

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE MEMBERS OF THE STOCK EXCHANGE OF THAILAND AND THE STOCK EXCHANGE OF THAILAND

Opinion

We have audited the consolidated financial statements of The Stock Exchange of Thailand and its subsidiaries (the Group) and the separate financial statements of The Stock Exchange of Thailand (the “SET”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand as at December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.2 to the financial statement that The Stock Exchange of Thailand and its subsidiaries have adopted group of Financial Instruments Standards which become effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other components of fund balances of the reporting period. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Response
<p>Revenue recognition - trading fees</p> <p>Trading fees have terms and conditions to charge the fees based on trading volume. The Group makes use of information and technology system in storing of trading volume and calculating trading fees.</p> <p>We focused on the audit of revenue from trading fees in the following areas :</p> <ul style="list-style-type: none"> • Storing of securities trading data and processing of the information and technology system • Accuracy and completeness of trading volume information used in calculating revenue amount. <p>The accounting policies of revenue recognition, operating segment and details of trading fees were disclosed in Note 3.12, Note 6 and Note 27 to the financial statements, respectively.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understand the revenue recognition - trading fees process and related internal control procedures • Review the design and implementation of the internal control procedures in relation to revenue recognition of trading fees • Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system • We involve our IT specialists to assist in the audit of automated controls, including interface controls and access to information system, where testing the application systems, database, and reports that relevant to the audit of financial statements. This control testing includes consideration of <ul style="list-style-type: none"> - data used in the operation that relevant to controls - automated controls - system-generated reports used in the operation of relevant controls. • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the trading volume information of the customers and trading fees rates, recalculate the trading fees and examine the related supporting documents of those revenues whether the trading fees have been completely and accurately recognized - Perform substantive analytical procedures relating to the trading fees.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 our 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the SET's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the SET's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the SET to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
February 17, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	8,011,828	2,329,358	7,386,963	2,092,736
Cash at banks for financial benefits payable		76,323	85,569	-	-
Assets for margin deposits and benefits	18	20,326,369	13,384,662	-	-
Other current financial assets	9	4,467,120	-	2,452,742	-
Short-term investment	9	-	5,383,557	-	3,183,195
Trade and other current receivables	10	1,261,229	518,753	683,435	525,182
Other current assets	11	372,645	217,505	338,944	184,849
Total current assets		<u>34,515,514</u>	<u>21,919,404</u>	<u>10,862,084</u>	<u>5,985,962</u>
Non-current assets					
Other non-current financial assets	14	4,768,844	-	4,763,844	-
Long-term investment	14	-	7,903,958	-	7,903,958
Investments in subsidiaries	12	-	-	1,787,291	1,697,291
Investments in associates and joint venture entity	13	995,351	988,420	790,061	791,015
Assets for clearing system protection and benefits	19	2,216,908	2,205,298	150,723	147,916
Securities Investor Protection Fund	26	840,604	832,028	840,604	832,028
Derivatives Investor Protection Fund	26	111,797	110,237	-	-
Long-term loans to a subsidiary	7	-	-	5,690,834	5,440,834
Reserve Fund for clearing and settlement	20	5,804,065	5,590,438	-	-
Property, plant and equipment	15	4,485,549	4,737,773	4,485,172	4,737,156
Right-of-use assets	16	25,313	-	25,313	-
Intangible assets	17	660,225	612,385	657,788	609,788
Deferred tax assets	21	595	91,768	-	91,743
Refundable deposits		2,485	2,485	2,485	2,485
Total non-current assets		<u>19,911,736</u>	<u>23,074,790</u>	<u>19,194,115</u>	<u>22,254,214</u>
Total assets		<u><u>54,427,250</u></u>	<u><u>44,994,194</u></u>	<u><u>30,056,199</u></u>	<u><u>28,240,176</u></u>

Notes to the financial statements form an integral part of these financial statements

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Liabilities and fund balances					
Current liabilities					
Margin deposits and benefits payable	18	20,329,161	13,384,662	-	-
Trade and other current payables	22	2,497,259	1,490,467	1,726,274	1,296,758
Current portion of lease liabilities	16	14,629	-	14,629	-
Fees received in advance		346,164	353,399	318,752	318,156
Income tax payable		114,547	90,638	-	-
Short-term borrowings from subsidiary	7	-	-	2,416,422	1,918,713
Other current liabilities	23	169,258	172,997	107,405	98,423
Total current liabilities		<u>23,471,018</u>	<u>15,492,163</u>	<u>4,583,482</u>	<u>3,632,050</u>
Non-current liabilities					
Lease liabilities	16	12,593	-	12,593	-
Assets for clearing system protection and benefits payable	19	2,066,872	2,057,869	-	-
Contributions and benefits to					
Securities Investor Protection Fund	26	337,673	336,254	337,673	336,254
Contributions and benefits to					
Derivatives Investor Protection Fund	26	54,878	54,041	-	-
Deferred tax liabilities	21	15,684	12,676	-	-
Non-current provision for employee benefit	24	751,187	613,393	751,187	613,393
Other non-current liabilities		10,166	9,849	10,166	9,849
Total non-current liabilities		<u>3,249,053</u>	<u>3,084,082</u>	<u>1,111,619</u>	<u>959,496</u>
Total liabilities		<u>26,720,071</u>	<u>18,576,245</u>	<u>5,695,101</u>	<u>4,591,546</u>
Fund balances					
Funds	25	27,707,178	26,090,633	24,361,098	23,313,433
Other components of fund balances		-	327,315	-	335,197
Non-controlling interests		1	1	-	-
Total fund balances		<u>27,707,179</u>	<u>26,417,949</u>	<u>24,361,098</u>	<u>23,648,630</u>
Total liabilities and fund balances		<u>54,427,250</u>	<u>44,994,194</u>	<u>30,056,199</u>	<u>28,240,176</u>

Notes to the financial statements form an integral part of these financial statements

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Revenues					
Operating revenues	27	6,547,755	5,890,126	3,059,298	2,652,268
Investment income (expense), net	28	(363,689)	947,954	122,442	1,549,021
Other income	29	163,088	447,718	1,906,820	2,060,116
Total revenues		6,347,154	7,285,798	5,088,560	6,261,405
Expenses					
Employee benefit expenses	30	1,947,178	1,939,471	1,947,378	1,938,260
Directors' remuneration	7	30,434	27,714	26,337	24,200
Direct service expenses		378,964	344,368	-	-
Building and office expenses		179,802	192,513	179,371	192,118
Technology expenses		225,913	191,142	225,745	190,933
Marketing expenses		124,615	172,390	103,099	158,446
Educational activity expenses		29,411	64,603	29,411	64,698
SEC Fees	31	668,859	521,154	666,859	519,154
Depreciation and amortisation	15,16 and 17	528,998	524,849	527,699	523,700
Other expenses	32	174,884	238,615	146,104	214,870
Total expenses		4,289,058	4,216,819	3,852,003	3,826,379
Revenues over expenses		2,058,096	3,068,979	1,236,557	2,435,026
Non-operating revenues (expenses)					
Income derived from Securities Investor Protection Fund, net	26	7,157	13,930	7,157	13,930
Income derived from Derivatives Investor Protection Fund, net	26	723	848	-	-
Share of profit of investments in associates and joint venture entity, net of tax	13	28,025	45,383	-	-
Reversal contribution to the Stock Exchange of Thailand Foundation	7	-	186,132	-	186,132
Revenues over expenses before contribution to the Capital Market Development Fund		2,094,001	3,315,272	1,243,714	2,635,088
Contribution to the Capital Market Development Fund	33	(361,641)	(5,700,000)	(361,641)	(5,700,000)
Revenues over (under) expenses before income tax expense		1,732,360	(2,384,728)	882,073	(3,064,912)
Income tax (expense) revenue	34	(378,279)	(214,271)	(107,314)	46,687
Revenues over (under) expenses		1,354,081	(2,598,999)	774,759	(3,018,225)
Revenues over (under) expenses for the years attributable to:					
Owners of the parent		1,354,081	(2,598,999)	774,759	(3,018,225)
Non-controlling interests		-	-	-	-
		1,354,081	(2,598,999)	774,759	(3,018,225)

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE REVENUES AND EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Revenues over (under) expenses for the years		1,354,081	(2,598,999)	774,759	(3,018,225)
Other comprehensive revenues and expenses:					
Items that will be reclassified subsequently to revenues or expenses:					
Share of other comprehensive profit of investments in associates	13	-	158	-	-
Gain on measurement of investments managed by SET	26	-	417,992	-	417,992
Gain on measurement of investments in Securities Investor Protection Fund	26	-	6,218	-	6,218
Income tax relating to items that will be reclassified subsequently to revenues or expenses	26	-	(82,910)	-	(82,912)
Total items that will be reclassified subsequently to revenues or expenses		-	341,458	-	341,298
Items that will not be reclassified subsequently to revenues or expenses:					
Gain (loss) on remeasurements of post-employment benefits obligations	26	(77,291)	10,226	(77,291)	10,226
Income tax relating to items that will not be reclassified subsequently to revenues or expenses	26	15,571	-	15,571	-
Total items that will not be reclassified subsequently to revenues or expenses		(61,720)	10,226	(61,720)	10,226
Other comprehensive revenues (expenses) for the years, net of tax		(61,720)	351,684	(61,720)	351,524
Total comprehensive revenues over (under) expenses for the years		<u>1,292,361</u>	<u>(2,247,315)</u>	<u>713,039</u>	<u>(2,666,701)</u>
Total comprehensive revenues over (under) expenses for the years attributable to:					
Owners of the parent		1,292,361	(2,247,315)	713,039	(2,666,701)
Non-controlling interests		-	-	-	-
		<u>1,292,361</u>	<u>(2,247,315)</u>	<u>713,039</u>	<u>(2,666,701)</u>

Notes to the financial statements form an integral part of these financial statements

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated Financial Statements							
		Other components of fund balances					Total fund balances	Non- controlling interests	Total fund balances
		Fund balances (See Note 25)	Gain (losses) on measurement of investments managed by SET (net of tax)	Gain (losses) on measurement of investments in Securities Investor Protection Fund (net of tax)	Share of other comprehensive profit (loss) of associates (net of tax)	Total other components of fund balances			
Notes									
Balances as at January 1, 2019		28,679,406	(20,093)	6,081	(131)	(14,143)	28,665,263	1	28,665,264
Other comprehensive revenues (expenses), net of tax	25	10,226	335,082	6,218	158	341,458	351,684	-	351,684
Revenues under expenses	25	(2,598,999)	-	-	-	-	(2,598,999)	-	(2,598,999)
Balances as at December 31, 2019		<u>26,090,633</u>	<u>314,989</u>	<u>12,299</u>	<u>27</u>	<u>327,315</u>	<u>26,417,948</u>	<u>1</u>	<u>26,417,949</u>
Balances as at January 1, 2020 before adjusted		26,090,633	314,989	12,299	27	327,315	26,417,948	1	26,417,949
Effect of change in new accounting policies	2.2 and 25	324,184	(314,989)	(12,299)	(27)	(327,315)	(3,131)	-	(3,131)
Balances as at January 1, 2020 after adjusted		26,414,817	-	-	-	-	26,414,817	1	26,414,818
Other comprehensive revenues (expenses), net of tax	25	(61,720)	-	-	-	-	(61,720)	-	(61,720)
Revenues over expenses	25	1,354,081	-	-	-	-	1,354,081	-	1,354,081
Balances as at December 31, 2020		<u>27,707,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,707,178</u>	<u>1</u>	<u>27,707,179</u>

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Separate Financial Statements				
		Other components of fund balances				
		Fund balances (See Note 25)	Gain (losses) on measurement of investments managed by SET (net of tax)	Gain (losses) on measurement of investments in Securities Investor Protection Fund (net of tax)	Total other components of fund balances	Total fund balances
Notes						
Balances as at January 1, 2019		26,321,432	(12,182)	6,081	(6,101)	26,315,331
Other comprehensive revenues (expenses), net of tax	25	10,226	335,080	6,218	341,298	351,524
Revenues under expenses	25	(3,018,225)	-	-	-	(3,018,225)
Balances as at December 31, 2019		<u>23,313,433</u>	<u>322,898</u>	<u>12,299</u>	<u>335,197</u>	<u>23,648,630</u>
Balances as at January 1, 2020 before adjusted		23,313,433	322,898	12,299	335,197	23,648,630
Effect of change in new accounting policy	2.2 and 25	334,626	(322,898)	(12,299)	(335,197)	(571)
Balances as at January 1, 2020 after adjusted		<u>23,648,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,648,059</u>
Other comprehensive revenues (expenses), net of tax	25	(61,720)	-	-	-	(61,720)
Revenues over expenses	25	774,759	-	-	-	774,759
Balances as at December 31, 2020		<u>24,361,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,361,098</u>

Notes to the financial statements form an integral part of these financial statements

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Cash flows from operating activities					
Revenues over (under) expenses before income tax expense		1,732,360	(2,384,728)	882,073	(3,064,912)
Adjustments for					
Depreciation and amortisation	15, 16 and 17	528,998	524,849	527,699	523,700
Financial cost from lease liabilities		1,578	-	1,578	-
Investment income (expense), net		173,947	(843,366)	(326,948)	(1,516,714)
Income derived from Securities Investor					
Protection Fund, net	26	(7,157)	(13,930)	(7,157)	(13,930)
Income derived from Derivatives					
Investor Protection Fund, net	26	(723)	(848)	-	-
Reversal of allowance for impairment of investments		-	(3,395)	-	(3,395)
Allowance for expected credit loss		3,812	-	3,504	-
Doubtful debts expenses		-	1,763	-	3,544
Employee benefits obligation expenses	24	68,003	192,132	68,003	192,132
(Gain) loss from disposal/write-off of assets		(490)	52	(490)	52
Share of profit of investments in associates and joint venture entity - net of tax	13	(28,025)	(45,383)	-	-
		<u>2,472,303</u>	<u>(2,572,854)</u>	<u>1,148,262</u>	<u>(3,879,523)</u>
Changes in operating assets and liabilities					
(Increase) decrease in operating assets					
Assets for margin deposits and benefits		(6,944,499)	2,125,742	-	-
Trade and other current receivables		(755,967)	102,061	(198,099)	127,681
Other current assets		(45,170)	13,827	(45,503)	9,197
Assets for clearing system protection and benefits		(11,610)	(222,749)	(2,807)	(3,760)
Securities Investor Protection Fund		(6,488)	(33,457)	(6,488)	(33,457)
Derivatives Investor Protection Fund		(1,910)	(6,321)	-	-
Refundable deposits		-	3,000	-	3,000
Increase (decrease) in operating liabilities					
Margin deposits and benefits payables		6,944,499	(2,125,742)	-	-
Trade and other current payables		957,671	180,274	377,330	184,538
Fees received in advance		(7,235)	18,144	596	19,597
Other current liabilities		(1,187)	35,889	11,534	(13,219)
Assets for clearing system protection and benefits payable		9,003	219,476	-	-
Contributions and benefits to Securities Investor					
Protection Fund		1,419	13,407	1,419	13,407
Contributions and benefits to Derivative Investor					
Protection Fund		837	5,239	-	-
Employee benefits paid	24	(10,052)	(4,076)	(10,052)	(4,076)
Other non-current liabilities		317	2,099	317	2,099
Cash flows generated from (used in) operations		<u>2,601,931</u>	<u>(2,246,041)</u>	<u>1,276,509</u>	<u>(3,574,516)</u>
Less Income tax paid		<u>(354,587)</u>	<u>(434,413)</u>	<u>(108,592)</u>	<u>(171,030)</u>
Net cash provided by (used in) operating activities		<u>2,247,344</u>	<u>(2,680,454)</u>	<u>1,167,917</u>	<u>(3,745,546)</u>

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Cash flows from investing activities					
Investment income received		114,398	695,567	142,146	661,827
Dividend received		66,708	143,356	195,102	814,866
Purchase of other current financial assets		(1,987,402)	-	(1,843,446)	-
Purchase of short-term investments	9	-	(2,472,237)	-	(271,875)
Proceeds from disposals of other current financial assets		2,893,314	-	2,559,836	-
Proceeds from disposals of short-term investments	9	-	4,904,849	-	4,904,849
Proceeds from disposals of investment in joint venture entity		-	13,000	-	13,000
Purchase of investments in subsidiaries		-	-	(90,000)	-
Proceeds from short-term loans to joint venture entity		-	7,500	-	7,500
Purchase of other non-current financial assets		(3,039,796)	-	(3,034,796)	-
Purchase of long-term investments	14	-	(2,023,880)	-	(2,023,880)
Proceeds from disposals of other non-current financial assets		5,839,659	-	5,839,659	-
Proceeds from disposals of long-term investments	14	-	3,398,504	-	3,398,504
Payment for long-term loans to a subsidiary	7	-	-	(250,000)	(200,000)
Reserve fund for clearing and settlement		(213,627)	(261,862)	-	-
Purchase of property, plant and equipment		(113,405)	(148,220)	(113,405)	(148,220)
Proceeds from disposals of property, plant and equipment		2,269	1,643	2,269	1,643
Purchase of intangible assets		(146,336)	(381,177)	(145,436)	(381,177)
Proceeds from share of profit of investments in associates	13	20,151	15,743	-	-
Benefits received from Securities Investor Protection Fund		5,069	13,832	5,069	13,832
Benefits received from Derivatives Investor Protection Fund		1,073	1,082	-	-
Net cash provided by investing activities		3,442,075	3,907,700	3,266,998	6,790,869
Cash flows from financing activities					
Cash paid for lease liabilities	16	(14,135)	-	(14,135)	-
Cash inflow on short-term borrowings from subsidiary	7	-	-	1,010,000	458,713
Repayment of short-term borrowings from subsidiary	7	-	-	(112,000)	(2,323,500)
Interest paid		-	-	(22,493)	(36,569)
Net cash provided by (used in) financing activities		(14,135)	-	861,372	(1,901,356)
Net increase in cash and cash equivalents		5,675,284	1,227,246	5,296,287	1,143,967
Allowance for expected credit loss		(2,060)	-	(2,060)	-
Beginning balances		2,414,927	1,187,681	2,092,736	948,769
Ending balances		8,088,151	2,414,927	7,386,963	2,092,736
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	8	8,011,828	2,329,358	7,386,963	2,092,736
Cash at a banks for financial benefits payable		76,223	85,569	-	-
		<u>8,088,051</u>	<u>2,414,927</u>	<u>7,386,963</u>	<u>2,092,736</u>

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Notes	2020	2019	2020	2019
Significant non-cash transactions					
Loss on investment measured at fair value					
through profit or loss		(392,260)	-	(400,030)	-
Unrealized gain on available-for-sale securities		-	418,150	-	417,992
Unrealized gain on available-for-sale securities					
from Securities Investor Protection Fund	26.2	-	6,218	-	6,218
Other payables from purchase of assets		70,921	18,735	70,921	18,735
Asset from right-of-use assets		(25,313)	-	(25,313)	-
Liability from right-of-use-assets		13,087	-	13,087	-
Payment of short-term borrowings from subsidiaries					
with dividend received	7	-	-	400,291	-

Notes to the financial statements form an integral part of these financial statements

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517 (1974). The principal business activities of SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. SET commenced its trading of securities on April 30, 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535 (1992). Its registered office is located at 93 Floor 17 Ratchadapisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok 10400, Thailand.

For reporting purposes, SET and its subsidiaries are referred to as the Group.

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprise the operation of securities listing, trading system, clearing and settlement, depository, including market surveillance and supervision of listed companies and member companies.
- 2) Derivatives markets comprise the operation of trading and clearing of futures contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprise the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services and fund services comprise the operation of securities registrar and fund services.

Details of SET's subsidiaries, associates and joint venture entity as at December 31, 2020 and 2019 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2020	2019
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	100.00	100.00
Thai Trust Fund Management Co., Ltd.	Mutual fund management	Thailand	100.00	100.00
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	100.00	100.00
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	100.00	100.00
Thailand Futures Exchange Public Company Limited	Derivatives exchange	Thailand	100.00	100.00
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and derivatives contracts	Thailand	100.00	100.00
Finnet Innovation Network Co., Ltd. ^(*)	Rendering payment service for the capital market	Thailand	-	100.00
Live Fin Corp Co., Ltd. ^(*)	Provider of electronic network system for investment	Thailand	-	100.00
SET Venture Holding Co. ,Ltd. (Date of incorporation on May.21 2020)	Holding company	Thailand	100.00	-

^(*) On May 20, 2020, SET's Board of the Governors passed the resolution to approve transferring common shares of Finnet Innovation Network Co., Ltd. and Live Fin Corp Co., Ltd., which held by SET at the quantity of 20,000,000 shares and 3,000,000 shares, respectively, to SET Venture Holding Co., Ltd. This share transferring has been registered with Ministry of Commerce on July 1, 2020.

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2020	2019
Indirect subsidiaries				
Finnet Innovation Network Co., Ltd.	Rendering payment service for the capital market	Thailand	100.00	-
Live Fin Corp Co., Ltd.	Provider of electronic network system for investment	Thailand	100.00	-
Digital Access Platform Co., Ltd. (Date of incorporation on May 22, 2020)	Providing electronic networking service and/or supporting system to support electronic and digital transactions	Thailand	100.00	-
Thai Digital Assets Exchange Co., Ltd. (Date of incorporation on September 14, 2020)	Trading center for digital assets and providing infrastructure or related systems to support digital assets trading	Thailand	100.00	-
Joint venture entity				
Family Know-how Co., Ltd. ⁽¹⁾ (the dissolution was registered on December 26, 2018)	Media business specialising in financial and investment information	Thailand	50.00	50.00
Associates				
Clearing Fund ⁽²⁾	Fund	Thailand	7.76	8.59
TSFC Securities Public Company Limited ⁽³⁾	Securities financing services and securities borrowing and lending	Thailand	40.70	40.65

Details of SET's associates and joint venture entity as at December 31, 2020 and 2019 are as follows:

(1) Family Know-how Co., Ltd.

Family Know-how Co., Ltd. is a media company that broadcasts information about economics and investment for the benefits of investor. SET has performed joint arrangement with a company which have rights to the net assets of the arrangement. Therefore, the investment in Family Know-how is classified as investment in joint venture entity.

Family Know-how Co., Ltd. is a private limited company and its stock is not traded in the market price.

A Company has registered the dissolution with the Ministry of Commerce on December 26, 2018, and is currently in the process of liquidation.

(2) Clearing Fund

The Clearing Fund operates under the Regulations of the Clearing Fund (No.1) B.E. 2541 (1998), which require that a one-time payment of Baht 100 million be made as an initial contribution by SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future. SET has no control over the Clearing Fund's operations, but has influences in policy and operation. Therefore, the investment in the Clearing Fund is classified as investment in an associate.

(3) TSFC Securities Public Company Limited (TSFC)

TSFC Securities Public Company Limited has been established to provide liquidity for securities companies and to support to the further development of securities market. SET has appointed 5 representatives to be member of the 11-member Board of Directors of TSFC. The Board of Directors will participate in the decision-making on monetary policies and operations of the company. Therefore, the investment in TSFC is classified as investment in an associate.

TSFC Securities Public Company Limited is a public company and its stock is not traded in the market price.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 Basis of preparation of financial statements

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000), being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547 (2004).

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for investments below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 3.17.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Group's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the current period, the Group has initially applied Group of Financial Instruments Standards. The Group has elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of general fund of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

- 1) Classification and measurement of financial assets and liabilities

The date of initial application is January 1, 2020. Accordingly, the Group has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

Classification and measurement of financial assets

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- All other debt investments and equity investments that is held for trading are measured subsequently at fair value through revenues and expenses (FVTPL).
- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income;
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch,

Debt instruments that are measured subsequently at amortized cost are subject to impairment.

The director of the Group reviewed and assessed the Group's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

- There is no change in the measurement of the Group's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

2) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

TFRS 9 requires the Group to recognize a loss allowance for expected credit losses on;

- (1) Debt investments measured subsequently at amortized cost;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirement of TFRS 9 apply.

TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group are required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. TFRS 9 also requires general approach and simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Group has elected to recognize the cumulative effect as an adjustment of retained earnings at the date of initial application, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognized on the date of initial application of TFRS 9.

The result of the assessment is as follows:

Items existing as at January 1, 2020 that are subject to the impairment provisions of TFRS 9	(Unit: Thousand Baht)	
	Additional allowance for expected credit loss recognized on	
	Consolidated financial statements	Separate financial statements
	January 1, 2020	January 1, 2020
Cash and cash equivalents	438	438
Short-term investment	104	104
Long-term investment	29	29
Assets for clearing system protection and benefits	2,453	-
Reserve Fund for clearing and settlement	107	-
	<u>3,131</u>	<u>571</u>

The additional expected credit loss of consolidated and separate financial statements of Baht 3.13 million and Baht 0.57 million, respectively as at January 1, 2020 has been recognized against general fund, resulting in a net decrease in general fund at the same amount.

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9.

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
As at January 1, 2020						
Previous classification	Previous Measurement	Previous book value amount	Effect from New classification	New classification	Type of Measurement by TFRS 9	New book value amount
<u>Current Financial assets</u>						
Cash and cash equivalents	Cost value	2,329,358	(438)	Cash and cash equivalents	Amortised cost	2,328,920
Cash at banks for financial benefits payable	Cost value	85,569	-	Cash at banks for financial benefits payable	Amortised cost	85,569
Assets for margin deposits and benefits	Fair value	840,265	-	Assets for margin deposits and benefits	Fair value through profit or loss	840,265
	Amortised cost	12,544,397	(2,453)		Amortised cost	12,541,944
Short-term investment				Other current financial assets		
Trading securities	Fair value	3,396,804	-		Fair value through profit or loss	3,396,804
Available-for-sale securities	Fair value	1,275,060	-		Fair value through profit or loss	1,275,060
Held-to-maturity securities	Amortised cost	711,693	(104)		Amortised cost	711,589
Trade and other receivables	Cost value	518,753	-	Trade and other current receivables	Amortised cost	518,753
<u>Non-Current Financial Assets</u>						
Long-term investments				Other non-current financial assets		
Available-for-sale securities	Fair value	6,926,536	-		Fair value through profit or loss	6,926,536
Held-to-maturity securities	Amortised cost	940,561	(29)		Amortised cost	940,532
General investments	Cost less impairment	36,861	-		Fair value through other comprehensive income	36,861
Assets for margin deposits and benefits	Fair value	1,498,835	-	Assets for margin deposits and benefits	Fair value through profit or loss	1,498,835
	Amortised cost	706,463	(107)		Amortised cost	706,356
Securities Investor Protection Fund	Fair value	291,505	-	Securities Investor Protection Fund	Fair value through profit or loss	291,505
	Amortised cost	540,523	-		Amortised cost	540,523
Derivatives Investor Protection Fund	Amortised cost	110,237	-	Derivatives Investor Protection Fund	Amortised cost	110,237
Reserve Fund for clearing and settlement	Fair value	5,577,063	-	Reserve Fund for clearing and settlement	Fair value through profit or loss	5,577,063
	Amortised cost	13,375	-		Amortised cost	13,375
<u>Financial Liabilities</u>						
Margin deposits and benefits payable	Fair value	(840,265)	-	Margin deposits and benefits payable	Fair value through profit or loss	(840,265)
	Amortized cost	(12,544,397)	-		Amortised cost	(12,544,397)
Trade and other payables	Cost value	(1,490,467)	-	Trade and other current payables	Amortised cost	(1,490,467)
Assets for clearing system protection and benefits payable	Cost value	(2,057,869)	-	Assets for clearing system protection and benefits payable	Amortised cost	(2,057,869)
Contributions and benefits to Securities Investor Protection Fund	Cost value	(336,254)	-	Contributions and benefits to Securities Investor Protection Fund	Amortised cost	(336,254)
Contributions and benefits to Derivatives Investor Protection Fund	Cost value	(54,041)	-	Contributions and benefits to Derivatives Investor Protection Fund	Amortised cost	(54,041)
Fund balances						
Securities Investor Protection Fund	-	(483,475)	(12,299)	Securities Investor Protection Fund	-	(495,774)
General fund (See Note 25)	-	(19,896,965)	(311,885)	General fund (see Note 25)	-	(20,208,850)
Gain (loss) on re-measuring available-for-sale investments	-	(327,315)	327,315	Investment measured fair value through profit or loss	-	-

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENT

As at January 1, 2020

Previous classification	Previous Measurement	Previous book value amount	Effect from New classification	New classification	Type of Measurement by TFRS 9	New book value amount
<u>Current Financial assets</u>						
Cash and cash equivalents	Cost value	2,092,736	(438)	Cash and cash equivalents	Amortised cost	2,092,298
Short-term investment				Other current financial assets		
Trading securities	Fair value	1,198,403	-		Fair value through profit or loss	1,198,403
Available-for-sale securities	Fair value	1,275,060	-		Fair value through profit or loss	1,275,060
Held-to-maturity securities	Amortised cost	709,732	(104)		Amortised cost	709,628
Trade and other receivables	Cost value	525,182	-	Trade and other current receivables	Amortised cost	525,182
<u>Non-Current Financial Assets</u>						
Long-term investment				Other non-current financial assets		
Available-for-sale securities	Fair value	6,926,536	-		Fair value through profit or loss	6,926,536
Held-to-maturity securities	Amortised cost	940,561	(29)		Amortised cost	940,532
General investments	Cost less impairment	36,861	-		Fair value through other comprehensive income	36,861
Securities Investor Protection Fund	Fair value	291,505	-	Securities Investor Protection Fund	Fair value through profit or loss	291,505
	Amortised cost	540,523	-		Amortised cost	540,523
Long-term loans to a subsidiary	Cost value	5,440,834	-	Long-term loans to a subsidiary	Amortised cost	5,440,834
<u>Financial Liabilities</u>						
Trade and other payables	Cost value	(1,296,758)	-	Trade and other current payables	Amortised cost	(1,296,758)
Short-term borrowings from subsidiaries	Cost value	(1,918,713)	-	Short-term borrowings from subsidiaries	Amortised cost	(1,918,713)
Contributions and benefits to Securities Investor Protection Fund	Cost value	(336,254)	-	Contributions and benefits to Securities Investor Protection Fund	Amortised cost	(336,254)
<u>Fund balances</u>						
Securities Investor Protection Fund	-	(483,475)	(12,299)	Securities Investor Protection Fund	-	(495,774)
General fund (See Note 25)	-	(17,175,961)	(322,327)	General fund (see Note 25)	-	(17,498,288)
Gain (loss) on re-measuring available-for-sale investments	-	(335,197)	335,197	Investment measured fair value through profit or loss	-	-

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and TFRIC 4.

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases, the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statements of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statements of comprehensive revenue and expense.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated and separate statements of cash flows.
- 4) Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, small items, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “other expenses” in the consolidated and separate statements of comprehensive revenue and expense.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Financial impact of the initial application of TFRS 16

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rates.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	(Unit : Thousand Baht)
	Consolidated and Separate Financial Statements
Operating lease commitments as at December 31, 2019	51,793
Short-term leases and leases of low-value assets	(16,239)
Operating lease commitments recognized as lease liabilities	35,554
Effect of discounting the above amounts	(2,584)
Lease liabilities recognized as at January 1, 2020	32,970

The Group has recognized Baht 32.97 million of right-of-use assets and Baht 32.97 million of lease liabilities upon transition to TFRS 16.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Group has no transactions in relation to the amendment of rent concessions. Therefore, the Group have not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

2.4 Group Accounting - Investments in subsidiaries, associates and joint ventures entity

1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains or loss on transactions between the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the Fund. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in the Fund. Gains or losses on disposals to non-controlling interests are also recorded in the Fund.

3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in revenues and expenses. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive revenues and expenses in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the revenues and expenses of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive revenues and expenses is reclassified to revenues and expenses where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognized in the revenues and expenses, and its share of post-acquisition movements in other comprehensive revenues and expenses is recognized in other comprehensive revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to share of profit/(loss) of associates in the statement of comprehensive revenues and expenses.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognized in the revenues and expenses.

In the separate financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

5) Joint venture entity

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive revenues and expenses. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, from part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the revenues or expenses.

When a gain or loss on a non-monetary item is recognized in other comprehensive revenues and expenses, any exchange component of that gain or loss is recognized in other comprehensive revenues and expenses. Conversely, when a gain or loss on a non-monetary item is recognized in revenues or expenses, any exchange component of that gain or loss is recognized in revenues or expenses.

2.6 Underlying assets

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. (the subsidiary). The financial liabilities are the Non-Voting Depository Receipts (NVDRs). The subsidiary will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus, the subsidiary are responsible for issuing and selling NVDRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). In addition to the entitlement of financial benefits of those underlying securities as the registered holder, the subsidiaries have an obligation to repay those financial benefits to the investors in the NVDRs as mentioned in the prospectus. Those benefits are not recognized as revenues or expenses of the subsidiary.

3. ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturities), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with maturities from acquisition date of three months or less.

3.2 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated and separate statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statements of comprehensive revenues and expenses.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Group may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (2) below); and
- The Group may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (3) below).

(1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in revenues and expenses and is included in “investment income - interest income”.

(2) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to revenues or expenses on disposal of the equity investments, instead, it is transferred to general fund.

Dividends on these investments in equity instruments are recognized in revenues and expenses in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in “Investment income” in revenue or expense.

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (1) - (2) as above are measured at FVTPL. Specifically;

- Investments in equity instruments that is held for trading are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition ((2) as above).
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (1) and (2) as above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in revenues and expenses to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in revenues and expenses includes any dividend or interest earned on the financial asset and is included in revenue or expense. Fair value is determined in the manner described in Note 2.2.

Impairment of financial assets

The Group always recognizes lifetime ECL for trade receivables, and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in revenue or expense.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

For a financial guarantee contracts, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other parties.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in revenues and expenses for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to general fund.

Financial liabilities

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in revenue or expense.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in revenue or expense.

Policies applicable before January 1, 2020

1) Trade and other receivables

Trade and other receivables are carried at original invoice amount less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognized as part of other expenses in the statement of comprehensive revenues and expenses.

2) Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: 1) trading investments; 2) held-to-maturity investments; 3) available-for-sale investments; and 4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- 1) Trading investments are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- 2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- 3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- 4) General investments are investments in non-marketable equity.

All categories of investments are initially recognized at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealized gains and losses of trading investments are recognized in revenues and expenses. The unrealized gains and losses of available-for-sale in investments are recognized in other comprehensive revenues and expenses.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to revenues and expenses.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the revenues and expenses. When disposing part of the holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

3.3 Property, plant and equipment

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Depreciation is charged to expenses in the statement of comprehensive revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Buildings	10 - 50 years
Building improvements	5 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 20 years
Vehicles	5 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repair and maintenance expenses are charged to the statement of comprehensive revenues and expenses during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive revenues and expenses.

3.4 Borrowings

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in revenues or expenses over the period of the borrowings using the effective yield method.

3.5 Intangible assets

Intangible assets, computer software, patent and right in operation, that are acquired by the Group, which have finite useful lives, are recognized at cost less accumulated amortization and impairment losses. Intangible assets are amortized in the statement of comprehensive revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 2 - 10 years.

Costs associated with developing or maintaining computer software are recognized as expenses as incurred in the statement of comprehensive revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognized as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognized as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

3.6 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive revenues and expenses over the period of the borrowings on an effective interest basis.

3.8 Trade and other payables

Trade and other payables are stated at cost.

3.9 Employee benefits

1) Short-term benefits

The Group recognizes salaries, wages, bonus, contributions to the social security fund and cumulative annual leave as expenses when incurred.

2) Contributions to provident fund

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to provident fund are charged to expenses in the statement of comprehensive revenues and expenses in the period to which the contributions relate.

3) Retirement benefits and other benefits

Employee benefits that will be paid upon retirement usually depends on one or more factors such as age of employees, years of service and compensation. In addition, the Group provides other long-term employee benefit plans, namely long service awards.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability. The Group reviews the assumptions used annually.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Fund in other comprehensive revenues and expenses in the period in which they arise.

Past service cost are recognized immediately in revenues and expenses.

Past service cost related to the plan amendment is recognized as an expense in the statement of revenues and expenses when the plan amendment is effective.

4) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.11 Lease - where a Group is the lessee

Policies applicable from January 1, 2020

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a yield interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in revenue or expense.

Policies applicable before January 1, 2020

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognized in the statement of comprehensive revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognized in the statement of comprehensive revenues and expenses as an integral part of the total rental income. Contingent rentals are charged to the statement of comprehensive revenues and expenses for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.12 Revenue

Trading fees, initial securities registrar fees, initial listing fees, clearing and settlement fees, member services fees, initial of information service fees, depository fees, initial customization and IT support fees, initial membership fees and initial fund service fees is recognized revenue when the entity has fulfilled the obligations to be completed.

Annual stock registrar fees, annual listing fees, member service fees by overtime, information service fees by overtime, customization and IT support fees by overtime, annual membership fees and fund service fees by overtime is recognized revenue according to the obligations that must be completed throughout the period.

Interest income is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognized in the statement of comprehensive revenues and expenses when the Group’s right to receive payment is established.

Other income is recognized when the right to receive cash is established.

3.13 Expense

Expense is recognized in the statement of comprehensive revenues and expenses on an accrual basis.

3.14 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Board of Governors of SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

3.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in revenue or expense, except to the extent that it relates to items recognized in other comprehensive revenues and expenses or directly in fund balance. In this case the tax is also recognized in other comprehensive revenues and expenses or directly in fund balance, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior management.

3.17 Critical accounting estimates, assumptions and judgments

Use of management's judgements and key sources of estimation uncertainty

3.17.1 Management's judgements in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's management to exercise various judgements in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgements in applying accounting policies are as follows:

Allowance for expected credit loss

Detail of the allowance for expected credit loss is set out in Note 3.2.

Impairment

Detail of the impairment of asset is set out in Note 3.6.

Provision for employee benefit

Details of the provision for employee benefit are set out in Notes 3.9 and 24.

Provisions

Detail of the provisions is set out in Note 3.10.

Deferred tax

Details of the deferred tax are set out in Notes 3.15 and 21

3.17.2 Key sources of estimation uncertainty

The Group has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value measurements and valuation processes

Fair value measurements are for information disclosure purposes. The Group regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Group use market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, fair value interest rate risk and cash flow interest rate risk, credit risk, liquidity risk and risk from investments and deposits. The Group's financial risk management programme focuses on investment management under investment policies and strategic asset allocation which is approved by SET's Board of Governors and subsidiaries' Board of Director. The investment committees are strictly established to oversee the investment in compliance with the policies and strategic asset allocation defined. The investment policy aims on maintaining stability of the principal, liquidity and return on the appropriate level of risk.

1) Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht, except for investments in some foreign mutual funds which is in foreign currency. The Group has appropriately applied forward exchange contracts to hedge foreign exchange risk of such investments.

2) Interest rate risk

Interest rate risk arises from fluctuations in market interest rates which may affect the Group's operating results and cash flow. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

3) Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in place to ensure that the Group provides services to customers who have appropriate credit history.

4) Liquidity risk

The Group has no significant exposure to liquidity risk as the Group has sufficient cash to support its operations. The Group aims on maintaining flexibility of funding by using internal capital of the Group.

5) Risk from investments and deposits

The Group is exposed to market risks as the investor of financial instruments, and credit risk from the issuer of financial instruments. Therefore, the Group, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the resolution of the investment committee.

The investment policies framework regarding types and proportion of investments are as follows:

Investments in domestic debt securities

Type of investment	Proportion of investment
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% of total debt investment per institution
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% of total debt investment per issuer
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% of total debt investment per mutual fund

Investments in domestic equity securities

Type of investment	Proportion of investment
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 10% of total equity investment per each Fund, and not to exceed 10% of fund size

Investments in property funds

Type of investment	Proportion of investment
Property funds	Not to exceed 10% of fund size per each Fund, except for Fund of Property Funds, not to exceed 20% of fund size

Investments in foreign debt securities

Type of investment	Proportion of investment
Foreign debt securities	<ul style="list-style-type: none">- Foreign investment funds in Thailand; not to exceed 30% of fund size per each fund- Direct investment in Mutual Fund in Foreign and Exchange Traded Fund “ETF”: not to exceed 20% of all foreign debt value per each fund

Investments in foreign equity securities

Type of investment	Proportion of investment
Foreign equity securities	<ul style="list-style-type: none">- Foreign investment funds in Thailand; not to exceed 20% of Active fund size and not exceed 30% of Passive fund size (2019: not to exceed 30% of fund size per each fund)- Direct investment in Mutual Fund in Foreign and Exchange Traded Fund “ETF”: not to exceed 20% of all foreign equity value per each fund (2019: not to exceed 10% of foreign equity value per each fund)

Investments in Absolute Return Strategy

Type of investment	Proportion of investment
Absolute Return Strategy funds	<ul style="list-style-type: none">- Foreign investment funds in Thailand; not to exceed 20% of fund size per each fund- Direct investment in Index Mutual Fund in Foreign and Exchange Traded Fund “ETF”: not to exceed 25% of all Absolute Return Strategy value per each fund (2019: not to exceed 25% of primary Absolute Return Strategy value per each fund)

Investments in gold funds

Type of investment	Proportion of investment
Gold funds	Not to exceed 10% of fund size per mutual fund

Investments in each asset management company should not exceed 40% of total investments.

4.2 Accounting for derivative financial instruments and hedging activities

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realized or a foreign currency liability will be settled in the future. The Group recognise foreign currency forward contracts transaction in the financial statements in fair value measurement. The unrealized gain (loss) from fair value measurement of foreign currency forward contracts will be included in unrealized gain (loss) on exchange rate in the statements of comprehensive revenues and expenses.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 38.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Subsidiaries in the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investor and stakeholder confidence.

In order to maintain or adjust the capital structure, the subsidiaries in the Group may adjust the amount of dividends paid to shareholders depending on their operating performance.

6. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

The Group comprises the following 5 main business segments:

- 1) Securities Markets (including securities trading, clearing and settlement, listing, depository and membership fees)
- 2) Derivatives Markets (including trading and clearing of future contracts and membership fees)
- 3) Technology Services (including member services, information services and technology support)
- 4) Registrar Services (including securities registrar)
- 5) Capital Market Development and others, i.e., rental income and other miscellaneous income. Capital Market Development including capital market education improving financial and investment capabilities, promoting sustainable development of capital market industry and conducting of capital market research.

Financial information presented in respect of the Group's business segments in the consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)							
Consolidated Financial Statements							
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	Total
For the year ended December 31, 2020							
Revenues from operation	3,327,932	1,237,580	765,452	1,228,987	150,893	-	6,710,844
Revenue from inter-segment	712,061	571,468	70,534	566,174	88,547	(2,008,784)	-
Total revenue	4,039,993	1,809,048	835,986	1,795,161	239,440	(2,008,784)	6,710,844
Segment revenues over expenses	<u>1,443,632</u>	<u>556,019</u>	<u>425,434</u>	<u>304,151</u>	<u>(307,451)</u>	<u>-</u>	2,421,785
Investment expense, net							(363,689)
Share of profit of investments in joint venture entity, net of tax							(35)
Share of profit of investments in associates, net of tax							<u>28,060</u>
Revenues over expenses in operations							2,086,121
Non-operating revenues (expenses)							
Income derived from Securities Investor Protection Fund, net							7,157
Income derived from Derivatives Investor Protection Fund, net							723
Contributions to the Capital Market Development Fund							<u>(361,641)</u>
Revenues over expenses before income tax expenses							1,732,360
Income tax expense							<u>(378,279)</u>
Revenues over expenses							<u>1,354,081</u>
As at December 31, 2020							
Segment assets	4,650,427	35,299,608	735,913	732,995	260,965	(6,197,188)	35,482,720
Other assets	-	-	-	-	23,242,978	(4,298,448)	18,944,530
Total assets	<u>4,650,427</u>	<u>35,299,608</u>	<u>735,913</u>	<u>732,995</u>	<u>23,503,943</u>	<u>(10,495,636)</u>	<u>54,427,250</u>
Segment liabilities	1,714,977	29,271,194	259,962	499,393	1,171,733	(6,197,188)	26,720,071
Other liabilities	-	-	-	-	2,416,422	(2,416,422)	-
Total liabilities	<u>1,714,977</u>	<u>29,271,194</u>	<u>259,962</u>	<u>499,393</u>	<u>3,588,155</u>	<u>(8,613,610)</u>	<u>26,720,071</u>

(Unit : Thousand Baht)

Consolidated Financial Statements							
Capital Market							
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Development and others	Elimination	Total
For the year ended December 31, 2019							
Revenues from operation	3,052,745	1,020,689	684,848	1,226,040	353,523	-	6,337,845
Revenue from inter-segment	707,417	501,619	79,415	566,721	75,765	(1,930,937)	-
Total revenue	<u>3,760,162</u>	<u>1,522,308</u>	<u>764,263</u>	<u>1,792,761</u>	<u>429,288</u>	<u>(1,930,937)</u>	<u>6,337,845</u>
Segment revenues over expenses	<u>1,195,706</u>	<u>382,197</u>	<u>381,245</u>	<u>366,746</u>	<u>(204,869)</u>	<u>-</u>	<u>2,121,025</u>
Investment income, net							947,954
Share of profit of investments in joint venture entity, net of tax							7,248
Share of profit of investments in associates, net of tax							38,135
Revenues over expenses in operations							<u>3,114,362</u>
Non-operating revenues (expenses)							
Income derived from Securities Investor Protection Fund, net							13,930
Income derived from Derivatives Investor Protection Fund, net							848
Contributions to the Capital Market Development Fund							(5,700,000)
Reversal of contributions to the Stock Exchange of Thailand Foundation							186,132
Revenues under expenses before income tax expenses							<u>(2,384,728)</u>
Income tax expense							<u>(214,271)</u>
Revenues under expenses							<u><u>(2,598,999)</u></u>
As at December 31, 2019							
Segment assets	4,131,925	27,709,288	895,417	690,872	254,054	(5,944,386)	27,737,170
Other assets	-	-	-	-	20,675,624	(3,418,600)	17,257,024
Total assets	<u>4,131,925</u>	<u>27,709,288</u>	<u>895,417</u>	<u>690,872</u>	<u>20,929,678</u>	<u>(9,362,986)</u>	<u>44,994,194</u>
Segment liabilities	1,676,534	21,474,802	238,203	482,867	648,225	(5,944,386)	18,576,245
Other liabilities	-	-	-	-	1,918,713	(1,918,713)	-
Total liabilities	<u>1,676,534</u>	<u>21,474,802</u>	<u>238,203</u>	<u>482,867</u>	<u>2,566,938</u>	<u>(7,863,099)</u>	<u>18,576,245</u>

Reconciliation of reportable segment assets/liabilities as at December 31, 2020 and 2019 were as follows:

(Unit : Thousand Baht)

**Consolidated
Financial Statements
2020 2019**

Assets

Assets for reportable segments

35,482,720 27,737,170

Unallocated amounts:

- Cash and investments	16,904,931	15,185,428
- Investments in related parties	995,351	988,420
- Accrued interest receivables	18,348	31,298
- Land and work in process	1,025,900	1,051,878

Total assets

54,427,250 44,994,194

Liabilities

Liabilities for reportable segments

26,720,071 18,576,245

Total liabilities

26,720,071 18,576,245

7. TRANSACTIONS WITH RELATED PARTIES

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the entity, including holding companies, subsidiaries and fellow subsidiaries are related parties of the entity. Associates and individuals owning, directly or indirectly, an interest in the voting power of the entity that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market price exists.

The pricing policies for particular types of transactions are explained below:

Transaction	Pricing policy
Service income	Cost plus margin
Purchase of services	Cost plus margin
Interest income	With reference to the return of bank deposit and debt securities
Interest expense	The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of Baht 10 million
Contribution to the Capital Market Development Fund	Not less than 90% of the revenue after deduction of expense, tax and reserve. The consolidated financial statements of SET shall be used to calculate the contribution amount.

Related party transactions for the years ended December 31, 2020 and 2019 were as follows:

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Service income				
Subsidiaries	-	-	1,842,323	1,778,466
Joint venture entity	-	7	-	7
Associates	1,680	1,680	-	-
Common directorships	11,688	-	11,688	-
	<u>13,368</u>	<u>1,687</u>	<u>1,854,011</u>	<u>1,778,473</u>
Purchase of services				
Subsidiaries	-	-	13,432	13,407
	<u>-</u>	<u>-</u>	<u>13,432</u>	<u>13,407</u>
Contribution to the Capital Market Development Fund				
Common directorships	361,641	5,700,000	361,641	5,700,000
	<u>361,641</u>	<u>5,700,000</u>	<u>361,641</u>	<u>5,700,000</u>

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Interest expense				
Subsidiaries	-	-	22,492	36,569
	<u>-</u>	<u>-</u>	<u>22,492</u>	<u>36,569</u>

Related party balances as at December 31, 2020 and 2019 were as follows:

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Accounts receivable				
Joint venture entity	-	2	-	2
	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
Accrued income				
Subsidiaries	-	-	202,818	163,490
Associates	140	140	-	-
	<u>140</u>	<u>140</u>	<u>202,818</u>	<u>163,490</u>
Accrued interest receivable				
Subsidiaries	-	-	136,058	164,825
	<u>-</u>	<u>-</u>	<u>136,058</u>	<u>164,825</u>
Accrued expenses				
Subsidiaries	-	-	1,360	11,641
Common directorships	361,641	-	361,641	-
	<u>361,641</u>	<u>-</u>	<u>363,001</u>	<u>11,641</u>
Fees received in advance				
Subsidiaries	-	-	2,585	2,585
	<u>-</u>	<u>-</u>	<u>2,585</u>	<u>2,585</u>

Long-term loans to a subsidiary

Long-term loans to a subsidiary as at December 31, 2020 and 2019

	(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019
Long-term loans to a subsidiary	<u>5,690,834</u>	<u>5,440,834</u>

SET lent to a subsidiary to use as a reserve fund to enhance the competitiveness and support the future business expansion. The rate of return on loan is referred to the net return of a private fund plus 0.30% - 0.47% per annum of principle balance. The rate of return will be reviewed on an annual basis (see Note 20).

Movements of long-term loans to a subsidiary for the years ended December 31, 2020 and 2019 were as follows:

	(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019
A subsidiary		
Opening balance	5,440,834	5,240,834
Additions	250,000	200,000
Closing balance	<u>5,690,834</u>	<u>5,440,834</u>

Short-term borrowings from subsidiary

Short-term borrowings from subsidiary as at December 31, 2020 and 2019

	Interest rate (% per annum)		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Short-term borrowings from subsidiary	0.20 - 1.81	0.80 - 1.81	<u>2,416,422</u>	<u>1,918,713</u>

The Group has a policy of centralising the investments and managed by SET in order to maximize its efficiency and overall returns. The parent will borrow from its subsidiaries in the form of one-year promissory notes. The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of up to Baht 10 million (interest rate may be revised as appropriate).

Movements of short-term borrowings from subsidiaries for the years ended December 31, 2020 and 2019 were as follows:

	(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019
Subsidiary		
Beginning balances	1,918,713	3,783,500
Additions	1,010,000	458,713
Repayments by cash	(112,000)	(2,323,500)
Repayments by offset with dividend received	(400,291)	-
Ending balances	<u>2,416,422</u>	<u>1,918,713</u>

Contributions to the Stock Exchange of Thailand Foundation (Foundation)

SET realizes the importance of corporate social responsibility (CSR) alongside the core business. To grow the business sustainably, the corporation must be CSR-minded and must put into practice basis, SET has established the Foundation to support outstanding CSR projects that greatly benefit the society and the country as a whole.

The Foundation was established on August 9, 2006. SET's Board of Governors are also the committee members of the foundation, by position. The Foundation supports three key CSR areas; 1) Special events or important national projects and donations 2) Flagship project 3) High impact project.

SET allocated its annual revenues over expenses to support the implementation of the Foundation. Since 2006, SET appropriated one-third of revenues over expenses. On August 9, 2016, an adjustment was made to allocate 13% of revenues over expenses before income tax.

On July 24, 2019, SET's Board of Governors has resolved to cancel the allocation of funds to the Stock Exchange of Thailand Foundation which will be effective for revenue over expense before income tax expense of the fiscal year 2018 onwards. However, if the Foundation request for contributions, SET may consider allocating funds to the Foundation from time to time as appropriate.

Therefore, SET reversed an accrued contribution to the Foundation in 2018 of Baht 186.13 million for the year ended December 31, 2019.

Directors' remuneration

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees for the years ended December 31, 2020 and 2019.

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Directors' remuneration	30,434	27,714	26,337	24,200
	<u>30,434</u>	<u>27,714</u>	<u>26,337</u>	<u>24,200</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Cash on hand	326	322	323	319
Savings and current accounts	8,013,562	2,329,036	7,388,700	2,092,417
<u>Less</u> Allowance for expected credit loss	<u>(2,060)</u>	<u>-</u>	<u>(2,060)</u>	<u>-</u>
	<u>8,011,828</u>	<u>2,329,358</u>	<u>7,386,963</u>	<u>2,092,736</u>

For the year ended December 31, 2020, savings accounts carried the interest at rates ranging from 0.05% - 1.30% per annum (2019 : from 0.10% - 1.30% per annum).

9. OTHER CURRENT FINANCIAL ASSETS AND SHORT-TERM INVESTMENT

Other current financial assets as at December 31, 2020 are as follows:

	Consolidated financial statements 2020	(Unit : Thousand Baht) Separate financial statements 2020
Investment managed by SET and subsidiaries		
Debt instruments measured at FVTPL		
Government bond	1,511,207	949,256
	<u>1,511,207</u>	<u>949,256</u>
Investments measured at amortized cost		
Fixed deposit maturities within 1 year	801,286	801,286
Government bond maturities within 1 year	199,986	199,986
	<u>1,001,272</u>	<u>1,001,272</u>
<u>Less</u> Allowance for expected credit loss	(296)	(296)
	<u>1,000,976</u>	<u>1,000,976</u>
Total investment managed by SET	<u>2,512,183</u>	<u>1,950,232</u>
Investment managed by private funds		
Debt instruments measured at FVTPL		
Government bond	1,505,577	54,288
Debenture	364,360	364,360
	<u>1,869,937</u>	<u>418,648</u>
Investments measured at amortized cost		
Saving accounts	85,000	83,862
	<u>85,000</u>	<u>83,862</u>
Total investment managed by private funds	<u>1,954,937</u>	<u>502,510</u>
Total other current financial assets	<u>4,467,120</u>	<u>2,452,742</u>

Short-term investment, net as at December 31, 2019 are as follows:

	Consolidated Financial Statements 2019	(Unit: Thousand Baht) Separate Financial Statement 2019
Investments managed by SET and subsidiaries		
Trading securities	Fair value	Fair value
Government bond	1,404,201	505,921
	<u>1,404,201</u>	<u>505,921</u>
Available-for-sale securities		
Investments in money market funds	1,275,060	1,275,060
	<u>1,275,060</u>	<u>1,275,060</u>
Held-to-maturity investments	Amortized Cost, net	Amortized Cost, net
Fixed deposit maturities within 1 year	700,000	700,000
	<u>700,000</u>	<u>700,000</u>
Total investments managed by SET	<u>3,379,261</u>	<u>2,480,981</u>
Investments managed by private funds		
Trading securities	Fair value	Fair value
Share capital	702	702
Government bond	1,354,362	54,241
Debenture	637,539	637,539
	<u>1,992,603</u>	<u>692,482</u>
Held-to-maturity investments	Fair value	Fair value
Savings account	11,693	9,732
	<u>11,693</u>	<u>9,732</u>
Total investments managed by private funds	<u>2,004,296</u>	<u>702,214</u>
Total short-term investments, net	<u>5,383,557</u>	<u>3,183,195</u>

Movements of short-term investments for the year ended December 31, 2019 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
	2019	2019
Opening balance	7,838,876	7,838,876
Purchases	2,472,237	271,875
Disposals	(4,904,849)	(4,904,849)
Unrealized loss on available-for-sale securities	(22,707)	(22,707)
Closing balance	<u>5,383,557</u>	<u>3,183,195</u>

10. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2020 and 2019

		(Unit : Thousand Baht)			
		Consolidated		Separate	
	Note	Financial Statements		Financial Statements	
		2020	2019	2020	2019
Trade receivable					
Related parties	7	-	2	-	2
Other parties		<u>79,256</u>	<u>84,787</u>	<u>41,823</u>	<u>50,502</u>
		79,256	84,789	41,823	50,504
<u>Less</u> Allowance for expected credit loss		(16,891)	-	(8,568)	-
Allowance for doubtful accounts		<u>-</u>	<u>(16,891)</u>	<u>-</u>	<u>(8,568)</u>
		62,365	67,898	33,255	41,936
Other current receivable					
Cash at bank for clearing collateral					
Accrued income		541,538	327	-	-
Related parties	7	140	140	202,818	163,490
Other parties		<u>459,228</u>	<u>299,732</u>	<u>212,623</u>	<u>101,207</u>
Cash at banks for dividend accounts of investors		93,505	89,032	-	-
Other receivables from sale of investments		55,207	-	55,207	-
Prepaid expense		29,766	27,213	29,646	27,213
Accrued interest receivable					
Related parties	7	-	-	136,058	164,825
Other parties		<u>18,348</u>	<u>31,297</u>	<u>13,025</u>	<u>23,563</u>
Others		1,132	3,114	803	2,948
		<u>1,198,864</u>	<u>450,855</u>	<u>650,180</u>	<u>483,246</u>
		1,261,229	518,753	683,435	525,182

Aging analysis for trade receivable are as follows:

	Note	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
		2020	2019	2020	2019
Related parties	7				
Within credit terms		-	2	-	2
		-	2	-	2
Other parties					
Within credit terms		36,616	54,114	9,145	29,201
Overdue:					
Less than 3 months		25,749	13,782	24,110	12,733
3 - 6 months		-	906	-	906
6 - 12 months		-	1,853	-	1,853
Over 12 months		16,891	14,132	8,568	5,809
		79,256	84,787	41,823	50,502
<u>Less</u> Allowance for expected credit loss		(16,891)	-	(8,568)	-
Allowance for doubtful accounts		-	(16,891)	-	(8,568)
		62,365	67,896	33,255	41,934
		62,365	67,898	33,255	41,936

The normal credit terms granted by the Group range from 15 days to 30 days.

As at December 31, 2020 and 2019, the Group had receivables with book values totaling Baht 91.19 million and Baht 73.83 million, respectively on which recognition of income have been ceased.

As at December 31, 2020 and 2019, SET had receivables with book values totaling Baht 36.77 million and Baht 29.69 million, respectively on which recognition of income have been ceased.

11. OTHER CURRENT ASSETS

Other current assets as at December 31, 2020 and 2019

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Withholding tax receivable	270,451	160,479	240,116	131,523
Accounts receivable from net fair values of forward exchange contracts	42,140	10,673	42,140	10,673
Loans to employees	29,132	30,242	29,132	30,242
Future margin deposit	16,570	-	16,570	-
Pending input tax	4,171	4,612	4,150	4,573
Inventory - publication	3,725	4,666	3,725	4,666
Refundable value-added-tax	3,345	3,662	-	-
Others	3,111	3,171	3,111	3,172
	372,645	217,505	338,944	184,849

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2020 and 2019, and dividend income for the years then ended were as follows:

	(Unit : Thousand Baht)							
	Ownership interest (%)		Paid-up capital		Separate Financial Statements Cost method		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019
Subsidiaries								
Thailand Securities Depository Co., Ltd.	100.00	100.00	200,000	200,000	200,000	200,000	269,776	252,294
Thai Trust Fund Management Co., Ltd.	100.00	100.00	100,000	100,000	100,000	100,000	345	185
Thai NVDR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	2,673	-
SETTRADE.COM Co., Ltd.	100.00	100.00	80,000	80,000	74,591	74,591	-	204,783
Thailand Futures Exchange Public Company Limited	100.00	100.00	500,000	500,000	500,000	500,000	130,515	121,645
Thailand Clearing House Co., Ltd.	100.00	100.00	600,000	600,000	602,700	602,700	105,234	76,872
SET Venture Holding Co., Ltd.	100.00	-	300,000	-	300,000	-	-	-
Finnet Innovation Network Co., Ltd.	-	100.00	-	200,000	-	200,000	-	-
Live Fin Corp Co., Ltd.	-	100.00	-	10,000	-	10,000	-	-
			<u>1,790,000</u>	<u>1,700,000</u>	<u>1,787,291</u>	<u>1,697,291</u>	<u>508,543</u>	<u>655,779</u>

The business place of all subsidiaries is in Thailand and the nature of business of each subsidiary has already disclosed in Note 1.

13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE ENTITY

The amounts recognized in the statement of financial position as at December 31, 2020 and 2019 are as follows:

	Consolidated Financial Statements Equity method		(Unit : Thousand Baht) Separate Financial Statements Cost method	
	2020	2019	2020	2019
Associates	975,496	966,875	779,717	779,015
Joint venture entity	19,855	21,545	10,344	12,000
As at December 31,	<u>995,351</u>	<u>988,420</u>	<u>790,061</u>	<u>791,015</u>

The amounts recognized in the statement of comprehensive revenues and expenses are share of profit (loss) of investments in associates and joint venture entity, net of tax for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated Financial Statements Equity method		(Unit : Thousand Baht) Separate Financial Statements Cost method	
	2020	2019	2020	2019
Associates	28,060	38,135	-	-
Joint venture entity	(35)	7,248	-	-
For the years ended December 31,	<u>28,025</u>	<u>45,383</u>	<u>-</u>	<u>-</u>

a) Investment in associates

Set out below are the associates of the Group as at December 31, 2020 and 2019, which are not material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the SET.

(Unit : Thousand Baht)										
	Consolidated Financial Statements									
	Ownership interest (%)		Paid-up capital		Cost method - net		Equity method		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Associates										
Clearing Fund (“CLF”)	7.76	8.59	2,694,253	2,396,979	100,000	100,000	209,193	205,897	-	-
TSFC Securities Public										
Company Limited (“TSFC”)	40.70	40.65	1,549,126	1,549,126	679,717	679,015	766,303	760,978	-	-
					779,717	779,015	975,496	966,875	-	-

(Unit : Thousand Baht)												
	Separate Financial Statements											
	Ownership interest (%)		Paid-up capital		Cost method		Impairment		At cost, net		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Associates												
Clearing Fund (“CLF”)	7.76	8.59	2,694,253	2,396,979	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public												
Company Limited (“TSFC”)	40.70	40.65	1,549,126	1,549,126	679,717	679,015	-	-	679,717	679,015	20,151	15,743
					779,717	779,015	-	-	779,717	779,015	20,151	15,743

The business place of all associates is in Thailand and the nature of business of each associate has already disclosed in Note 1.

The Group also has interests in a number of individually associates for the years ended December 31, 2020 and 2019 that are accounted for using the equity method in the consolidated financial statements.

	(Unit : Thousand Baht)					
	CLF	2020 TSFC	Total	CLF	2019 TSFC	Total
Aggregate carrying amount of individually immaterial associates	209,193	766,303	975,496	205,897	760,978	966,875
Aggregate amounts of the reporting entity's share of:						
Revenues over expenses from continuing activities, net of tax	3,297	24,763	28,060	4,337	33,798	38,135
Other comprehensive revenues and expenses, net of tax	-	-	-	-	158	158
Total comprehensive revenues and expenses, net of tax	3,297	24,763	28,060	4,337	33,956	38,293

The Group has no contingent liabilities relating to associates.

b) Investment in joint venture entity

Set out below is a joint venture entity of the Group as at December 31, 2020 and 2019, which are not material to the Group. A joint venture listed below has share capital consisting solely of preferred shares, which is held directly by the SET.

		(Unit : Thousand Baht)						
		Consolidated Financial Statements						
		Ownership interest (%)		Paid-up capital		Equity method		Dividend income
		2020	2019	2020	2019	2020	2019	2020 2019
Joint venture entity								
Family Know-how Co., Ltd. ⁽¹⁾		50.00	50.00	50,000	50,000	19,855	21,545	- -
		(Unit : Thousand Baht)						
		Separate Financial Statements						
		Ownership interest (%)		Paid-up capital		Cost method		Dividend income
		2020	2019	2020	2019	2020	2019	2020 2019
Joint venture entity								
Family Know-how Co., Ltd. ⁽¹⁾		50.00	50.00	50,000	50,000	10,344	12,000	- -

The business place of joint venture entity is in Thailand and the nature of business of each entity has already disclosed in Note 1.

⁽¹⁾ At the Extraordinary Shareholder's meeting no. 1/2018 held on December 14, 2018, the shareholders resolved to dissolve the company. The dissolution was registered with the Ministry of Commerce on December 26, 2018 which is currently in the process of liquidation.

The Group also has interests in a joint venture entity for the years ended December 31, 2020 and 2019 that is accounted for using the equity method, are as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	Financial Statements	
	2020	2019
Aggregate carrying amount of joint venture entity	19,855	21,545
Aggregate amounts of the joint venture entity's share of:		
Revenues over (under) expenses from continuing activities, net of tax	(35)	7,248
Total comprehensive revenue (expenses), net of tax	(35)	7,248

The Group has no contingent liabilities related to joint venture entity.

14. OTHER NON-CURRENT FINANCIAL ASSETS AND LONG-TERM INVESTMENTS

Other non-current financial assets as at December 31, 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Debt instruments measured at FVTPL		
Debt instrument	2,482	2,482
Mutual fund	3,703,172	3,703,172
	3,705,654	3,705,654
Equity instruments measured at FVTOCI		
Share capital	54,336	49,336
	54,336	49,336
Investment measured at amortized cost		
Cash at banks under a Memorandum of Understanding (M.O.U.)	512,153	512,153
Government bond maturities after 1 year	296,759	296,759
Debt instrument maturities after 1 year	200,000	200,000
	1,008,912	1,008,912
<u>Less</u> Allowance for expected credit loss	(58)	(58)
	1,008,854	1,008,854
Total other non-current financial assets	4,768,844	4,763,844

Long-term investments, net as at December 31, 2019

	(Unit : Thousand Baht) Consolidated and separate Financial Statements
Available-for-sale securities	Fair value
Investments in general mutual funds	3,001,150
Investments in property funds	1,231,033
Investments in foreign investment funds	2,694,353
	<u>6,926,536</u>
Held-to-maturity investments	Amortized Cost, net
Cash at banks under a Memorandum of Understanding (M.O.U.)	501,153
Government bond maturities after 1 year	239,408
Debenture maturities after 1 year	200,000
	<u>940,561</u>
General investments	Cost
Ordinary shares	36,861
	<u>36,861</u>
Total long-term investments - net	<u><u>7,903,958</u></u>

Movements of long-term investments for the year ended December 31, 2019 were as follows:

	(Unit : Thousand Baht) Consolidated and separate Financial Statements
Beginning balance	8,837,845
Purchases	2,023,880
Disposals	(3,398,504)
Unrealized gain on available-for-sale securities	440,737
Ending balance	<u><u>7,903,958</u></u>

As at December 31, 2020, debt instruments measured at amortized cost which was classified by maturity was as follows:

	(Unit : Thousand Baht) Consolidated and Separate Financial Statements			
	Within 1 year	1 to 5 years	Over 5 years	Total
Investment measured at amortized cost				
Cash at banks under a Memorandum of Understanding (M.O.U.)	-	-	512,153	512,153
Government bond maturities after 1 year	-	296,759	-	296,759
Debenture maturities after 1 year	-	200,000	-	200,000
	<u>-</u>	<u>496,759</u>	<u>512,153</u>	<u>1,008,912</u>

As at December 31, 2019, cash at banks and debt instruments, which were classified by maturity were as follows

	(Unit : Thousand Baht)			
	Consolidated and Separate Financial Statements			
	Within 1 year	1 to 5 years	Over 5 years	Total
Deposits at banks	-	-	501,153	501,153
Government bonds	-	239,408	-	239,408
Debentures	-	200,000	-	200,000
	<u>-</u>	<u>439,408</u>	<u>501,153</u>	<u>940,561</u>

As at December 31, 2020, the fair value of debt instruments measured at amortized cost were as follows:

	(Unit : Thousand Baht)	
	Consolidated and Separate Financial Statements	
	Amortized cost	Fair value
Investment measured at amortized cost		
Cash at banks under a Memorandum of Understanding (M.O.U.)	512,153	472,852
Government bond maturities after 1 year	296,759	307,224
Debenture maturities after 1 year	200,000	210,420
	<u>1,008,912</u>	<u>990,496</u>

As at December 31, 2019, the fair value of held-to-maturity investments were as follows:

	(Unit : Thousand Baht)	
	Consolidated and Separate Financial Statements	
	Amortized cost, net	Fair value
Deposits at banks	501,153	422,062
Government bonds	239,408	245,774
Debentures	200,000	206,414
	<u>940,561</u>	<u>874,250</u>

15. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

Consolidated Financial Statements						
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process	Total
As at January 1, 2019						
Cost	1,014,097	4,252,326	1,458,070	388	43,803	6,768,684
<u>Less</u> Accumulated depreciation	-	(882,127)	(907,227)	(248)	-	(1,789,602)
Net book amount	<u>1,014,097</u>	<u>3,370,199</u>	<u>550,843</u>	<u>140</u>	<u>43,803</u>	<u>4,979,082</u>
For the year ended December 31, 2019						
Opening net book amount	1,014,097	3,370,199	550,843	140	43,803	4,979,082
Additions	-	10,985	43,158	1,450	76,578	132,171
Disposals/write-off	-	(79)	(166)	(1,450)	-	(1,695)
Depreciation charge	-	(197,654)	(174,418)	(60)	-	(372,132)
Transfer	-	22,469	57,716	-	(80,185)	-
Adjustments	-	(221,285)	224,047	-	(2,415)	347
Closing net book amount	<u>1,014,097</u>	<u>2,984,635</u>	<u>701,180</u>	<u>80</u>	<u>37,781</u>	<u>4,737,773</u>
As at December 31, 2019						
Cost	1,014,097	4,064,289	1,424,648	388	37,781	6,541,203
<u>Less</u> Accumulated depreciation	-	(1,079,654)	(723,468)	(308)	-	(1,803,430)
Net book amount	<u>1,014,097</u>	<u>2,984,635</u>	<u>701,180</u>	<u>80</u>	<u>37,781</u>	<u>4,737,773</u>
For the year ended December 31, 2020						
Opening net book amount	1,014,097	2,984,635	701,180	80	37,781	4,737,773
Additions	-	11,275	68,311	1,398	28,167	109,151
Disposals/write-off	-	-	(14)	(1,398)	-	(1,412)
Depreciation charge	-	(202,640)	(156,896)	(60)	-	(359,596)
Transfer	-	315	56,122	-	(56,437)	-
Adjustments	-	(1,036)	777	-	(108)	(367)
Closing net book amount	<u>1,014,097</u>	<u>2,792,549</u>	<u>669,480</u>	<u>20</u>	<u>9,403</u>	<u>4,485,549</u>
As at December 31, 2020						
Cost	1,014,097	4,074,843	1,454,252	388	9,403	6,552,983
<u>Less</u> Accumulated depreciation	-	(1,282,294)	(784,772)	(368)	-	(2,067,434)
Net book amount	<u>1,014,097</u>	<u>2,792,549</u>	<u>669,480</u>	<u>20</u>	<u>9,403</u>	<u>4,485,549</u>

(Unit : Thousand Baht)

	Separate Financial Statements					
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process	Total
As at January 1, 2019						
Cost	1,014,097	4,252,326	1,414,454	388	43,803	6,725,068
Less Accumulated depreciation	-	(882,127)	(864,496)	(248)	-	(1,746,871)
Net book amount	<u>1,014,097</u>	<u>3,370,199</u>	<u>549,958</u>	<u>140</u>	<u>43,803</u>	<u>4,978,197</u>
For the year ended						
December 31, 2019						
Opening net book amount	1,014,097	3,370,199	549,958	140	43,803	4,978,197
Additions	-	10,985	43,158	1,450	76,578	132,171
Disposals/write-off	-	(79)	(166)	(1,450)	-	(1,695)
Depreciation charge	-	(197,654)	(174,150)	(60)	-	(371,864)
Transfer	-	22,469	57,716	-	(80,185)	-
Adjustments	-	(221,285)	224,047	-	(2,415)	347
Closing net book amount	<u>1,014,097</u>	<u>2,984,635</u>	<u>700,563</u>	<u>80</u>	<u>37,781</u>	<u>4,737,156</u>
As at December 31, 2019						
Cost	1,014,097	4,064,291	1,420,732	388	37,781	6,537,289
Less Accumulated depreciation	-	(1,079,656)	(720,169)	(308)	-	(1,800,133)
Net book amount	<u>1,014,097</u>	<u>2,984,635</u>	<u>700,563</u>	<u>80</u>	<u>37,781</u>	<u>4,737,156</u>
For the year ended						
December 31, 2020						
Opening net book amount	1,014,097	2,984,635	700,563	80	37,781	4,737,156
Additions	-	11,275	68,311	1,398	28,167	109,151
Disposals/write-off	-	-	(14)	(1,398)	-	(1,412)
Depreciation charge	-	(202,640)	(156,656)	(60)	-	(359,356)
Transfer	-	315	56,122	-	(56,437)	-
Adjustments	-	(1,036)	777	-	(108)	(367)
Closing net book amount	<u>1,014,097</u>	<u>2,792,549</u>	<u>669,103</u>	<u>20</u>	<u>9,403</u>	<u>4,485,172</u>
As at December 31, 2020						
Cost	1,014,097	4,074,845	1,450,517	388	9,403	6,549,250
Less Accumulated depreciation	-	(1,282,296)	(781,414)	(368)	-	(2,064,078)
Net book amount	<u>1,014,097</u>	<u>2,792,549</u>	<u>669,103</u>	<u>20</u>	<u>9,403</u>	<u>4,485,172</u>

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The statement of financial position included following transactions relating to leases as at December 31, 2020 as follows:

Right of use assets

(Unit: Thousand Baht)						
CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS						
	Balances as at December 1, 2020 (Before adjusted)	Effects of the initial Adoption of TFRS 16	Balances as at January 1, 2020, (Adjusted)	Additions	Decreases	Balances as at December 31, 2020
Cost						
Vehicles	-	32,970	32,970	6,809	(582)	39,197
Total cost	-	32,970	32,970	6,809	(582)	39,197
Accumulated depreciation						
Vehicles	-	-	-	(14,466)	582	(13,884)
Total accumulated depreciation	-	-	-	(14,466)	582	(13,884)
Total right of use assets	-					25,313
Depreciation for the year ended December 31, 2020						14,466

Lease liabilities

Movements in lease liabilities during the year ended December 31, 2020 are as follows:

(Unit :Thousand Baht)	
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
Lease liabilities as at January 1, 2020,	32,970
Addition	6,809
Interest expense	1,578
Lease obligation repayment	(14,135)
Lease liabilities as at December 31, 2020	27,222

The undiscounted maturity analysis of lease liabilities as at December 31, 2020 are as follows:

(Unit :Thousand Baht)	
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
Lease liabilities	
Within 1 year	14,629
Over 1 year and up to 5 years	12,593
Total	27,222

The Group has adopted TFRS 16 from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at January 1, 2020 has been presented in Note 2.2.

17. INTANGIBLE ASSETS

	(Unit : Thousand Baht)			
	Consolidated Financial Statements			
	Computer software	Patent	Work in process	Total
As at January 1, 2019				
Cost	1,600,127	2,867	39,860	1,642,854
<u>Less</u> Accumulated amortisation	(1,265,422)	(1,675)	-	(1,267,097)
Net book amount	<u>334,705</u>	<u>1,192</u>	<u>39,860</u>	<u>375,757</u>
For the year ended December 31, 2019				
Opening net book amount	334,705	1,192	39,860	375,757
Additions	272,972	1,050	114,398	388,420
Amortisation charge	(152,330)	(387)	-	(152,717)
Transfer	84,353	-	(84,353)	-
Adjustments	929	-	(4)	925
Closing net book amount	<u>540,629</u>	<u>1,855</u>	<u>69,901</u>	<u>612,385</u>
As at December 31, 2019				
Cost	1,958,376	3,917	69,901	2,032,194
<u>Less</u> Accumulated amortisation	(1,417,747)	(2,062)	-	(1,419,809)
Net book amount	<u>540,629</u>	<u>1,855</u>	<u>69,901</u>	<u>612,385</u>
For the year ended December 31, 2020				
Opening net book amount	540,629	1,855	69,901	612,385
Additions	32,346	-	170,322	202,668
Amortisation charge	(154,455)	(481)	-	(154,936)
Transfer	83,506	-	(83,506)	-
Adjustments	(1,497)	-	1,605	108
Closing net book amount	<u>500,529</u>	<u>1,374</u>	<u>158,322</u>	<u>660,225</u>
As at December 31, 2020				
Cost	2,075,614	3,917	158,322	2,237,853
<u>Less</u> Accumulated amortisation	(1,575,085)	(2,543)	-	(1,577,628)
Net book amount	<u>500,529</u>	<u>1,374</u>	<u>158,322</u>	<u>660,225</u>

	(Unit : Thousand Baht)			
	Separate Financial Statements			
	Computer software	Patent	Work in process	Total
As at January 1, 2019				
Cost	1,518,511	2,006	39,860	1,560,377
Less Accumulated amortisation	(1,187,044)	(1,054)	-	(1,188,098)
Net book amount	331,467	952	39,860	372,279
For the year ended December 31, 2019				
Opening net book amount	331,467	952	39,860	372,279
Additions	272,972	1,050	114,398	388,420
Amortisation charge	(151,572)	(264)	-	(151,836)
Transfer	84,353	-	(84,353)	-
Adjustments	929	-	(4)	925
Closing net book amount	538,149	1,738	69,901	609,788
As at December 31, 2019				
Cost	1,876,760	3,056	69,901	1,949,717
Less Accumulated amortisation	(1,338,611)	(1,318)	-	(1,339,929)
Net book amount	538,149	1,738	69,901	609,788
For the year ended December 31, 2020				
Opening net book amount	538,149	1,738	69,901	609,788
Additions	31,447	-	170,322	201,769
Amortisation charge	(153,613)	(264)	-	(153,877)
Transfer	83,506	-	(83,506)	-
Adjustments	(1,497)	-	1,605	108
Closing net book amount	497,992	1,474	158,322	657,788
As at December 31, 2020				
Cost	1,993,099	3,056	158,322	2,154,477
Less Accumulated amortisation	(1,495,107)	(1,582)	-	(1,496,689)
Net book amount	497,992	1,474	158,322	657,788

18. ASSETS FOR MARGIN DEPOSITS AND BENEFITS

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at December 31, 2020 and 2019, the details of investments for which margin deposits were placed by members consist of:

	(Unit : Thousand Baht)	
	Consolidated	
	Financial Statements	
	2020	2019
Savings and fixed deposit accounts	13,266,083	10,360,966
Savings account in foreign currency	2,415,879	514,544
Investments measured by the amortized cost	4,558,309	-
Held-to-maturity investments	-	1,605,133
Securities collateral	68,538	840,265
Accrued benefits	20,352	63,754
	20,329,161	13,384,662
<u>Less</u> Allowance for expected credit loss	(2,792)	-
	20,326,369	13,384,662

As at December 31, 2020, savings account in foreign currency of USD 80.89 million (2019 : USD 17.16 million) was translated into Thai Baht using the average transfer buying rate announced by the Bank of Thailand at the end of the accounting period.

The Group presented margin deposits placed by members separately in the account “Assets for margin deposits and benefits” in current assets in the statement of financial position and presented liabilities in the account “Margin deposits and benefits payable” in current liabilities in the statement of financial position.

19. ASSETS FOR CLEARING SYSTEM PROTECTION AND BENEFITS

The assets for clearing system protection are established to secure the clearing system of Thailand Clearing House Co., Ltd. (TCH) against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise of 2 categories as the following:

19.1 Securities Deposit

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for members, who are allowed to clear all types of derivatives, is not less than Baht 5 million and for only one type of derivatives is not less than Baht 4 million).

19.2 Clearing fund contributions comprising contributions from:

- 1) SET amounting to Baht 100 million
- 2) Members of TCH:
 - Initial contributions according to the announced rates (currently the initial contribution members, who are allowed to clear all types of derivatives, are not less than Baht 6 million and for only one type of derivatives is not less than Baht 1 million).
 - Monthly contributions at a value of not less than Baht 1,000.

TCH manages the assets for clearing system protection and there are benefits incurred thereon, if such benefits are derived from the assets for clearing system protection of members, TCH shall return them to members after deduction of a management fees in accordance with the procedures and within the period prescribed by TCH.

In the event that members defaults in clearing on damage is caused by act of members in connection with clearing. TCH shall have the power to use assets for the Clearing System Protection in the following order:

- 1) Security Deposit of the Member who is in default or causes damage to the Clearing System of TCH, as the case maybe;
- 2) Contribution to the Clearing Fund by the Member who is in default or causes damage to the Clearing of TCH;
- 3) Contributions to the Clearing Fund by the SET in accordance with the amount prescribed by TCH as the first part;
- 4) Assets contributed to the Clearing Fund in the part of other Clearing Fund Members who are not in default or who do not cause the damage to the Clearing System of TCH, as the case maybe;
- 5) The remaining amount of the contributions to the Clearing Fund by the SET after deducting the first part of the contributions to the Clearing Fund by the SET;
- 6) Additional contribution according to the proportion made to the Clearing Fund by respective members
- 7) SET Reserve Fund

The use of the assets under 4) and 6) shall be in proportion with the assets contributed by the clearing Fund Members to the Clearing Fund.

The use of contributions to the Clearing Fund under 3) in accordance with the proportion prescribed by TCH, TCH may notify the change of the proportion in the use of such contributions as appropriate.

A Member who is in default or causes damage to the Clearing of TCH has the duty to return the assets for the Clearing System Protection or other assets which TCH has used according to the Regulation.

In the case that the Clearing Fund has been used, TCH may charge interest for the use of such fund at the maximum rate permitted by the law on interests on loans of financial institutions, as from the date of the use of such fund until the date of the return thereof unless other interest rate is prescribed by TCH.

When the defaulting Member or the Member who causes damage to the Clearing of TCH, has reimbursed the assets for the Clearing System Protection which are equal to the used amount of the assets together with the interest incurred thereon to TCH, the assets shall be allocated as per the order below:

- 1) SET Reserve Fund
- 2) Additional contribution according to the proportion made to the Clearing Fund by respective Members
- 3) The remaining amount of the contributions to the Clearing Fund by the SET after deducting the first part of the contributions to the Clearing Fund by the SET;
- 4) Assets contributed to the Clearing Fund in the part of other Clearing Fund Members who are not in default or who do not cause the damage to the Clearing System of TCH, as the case maybe;
- 5) Contributions to the Clearing Fund by the SET in accordance with the amount prescribed by TCH as the first part;
- 6) Contribution to the Clearing Fund by the Member who is in default or causes damage to the Clearing of TCH as the case maybe;
- 7) Security Deposit of the Member who is in default or causes damage to the Clearing System of TCH

The allocation for the return of the assets under 2) and 4) shall be in proportion with that such assets are used pursuant.

When TCH has a resolution to terminate the membership of any members, TCH shall return the assets which such members has provided for the Clearing of TCH, including the remaining benefits therefore after deduction of debts as well as damages and penalty that the member owes to TCH, within the period prescribed by TCH.

The Group has shown the assets to which members have joined as security assets in accordance with the rules specified as a separate item in the account. "Assets for margin deposits and benefits" under non-current assets and have shown the same amount of liabilities in the account "Margin deposits and benefits payable" under non-current liabilities in the statement of financial position.

As at December 31, 2020 and 2019, assets for clearing system protection and benefits consist of:

(Unit : Thousand Baht)					
	Consolidated Financial Statements				Total
	Securities Deposit and benefits		Clearing fund and benefits		
	2020	2019	2020	2019	2020 2019
Investments managed by TCH	505,498	698,988	-	-	505,498 698,988
Investments managed by private fund					
Savings accounts	469	69	252	52	721 121
Investments measured fair value through profit or loss	200,336	-	1,491,176	-	1,691,512 -
Trading Securities	-	203,120	-	1,295,715	- 1,498,835
	200,805	203,189	1,491,428	1,295,767	1,692,233 1,498,956
Accrued interest receivable	173	354	1,205	1,955	1,378 2,309
Other assets	51	46	17,825	4,999	17,876 5,045
	201,029	203,589	1,510,458	1,302,721	1,711,487 1,506,310
Total investments	706,527	902,577	1,510,458	1,302,721	2,216,985 2,205,298
<u>Less</u> Allowance for expected credit loss	(77)	-	-	-	(77) -
	706,450	902,577	1,510,458	1,302,721	2,216,908 2,205,298

(Unit : Thousand Baht)
**Separate
Financial Statements**
2020 2019

Clearing fund and benefits

Contributions	100,000	100,000
Accumulated benefits	50,723	47,916
	150,723	147,916

Investments managed by TCH

For the year ended December 31, 2020, savings accounts carried interest rates at rates ranging between 0.05% - 0.30% per annum (2019 : between 0.375% - 1.00% per annum).

Investments managed by private fund

As at December 31, 2020, investments in private fund are managed by 1 asset management company (2019: 1 asset management company).

The investments policy of private fund is reference to the TCH's regulations in relation to deposits with financial institution and TCH's investment policies. For the year ended December 31, 2020, the investment in private fund have return rates ranging from 2.19% - 2.23% per annum (2019 : from 2.45% - 2.46% per annum).

As at December 31, 2020 and 2019, assets for clearing system protection and benefits payable consist of:

	(Unit : Thousand Baht) Consolidated Financial Statements	
	2020	2019
Securities Deposit and benefits		
Contributions	705,000	897,000
Benefits (semi-annually distribute to members)	2,071	5,997
	<u>707,071</u>	<u>902,997</u>
Clearing fund and benefits		
Contributions	1,193,293	1,011,551
Accumulated benefits	166,508	143,321
	<u>1,359,801</u>	<u>1,154,872</u>
	<u>2,066,872</u>	<u>2,057,869</u>

20. RESERVE FUND FOR CLEARING AND SETTLEMENT

Reserve Fund for clearing and settlement from SET established as a source of funds for clearing house to compensate for any damage that may result from default or damages that may be caused by the actions of members in the business relating to the settlement and delivery of securities of the clearing house.

On January 14, 2015 and April 27, 2016, SET's Board of Governors approved an appropriation of reserve fund for clearing and settlement for compliance with the standard of clearing house set by the Overseas Securities Regulator and for enhance competitiveness and support future business expansion. SET will reserve fund for clearing and settlement in the approximately Baht 5,690 million by 2020. As at December 31, 2020, the reserve fund for clearing and settlement was Baht 5,804.07 million (2019 : Baht 5,590.44 million).

As at December 31, 2020 and 2019, reserve fund for clearing and settlement consist of:

	(Unit : Thousand Baht) Consolidated Financial Statements	
	2020	2019
Investments managed by private fund		
Savings accounts	3,599	2,202
Investments measured at fair value through profit or loss	5,790,352	-
Trading Securities	-	5,577,063
	<u>5,793,951</u>	<u>5,579,265</u>
Accrued interest income	6,543	10,364
Other assets	3,571	809
	<u>5,804,065</u>	<u>5,590,438</u>

As at December 31, 2020, investments in private fund are managed by 2 asset management companies (2019: 2 asset management companies)

The investment policy of private fund is reference to the TCH's regulations in relation to deposits with financial institution and company's investment policies. For the year ended December 31, 2020, the investments in private fund have return rates ranging between 1.94% - 2.20% per annum (2019 : between 2.46% - 2.54% per annum).

21. DEFERRED INCOME TAXES

Deferred tax assets and liabilities as at December 31, were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(Unit : Thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Deferred tax assets	595	91,768	-	91,743
Deferred tax liabilities	(15,684)	(12,676)	-	-
Deferred tax, net	(15,089)	79,092	-	91,743

Movements of deferred tax assets and liabilities during the years ended December 31, 2020 and 2019 were as follows:

As at December 31, 2020

	(Unit : Thousand Baht) CONSOLIDATED FINANCIAL STATEMENTS					
	As at December 31, 2019	Recognized as revenue (expense) in profit or loss	other comprehensive income	As at December 31, 2020	Adjust deferred tax that shall not to be utilized*	As at December 31, 2020 (After Adjust)
Deferred tax assets						
Allowance for expected credit loss	3,374	6,400	113	9,887	(8,227)	1,660
Unrealized loss on financial asset	-	38,085	-	38,085	(38,085)	-
Difference on useful life of assets	44,195	(4,003)	-	40,192	(40,192)	-
Provision for employee benefits from accumulated annual leave	5,325	1,248	-	6,573	(6,573)	-
Provision for employee benefits	123,571	11,590	15,458	150,619	(150,619)	-
Total	176,465	53,320	15,571	245,356	(243,696)	1,660
Deferred tax liabilities						
Unrealized gain on financial asset	(102,877)	84,528	-	(18,349)	1,600	(16,749)
Adjustments in SIFP's fund balances	5,504	(5,504)	-	-	-	-
Total	(97,373)	79,024	-	(18,349)	1,600	(16,749)
Deferred tax, net	79,092	132,344	15,571	227,007	(242,096)	(15,089)

* As at December 31, 2020, there are temporary differences for which deferred tax assets have not been recognised since there remains uncertainty and SET is not able to estimate the time frame within which it would be able to utilise them in the future.

As at December 31, 2019

(Unit : Thounsand Baht)				
CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2019	Recognized as revenue (expense) in profit or loss	other comprehensive income	As at December 31, 2019
Deferred tax assets				
Allowance for doubtful accounts	3,026	348	-	3,374
Unrealized loss on revaluation of investments	14,176	(789)	(13,387)	-
Difference on useful life of assets	39,316	4,879	-	44,195
Provision for employee benefits from accumulated annual leave	5,161	164	-	5,325
Provision for employee benefits	88,005	34,871	695	123,571
Total	<u>149,684</u>	<u>39,473</u>	<u>(12,692)</u>	<u>176,465</u>
Deferred tax liabilities				
Unrealized gain on revaluation of available-for-sale securities	(13,112)	-	(70,219)	(83,331)
Unrealized gain on revaluation of trading securities	(2,255)	(17,291)	-	(19,546)
Adjustments in SIPF's fund balances	5,504	-	-	5,504
Total	<u>(9,863)</u>	<u>(17,291)</u>	<u>(70,219)</u>	<u>(97,373)</u>
Deferred tax, net	<u>139,821</u>	<u>22,182</u>	<u>(82,911)</u>	<u>79,092</u>

As at December 31, 2020

(Unit : Thousand Baht)						
SEPERATED FINANCIAL STATEMENTS						
	As at December 31, 2019	Recognized as revenue (expense) in profit or loss	other comprehensive income	As at December 31, 2020	Adjust deferred tax that shall not to be utilized*	As at December 31, 2020 (After Adjust)
Deferred tax assets						
Allowance for expected credit loss	1,714	6,400	113	8,227	(8,227)	-
Unrealized loss on financial asset	-	38,085	-	38,085	(38,085)	-
Difference on useful life of assets	44,195	(4,003)	-	40,192	(40,192)	-
Provision for employee benefits from accumulated annual leave	5,326	1,249	-	6,575	(6,575)	-
Provision for employee benefits	123,570	11,589	15,458	150,617	(150,617)	-
Total	<u>174,805</u>	<u>53,320</u>	<u>15,571</u>	<u>243,696</u>	<u>(243,696)</u>	<u>-</u>
Deferred tax liabilities						
Unrealized gain on financial asset	(88,566)	86,966	-	(1,600)	1,600	-
Adjustments in SIPF's fund balances	5,504	(5,504)	-	-	-	-
Total	<u>(83,062)</u>	<u>81,462</u>	<u>-</u>	<u>(1,600)</u>	<u>1,600</u>	<u>-</u>
Deferred tax, net	<u>91,743</u>	<u>134,782</u>	<u>15,571</u>	<u>242,096</u>	<u>(242,096)</u>	<u>-</u>

* As at December 31, 2020, there are temporary differences for which deferred tax assets have not been recognised since there remains uncertainty and SET is not able to estimate the time frame within which it would be able to utilise them in the future.

As at December 31, 2019

(Unit : Thousand Baht)

SEPERATED FINANCIAL STATEMENTS

	Recognized as revenue (expense) in			
	As at January 1, 2019	Profit or loss	Comprehensive income	As at December 31, 2019
Deferred tax assets				
Allowance for doubtful accounts	1,005	709	-	1,714
Unrealized loss on revaluation of investments	14,028	(641)	(13,387)	-
Difference on useful life of assets	39,316	4,879	-	44,195
Provision for employee benefits from accumulated annual leave	5,162	164	-	5,326
Provision for employee benefits	88,004	34,871	695	123,570
Total	147,515	39,982	(12,692)	174,805
Deferred tax liabilities				
Unrealized gain on revaluation of available-for-sale securities	(13,112)	-	(70,219)	(83,331)
Unrealized gain on revaluation of trading securities	(2,252)	(2,983)	-	(5,235)
Adjustments in SIPF's fund balances	5,504	-	-	5,504
Total	(9,860)	(2,983)	(70,219)	(83,062)
Deferred tax, net	137,655	36,999	(82,911)	91,743

22. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2020 and 2019

		Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	Note	2020	2019	2020	2019
Trade payable					
Other parties		29,904	91,662	29,880	89,536
		<u>29,904</u>	<u>91,662</u>	<u>29,880</u>	<u>89,536</u>
Other current payable					
Accrued expense					
Subsidiaries	7	-	-	1,360	11,641
Other parties		1,658,691	1,085,998	1,623,708	1,061,803
Clearing collateral payable		541,427	3	-	-
Dividend payable from registrar services to investors		93,505	89,032	-	-
Financial benefits payable		76,323	85,569	-	-
Other payable from purchase of investments		59,735	121,325	59,735	121,325
Others		37,674	16,878	11,591	12,453
		<u>2,467,355</u>	<u>1,398,805</u>	<u>1,696,394</u>	<u>1,207,222</u>
		<u>2,497,259</u>	<u>1,490,467</u>	<u>1,726,274</u>	<u>1,296,758</u>

23. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2020 and 2019

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Withholding tax payable	57,689	79,403	9,886	9,581
Other retention payables	36,378	27,407	29,686	27,404
Provision for employee benefits from accumulated annual leave	32,872	26,631	32,872	26,631
Value added tax payable	26,533	19,927	21,047	16,862
Ngoen-Thong-khong-Mee-Kha Fund	11,576	11,576	11,576	11,576
Current portion of provision for employee benefit (see Note 24)	1,904	4,456	1,904	4,456
Others	2,306	3,597	434	1,913
	<u>169,258</u>	<u>172,997</u>	<u>107,405</u>	<u>98,423</u>

24. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	As at December 31,		Financial Statements	
	2020	2019	As at December 31,	2019
Statement of financial position				
Provision to be settled within 1 year				
Retirement benefits (see Note 23)	1,904	4,456	1,904	4,456
	<u>1,904</u>	<u>4,456</u>	<u>1,904</u>	<u>4,456</u>
Provision to be settled after 1 year				
Retirement benefits	703,296	571,483	703,296	571,483
Other benefits	47,891	41,910	47,891	41,910
	<u>751,187</u>	<u>613,393</u>	<u>751,187</u>	<u>613,393</u>
	<u>753,091</u>	<u>617,849</u>	<u>753,091</u>	<u>617,849</u>
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Expenses charge included in the statement of comprehensive revenues and expenses				
Retirement benefits	56,427	175,446	56,427	175,446
Other benefits	11,576	16,686	11,576	16,686
	<u>68,003</u>	<u>192,132</u>	<u>68,003</u>	<u>192,132</u>

The amounts recognized in the statement of financial position are determined as follows:

	Consolidated Financial Statements As at December 31, 2020 2019		(Unit : Thousand Baht) Separate Financial Statements As at December 31, 2020 2019	
Present value of obligations				
Retirement benefits	705,200	575,939	705,200	575,939
Other benefits	47,891	41,910	47,891	41,910
Liabilities in the statement of financial position	<u>753,091</u>	<u>617,849</u>	<u>753,091</u>	<u>617,849</u>

The movement in the defined benefit obligation during the years is as follows:

	Consolidated Financial Statements As at December 31, 2020 2019		(Unit : Thousand Baht) Separate Financial Statements As at December 31, 2020 2019	
Balances as at January 1,	617,849	440,020	617,849	440,020
Current service costs	42,804	36,115	42,804	36,115
Interest costs	14,670	12,712	14,670	12,712
Past service costs	1,767	143,305	1,767	143,305
Remeasurements recognized in the statement of comprehensive revenues and expenses	8,762	-	8,762	-
Remeasurements recognized in other comprehensive revenues and expenses:				
Loss from change in demographic assumptions	-	42,550	-	42,550
Loss (gain) from changes in financial assumptions	50,431	(9,274)	50,431	(9,274)
Loss (gain) from experience	26,860	(43,503)	26,860	(43,503)
	<u>763,143</u>	<u>621,925</u>	<u>763,143</u>	<u>621,925</u>
<u>Less</u> Benefits paid	<u>(10,052)</u>	<u>(4,076)</u>	<u>(10,052)</u>	<u>(4,076)</u>
Balances as at December 31,	753,091	617,849	753,091	617,849
<u>Less</u> Current portion within 1 year (see Note 23)	<u>(1,904)</u>	<u>(4,456)</u>	<u>(1,904)</u>	<u>(4,456)</u>
Total non-current portion	<u>751,187</u>	<u>613,393</u>	<u>751,187</u>	<u>613,393</u>

For the years ended December 31, 2020 and 2019, the amounts recognized in the statement of comprehensive revenues and expenses are as follows:

	Consolidated Financial Statements 2020 2019		(Unit : Thousand Baht) Separate Financial Statements 2020 2019	
Current service costs	42,804	36,115	42,804	36,115
Interest costs	14,670	12,712	14,670	12,712
Past service costs	1,767	143,305	1,767	143,305
Remeasurements	8,762	-	8,762	-
	<u>68,003</u>	<u>192,132</u>	<u>68,003</u>	<u>192,132</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Group reflects the effect of such change by recognizing past service cost as an expense in the statement of comprehensive revenues and expenses of the period in which the law is effective.

The principal actuarial assumptions used were as follows:

	2020	2019
Discount rate as of December 31,	0.38% - 2.89%	1.78% - 3.82%
Salary incremental rate	5.00% - 11.00%	7.00%
Average turnover rate	0.00 % - 12.00%	0.00 % - 12.00%
Pre-retirement mortality rate	Adjust 3% of TMO2017	Adjust 3% of TMO2017
Retirement age	60 years old	60 years old

	Change in assumption		Impact on defined benefit obligation			
	2020	2019	Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Discount rate	0.5%	0.5%	Decrease by 6%	Decrease by 6%	Increase by 7%	Increase by 7%
Salary growth rate	1%	1%	Increase by 13%	Increase by 13%	Decrease by 11%	Decrease by 11%
Turnover growth rate	20%	20%	Decrease by 3%	Decrease by 4%	Increase by 4%	Increase by 4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The weighted average duration of the defined benefit obligation is 16 years (2019 : 19 years).

Expected maturity analysis of undiscounted retirement and other benefits:

	(Unit : Thousand Baht)			
	Consolidated and Separate Financial Statements			
	Within a year	1-5 years	Over 5 years	Total
As at December 31, 2020				
Retirement benefits	23,600	83,902	330,518	438,020
Other benefits	5,187	17,672	23,099	45,958
Total	28,787	101,574	353,617	483,978

	(Unit : Thousand Baht)			
	Consolidated and Separate Financial Statements			
	Within a year	1-5 years	Over 5 years	Total
As at December 31, 2019				
Retirement benefits	5,092	62,741	254,584	322,417
Other benefits	4,518	13,790	14,699	33,007
Total	9,610	76,531	269,283	355,424

25. FUND BALANCES

The statement of change in the fund for the years ended December 31, 2020 and 2019 presented as part of the consolidated and separate financial statements as follows:

(Unit : Thousand Baht)

Consolidated Financial Statements								
Notes	Fund balances							Total
	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	Staff Welfare Fund	Securities Investor Protection Fund	Derivatives Investor Protection Fund	General Fund	
Opening balance as at January 1, 2019	4,240,000	1,000,000	100,000	112,074	469,545	55,348	22,702,439	28,679,406
Appropriation of general fund	25.1 200,000	-	-	-	-	-	(200,000)	-
Other comprehensive revenues (expenses), net of tax	26.2 -	-	-	-	-	-	10,226	10,226
Revenues over (under) expenses	26.2 -	-	-	1,923	13,930	848	(2,615,700)	(2,598,999)
Closing balance as at December 31, 2019	<u>4,440,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>113,997</u>	<u>483,475</u>	<u>56,196</u>	<u>19,896,965</u>	<u>26,090,633</u>
Opening balance as at January 1, 2020 before adjusted	4,440,000	1,000,000	100,000	113,997	483,475	56,196	19,896,965	26,090,633
Effect of change in new accounting policies	2.2 -	-	-	-	12,299	-	311,885	324,184
Opening balance as at January 1, 2020 after adjusted	4,440,000	1,000,000	100,000	113,997	495,774	56,196	20,208,850	26,414,817
Appropriation of general fund	25.2 -	250,000	-	-	-	-	(250,000)	-
Appropriation of reserve fund	25.1 and 25.2 (1,000,000)	1,000,000	-	-	-	-	-	-
Other comprehensive revenues (expenses), net of tax	26.2 -	-	-	-	-	-	(61,720)	(61,720)
Revenues over expenses	26.2 -	-	-	1,261	7,157	723	1,344,940	1,354,081
Closing balance as at December 31, 2020	<u>3,440,000</u>	<u>2,250,000</u>	<u>100,000</u>	<u>115,258</u>	<u>502,931</u>	<u>56,919</u>	<u>21,242,070</u>	<u>27,707,178</u>

(Unit : Thousand Baht)

		Separate Financial Statements						
		Fund balances						
Notes		Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	Total
		4,240,000	1,000,000	100,000	112,074	469,545	20,399,813	26,321,432
	25.1	200,000	-	-	-	-	(200,000)	-
	26.2	-	-	-	-	-	10,226	10,226
	26.2	-	-	-	1,923	13,930	(3,034,078)	(3,018,225)
		<u>4,440,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>113,997</u>	<u>483,475</u>	<u>17,175,961</u>	<u>23,313,433</u>
Opening balance as at January 1, 2019								
		4,440,000	1,000,000	100,000	113,997	483,475	17,175,961	23,313,433
	2.2	-	-	-	-	12,299	322,327	334,626
		<u>4,440,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>113,997</u>	<u>495,774</u>	<u>17,498,288</u>	<u>23,648,059</u>
Opening balance as at January 1, 2020 after adjusted								
	25.2	-	250,000	-	-	-	(250,000)	-
	25.1 and 25.2	(1,000,000)	1,000,000	-	-	-	-	-
	26.2	-	-	-	-	-	(61,720)	(61,720)
	26.2	-	-	-	1,261	7,157	766,341	774,759
		<u>3,440,000</u>	<u>2,250,000</u>	<u>100,000</u>	<u>115,258</u>	<u>502,931</u>	<u>17,952,909</u>	<u>24,361,098</u>
Closing balance as at December 31, 2020								

Details of fund balances are as follows:

25.1 Securities Clearing Reserve Fund

In 1997 and 2013, the Board of Governors of SET approved an appropriation of general funds of Baht 2,000 million and Baht 500 million, respectively, totalling Baht 2,500 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on SET.

In 2015, the Board of Governors of SET approved an appropriation of general funds to the Securities Clearing Reserve Fund from 2015 - 2019, totalling Baht 2,640 million, starting from 2015 of Baht 1,840 million and in the following years of Baht 200 million per year.

In 2018, the Board of Governors of SET approved an appropriation of the Securities Clearing Reserve Fund to Derivatives Clearing Reserve Fund of Baht 700 million, in order for the clearing house to have sufficient funds in both markets.

In 2020, the Board of Governors of SET approved an appropriation of the Securities Clearing Reserve Fund to Derivatives Clearing Reserve Fund of Baht 1,000 million, in order for the clearing house to have sufficient funds in both markets.

25.2 Derivatives Clearing Reserve Fund

In 2004, the Board of Governors of SET approved an appropriation of general funds of Baht 300 million to the Derivatives Clearing Reserve Fund in order to assure contingent losses from the clearing system of futures contracts at Thailand Clearing House Co., Ltd.

In 2018, Derivatives Clearing Reserve Fund has been allocated from Securities Clearing Reserve Fund of Baht 700 million according to the resolution of the Board of Governors of SET, in order for the clearing house to have sufficient funds in both markets.

In 2020, Derivatives Clearing Reserve Fund has been allocated from Securities Clearing Reserve Fund of Baht 1,000 million and from general fund of Baht 250 million according to the resolution of the Board of Governors of SET, in order for the clearing house to have sufficient funds in both markets

25.3 Indemnity Fund

In 1993 and 2002, the Board of Governors of SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors of SET and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

25.4 Staff Welfare Fund

In 1997 and 2004, the Board of Governors of SET approved appropriations of general funds was Baht 75 million to the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

25.5 Securities Investor Protection Fund

In 2004, the Board of Governors of SET approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF).

The SIPF was formally established under SIPF regulations on October 1, 2004. The objective of the fund is to protect and build investor confidence in trading listed securities on SET through the members of the SIPF. As at December 31, 2020, there were 33 SIPF members from securities companies (2019: 34 SIPF members).

The assets of SIPF consist of:

- 1) the initial fund from SET of Baht 300 million;
- 2) the cumulative membership entrance fees and monthly fees collected from the members;
- 3) the future benefits generated from investments in the SIPF.

SIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

If the number of assets of the SIPF is not sufficient for compensation to investors as mentioned above, the investors will receive from the SIPF for assets in accordance with the proportion of damage sustained by each investor (Pro rata based).

When the Board of Governors of SET resolves to approve granting protection to any investor. SET will use the SIPF to provide protection to such investor, which shall be in the following sequence:

- 1) the SIPF with respect to the part paid by that SIPF's member who caused damage to the investors;
- 2) the SIPF with respect to the yields or benefits;
- 3) the SIPF with respect to the part paid by other member; and
- 4) the SIPF with respect to the part paid by SET

Upon SET's use of SIPF to provide protection to investors in accordance with the rules prescribed, SET shall exercise the right to demand the return of the assets which have been paid to the investors and damages from the SIPF's member in accordance with the right transferred by the investors.

SET shall allocate the assets or money to SIPF which are returned from members who caused damage to the investors in the following sequence:

- 1) the SIPF with respect to the part belonging to SET;
- 2) the SIPF with respect to the part belonging to other members;
- 3) the SIPF with respect to the yield or benefits;
- 4) the SIPF with respect to the part belonging to SIPF's members who caused damage to the investors

25.6 Derivatives Investor Protection Fund

In 2012 the board of directors of Thailand Futures Exchange Public Company Limited (TFEX), a subsidiary, has a resolution to establish the Derivatives Investor Protection Fund (DIPF) and approved an appropriation of Baht 50 million as an initial fund.

The DIPF was established on November 15, 2012. The objective of the DIPF is to provide protection for derivatives contracts investors in accordance with the rules prescribed by TFEX. Investors need to be protected must become customers of DIPF members and is a Thai natural person, a juristic person incorporated in Thailand who is not an institutional investor under the Derivatives Act B.E. 2546 (2003). As at December 31, 2020, there were 37 DIPF members from security companies (2019: 37 DIPF members).

Assets of the DIPF consist of TFEX initial capital, admission fees and contributions collected from members of the DIPF, and yields or benefits obtained from the proceeds and assets of the DIPF after the deduction of expenses for the operation of the DIPF. At the time of its establishment, the DIPF will have assets worth no less than Baht 100 million, which consists of initial capital of Baht 50 million from TFEX and admission fees and contributions from DIPF members in the rest to make the total of Baht 100 million. TFEX may collect additional sums of money as it deems necessary and appropriate.

DIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the DIPF. In the event that the members of the DIPF fail to return the assets to investors, each investor shall be compensated by the DIPF for the related damages at the actual cost, but not exceeding Baht 1 million per DIPF member, in the following cases:

- 1) if any DIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on SET between investors and any DIPF member, and the arbitrator's award is that the DIPF member shall return the assets to investors, but the DIPF member violates the award.

The protection will not include any losses from derivatives trading regardless of who makes the investment decision.

If the number of assets of the DIPF is not sufficient for compensation to investors as mentioned above, the investors will receive from the DIPF for assets in accordance with the proportion of damage sustained by each investor (Pro rata based).

When the Board resolves to approve granting protection to any investor. TFEX will use the DIPF to provide protection to such investor, which shall be in the following sequence:

- 1) the DIPF with respect to the part paid by that DIPF's member who caused damage to the investors;
- 2) the DIPF with respect to the yields or benefits;
- 3) the DIPF with respect to the part paid by other member; and
- 4) the DIPF with respect to the part paid by TFEX

Upon TFEX's use of DIPF to provide protection to investors in accordance with the rules prescribed, DIPF's member who caused damage to investors has the duty to return assets to TFEX. TFEX shall exercise the right to demand the return of the assets which have been paid to the investors and damages from the DIPF's member in accordance with the right transferred by the investors.

TFEX shall allocate the funds which are returned in whole or in part to the DIPF in the following sequence:

- 1) the DIPF with respect to the part belonging to TFEX;
- 2) the DIPF with respect to the part belonging to other members;
- 3) the DIPF with respect to the yield or benefits;
- 4) the DIPF with respect to the part belonging to DIPF's members who caused damage to the investors

26. FINANCIAL POSITION AND RESULTS OF FUND OPERATIONS

26.1 Financial position of fund

The SIPF's financial statements included as part of the consolidated and separate's financial statements are as follows:

	(Unit : Thousand Baht)	
	Consolidated and Separate	
	Financial Statements	
	As at December 31,	
	2020	2019
Assets		
Current assets		
Cash deposits	163,343	6,914
Other current financial assets	365,467	-
Short-term investments	-	290,186
Accrued interest receivable	3,197	3,836
Other current asset	3,616	300
Total current assets	<u>535,623</u>	<u>301,236</u>
Non-current assets		
Other non-current financial assets	304,981	-
Long-term investments	-	530,792
Total non-current assets	<u>304,981</u>	<u>530,792</u>
Total assets	<u><u>840,604</u></u>	<u><u>832,028</u></u>
Liabilities and fund balances		
Liabilities of members portion		
Contributions from members	228,886	227,873
Benefits on contributions from members	108,787	108,381
Total liabilities of members portion	<u>337,673</u>	<u>336,254</u>
Fund balances		
Initial fund	300,000	300,000
Benefits on contributions from SET	202,931	183,475
	<u>502,931</u>	<u>483,475</u>
Other components	-	12,299
Total fund balances	<u>502,931</u>	<u>495,774</u>
Total liabilities and fund balances	<u><u>840,604</u></u>	<u><u>832,028</u></u>

The DIPF's financial statement included as part of the consolidated financial statements are as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	Financial Statements	
	As at December 31,	
	2020	2019
Assets		
Current assets		
Cash deposits	3,482	636
Other current financial assets	85,758	-
Short-term investments	-	67,843
Contributions from members	11	15
Accrued interest receivable	361	543
Total current assets	<u>89,612</u>	<u>69,037</u>
Non-current assets		
Other non-current financial assets	22,185	-
Long-term investments	-	41,200
Total non-current assets	<u>22,185</u>	<u>41,200</u>
Total assets	<u>111,797</u>	<u>110,237</u>
Liabilities and fund balances		
Current liabilities		
Income tax payable	338	396
Other current liabilities	1	1
Total current liabilities	<u>339</u>	<u>397</u>
Non-current liabilities		
Contributions from members	51,179	50,976
Benefits on contributions from members	3,360	2,668
Total non-current liabilities	<u>54,539</u>	<u>53,644</u>
Total liabilities	<u>54,878</u>	<u>54,041</u>
Fund balances		
Initial fund	50,000	50,000
Benefits on contributions from TFEX	6,919	6,196
Total fund balances	<u>56,919</u>	<u>56,196</u>
Total liabilities and fund balances	<u>111,797</u>	<u>110,237</u>

26.2 Results of fund operations

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows:

	(Unit : Thousand Baht)				
	Consolidated Financial Statements				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended December 31, 2020					
Revenues					
Operating revenues	-	-	-	6,547,755	6,547,755
Investment income, net	1,261	4,686	981	(364,950)	(358,022)
Other income	-	-	-	191,113	191,113
Total revenues	<u>1,261</u>	<u>4,686</u>	<u>981</u>	<u>6,373,918</u>	<u>6,380,846</u>
Expenses					
Operating expenses	-	146	74	4,289,057	4,289,277
Contribution to the Capital Market Development Fund	-	-	-	361,641	361,641
Income tax expense	-	(2,617)	184	378,280	375,847
Total expenses	<u>-</u>	<u>(2,471)</u>	<u>258</u>	<u>5,028,978</u>	<u>5,026,765</u>
Revenues over expenses	<u>1,261</u>	<u>7,157</u>	<u>723</u>	<u>1,344,940</u>	<u>1,354,081</u>
Other comprehensive revenues (expenses)					
Items that will not be reclassified subsequently to revenues or expenses					
Loss on remeasurements of post-employment benefits obligations	-	-	-	(77,291)	(77,291)
Income tax relating to items that will not be reclassified subsequently to revenues or expenses	-	-	-	15,571	15,571
Total items that will not be reclassified to revenues or expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,720)</u>	<u>(61,720)</u>
Total comprehensive revenues (expenses)	<u>1,261</u>	<u>7,157</u>	<u>723</u>	<u>1,283,220</u>	<u>1,292,361</u>
Total comprehensive revenues over expenses for the years attributable to:					
Owners of the parents	1,261	7,157	723	1,283,220	1,292,361
Non - controlling interests	-	-	-	-	-
	<u>1,261</u>	<u>7,157</u>	<u>723</u>	<u>1,283,220</u>	<u>1,292,361</u>

	(Unit : Thousand Baht)				
	Consolidated Financial Statements				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended December 31, 2019					
Revenues					
Operating revenues	-	-	-	5,890,126	5,890,126
Investment income, net	1,923	14,016	1,110	946,031	963,080
Other income	-	-	-	493,101	493,101
Total revenues	<u>1,923</u>	<u>14,016</u>	<u>1,110</u>	<u>7,329,258</u>	<u>7,346,307</u>
Expenses					
Operating expenses	-	86	46	4,216,819	4,216,951
Reversal of contributions to the Stock Exchange of Thailand Foundation	-	-	-	(186,132)	(186,132)
Contribution to the Capital Market Development Fund	-	-	-	5,700,000	5,700,000
Income tax expense	-	-	216	214,271	214,487
Total expenses	<u>-</u>	<u>86</u>	<u>262</u>	<u>9,944,958</u>	<u>9,945,306</u>
Revenues over (under) expenses	<u>1,923</u>	<u>13,930</u>	<u>848</u>	<u>(2,615,700)</u>	<u>(2,598,999)</u>
Other comprehensive revenues and expenses					
Items that will be reclassified subsequently to revenues or expenses					
Share of profit of investments in associates	-	-	-	158	158
Gain on change in value of available-for-sale investments managed by SET	-	-	-	417,992	417,992
Gain on change in value of available-for-sale investments from Securities Investor Protection Fund	-	6,218	-	-	6,218
Income tax relating to items that will be reclassified subsequently to revenues and expenses	-	-	-	(82,910)	(82,910)
Total items that will be reclassified subsequently to revenues or expenses	<u>-</u>	<u>6,218</u>	<u>-</u>	<u>335,240</u>	<u>341,458</u>
Items that will not be reclassified subsequently to revenues and expenses					
Gain on remeasurements of post-employment benefits obligations	-	-	-	10,226	10,226
Total items that will not be reclassified to revenues or expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,226</u>	<u>10,226</u>
Total comprehensive revenues (expenses)	<u>1,923</u>	<u>20,148</u>	<u>848</u>	<u>(2,270,234)</u>	<u>(2,247,315)</u>
Total comprehensive revenues over (under) expenses for the years attributable to:					
Owners of the parents	1,923	20,148	848	(2,270,234)	(2,247,315)
Non - controlling interests	-	-	-	-	-
	<u>1,923</u>	<u>20,148</u>	<u>848</u>	<u>(2,270,234)</u>	<u>(2,247,315)</u>

	(Unit : Thousand Baht)			
	Separate Financial Statements			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
For the year ended December 31, 2020				
Revenues				
Operating revenues	-	-	3,059,298	3,059,298
Investment income, net	1,261	4,686	121,181	127,128
Other income	-	-	1,906,820	1,906,820
Total revenues	<u>1,261</u>	<u>4,686</u>	<u>5,087,299</u>	<u>5,093,246</u>
Expenses				
Operating expenses	-	146	3,852,002	3,852,148
Contribution to the Capital Market Development Fund	-	-	361,641	361,641
Income tax expense	-	(2,617)	107,315	104,698
Total expenses	<u>-</u>	<u>(2,471)</u>	<u>4,320,958</u>	<u>4,318,487</u>
Revenues over expenses	1,261	7,157	766,341	774,759
Other comprehensive revenues (expenses)				
Items that will not be reclassified subsequently to revenues or expenses				
Loss on remeasurements of post-employment benefits obligations	-	-	(77,291)	(77,291)
Income tax relating to items that will not be reclassified subsequently to revenues or expenses	-	-	15,571	15,571
Total items that will not be reclassified to revenues or expenses	<u>-</u>	<u>-</u>	<u>(61,720)</u>	<u>(61,720)</u>
Total comprehensive revenues (expenses)	<u>1,261</u>	<u>7,157</u>	<u>704,621</u>	<u>713,039</u>
Total comprehensive revenues over expenses for the years attributable to:				
Owners of the parents	1,261	7,157	704,621	713,039
Non - controlling interests	-	-	-	-
	<u>1,261</u>	<u>7,157</u>	<u>704,621</u>	<u>713,039</u>

	(Unit : Thousand Baht)			
	Separate Financial Statements			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
For the year ended December 31, 2019				
Revenues				
Operating revenues	-	-	2,652,268	2,652,268
Investment income, net	1,923	14,016	1,547,098	1,563,037
Other income	-	-	2,060,116	2,060,116
Total revenues	<u>1,923</u>	<u>14,016</u>	<u>6,259,482</u>	<u>6,275,421</u>
Expenses				
Operating expenses	-	86	3,826,379	3,826,465
Reversal of contributions to the Stock Exchange of Thailand Foundation	-	-	(186,132)	(186,132)
Contribution to the Capital Market Development Fund	-	-	5,700,000	5,700,000
Income tax expense	-	-	(46,687)	(46,687)
Total expenses	<u>-</u>	<u>86</u>	<u>9,293,560</u>	<u>9,293,646</u>
Revenues over(under) expenses	<u>1,923</u>	<u>13,930</u>	<u>(3,034,078)</u>	<u>(3,018,225)</u>
Other comprehensive revenues (expenses)				
Items that will be reclassified subsequently to revenues or expenses				
Gain on change in value of available-for-sale investments managed by SET	-	-	417,992	417,992
Gain on change in value of available-for-sale investments from Securities Investor Protection Fund	-	6,218	-	6,218
Income tax relating to items that will be reclassified subsequently to revenues and expenses	-	-	(82,912)	(82,912)
Total items that will be reclassified subsequently to revenues or expenses	<u>-</u>	<u>6,218</u>	<u>335,080</u>	<u>341,298</u>
Items that will not be reclassified subsequently to revenues or expenses				
Gain on remeasurements of post-employment benefits obligations	-	-	10,226	10,226
Total items that will not be reclassified to revenues or expenses	<u>-</u>	<u>-</u>	<u>10,226</u>	<u>10,226</u>
Total comprehensive revenues (expenses)	<u>1,923</u>	<u>20,148</u>	<u>(2,688,772)</u>	<u>(2,666,701)</u>
Total comprehensive revenues over (under) expenses for the years attributable to:				
Owners of the parents	1,923	20,148	(2,688,772)	(2,666,701)
Non - controlling interests	-	-	-	-
	<u>1,923</u>	<u>20,148</u>	<u>(2,688,772)</u>	<u>(2,666,701)</u>

27. OPERATING REVENUES

Operating revenues for the years ended December 31, 2020 and 2019 consist of:

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Trading fees	2,343,762	1,839,019	1,667,148	1,297,886
Securities registrar fees	1,228,987	1,226,039	-	-
Clearing & settlement fees	740,026	600,935	-	-
Listing fees	682,298	722,869	682,298	722,869
Member services fees	436,645	420,325	-	-
Information service fees	377,514	366,706	343,119	332,001
Customization and IT support fees	344,856	276,947	343,333	276,112
Depository fees	296,348	346,545	-	-
Membership fees	63,950	64,030	23,400	23,400
Fund services fees	24,044	20,176	-	-
Payment service fees	9,325	6,535	-	-
	<u>6,547,755</u>	<u>5,890,126</u>	<u>3,059,298</u>	<u>2,652,268</u>

Operating revenues for the years ended December 31, 2020 and 2019 classified by timing of revenue recognition consist of:

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Timing of revenue recognition				
At a point in time				
Trading fees	2,343,762	1,839,019	1,667,148	1,297,886
Securities registrar fees	635,827	532,377	-	-
Clearing & settlement fees	740,026	600,935	-	-
Listing fees	200,300	244,945	200,300	244,945
Member services fees	419,785	379,978	-	-
Information service fees	1,418	993	1,119	476
Customization and IT support fees	580	1,375	580	1,375
Depository fees	296,348	346,545	-	-
Membership fees	-	200	-	-
Fund services fees	5,354	2,800	-	-
Payment service fees	8,845	6,351	-	-
	<u>4,652,245</u>	<u>3,955,518</u>	<u>1,869,147</u>	<u>1,544,682</u>
Overtime				
Securities registrar fees	593,160	693,662	-	-
Listing fees	481,998	477,924	481,998	477,924
Member services fee	16,860	40,347	-	-
Information service fees	376,096	365,713	342,000	331,525
Customisation and IT support fees	344,276	275,572	342,753	274,737
Membership fees	63,950	63,830	23,400	23,400
Fund services fees	18,690	17,376	-	-
Payment service fees	480	184	-	-
	<u>1,895,510</u>	<u>1,934,608</u>	<u>1,190,151</u>	<u>1,107,586</u>
Total operating revenues	<u>6,547,755</u>	<u>5,890,126</u>	<u>3,059,298</u>	<u>2,652,268</u>

28. INVESTMENT INCOME (EXPENSE), NET

Investment income (expense), net for the years ended December 31, 2020 and 2019

	Notes	Consolidated		(Unit : Thousand Baht)	
		Financial Statements		Separate	
		2020	2019	2020	2019
Interest income		327,223	436,238	198,303	278,766
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	7	-	-	(22,492)	(36,569)
Assets for clearing system protection					
- members' portion		(174,824)	(219,577)	-	-
Interest income, net		152,399	216,661	175,811	242,197
Dividend income from					
Mutual funds		62,386	140,331	62,386	140,331
Subsidiaries	12	-	-	508,543	655,779
Associates	13	-	-	20,151	15,743
Private fund		22	31	22	17
Other entities		3,749	3,536	3,749	3,536
Realized gain (loss) from investments		(320,541)	420,168	(371,751)	396,471
Loss from derivatives		(24,429)	-	(24,429)	-
Unrealized gain (loss) from investments		(165,130)	90,398	(180,203)	18,118
Unrealized gain (loss) on exchange rate from					
foreign investments		(14,603)	14,189	(14,603)	14,189
Realized gain (loss) on exchange rate from					
foreign investments		(53,730)	59,245	(53,730)	59,245
Reversal of impairment loss		-	3,395	-	3,395
Allowance for expected credit loss		(3,812)	-	(3,504)	-
		<u>(363,689)</u>	<u>947,954</u>	<u>122,442</u>	<u>1,549,021</u>

29. OTHER INCOME

Other income for the years ended December 31, 2020 and 2019

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Revenues from fees and management funds	47,917	36,657	2,710	840
Educational activities income	22,844	64,442	22,844	64,442
Service income from related parties (see Note 7)	13,368	1,687	1,854,011	1,778,473
Fines	12,347	80,151	7,088	12,418
Rental & utilities revenues	11,832	15,295	11,832	15,295
Revenues from securities borrowing and lending	3,969	34,461	-	-
Revenue from funding for small entrepreneur	3,445	-	-	-
Revenues from marketing event	1,365	22,978	1,289	22,634
Compensation income	-	145,088	-	145,088
Revenues from transfer of rights from securities companies	-	11,200	-	10,000
Other income	46,001	35,759	7,046	10,926
	163,088	447,718	1,906,820	2,060,116

30. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses for the years ended December 31, 2020 and 2019

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Management				
Salaries and other benefits	234,554	232,216	234,554	232,216
Contributions to provident fund	<u>12,163</u>	<u>11,053</u>	<u>12,163</u>	<u>11,053</u>
	<u>246,717</u>	<u>243,269</u>	<u>246,717</u>	<u>243,269</u>
Other employees				
Salaries and other benefits	1,621,849	1,622,193	1,622,049	1,620,982
Contributions to provident fund	<u>78,612</u>	<u>74,009</u>	<u>78,612</u>	<u>74,009</u>
	<u>1,700,461</u>	<u>1,696,202</u>	<u>1,700,661</u>	<u>1,694,991</u>
	<u>1,947,178</u>	<u>1,939,471</u>	<u>1,947,378</u>	<u>1,938,260</u>

The defined contribution plans comprise provident funds established by the Group for its employees. Contributions are made monthly by the employees at rates ranging from 3.00% to 15.00% of their basic salaries and by the Group at the rate of 10.00% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

31. SEC FEES

The Securities and Exchange Act B.E. 2535 (1992) requires SET to pay to the SEC at a rate as determined by the Board of the SEC.

In 2016, the Board of the SEC has approved to charge SET for the year 2017 - 2019 (for the period of 3 years) at the rate of 0.002% of trading value of each year. In 2019, the Board of the SEC passed a resolution to maintain the same rate for the year 2020 - 2022.

The Board of the SEC also required Thailand Future Exchange Public Company Limited (subsidiary) to pay the fee of derivatives trading exchange. The rate for year 2017 - 2020 is Baht 2 million per annum.

32. OTHER EXPENSES

Other expenses for the years ended December 31, 2020 and 2019

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Fees and compensation expenses	115,508	128,067	88,306	108,152
Capital market development expenses	27,348	36,492	27,348	36,493
Donation and CSR expenses	11,094	11,206	11,096	11,006
Institution membership fees	4,798	4,897	3,463	3,661
Entertainment expenses	2,492	3,170	2,477	3,130
Travelling and vehicle expenses	2,174	35,985	2,173	34,318
Meeting expenses	1,711	2,821	1,692	2,634
Other expenses	9,759	15,977	9,549	15,476
	<u>174,884</u>	<u>238,615</u>	<u>146,104</u>	<u>214,870</u>

33. CONTRIBUTION TO THE CAPITAL MARKET DEVELOPMENT FUND

The Securities and Exchange Act (No. 6) B.E. 2562, announced on April 16, 2019, requires that The Stock Exchange of Thailand (SET) proceed as follows:

1. Transfer the money or any other assets in the amount of Baht 5,700 million to the Capital Market Development Fund (“CMDf”). SET’s Board of the Governors and CMDf’s Committee shall jointly determine the amount or value, type and nature of the money or assets to be transferred.
2. Provide the money to CMDf within 150 days from the end of the calendar year at the rate not less than 90% of the revenue after deduction of expense, tax and reserve. In this regard, the consolidated financial statements of SET shall be used to calculate the contribution amount. The provision of reserves shall be in accordance with the type and amount prescribed by the Board of Governors of the Stock Exchange of Thailand.

SET transferred money in the amount of Baht 5,700 million to the CMDf on July 4, 2019 and recognized in expense for the year 2019.

SET recorded an annual contribution amount of Baht 361.64 million as an expense in the financial statements for the year ended December 31, 2020. Details of an annual contribution amount are as follows:

Reserves

At the meeting of the Board of Governors of the Stock Exchange of Thailand held on October 31, 2020 and November 18, 2020, the Board approved the type and principle of reserves as prescribed by The Securities and Exchange Act (No. 6) B.E. 2562. At the meeting held on February 17, 2021, the Board approved amount of reserves of Baht 1,314 million and annual contribution for 2020 to CMDF of Baht 362 million. Details are as follows:

Type of reserve	Reserve allocation principles to ensure adequacy of funding sources	Reserve amount (Thousand Baht)
1. Reserves set aside according to law or criteria in business operation specified, including reserve amount to accommodate special situations	1.1 Legal reserve	23,635
	1.2 Reserves according to business operation such as EMIR (European Market Infrastructure Regulation), PFMI (Principles for Financial Market Infrastructures) to meet an increase (decrease) of business operation during the year	(36,960)
	1.3 Reserves allocated for specific funds such as approval of additional capital in specific funds during the year, benefit sharing of Securities Investor Protection Fund, Derivatives Investor Protection Fund, Clearing Fund or other similar funds	261,176
	1.4 Reserves allocated for accommodating operations risks and emergency measures	424,000
2. Reserves set aside to accommodate the fluctuation of investments	According to unrealized gain/(loss) during the year	(179,733)
3. Reserves set aside for investment in business or fixed assets	According to the investment amount in businesses and fixed assets approved by the Board of Governors	821,781
Total reserve		1,313,899

Annual contribution calculated as follows:

(Unit : Thousand Baht)
Consolidated and Separate
Financial Statements
2020

Revenues over expenses before contribution to CMDF	2,094,001
<u>Less</u> Income tax expense	(378,279)
Revenue after deduction of expense, before reserves	1,715,722
<u>Less</u> Reserves	(1,313,899)
Revenue after deduction of expense, tax and reserves	401,823
Annual contribution amount at rate 90%	361,641

Accumulated contribution to CMDF according to the financial statements as of December 31, 2020 can be presented as follows.

	(Unit : Thousand Baht) Consolidated and Separate Financial Statements 2020
Money transferred to CMDF for 2019	5,700,000
Annual contribution amount for 2020	361,641
Total accumulated contribution expenses	<u>6,061,641</u>

34. INCOME TAX

Income tax for the years ended December 31, 2020 and 2019

	(Unit : Thousand Baht) Consolidated Financial Statements 2020 2019		(Unit : Thousand Baht) Separate Financial Statements 2020 2019	
Current income tax				
Previous income tax	-	-	-	(9,688)
Current income tax	<u>268,527</u>	<u>236,452</u>	<u>-</u>	<u>-</u>
Total current income tax	<u>268,527</u>	<u>236,452</u>	<u>-</u>	<u>(9,688)</u>
Deferred income tax				
Adjust deferred tax assets that shall not to be utilized	242,096	-	242,096	-
Origination and reversal of temporary differences	<u>(132,344)</u>	<u>(22,181)</u>	<u>(134,782)</u>	<u>(36,999)</u>
Total deferred income tax	<u>109,752</u>	<u>(22,181)</u>	<u>107,314</u>	<u>(36,999)</u>
Total income tax expense (revenue)	<u>378,279</u>	<u>214,271</u>	<u>107,314</u>	<u>(46,687)</u>

The tax on the Group's revenues over (under) expenses before income tax differs from the theoretical amount that would arise using the Thailand basic tax rate as follows:

	(Unit : Thousand Baht) Consolidated Financial Statements 2020 2019		(Unit : Thousand Baht) Separate Financial Statements 2020 2019	
Revenues over (under) expenses before income tax expense	<u>1,732,360</u>	<u>(2,384,728)</u>	<u>882,073</u>	<u>(3,064,912)</u>
Tax calculated at a tax rate of 20%	346,472	(476,945)	176,415	(612,982)
Income tax from the previous years	-	(9,688)	-	(9,688)
Cumulative loss carried forward from the previous years	(69,481)	(953)	(70,009)	-
Assessed income under Revenue Code	3,513	1,552	1,540	723
Income not subject to tax	(111,096)	(197,659)	(111,096)	(182,843)
Expenses additional deductible for tax purposes	(5,500)	(2,795)	(5,500)	(2,795)
Expenses not deductible for tax purposes	113,904	775,701	115,964	760,898
Eliminated transaction between related party, net of income tax	100,612	125,228	-	-
Revenues over expenses - Securities/Derivatives				
Investor Protection Fund, net of income tax	<u>(145)</u>	<u>(170)</u>	<u>-</u>	<u>-</u>
Income tax	<u>378,279</u>	<u>214,271</u>	<u>107,314</u>	<u>(46,687)</u>
The weight average applicable tax rate (%)	21.84	8.99	12.17	-

35. COMMITMENTS WITH NON-RELATED PARTIES

35.1 Capital commitments

As at December 31, 2020 and 2019, the Group had capital commitments of Baht 123.09 million and Baht 27.22 million, respectively as follows:

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
IT equipment	99,824	14,460	99,824	14,460
Software	23,261	12,760	23,261	12,760
	<u>123,085</u>	<u>27,220</u>	<u>123,085</u>	<u>27,220</u>

35.2 Non-cancellable operating lease commitments and service agreements

As at December 31, 2020 and 2019, the Group had future minimum lease payments required under non-cancellable operating lease and service agreements as follows:

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Within one year	20,608	20,887	20,608	20,887
After one year but within five years	24,449	30,906	24,449	30,906
	<u>45,057</u>	<u>51,793</u>	<u>45,057</u>	<u>51,793</u>

35.3 Long-term service commitment

	Consolidated		(Unit : Thousand Baht)	
	Financial Statements		Separate	
	2020	2019	2020	2019
Within one year	101,672	97,917	101,672	97,917
After one year but within five years	137,443	40,463	137,443	40,463
	<u>239,115</u>	<u>138,380</u>	<u>239,115</u>	<u>138,380</u>

35.4 Other commitments

As at December 31, 2020, SET has letters of guarantee issued by banks totalling Baht 5.13 million (2019: Baht 5.13 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2019: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH to the end of the credit period. In addition, SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at December 31, 2020, TCH had not drawn down the overdraft credit line.

36. FAIR VALUE

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Group in estimating fair values of financial instruments.

Financial assets measured at fair value

Certain financial assets of the Group are measured at fair value at the end of reporting period.

The following table presents the Group's financial assets that are measured at fair value as at December 31, 2020.

Financial assets	(Unit: Thousand Baht)		
	Consolidated Financial Statement		
	Fair value	Fair value hierarchy	Valuation techniques and key inputs
Financial Assets			
Investments			
Fair value through profit or loss			
Government bond	10,498,648	Level 2	Market price
Debenture	366,841	Level 2	Market price
Mutual Fund	83,410	Level 1	Quoted prices in active market
Mutual Fund	3,750,336	Level 2	Market price
Fair value through other comprehensive income			
Share capital	54,336	Level 3	Unobservable inputs

Financial assets	(Unit: Thousand Baht)		
	Separate Financial Statement		
	Fair value	Fair value hierarchy	Valuation techniques and key inputs
Financial Assets			
Investments			
Fair value through profit or loss			
Government bond	1,003,544	Level 2	Market price
Debenture	366,841	Level 2	Market price
Mutual Fund	83,410	Level 1	Quoted prices in active market
Mutual Fund	3,750,336	Level 2	Market price
Fair value through other comprehensive income			
Share capital	49,336	Level 3	Unobservable inputs

Financial instruments not measured at fair value

In estimating the fair value of financial assets and financial liabilities, which are not measured at fair value, are categorized into level 2. Valuation techniques are net present value of expected cash inflow/outflow, but valuation technique for fixed deposit account measured by using discounted cash flows based on each contract with an average yield of 4 commercial banks.

The following table presents the Group's financial assets that are not measured at fair value at December 31, 2020.

(Unit: Thousand Baht)		
Consolidated Financial Statement		
	Carrying amount	Fair value
<u>Financial assets</u>		
Investments measured at amortized cost		
Fixed deposit	5,298,583	5,281,129
Government bond and debenture	5,620,509	5,683,059
(Unit: Thousand Baht)		
Separate Financial Statement		
	Carrying amount	Fair value
<u>Financial assets</u>		
Investments measured at amortized cost		
Fixed deposit	1,534,027	1,504,127
Government bond and debenture	1,016,032	1,046,178

There was no transfers between Levels 1 and 2 during the year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. These financial instruments include cash and cash equivalents, cash at banks for financial benefits payable, assets for margin deposits and benefits, accounts receivable, accrued interest receivable, deposits and other benefits in assets for clearing system protection, deposits and other benefits in Securities Investor Protection Fund, deposits and other benefits in Derivatives Investor Protection Fund, accounts payable and short-term borrowings from subsidiaries.

The management believes that the fair value of the Group's financial assets does not materially differ from their carrying value.

Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value as at December 31, 2019.

	(Unit : Thousand Baht)			
	Consolidated Financial Statements			
	2019			
	Level 1	Level 2	Level 3	Total
Trading securities	-	10,472,702	-	10,472,702
Available-for-sales	1,543,835	6,949,265	-	8,493,100
Total	<u>1,543,835</u>	<u>17,421,967</u>	<u>-</u>	<u>18,965,802</u>

	(Unit : Thousand Baht)			
	Separate Financial Statements			
	2019			
	Level 1	Level 2	Level 3	Total
Trading securities	-	1,198,404	-	1,198,404
Available-for-sales	1,543,835	6,949,265	-	8,493,100
Total	<u>1,543,835</u>	<u>8,147,669</u>	<u>-</u>	<u>9,691,504</u>

The following table presents the Group's financial assets that are not measured at fair value at December 31, 2019.

	(Unit : Thousand Baht)			
	Consolidated Financial Statements			
	2019			
	Level 1	Level 2	Level 3	Total
Held-to-maturity investments	-	8,772,169	-	8,772,169
General investments	-	-	36,861	36,861
Total	<u>-</u>	<u>8,772,169</u>	<u>36,861</u>	<u>8,809,030</u>

	(Unit : Thousand Baht)			
	Separate Financial Statements			
	2019			
	Level 1	Level 2	Level 3	Total
Held-to-maturity investments	-	1,411,316	-	1,411,316
General investments	-	-	36,861	36,861
Total	<u>-</u>	<u>1,411,316</u>	<u>36,861</u>	<u>1,448,177</u>

There was no transfers between Levels 1 and 2 during the year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. These financial instruments include cash and cash equivalents, cash at banks for financial benefits payable, assets for margin deposits and benefits, accounts receivable, accrued interest receivable, deposits and other benefits in assets for clearing system protection, deposits and other benefits in Securities Investor Protection Fund, deposits and other benefits in Derivatives Investor Protection Fund, accounts payable and short-term borrowings from a subsidiary.

The Group's management believes that the fair value of the financial assets and liabilities does not materially differ from their carrying value.

Valuation techniques used to derive Level 1 fair values

Available-for-sale securities which are listed in the Stock Exchange of Thailand or foreign stock exchanges as shown in long-term investments and Securities Investor Protection Fund. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the other Stock Exchange in which such securities are listed.

Valuation techniques used to derive Level 2 fair values

Other available-for-sale securities presented as short-term investments, long-term investments and Securities Investor Protection Fund. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Association of Investment Management Companies.

Held-to-maturity investments and trading securities include fixed deposit accounts, bonds and debentures. The fair value of fixed deposit accounts, is measured by using discounted cash flows based on each contract with an average yield of 4 commercial banks. The fair value of bonds and debentures are measured by using the price published in the Thai Bond Market Association at the end of the date in the statement of financial position.

Valuation techniques used to derive Level 3 fair values

As the Group has a general investments in limited companies which the Group's shareholding was insignificant, the Group has no controlling and decision making power in the invested companies resulting in difficulty in obtaining the information to support the fair value valuation in practice. These investments are not in the stock exchange and do not have any market prices which can be used as fair value. The Group also do not have any plan for selling these investments, so the Group did not assess the fair value for the general investments. Therefore, the Group cannot disclose the fair value of the general investments in the notes to the financial statements and have stated these investments at cost less allowance for impairment (if any).

37. CONTINGENT LIABILITIES

37.1 SET

On December 26, 2017, SET was claimed to recourse for damages arising from not supervising member company to carry out the force selling of the plaintiff's securities in accordance with the specified regulation. The plaintiff was seeking such alleged damages totalling Baht 12.65 million. On November 20, 2019, the Appeal Court dismissed the case, and the plaintiff does not appear to appeal to the Supreme Court within the specific time. Therefore, the case has been finalized.

37.2 Subsidiary

37.2.1 On January 22, 2019, a subsidiary was claimed to recourse for the damages incurred related to the case of the wrongful acts recalling the asset and compensation from the forgery of the share certificates. The subsidiary has been claimed for the amount of Baht 76.23 million.

On December 4, 2019, the Civil Court ordered the subsidiary to pay the amount of Baht 62.55 million with interest rate at 7.5% per annum, and to pay Baht 400,000 legal fee. The subsidiary filed an appeal to Court. As at 31 December 2020, the case was still under the consideration of the Appeal Court. The outcome of the case has not presently been finalized. As a result, the subsidiary did not record any transaction in relation to the above case in the 2020 financial statements.

The Group has purchased insurance policy covering professional liability (Financial Institutional Professional Indemnity Insurance) which has fully covered the liability for this case.

37.2.2 On December 11, 2019, a subsidiary was indicted to carry out the registration to change the name of shareholders or to pay the price of shares in the amount of Baht 495 million. On 26 January 2021, the case was dismissed by the Civil Court. The plaintiff is in the process of considering an appeal to the Appeal Court. Therefore, the subsidiary did not record any transaction in relation to the above case in the 2020 financial statements.

38. FINANCIAL INSTRUMENTS - FORWARD FOREIGN EXCHANGE CONTRACTS

SET has financial instruments, which their latest settlement date of forward foreign exchange contracts will be on July 14, 2021 (2019 : March 30, 2020). The amount of the outstanding contracts as at December 31, 2020 and 2019 to be paid are:

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
US Dollar currency	2,002,609	2,197,292	2,002,609	2,197,292

The net fair values of forward foreign exchange contracts as at December 31, 2020 and 2019 were:

	Consolidated Financial Statements		(Unit : Thousand Baht) Separate Financial Statements	
	2020	2019	2020	2019
Forward foreign exchange contracts				
- with positive (negative) fair values	(42,140)	93,623	(42,140)	93,623

The fair value of forward foreign exchange contracts is in Level 2. They are measured based on forward foreign exchange rate comparing with Thai Baht announced by the Bank of Thailand which input that are observable.

39. RECLASSIFICATION

A reclassification has been made in the financial statements for the year ended December 31, 2019, to conform to the classifications used in the financial statements for the year ended December 31, 2020 as follows:

Items	Previous classification Presentation	Current classification Presentation	(Unit : Thousand Baht)	
			Consolidated Financial Statements	Separate Financial Statements
Revenues				
Payment service fees	Other income	Operating revenues	6,535	-

40. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Stock Exchange's Board of Governors on February 17, 2021.