>
<i>Derivative financial liabilities</i>					
Derivative liabilities	288,028	167,967	120,061		288,028
	<u>288,028</u>	<u>167,967</u>	<u>120,061</u>		<u>288,028</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 risks are as follows:

Interest rate risk

Interest rate risk is the risk that the Company and its private fund portfolio business may be impacted 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.

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<i>Exposure to interest rate risk</i>	Variable interest rate	2022		Total
		Fixed interest rate <i>(in thousand Baht)</i>	Non- interest bearing	
<i>Financial assets</i>				
Cash and cash equivalents	143,186	-	649,637	792,823
Receivables from Clearing House and broker - dealers	-	-	1,211,502	1,211,502
Securities business receivables	3,177,532	-	2,952,691	6,130,223
Derivative assets	-	-	1,274,039	1,274,039
Non-collateralised investments	-	29,172	3,962,926	3,992,098
<i>Financial liabilities</i>				
Payables to Clearing House and broker - dealers	-	-	843,317	843,317
Securities business payables	-	-	2,419,066	2,419,066
Derivative liabilities	-	-	454,463	454,463
Debt issued	-	4,355,998	-	4,355,998
Lease liabilities	-	20,790	-	20,790

<i>Exposure to interest rate risk</i>	Variable interest rate	2021		Total
		Fixed interest rate <i>(in thousand Baht)</i>	Non- interest bearing	
<i>Financial assets</i>				
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	-	31,980	4,924,022	4,956,002
<i>Financial liabilities</i>				
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

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>	2022		2021	
	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	33,207	(33,207)	24,983	(24,983)

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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>	2022			Total
	Hong Kong Dollars	United States Dollars <i>(in thousand Baht)</i>	Other currencies	
Cash and cash equivalents	4	7,814	3	7,821
Securities business receivables	26,941	597,874	16,522	641,337
Non-collateralised investments	-	33,737	-	33,737
Securities business payables	(19,627)	(265,705)	(2,274)	(287,606)
Net exposure	7,318	373,720	14,251	395,289

<i>Exposure to foreign currency</i>	2021			Total
	Hong Kong Dollars	United States Dollars <i>(in thousand Baht)</i>	Other currencies	
Cash and cash equivalents	1	838	3	842
Securities business receivables	75,389	305,628	14,747	395,764
Non-collateralised investments	-	17,456	-	17,456
Securities business payables	(68,319)	(191)	(2,931)	(71,441)
Net exposure	7,071	323,731	11,819	342,621

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>	2022		2021			
	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening <i>(in thousand Baht)</i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening <i>(in thousand Baht)</i>
United States Dollars	1	3,759	(3,759)	1	3,235	(3,235)

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.

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4.3 Significant risk of digital assets business

4.3.1 Counterparty credit risk

Counterparty credit risk arises on certain business partners, digital asset source exchanges and digital asset custodians, which hold certain digital assets and fiat currency to enable digital asset business. The Company performed a due diligence process for selection of business partners including IT securities together with their financial status. The status of these partners is monitored on a regular basis and counterparty limits are established accordingly.

4.3.2 Operational risk

Losses may arise from process weaknesses, lack of staff training, technology failures, errors or malicious actions by internal or external actors. The Company has a policy and procedures in operational risk management to prevent damage that may occur from the operational process both from internal factors and external factors to be within acceptable limits as approved by the Board of Directors.

4.3.3 IT and cyber risk

Digital assets depend on IT especially system infrastructure. The Company uses systems that are internationally accepted through partners with expertise. The Company is responsible for monitoring of infrastructure, hardware and relating IT securities for digital assets.

4.3.4 Market risk

The Company has the risk relating to the change in digital asset prices. Risk management and digital assets committee will set limits for holding of digital assets by considering the acceptable level of risk, liquidity and volatility of digital assets.

4.3.5 Legal and compliance risk

The Company is aware of the risks related to regulatory compliance, including the risk that changes in laws, rules and regulations imposed by regulators which may have both direct and indirect impact to the Company.

5 Cash and cash equivalents

	2022	2021
	<i>(in thousand Baht)</i>	
Cash	-	2
Current and savings accounts	4,294,605	1,771,404
Less deposits for customers' account	<u>(3,501,782)</u>	<u>(1,031,750)</u>
Total	<u>792,823</u>	<u>739,656</u>

As at 31 December 2022, the Company has deposits for customers' account totaling Baht 3,501.8 million, including frozen deposits for customers' account due to one security trading transaction which is currently under court procedure totaling Baht 2,295.7 million.

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6 Receivables from Clearing House and broker - dealers

	2022	2021
	<i>(in thousand Baht)</i>	
Receivables from Clearing House	1,345,204	1,375,033
Receivables from foreign broker	3,768,906	4,235,699
Receivables from digital assets source exchange	22,000	-
Less receivables from Clearing House for customers' account	(635,559)	(917,642)
Less receivables from foreign broker for customers' account	(3,289,049)	(3,870,301)
Total	<u>1,211,502</u>	<u>822,789</u>

7 Securities business receivables

	2022	2021
	<i>(in thousand Baht)</i>	
Cash accounts	2,906,952	2,478,012
Margin loans	3,177,532	2,222,651
Collateral receivables	45,685	6,756
Other receivables	534,307	58,593
	<u>6,664,476</u>	<u>4,766,012</u>
Add accrued interest receivables	7,581	7,484
Less allowance for expected credit loss	(541,834)	(65,987)
Total	<u>6,130,223</u>	<u>4,707,509</u>

As at 31 December 2022, other receivables totaling Baht 534.3 million has included outstanding of one receivable from one security trading transaction which is currently under court procedure amounting to Baht 470.4 million.

As at 31 December 2022, the normal credit term of cash accounts granted by the Company was 2 working days from trade date (2021: 2 working days).

	2022		
	Securities business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
Staging		<i>(in thousand Baht)</i>	
Receivables that have not had a significant increase in credit risk	6,130,423	6,130,423	200
Receivables that are credit-impaired	541,634	541,634	541,634
Total	<u>6,672,057</u>	<u>6,672,057</u>	<u>541,834</u>
	2021		
	Securities business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
Staging		<i>(in thousand Baht)</i>	
Receivables that have not had a significant increase in credit risk	4,707,580	4,707,580	71
Receivables that are credit-impaired	65,916	65,916	65,916
Total	<u>4,773,496</u>	<u>4,773,496</u>	<u>65,987</u>

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In November 2022, there was one security currently under court procedure which the Company was one of the securities companies receiving buying orders. The relevant regulators have investigated and suspended those transactions, resulting the Company was unable to receive payment from the securities business receivables of such event. In order to comply with accounting standard, the Company has provided expected credit loss amounting to Baht 475.7 million.

8 Allowance for expected credit loss

	Financial assets that have not had a significant increase in credit risk	Financial assets that are credit-impaired (in thousand Baht)	Total
<i>Receivables from Clearing House and broker - dealers</i>			
At 1 January 2022	-	-	-
Purchased or acquired	-	150,430	150,430
Derecognition	-	(150,430)	(150,430)
At 31 December 2022	-	-	-
<i>Securities business receivables</i>			
At 1 January 2021	32	65,998	66,030
Purchased or acquired	43	-	43
Write-off	(4)	(82)	(86)
At 31 December 2021 and 1 January 2022	71	65,916	65,987
Purchased or acquired	129	475,718	475,847
At 31 December 2022	200	541,634	541,834

9 Derivative assets and liabilities

9.1 Classified by type of risk

	2022			
	Assets		Liabilities	
	Fair value	Notional amount (in thousand Baht)	Fair value	Notional amount
Equity price	1,270,740	7,145,433	451,164	5,361,532
Foreign exchange rate	3,299	116,591	3,299	116,591
Total	1,274,039	7,262,024	454,463	5,478,123
	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
Total	694,877	8,400,465	288,028	6,556,097

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9.2 Proportion of derivatives classified by type of counterparty according to notional amount

Type of counterparty	2022		2021	
	Proportion of notional amount Assets	Liabilities (%)	Proportion of notional amount Assets	Liabilities
Companies in the financial group	19.9	75.7	27.7	82.0
External parties	80.1	24.3	72.3	18.0
Total	100.0	100.0	100.0	100.0

10 Non-collateralised investments

10.1 Cost and fair value

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Investments measured at fair value through profit or loss</i>		
Trading investments		
Government and state enterprise securities	13,787,080	14,655,297
Corporate debt instruments	3,734	14,523
Foreign debt instruments	25,438	17,457
Domestic marketable equity instruments	3,902,971	4,895,362
Less investments for customers' account	(13,738,876)	(14,630,089)
Total	3,980,347	4,952,550
Other investments		
Unit trusts	59	59
Foreign non-marketable equity instruments	8,299	-
Total	8,358	59
Total investments measured at fair value through profit or loss	3,988,705	4,952,609
<i>Investments measured at fair value through other comprehensive income</i>		
Investments in equity instruments designated at fair value through other comprehensive income		
Domestic non-marketable equity instruments	3,393	3,393
Total investments measured at fair value through other comprehensive income	3,393	3,393
<i>Investments measured at amortised cost</i>		
Certificate deposit	700,000	300,000
Less investments for customers' account	(700,000)	(300,000)
Total investments measured at amortised cost	-	-
Total	3,992,098	4,956,002

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

Investments	Reason of electing this option in presentation	2022	
		Fair value (in thousand Baht)	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	93
Total		3,393	93

Investments	Reason of electing this option in presentation	2021	
		Fair value (in thousand Baht)	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	-
Total		3,393	-

11 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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12 Leasehold improvement and equipment

	Leasehold improvement	Furniture and office equipment	Computer and equipment (in thousand Baht)	Vehicles	Total
<i>Cost</i>					
At 1 January 2021	36,333	21,903	75,521	1,897	135,654
Additions	165	823	18,974	-	19,962
Disposal / write-off	(17,400)	(3,871)	(5,808)	(1,897)	(28,976)
At 31 December 2021 and 1 January 2022	19,098	18,855	88,687	-	126,640
Additions	13,692	2,890	5,139	-	21,721
Disposal / write-off	(7,141)	(6,240)	(12,252)	-	(25,633)
At 31 December 2022	25,649	15,505	81,574	-	122,728
<i>Accumulated depreciation</i>					
At 1 January 2021	21,507	17,253	57,610	1,897	98,267
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)
At 31 December 2021 and 1 January 2022	14,898	15,461	60,742	-	91,101
Depreciation charge for the year	2,633	1,405	8,497	-	12,535
Disposal / write-off	(7,141)	(6,238)	(12,176)	-	(25,555)
At 31 December 2022	10,390	10,628	57,063	-	78,081
<i>Net book value</i>					
At 31 December 2021	4,200	3,394	27,945	-	35,539
At 31 December 2022	15,259	4,877	24,511	-	44,647

The gross amount of the Company's fully depreciated leasehold improvement and equipment that was still in use as at 31 December 2022 amounting to Baht 49.7 million (2021: Baht 64.8 million).

13 Leases

	2022	2021
	(in thousand Baht)	
<i>Right-of-use assets</i>		
Buildings	20,413	5,370
Vehicles	265	1,462
Total	20,678	6,832

In 2022, additions to the right-of-use assets of the Company were Baht 26.0 million (2021: Baht 0.3 million).

The Company leases buildings for a period of 3 years, ending in July 2024 to May 2025 (2021: May 2021 to July 2024) 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 March 2023 to May 2023 (2021: February 2022 to October 2023). The rental is payable monthly as specified in the agreements.

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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.

	2022	2021
	<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss		
Depreciation of right-of-use assets:		
- Buildings	10,998	17,118
- Vehicles	700	1,545
Interest on lease liabilities	256	319

Total cash outflow for leases of the Company for the years ended 31 December 2022 and 2021 were Baht 12.0 million and Baht 19.1 million, respectively.

14 Intangible asset

	Software licenses	Right-of-use software	Software under development and installation <i>(in thousand Baht)</i>	Digital assets	Total
Cost					
At 1 January 2021	353,374	6,973	24,703	-	385,050
Additions	-	-	25,141	2,540	27,681
Transfer in (out)	27,243	-	(27,243)	-	-
Write-off	(402)	-	(6,873)	-	(7,275)
At 31 December 2021 and 1 January 2022	380,215	6,973	15,728	2,540	405,456
Acquisitions internally developed	-	-	113,344	-	113,344
Additions	-	186	154,683	-	154,869
Transfer in (out)	218,750	-	(218,750)	9,171	9,171
Acquisitions by exchange	-	-	-	4,267	4,267
Disposal / write-off	-	-	-	(595)	(595)
At 31 December 2022	598,965	7,159	65,005	15,383	686,512
Accumulated amortisation					
At 1 January 2021	156,759	6,821	-	-	163,580
Amortisation charge for the year	59,038	40	-	-	59,078
Write-off	(402)	-	-	-	(402)
At 31 December 2021 and 1 January 2022	215,395	6,861	-	-	222,256
Amortisation charge for the year	70,568	52	-	-	70,620
At 31 December 2022	285,963	6,913	-	-	292,876
Net book value					
At 31 December 2021	164,820	112	15,728	2,540	183,200
At 31 December 2022	313,002	246	65,005	15,383	393,636

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The gross amount of the Company's fully amortised intangible assets that was still in use as at 31 December 2022 amounting to Baht 122.1 million (2021: Baht 96.7 million).

15 Other assets

	2022	2021
	<i>(in thousand Baht)</i>	
Contribution to the Clearing Fund	188,888	166,385
Accounts receivable - Revenue Department	118,863	-
Unit trust receivables for customers	103,268	-
Accrued fee income	46,914	290,292
Prepaid expenses	30,598	14,712
Inventories - digital assets	23,749	-
Accrued interest income	23,623	24,470
Marginal deposits	16,761	13,460
Others	18,875	22,456
Total	<u>571,539</u>	<u>531,775</u>

16 Borrowings from financial institution

	2022		2021	
	Interest rate (%)	The remaining term to maturity of the debt <u>Less than 1 year</u> <i>(in thousand Baht)</i>	Interest rate (%)	The remaining term to maturity of the debt <u>Less than 1 year</u> <i>(in thousand Baht)</i>
Promissory notes				
- Baht	1.5	<u>1,100,000</u>	-	<u>-</u>
Total		<u>1,100,000</u>		<u>-</u>

As at 31 December 2022, the Company has unutilised credit facilities totaling Baht 6,860 million (2021: Baht 7,660 million).

17 Payables to Clearing House and broker - dealers

	2022	2021
	<i>(in thousand Baht)</i>	
Payables to Clearing House	682,245	151,587
Payables to foreign broker	161,072	30,527
Total	<u>843,317</u>	<u>182,114</u>

18 Securities business payables

	2022	2021
	<i>(in thousand Baht)</i>	
Cash accounts	2,380,311	2,398,437
Liabilities to deliver security	38,755	5,750
Total	<u>2,419,066</u>	<u>2,404,187</u>

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19 Debt issued

	Interest rate (%)	2022	Interest rate (%)	2021
		The remaining term to maturity of the debt <u>Less than 1 year</u> (in thousand Baht)		The remaining term to maturity of the debt <u>Less than 1 year</u> (in thousand Baht)
Structured notes - Baht	0.00 - 16.00	<u>4,355,998</u>	0.00 - 17.00	<u>5,816,493</u>
Total		<u>4,355,998</u>		<u>5,816,493</u>

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 9.

As at 31 December 2022, the Company has structured notes with a principal amount of Baht 4,356.0 million (2021: Baht 5,816.5 million) maturing in January to July 2023 (2021: January to July 2022).

20 Provisions

	2022	2021
	(in thousand Baht)	
Provisions for employee benefits	88,164	89,193
Others	11,100	23,020
Total	<u>99,264</u>	<u>112,213</u>

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.

	2022	2021
	(in thousand Baht)	
<i>Present value of the defined benefit obligations</i>		
At 1 January	89,193	82,365
<i>Recognised in profit or loss:</i>		
Current service cost	16,141	16,203
Interest on obligation	1,802	1,316
	<u>17,943</u>	<u>17,519</u>

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<i>Present value of the defined benefit obligations</i>	2022	2021
	<i>(in thousand Baht)</i>	
<i>Recognised in other comprehensive income:</i>		
Actuarial gain		
- Demographic assumptions	(7,528)	-
- Financial assumptions	(1,209)	(2,724)
- Experience adjustment	(9,167)	(4,148)
	<u>(17,904)</u>	<u>(6,872)</u>
Benefit paid	(1,068)	(3,819)
	<u>(1,068)</u>	<u>(3,819)</u>
At 31 December	<u>88,164</u>	<u>89,193</u>

<i>Principal actuarial assumptions</i>	2022	2021
	<i>(%)</i>	
Discount rate	2.8	2.1
Future salary growth	2.0 - 7.5	2.0 - 5.0
Employee turnover rate	2.0 - 16.0	1.5 - 18.0

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 9 years (2021: 12 years).

Sensitivity analysis

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

<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(7,328)	(7,673)	8,559	8,985
Future salary growth	8,437	8,843	(7,375)	(7,711)

21 Other liabilities

	Note	2022	2021
		<i>(in thousand Baht)</i>	
Accrued expenses		484,500	276,716
Unit trust payables for customers		103,268	-
Withholding tax payable		28,864	97,577
Accrued interest expense		16,729	25,911
Other payables		9,409	17,386
Value added tax payable		7,113	28,087
Accrued shared service expenses	37	-	82,867
Others		22,958	15,307
Total		<u>672,841</u>	<u>543,851</u>

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22 Offsetting of financial assets and financial liabilities

	Carrying amount	2022 The amount that can offset in the statement of financial position (in thousand Baht)	Net amount that can offset in the statement of financial position	Note
Financial assets				
Securities business receivables	8,229,083	(2,098,860)	6,130,223	7
Derivative assets	1,274,039	-	1,274,039	9
Total	9,503,122	(2,098,860)	7,404,262	
Financial liabilities				
Securities business payables	4,517,926	(2,098,860)	2,419,066	18
Derivative liabilities	454,463	-	454,463	9
Total	4,972,389	(2,098,860)	2,873,529	
	Carrying amount	2021 The amount that can offset in the statement of financial position (in thousand Baht)	Net amount that can offset in the statement of financial position	Note
Financial assets				
Securities business receivables	6,496,014	(1,788,505)	4,707,509	7
Derivative assets	694,877	-	694,877	9
Total	7,190,891	(1,788,505)	5,402,386	
Financial liabilities				
Securities business payables	4,192,692	(1,788,505)	2,404,187	18
Derivative liabilities	288,028	-	288,028	9
Total	4,480,720	(1,788,505)	2,692,215	

23 Share capital

	Par value per share (in Baht)	2022 Number	2022 Baht (thousand shares / in thousand Baht)	2021 Number	2021 Baht
Authorised shares					
At the beginning of the year					
- ordinary shares	10	240,000	2,400,000	240,000	2,400,000
Increase of new shares	10	91,500	915,000	-	-
At the end of the year					
- ordinary shares	10	331,500	3,315,000	240,000	2,400,000

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	Par value per share (in Baht)	Number	2022 Baht (thousand shares / in thousand Baht)	Number	2021 Baht
<i>Issued and paid-up shares</i>					
At the beginning of the year					
- ordinary shares	8.75	240,000	2,100,000	240,000	2,100,000
Paid-up share capital	1.25	240,000	300,000	-	-
Increase of new shares	10	91,500	915,000	-	-
At the end of the year					
- ordinary shares	10	331,500	3,315,000	240,000	2,100,000

On 24 May 2022, the Board of Directors' meeting of the Company approved to call the remaining payment at Baht 1.25 per share, amounting to Baht 300 million. The Company already received the payment on 14 June 2022.

On 9 June 2022, the extraordinary general meeting of shareholders approved the issuing of 91.5 million ordinary shares, par value at Baht 10 per share with fully paid-up which was registered with the Ministry of Commerce on 14 June 2022.

24 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.

25 Brokerage fees

	2022	2021
	<i>(in thousand Baht)</i>	
Brokerage fees from securities business	1,598,111	2,226,544
Brokerage fees from derivatives business	89,795	109,663
Brokerage fees from digital assets business	1,291	-
Total	1,689,197	2,336,207

26 Fees and service income

	2022	2021
	<i>(in thousand Baht)</i>	
Agent fee income	292,480	715,285
Management fee income from private fund	157,923	320,855
Underwriting fee income	34,917	327,326
Others	596	874
Total	485,916	1,364,340

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27 Interest income

	2022	2021
	<i>(in thousand Baht)</i>	
Interest income from derivatives	367,923	146,775
Interest income on margin loans	125,258	73,571
Interest income from cash accounts	25,678	390
Interest income from deposits in financial institutions	14,319	11,624
Interest income from investments in debt instruments	4,379	25,407
Others	263	82
Total	537,820	257,849

28 Gains and return on financial instruments

	2022	2021
	<i>(in thousand Baht)</i>	
Gain (loss) on investments		
Trading investments	1,238,704	271,514
Other investments	-	(138)
(Loss) gain on derivatives for trading	(431,413)	98,933
Dividends income	82,107	49,854
Total	889,398	420,163

29 Other income

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
Service income related to securities business		22,362	22,608
Shared service income	37	15,317	14,465
Training service income		13,714	-
Other income with related parties	37	13,707	4,809
Gain on translation of foreign exchange		-	27,907
Others		11,914	12,257
Total		77,014	82,046

30 Employee benefit expenses

	2022	2021
	<i>(in thousand Baht)</i>	
Salaries and bonus	909,047	990,147
Allowances	58,548	43,700
Defined contribution plans	25,611	24,032
Defined benefit plans	17,161	17,519
Director's remuneration	5,120	5,123
Others	21,494	33,322
Total	1,036,981	1,113,843

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31 Other expenses

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
License fee and information service expenses		110,379	85,998
Depreciation and amortisation	12, 13, 14	94,853	89,556
Shared service expenses	37	89,092	82,330
Professional fees		85,866	68,545
Maintenance and services expenses		72,954	44,168
Advertising and promotion expenses		62,799	60,838
Loss from digital assets business		61,336	-
Taxes and duties		15,257	13,362
Bank charge expenses		10,754	10,651
Others		22,077	32,964
Total		<u>625,367</u>	<u>488,412</u>

32 Income tax

Income tax recognised in profit or loss

	2022	2021
	<i>(in thousand Baht)</i>	
Current tax		
Current year	137,081	389,009
Under (over) provided in prior years	542	(906)
	<u>137,623</u>	<u>388,103</u>
Deferred tax		
Movements in temporary differences	(91,047)	(15,744)
	<u>(91,047)</u>	<u>(15,744)</u>
Total income tax	<u>46,576</u>	<u>372,359</u>

Income tax recognised in other comprehensive income

	Before tax	2022 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2021 Tax expense	Net of tax
Defined benefit plan actuarial gain	17,904	(3,581)	14,323	6,872	(1,375)	5,497
Total	<u>17,904</u>	<u>(3,581)</u>	<u>14,323</u>	<u>6,872</u>	<u>(1,375)</u>	<u>5,497</u>

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Reconciliation of effective tax rate

	Rate (%)	2022 (in thousand Baht)	Rate (%)	2021 (in thousand Baht)
Profit before income tax		247,044		1,881,804
Income tax using the Thai corporation tax rate	20.0	49,409	20.0	376,361
Income not subject to tax		(1,972)		(603)
Expenses not deductible for tax purposes		39		78
Additional deductible expenses for tax purposes		(1,442)		(2,571)
Under (over) provided in prior years		542		(906)
Total	18.9	46,576	19.8	372,359

Deferred tax

	Assets		Liabilities	
	2022	2021 (in thousand Baht)	2022	2021
Total	161,068	74,911	(9,766)	(11,075)
Set off of tax	(9,766)	(11,075)	9,766	11,075
Net deferred tax assets	151,302	63,836	-	-

	At 1 January 2022	Credited to / (charged):		At 31 December 2022
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Non-collateralised investments	51,754	26,322	-	78,076
Properties for sale	668	-	-	668
Securities business receivables	14	26	-	40
Securities business payables	-	834	-	834
Lease liabilities	32	(9)	-	23
Provisions	22,443	3,160	(3,581)	22,022
Other liabilities	-	59,405	-	59,405
Total	74,911	89,738	(3,581)	161,068
<i>Deferred tax liabilities</i>				
Non-collateralised investments	(11,044)	1,278	-	(9,766)
Securities business payables	(31)	31	-	-
Total	(11,075)	1,309	-	(9,766)
Net	63,836	91,047	(3,581)	151,302

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	At 1 January 2021	Credited to / (charged):		At 31 December 2021
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
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
Total	58,014	18,272	(1,375)	74,911
Deferred tax liabilities				
Non-collateralised investments	(8,426)	(2,618)	-	(11,044)
Securities business payables	(121)	90	-	(31)
Total	(8,547)	(2,528)	-	(11,075)
Net	49,467	15,744	(1,375)	63,836

33 Basic earnings per share

	2022 (in thousand Baht / thousand shares)	2021 (in thousand Baht / thousand shares)
Profit attributable to ordinary shareholders of the Company (basic)	200,468	1,509,445
Number of ordinary shares outstanding		
Number of ordinary shares outstanding at 1 January	240,000	240,000
Effect of shares issued during the year	50,388	-
Weighted average number of ordinary shares outstanding at 31 December (basic)	290,388	240,000
Earnings per share (basic) (in Baht)	0.69	6.29

34 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2021				
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
			6.73	1,615,608

The Company has not paid dividends for the year ended 31 December 2022.

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For the year ended 31 December 2022

35 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.

	2022	2021
	<i>(in thousand Baht)</i>	
Short-term benefits	223,925	131,931
Post-employment benefits and others	2,427	2,459
Total	226,352	134,390

36 Commitments with non-related parties

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Technical assistant agreement	17,499	37,883
Total	17,499	37,883

37 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. The pricing policies for transactions with related parties are determined on an arm's length basis or contractual agreed price.

Other related parties which 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
SCB X Public Company Limited	Thailand	Parent company, 99.9% shareholding, and having representatives as directors of the Company
The Siam Commercial Bank Public Company Limited	Thailand	Subsidiary of the parent company
SCB 10X Co., Ltd.	Thailand	Subsidiary of the parent company
Card X Co., Ltd	Thailand	Subsidiary of the parent company
Purple Ventures Co., Ltd.	Thailand	Subsidiary of the parent company
Auto X Co., Ltd.	Thailand	Subsidiary of the parent company
SCB DataX Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Tech X Co., Ltd.	Thailand	Subsidiary of the parent company
AISCB Co., Ltd.	Thailand	Subsidiary of the parent company
SCB Abacus Co., Ltd.	Thailand	Subsidiary of the parent company

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For the year ended 31 December 2022

Name of entities	Country of incorporation nationality	Nature of relationships
Monix Co., Ltd.	Thailand	Subsidiary of the parent company
Token X Co., Ltd.	Thailand	Subsidiary of the parent company
Digital Ventures Company Limited	Thailand	Subsidiary of the parent company
Siam Commercial Bank Myanmar Co., Ltd.	Myanmar	Indirect subsidiary of the parent company
Cambodian Commercial Bank Ltd.	Cambodia	Indirect subsidiary of the parent company
SCB Protect Co., Ltd.	Thailand	Indirect subsidiary of the parent company
SCB Training Centre Co., Ltd.	Thailand	Indirect subsidiary of the parent company
SCB Asset Management Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Rutchayothin Assets Management Co., Ltd.	Thailand	Indirect subsidiary of the parent company
SCB Plus Co., Ltd.	Thailand	Indirect subsidiary of the parent company
SCB-Julius Baer Securities Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Card X Asset Management Co., Ltd	Thailand	Indirect subsidiary of the parent company
Mahisorn 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

Significant transactions with related parties *Year ended 31 December*

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Brokerage fees</i>		
SCB X Public Company Limited	300	-
The Siam Commercial Bank Public Company Limited	8,307	11,802
<i>Fees and service income</i>		
The Siam Commercial Bank Public Company Limited	3,230	2,976
SCB Asset Management Co., Ltd.	22,410	37,838
<i>Interest income</i>		
The Siam Commercial Bank Public Company Limited	370,867	148,569
<i>Shared service income</i>		
SCB X Public Company Limited	6,812	-
The Siam Commercial Bank Public Company Limited	1,050	3,257
SCB-Julius Baer Securities Co., Ltd.	7,455	11,208
<i>Other income</i>		
The Siam Commercial Bank Public Company Limited	11,718	4,809
SCB Asset Management Co., Ltd.	1,949	-
SCB-Julius Baer Securities Co., Ltd.	40	-
<i>Fees and service expenses</i>		
The Siam Commercial Bank Public Company Limited	209,043	135,888
<i>Interest expenses</i>		
The Siam Commercial Bank Public Company Limited	11,501	6,049

InnovestX Securities Co., Ltd. (Formerly SCB Securities Co., Ltd.)
Notes to the financial statements
For the year ended 31 December 2022

Significant transactions with related parties
Year ended 31 December

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Shared service expenses</i>		
The Siam Commercial Bank Public Company Limited	78,586	71,434
SCB 10X Co., Ltd.	515	8,546
Digital Ventures Company Limited	9,991	2,350
<i>Other expenses</i>		
The Siam Commercial Bank Public Company Limited	18,721	16,549
SCB 10X Co., Ltd.	129	48
SCB Tech X Co., Ltd.	669	-
Purple Ventures Co., Ltd.	132	-
SCB Training Centre Co., Ltd.	72	-
Mahisorn Co., Ltd.	10,525	12,153
<i>Significant balances with related parties</i> <i>At 31 December</i>		
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cash at bank</i>		
The Siam Commercial Bank Public Company Limited	257,544	356,707
<i>Other assets</i>		
SCB X Public Company Limited	7,152	-
The Siam Commercial Bank Public Company Limited	20,477	17,435
SCB Asset Management Co., Ltd.	1,792	2,981
SCB-Julius Baer Securities Co., Ltd.	2,294	2,976
Purple Ventures Co., Ltd.	45	-
<i>Marginal deposits</i>		
The Siam Commercial Bank Public Company Limited	5,572	2,288
Mahisorn Co., Ltd.	2,663	2,663
<i>Borrowings from financial institution</i>		
The Siam Commercial Bank Public Company Limited	1,100,000	-
<i>Lease liabilities</i>		
The Siam Commercial Bank Public Company Limited	20,515	5,460
Mahisorn Co., Ltd.	-	28
<i>Accrued shared service expenses</i>		
The Siam Commercial Bank Public Company Limited	-	71,942
SCB 10X Co., Ltd.	-	8,575
Digital Ventures Company Limited	-	2,350
<i>Other liabilities</i>		
The Siam Commercial Bank Public Company Limited	27,226	43,611
SCB 10X Co., Ltd.	124	-
SCB Tech X Co., Ltd.	28,288	-
Mahisorn Co., Ltd.	129	70
<i>Derivatives (notional amount)</i>		
The Siam Commercial Bank Public Company Limited	5,586,957	7,703,218

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Significant agreements with related parties

(a) Rendering of service agreements

The Company has a secondment agreement with SCB X Public Company Limited. The agreement is effective from 1 September 2022 to 31 July 2027. The Company receives secondment income as specified in the agreement.

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 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 January 2022 to 31 December 2022. 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.

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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 December 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 60 - 90 days prior notice to another party. The Company agrees to pay service expense monthly as specified in the agreements.

Commitments with related parties

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable service agreements</i>		
Within 1 year	10,983	5,604
1 - 5 years	14,533	198
Total	25,516	5,802

38 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.

	2022			2021		
	Brokerage fees and IB segment	Others	Total	Brokerage fees and IB segment	Others	Total
	<i>(in thousand Baht)</i>					
Income	1,758,473	1,843,858	3,602,331	2,659,515	1,719,043	4,378,558
Expenses	<u>(747,024)</u>	<u>(1,033,893)</u>	<u>(1,780,917)</u>	<u>(593,840)</u>	<u>(977,196)</u>	<u>(1,571,036)</u>
Profit by segment	<u>1,011,449</u>	<u>809,965</u>	1,821,414	<u>2,065,675</u>	<u>741,847</u>	2,807,522
Other income			77,014			82,046
Unallocated operating expenses			(1,651,384)			(1,007,764)
Income tax			<u>(46,576)</u>			<u>(372,359)</u>
Profit for the year			<u>200,468</u>			<u>1,509,445</u>

Geographical segments

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

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Notes to the financial statements

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39 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, but 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.

	2022			Total
	Level 1	Fair value (in thousand Baht)		
		Level 2	Level 3	
Financial assets				
Derivative assets	-	1,274,039	-	1,274,039
Non-collateralised investments				
Investments measured at fair value through profit or loss	3,902,971	77,435	8,299	3,988,705
Investments measured at fair value through other comprehensive income	-	-	3,393	3,393
Financial liabilities				
Derivative liabilities	-	454,463	-	454,463
	2021			Total
	Level 1	Fair value (in thousand Baht)		
		Level 2	Level 3	
Financial assets				
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
Financial liabilities				
Derivative liabilities	-	287,803	225	288,028

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.

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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.
Non-collateralised investments	<p>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.</p> <p>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 or using latest quoted price and adjusting with any factors which will impact the fair value of investments.</p> <p>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.</p>
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.

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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.

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.

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.