

The Stock Exchange of Thailand
Report and financial statements
31 December 2021

Independent Auditor's Report

To the members of The Stock Exchange of Thailand and The Stock Exchange of Thailand

Opinion

I have audited the accompanying consolidated financial statements of The Stock Exchange of Thailand and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of The Stock Exchange of Thailand (SET) for the same period.

In my opinion, the financial statements referred to above 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 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Revenue recognition - trading fees

As disclosed in Note 4 and Note 26 to the consolidated financial statements, the principal source of revenue of SET is trading fees, presenting it as "Operating revenues", under statement of comprehensive revenues and expenses. The revenue is subject to terms and conditions used in setting variable fees based on trading volume, and SET uses information technology to gather trading volume data and to calculate trading fees. I therefore focused on the audit of the gathering and processing of securities trading data by information technology systems as well as the accuracy and completeness of the trading volume data used in the revenue calculation.

The key audit procedures were as follows:

- Gained an understanding of operations and internal control procedures related to the recognition of revenue from trading fees.
- Assessed and tested, on a sampling basis, the internal controls relevant to recognition of trading fees revenue, including IT general controls, application controls and other related internal controls.
- Applied a sampling method to select agreements and test the revenue calculation to ensure that the trading fee revenue recognised was correct, consistent with the conditions of the relevant agreement and in accordance with Thai Financial Reporting Standards.
- On a sampling basis, examined supporting documents for trading fee revenue transactions occurring during the year and near the end of the reporting period.
- Performed analytical procedures on the relationship of the accounting transactions to the trading fees and performing analytical procedures on disaggregated data to detect possible irregularities in transactions throughout the period.
- Reviewed credit notes that SET issued after the period-end.

Corporate income tax related to remittance contributed to Capital Market Development Fund (“CMDF”)

As discussed in Note 33 to the consolidated financial statements related to recording of income tax with respect to the remittance of Baht 5,700 million contributed to CMDF by SET in 2019 in accordance with Section 40 of the Securities and Exchange Act (No.6) B.E. 2562 and the annual remittance to CMDF under Section 182/1 of the Securities and Exchange Act B.E. 2535 at the rate of 90% of income after deduction of expenses, taxes, and reserves recognised as an expense in statement of comprehensive revenues and expenses for the year 2020 and 2021 of Bath 362 million and 583 million, respectively.

The transaction related to corporate income tax with respect to such remittance requires the management to exercise significant judgment, taking into account applicable laws and regulations and Interpretation of Financial Reporting Standards with the supporting legal reasons, both factual and legal issues from SET’s internal legal advisor and external tax advisor in interpreting and considering the law related to the matter. As the uncertainty and complexity of interpretations of relevant laws and regulations as well as the effects that may occur are significant to the financial statements, I therefore determined that this matter is the key audit matter.

The key audit procedures were as follows:

- Inquired with SET’s management, and SET’s internal legal advisors regarding the facts, progress and relevant information with respect to this matter.
- Reviewed the correspondence related to this matter between SET and relevant tax authorities.
- Reviewed the opinions of SET’s internal legal advisor and external tax advisor used to support the management’s judgment.
- Assessed the appropriateness of recognition of this transaction including disclosure of corporate income tax with respect to the remittance contributed to the CMDF in the notes to the consolidated financial statements.

Other matter

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 for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion thereon with emphasis of matter regarding the adoption of group of Financial Instruments Standards, under his report dated 17 February 2021.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance of correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 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 Financial Statements

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

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

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

- 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Rungnapa Lertsuwankul

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 23 February 2022

The Stock Exchange of Thailand and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	9,016,927	8,011,828	6,499,135	7,386,963
Cash at banks for financial benefits payable		83,578	76,323	-	-
Assets for margin deposits and benefits	17	19,775,717	20,326,369	-	-
Other current financial assets	8	5,601,530	4,467,120	3,511,715	2,452,742
Trade and other receivables	9	690,405	1,261,229	514,816	683,435
Derivative assets		7,311	42,140	7,311	42,140
Other current assets	10	44,878	330,505	40,764	296,804
Total current assets		35,220,346	34,515,514	10,573,741	10,862,084
Non-current assets					
Other non-current financial assets	11	6,264,029	4,768,844	6,259,029	4,763,844
Investments in subsidiaries	12	-	-	1,832,700	1,787,291
Investments in associates and joint venture	13	1,017,057	995,351	790,047	790,061
Assets for clearing system protection and benefits	18	2,049,124	2,216,908	150,613	150,723
Securities Investor Protection Fund	25	856,836	840,604	856,836	840,604
Derivatives Investor Protection Fund	25	112,871	111,797	-	-
Long-term loans to a subsidiary	6	-	-	5,690,834	5,690,834
Reserve Fund for clearing and settlement	19	5,702,029	5,804,065	-	-
Property, plant and equipment	14	4,228,078	4,485,549	4,227,746	4,485,172
Right-of-use assets	15	27,261	25,313	27,261	25,313
Intangible assets	16	799,339	660,225	794,550	657,788
Deferred tax assets	33	146,107	595	143,332	-
Other non-current assets	20	457,893	2,485	425,940	2,485
Total non-current assets		21,660,624	19,911,736	21,198,888	19,194,115
Total assets		56,880,970	54,427,250	31,772,629	30,056,199

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

The Stock Exchange of Thailand and its subsidiaries
Statements of financial position (continued)
As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and fund balances					
Current liabilities					
Margin deposits and benefits payable	17	19,784,276	20,329,161	-	-
Trade and other payables	21	2,999,293	2,497,259	1,997,931	1,726,274
Derivative liabilities		29,840	-	29,840	-
Current portion of lease liabilities	15	14,256	14,629	14,256	14,629
Fees received in advance		300,367	346,164	270,317	318,752
Income tax payable		121,560	114,547	-	-
Short-term loans from subsidiary	6	-	-	1,810,985	2,416,422
Other current liabilities	22	248,651	169,258	148,038	107,405
Total current liabilities		23,498,243	23,471,018	4,271,367	4,583,482
Non-current liabilities					
Lease liabilities, net of current portion	15	14,680	12,593	14,680	12,593
Assets for clearing system protection and benefits payable	18	1,898,511	2,066,872	-	-
Contributions and benefits to Securities Investor Protection Fund	25	344,488	337,673	344,488	337,673
Contributions and benefits to Derivatives Investor Protection Fund	25	55,438	54,878	-	-
Deferred tax liabilities	33	-	15,684	-	-
Provision for long-term employee benefits	23	731,444	751,187	731,444	751,187
Provision for tax liabilities	33	952,000	-	952,000	-
Other non-current liabilities		17,261	10,166	17,261	10,166
Total non-current liabilities		4,013,822	3,249,053	2,059,873	1,111,619
Total liabilities		27,512,065	26,720,071	6,331,240	5,695,101
Fund balances					
Funds	24	29,368,904	27,707,178	25,441,389	24,361,098
Other components of funds balances		-	-	-	-
Non-controlling interests		1	1	-	-
Total fund balances		29,368,905	27,707,179	25,441,389	24,361,098
Total liabilities and fund balances		56,880,970	54,427,250	31,772,629	30,056,199

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

Directors

The Stock Exchange of Thailand and its subsidiaries
Statement of comprehensive revenues and expenses
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues and expenses:					
Revenues					
Operating revenues	26	7,734,730	6,547,755	3,809,064	3,059,298
Investment revenue (loss), net	27	369,419	(363,689)	1,075,682	122,442
Other income	28	180,107	163,088	1,978,798	1,906,820
Total revenues		8,284,256	6,347,154	6,863,544	5,088,560
Expenses					
Employee benefit expenses	29	2,146,278	1,947,178	2,146,278	1,947,378
Directors' remuneration		32,352	30,434	28,211	26,337
Direct service expenses		522,668	378,964	-	-
Building and office expenses		184,483	179,802	183,848	179,371
Technology expenses		271,125	225,913	270,959	225,745
Marketing expenses		134,331	124,615	107,151	103,099
Educational activity expenses		37,933	29,411	37,933	29,411
SEC Fees	30	910,368	668,859	904,672	666,859
Depreciation and amortisation	14, 15, 16	519,922	528,998	518,791	527,699
Other expenses	31	276,150	174,884	268,276	146,104
Total expenses		5,035,610	4,289,058	4,466,119	3,852,003
Revenues over expenses		3,248,646	2,058,096	2,397,425	1,236,557
Non-operating revenues					
Income derived from Securities Investor					
Protection Fund, net	25	9,417	7,157	9,417	7,157
Income derived from Derivatives Investor					
Protection Fund, net	25	514	723	-	-
Share of profit of investments in associates and joint venture, net of tax					
	13	35,590	28,025	-	-
Revenues over expenses before contribution to the Capital Market Development Fund		3,294,167	2,094,001	2,406,842	1,243,714
Contribution to the Capital Market Development Fund	32	(582,978)	(361,641)	(582,978)	(361,641)
Revenues over expenses before income tax expenses		2,711,189	1,732,360	1,823,864	882,073
Income tax expenses	33	(1,114,558)	(378,279)	(808,668)	(107,314)
Revenues over expenses for the years		1,596,631	1,354,081	1,015,196	774,759

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

The Stock Exchange of Thailand and its subsidiaries
Statement of comprehensive revenues and expenses (continued)
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive revenues (expenses):					
<i>Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods</i>					
Actuarial gain (loss), net of tax	23	65,095	(61,720)	65,095	(61,720)
Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods, net of tax		65,095	(61,720)	65,095	(61,720)
Other comprehensive revenues (expenses) for the years		65,095	(61,720)	65,095	(61,720)
Total comprehensive revenues over expenses for the years					
		1,661,726	1,292,361	1,080,291	713,039
Revenues over expenses attributable to:					
Owners of the parent		1,596,631	1,354,081	1,015,196	774,759
Non-controlling interests		-	-	-	-
		1,596,631	1,354,081		
Total comprehensive revenues over expenses for the year attributable to:					
Owners of the parent		1,661,726	1,292,361	1,080,291	713,039
Non-controlling interests		-	-	-	-
		1,661,726	1,292,361		

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

The Stock Exchange of Thailand and its subsidiaries

Statement of changes in fund balances

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements					
	Fund balances	Other components of fund balance	Total of fund balance	Non- controlling interests	Total fund balances
Balance as at 1 January 2020	26,414,817	-	26,414,817	1	26,414,818
Other comprehensive revenues (expenses) for the year (Note 24)	(61,720)	-	(61,720)	-	(61,720)
Revenues over expenses (Note 24)	1,354,081	-	1,354,081	-	1,354,081
Balance as at 31 December 2020	<u>27,707,178</u>	<u>-</u>	<u>27,707,178</u>	<u>1</u>	<u>27,707,179</u>
Balance as at 1 January 2021	27,707,178	-	27,707,178	1	27,707,179
Other comprehensive revenues (expenses) for the year (Note 24)	65,095	-	65,095	-	65,095
Revenues over expenses (Note 24)	1,596,631	-	1,596,631	-	1,596,631
Balance as at 31 December 2021	<u>29,368,904</u>	<u>-</u>	<u>29,368,904</u>	<u>1</u>	<u>29,368,905</u>

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

The Stock Exchange of Thailand and its subsidiaries
Statement of changes in fund balances (continued)
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements		
	Fund balances	Other components of fund balance	Total fund balances
Balance as at 1 January 2020	23,648,059	-	23,648,059
Other comprehensive revenues (expenses) for the year (Note 24)	(61,720)	-	(61,720)
Revenues over expenses (Note 24)	774,759	-	774,759
Balance as at 31 December 2020	<u>24,361,098</u>	<u>-</u>	<u>24,361,098</u>
Balance as at 1 January 2021	24,361,098	-	24,361,098
Other comprehensive revenues (expenses) for the year (Note 24)	65,095	-	65,095
Revenues over expenses (Note 24)	1,015,196	-	1,015,196
Balance as at 31 December 2021	<u>25,441,389</u>	<u>-</u>	<u>25,441,389</u>

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

The Stock Exchange of Thailand and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from operating activities					
Revenues over expenses before income tax expenses		2,711,189	1,732,360	1,823,864	882,073
Adjustments to reconcile revenue over expense before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	14, 15, 16	519,922	528,998	518,791	527,699
Investment loss (revenue), net		(592,072)	238,982	(1,141,219)	(261,913)
Income derived from Securities Investor Protection Fund, net	24	(9,417)	(7,157)	(9,417)	(7,157)
Income derived from Derivatives Investor Protection Fund, net	24	(514)	(723)	-	-
Employee benefits obligation expenses	23	73,919	68,003	73,919	68,003
Loss (gain) from disposal and write-off of assets		394	(490)	394	(490)
Expected credit loss		9,286	3,812	1,545	3,504
Impairment loss of investment in joint venture		14	-	14	-
Share of profit from investments in associates and joint venture - net of tax	13, 24	(35,590)	(28,025)	-	-
Finance cost		1,507	1,578	1,507	1,578
Revenue over expense from operating activities before changes in operating assets and liabilities		2,678,638	2,537,338	1,269,398	1,213,297
Operating assets (increase) decrease					
Assets for margin deposits and benefits		544,885	(6,944,499)	-	-
Trade and other receivables		562,500	(755,967)	100,575	(198,099)
Other current assets		15,176	(45,170)	15,924	(45,503)
Assets for clearing system protection and benefits		167,861	(11,610)	110	(2,807)
Securities Investor Protection Fund		(16,560)	(6,488)	(16,560)	(6,488)
Derivatives Investor Protection Fund		(1,332)	(1,910)	-	-
Other non-current assets		(7,535)	-	(7,525)	-
Operating liabilities increase (decrease)					
Margin deposits and benefits payables		(544,885)	6,944,499	-	-
Trade and other payables		520,206	957,671	289,841	377,330
Fees received in advance		(45,797)	(7,235)	(48,435)	596
Other current liabilities		79,393	(1,187)	40,633	11,534
Assets for clearing system protection and benefits payable		(168,361)	9,003	-	-
Contributions and benefits to Securities Investor Protection Fund		6,815	1,419	6,815	1,419
Contributions and benefits to Derivative Investor Protection Fund		560	837	-	-
Other non-current liabilities		7,095	317	7,095	317
Employee benefits paid	23	(7,282)	(10,052)	(7,282)	(10,052)
Cash flows from operating activities		3,791,377	2,666,966	1,650,589	1,341,544
Corporate income tax paid		(494,163)	(354,587)	(175,814)	(108,592)
Net cash flows from operating activities		3,297,214	2,312,379	1,474,775	1,232,952

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

The Stock Exchange of Thailand and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from investing activities					
Payment for long-term loans to a subsidiary	6	-	-	-	(250,000)
Cash received from investment		253,481	114,398	207,650	142,146
Purchase of other current financial assets		(3,295,945)	(1,987,402)	(2,716,681)	(1,843,446)
Proceeds from disposals of other current financial assets		2,249,838	2,893,314	1,754,446	2,559,836
Cash paid investments in subsidiary		-	-	(6,000)	(90,000)
Purchase of other non-current financial assets		(1,957,998)	(3,039,796)	(1,957,998)	(3,034,796)
Proceeds from disposals of other non-current financial assets		912,157	5,839,659	912,157	5,839,659
Cash receipt from foreign currency forward contracts		9,329	95,185	9,329	95,185
Cash paid from foreign currency forward contracts		(257,650)	(140,451)	(257,650)	(140,451)
Cash receipt (paid) from reserve fund for clearing and settlement, net		102,036	(213,627)	-	-
Purchase of property, plant and equipment		(102,643)	(113,405)	(102,643)	(113,405)
Proceeds from disposals of property, plant and equipment		1,084	2,269	1,084	2,269
Purchase of intangible assets		(325,779)	(146,336)	(322,351)	(145,436)
Benefits received from Securities Investor Protection Fund		9,746	5,069	9,746	5,069
Benefits received from Derivatives Investor Protection Fund		772	1,073	-	-
Dividend received		81,445	86,859	617,627	195,102
Net cash flows from (used in) investing activities		(2,320,127)	3,396,809	(1,851,284)	3,221,732
Cash flows from financing activities					
Cash receipt from short-term loan from subsidiaries	6	-	-	513,500	1,010,000
Repayment of short-term loan from subsidiaries	6	-	-	(1,048,937)	(112,000)
Cash paid for lease liabilities	15	(15,820)	(14,135)	(15,820)	(14,135)
Interest paid		-	-	(11,149)	(22,493)
Net cash flows from (used in) financing activities		(15,820)	(14,135)	(562,406)	861,372
Allowance for expected credit loss of cash and cash equivalents		366	(2,060)	366	(2,060)
Net foreign exchange difference		50,721	(19,769)	50,721	(19,769)
Net increase (decrease) in cash and cash equivalents		1,012,354	5,673,224	(887,828)	5,294,227
Cash and cash equivalents at beginning of year		8,088,151	2,414,927	7,386,963	2,092,736
Cash and cash equivalents at end of year		9,100,505	8,088,151	6,499,135	7,386,963
Supplementary for cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	7	9,016,927	8,011,828	6,499,135	7,386,963
Cash at banks for financial benefits payable		83,578	76,323	-	-
		<u>9,100,505</u>	<u>8,088,151</u>	<u>6,499,135</u>	<u>7,386,963</u>
Non-cash transactions:					
Loss on investment measured at fair value through profit or loss		-	(392,260)	-	(400,030)
Other payables from purchase of assets		31,463	70,921	31,452	70,921
Increase in right-of-use assets and lease liabilities		16,028	13,087	16,028	13,087
Decrease in short-term loans from subsidiaries by offsetting dividend income	6	-	-	70,000	400,291
Increase in shares capital and disposal investment by shares swap		-	-	114,000	-

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

The Stock Exchange of Thailand and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2021

Note	Content	Page
1.	General information	1
2.	Basis of preparation	1
3.	New financial reporting standards	5
4.	Significant accounting policies	6
5.	Significant accounting judgements and estimates	17
6.	Related party transactions	18
7.	Cash and cash equivalents	21
8.	Other current financial assets	21
9.	Trade and other receivables	22
10.	Other current assets	24
11.	Other non-current financial assets	25
12.	Investments in subsidiaries	25
13.	Investments in associates and joint venture	26
14.	Property, plant and equipment	29
15.	Leases	31
16.	Intangible assets	32
17.	Assets for margin deposits and benefits	33
18.	Assets for clearing system protection and benefits	34
19.	Reserve fund for clearing and settlement	38
20.	Other non-current asset	39
21.	Trade and other payables	40
22.	Other current liabilities	40
23.	Provision for long-term employee benefits	41
24.	Fund balances	43
25.	Financial position and results of fund operations	49
26.	Operating revenues	55
27.	Investment revenue (loss) - net	56

The Stock Exchange of Thailand and its subsidiaries
Notes to consolidated financial statements (continued)
For the year ended 31 December 2021

Note	Content	Page
28.	Other income	57
29.	Employee benefit expenses	58
30.	SEC fees	58
31.	Other expenses	59
32.	Contribution to the Capital Market Development Fund	59
33.	Income tax	62
34.	Segment information	66
35.	Commitments and contingent liabilities	69
36.	Fair value hierarchy	71
37.	Financial instruments	73
38.	Capital management	84
39.	Reclassification	84
40.	Approval of financial statements	84

The Stock Exchange of Thailand and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2021

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. 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 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 93 Floor 17th, Ratchadapisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok.

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) Securities registrar services
- 5) Other services comprise fund services and payment services provider.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of The Stock Exchange of Thailand (“SET”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 (%)	2020 (%)
<u>Direct subsidiaries</u>				
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
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
SET Venture Holding Co., Ltd.**	Holding company	Thailand	100.00	100.00

(Date of incorporation on 21 May 2020)

* On 16 June 2021, the Board of the Governors of SET passed resolution to approve the transfer of 799,998 common shares of SETTRADE.COM Co., Ltd. held by SET to SET Venture Holding Co., Ltd. This share transfer was registered with the Ministry of Commerce on 1 October 2021.

** On 20 May 2020, the Board of the Governors of SET passed resolution to approve the transfer of 20,000,000 common shares of Finnet Innovation Network Co., Ltd. and 3,000,000 common shares of Live Fin Corp Co., Ltd. held by SET to SET Venture Holding Co., Ltd. This share transfer was registered with the Ministry of Commerce on 1 July 2020.

On 16 June 2021, the Board of Govenors of SET passed resolution to approve the increase in the registered shares capital of SET Venture Holding Co., Ltd. from Baht 300 million to Baht 420 million by issuing new ordinary shares offered to SET. This increase in shares capital was registered with the Ministry of Commerce on 1 October 2021.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 (%)	2020 (%)
<u>Indirect subsidiaries</u>				
Finnet Innovation Network Co., Ltd.	Rendering payment service for the capital market	Thailand	100.00	100.00
Live Fin Corp Co., Ltd.	Provider of electronic network system for investment	Thailand	100.00	100.00
Digital Access Platform Co., Ltd. (Date of incorporation on 22 May 2020)	Providing electronic networking service and/or supporting system to support electronic and digital transactions	Thailand	100.00	100.00
Thai Digital Assets Exchange Co., Ltd. (Date of incorporation on 14 September 2020)	Trading center for digital assets and providing infrastructure or related systems to support digital assets trading	Thailand	100.00	100.00
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	100.00	-
<u>Associates</u>				
Clearing Fund	Fund	Thailand	6.79	7.76
TSFC Securities Public Company Limited	Securities financing services and securities borrowing and lending	Thailand	40.70	40.70
<u>Joint venture</u>				
Family Know-how Co., Ltd. (The dissolution was registered on 26 December 2018)	Media business specialising in financial and investment information	Thailand	50.00	50.00

Details of SET's associates and joint venture as at 31 December 2021 and 2020 are as follows:

1) Associates

1.1) Clearing Fund

The Clearing Fund operates under the Regulations of the Clearing Fund (No.1) B.E. 2541, 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.

1.2) 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.

2) Joint venture

2.1) 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 Co., Ltd. is classified as investment in joint venture.

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 26 December 2018, and is currently in the process of liquidation.

- b) SET is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which SET obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as SET.
 - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of revenues and expenses and net assets of the subsidiaries that are not held by SET and are presented separately in the consolidated comprehensive revenues and expenses and within fund balance in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment, providing temporary reliefs or temporary exemptions for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Fees income

Trading fees, initial securities registrar fees, initial listing fees, clearing and settlement fees, member services fees, initial of information service fees, depository fees, initial customisation and IT support fees, initial membership fees, initial fund service fees and Digital Gateway service fees are recognised as revenue when the entity has fulfilled the obligations.

Annual securities registrar fees, annual listing fees, member service fees and Digital Gateway service fees by overtime, annual membership fee, fund service fees, payment service fees and Digital Gateway service fees by overtime are recognised revenue based on the obligations that must be completed throughout the period.

The recognised revenue which is not yet due per the contracts has been presented as accrued income under the caption of other receivables in the statement of financial position. The amounts recognised as other receivables are reclassified to trade receivables when the entity's right to consideration is unconditional.

An amount of consideration that the entity has received or to receive but the obligation to transfer goods or services to a customer is not completed is presented under the caption of fee received in advance in the statement of financial position. Fee received in advance from customers are recognised as revenue when the entity has fulfilled the obligations.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income

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

Expense

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

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Investments in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture are accounted for in the separate financial statements using the cost method.

Investments in associates and joint venture are accounted for in the consolidated financial statements using the equity method.

4.4 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	-	10 - 50 years
Building improvements	-	5 - 30 years
Fixtures and office equipment	-	5 - 20 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in revenues over (under) expenses when the asset is derecognised.

4.5 Intangible assets

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

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to revenues over (under) expenses.

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

	<u>Useful lives</u>
Computer software	3 - 10 years
Licences and other intangible assets	10 years

Costs associated with developing or maintaining computer software are recognised 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 recognised 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 recognised as an intangible asset.

The management determines the estimated useful lives of intangible assets of the Group. The management will review the amortisation charge when useful lives differ from the previous estimations or it will write-off obsolete assets or assets which have been sold or unused.

4.6 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets at the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Motor vehicles	4 - 5 years
----------------	-------------

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.7 Related party transactions

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

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

4.8 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the SET's functional currency.

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

Gains and losses on exchange are included in determining income.

4.9 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in revenues over (under) expenses. However, in the cases where property, plant and equipment were previously revalued and the revaluation was taken to fund balances, a part of such impairment is recognised in fund balances up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in revenues over (under) expenses unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, contributions to the social security fund and the right to the accumulated annual leave are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive revenues (expenses).

Actuarial gains and losses arising from other long-term benefits are recognised immediately in revenues over (under) expenses.

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 recognises 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.

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.

4.11 Provisions

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

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 recognised 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 recognised as interest expense.

4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax. Tax is recognised in revenues over (under) expenses, except to the extent that it relates to items recognised in other comprehensive revenues (expenses) or directly in fund balance. In this case the tax is also recognised in other comprehensive revenues (expenses) or directly in fund balance, respectively.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

The Group records deferred tax directly to fund balances if the tax relates to items that are recorded directly to fund balances.

4.13 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component. The Group are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in revenues over (under) expenses when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in revenues over (under) expenses and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive revenues (expenses). Upon derecognition, the cumulative fair value change recognised in other comprehensive revenues (expenses) is recycled to revenues over (under) expenses.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive revenues (expenses) on these financial assets are never recycled to revenues over (under) expenses.

Dividends are recognised as other income in revenues over (under) expenses, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive revenues (expenses).

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in revenues over (under) expenses.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in revenues over (under) expenses.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in revenues over (under) expenses when the liabilities are derecognised as well as through the EIR amortisation revenues over (under) expenses. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in revenues over (under) expenses.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in revenues over (under) expenses.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payment are more than 90 days past due. However, in certain cases, the Group may consider a financial asset to have significant increase in credit risk and to be in default taking into account other internal or external data information, such as credit rating of issuer.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factor specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.14 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in revenues over (under) expenses. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Deferred tax assets

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

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Litigation and uncertainty of liabilities that may arise from taxation

The Group has contingent and/or contingent liabilities from litigation and uncertainty of liability that may arise from taxation in which tax authorities will accept the group's taxation methods. The management uses judgment to evaluate any such transaction, including reasonable estimating the expected damage. Changing in factors underlying management's assessment and unanticipated circumstances could cause actual results to differ materially from these estimates.

6. Related party transactions

The relationships between SET and its subsidiaries, associates and joint venture are summarised as described in Notes 12 and 13 to the consolidated financial statements.

During the years, the Group had significant business transactions with persons or related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those persons or related parties which can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u>					
(Eliminated from the consolidated financial statements)					
Service income	-	-	1,953,772	1,842,323	Cost plus margin
Interest income	-	-	74,049	140,635	The rate of return is referred to the net return of a private fund plus 0.47% - 1.16% per annum (2020: 0.30% - 0.47%) of principle balance
Dividend income	-	-	606,182	508,543	As declared
Service fees expenses	-	-	14,764	13,432	Cost plus margin
Interest expenses	-	-	11,149	22,492	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
<u>Transactions with associates</u>					
Service income	1,680	1,680	-	-	Cost plus margin
Dividend income	-	-	13,870	20,151	As declared

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with related companies</u>					
Service income	29,482	11,688	17,294	11,688	Cost plus margin
<u>Contribution to the Capital Market</u>					
Development Fund	582,978	361,641	582,978	361,641	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.

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Transactions with subsidiary companies</u>				
<u>(Eliminated from the consolidated financial statements)</u>				
Trade and other receivables (Note 9)	-	-	247,992	338,876
Assets for clearing system protection and benefits (Note 18)	-	-	150,613	150,723
Trade and other payables (Note 21)	-	-	4,776	1,360
Fees received in advance	-	-	2,585	2,585
<u>Transactions with associates</u>				
Trade and other receivables (Note 9)	140	140	-	-
<u>Transactions with related companies</u>				
Trade and other receivables (Note 9)	6,204	-	2,235	-
Trade and other payables (Note 21)	582,978	361,641	582,978	361,641

Long-term loans to related parties and short-term loan from related parties

As at 31 December 2021 and 2020, the balances of loans between the Group and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

Loans to / Loan from	Related by	Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Loans to	Subsidiary	5,690,834	-	-	5,690,834
Total		5,690,834	-	-	5,690,834
Loans from	Subsidiary	2,416,422	513,500	(1,118,937)	1,810,985
Total		2,416,422	513,500	(1,118,937)	1,810,985

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 0.47% - 1.16% per annum of principle balance. Due for repayment within 1 February 2023 (2020: 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 as shown in Note 19 to the consolidated financial statements.

The Group has a policy of centralising the investments and managed by SET in order to maximise 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).

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Directors	32,352	30,434	28,211	26,337
Management (Note 29)	271,194	246,717	271,194	246,717
Total benefits	303,546	277,151	299,405	273,054

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	279,098	255,618	274,957	251,521
Post-employment benefits	23,985	21,174	23,985	21,174
Other long-term benefits	463	359	463	359
Total benefits	303,546	277,151	299,405	273,054

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	304	326	301	323
Bank deposits	9,018,317	8,013,562	6,500,528	7,388,700
Less: Allowance for expected credit loss	(1,694)	(2,060)	(1,694)	(2,060)
Total	9,016,927	8,011,828	6,499,135	7,386,963

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.05% - 0.63% per annum (2020: between 0.05% - 1.30% per annum).

8. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Investment managed by SET and subsidiaries				
<u>Debt instruments measured at amortised cost</u>				
Fixed deposit maturities within 1 year	200,000	801,286	200,000	801,286
Government bond maturities within 1 year	109,968	199,986	109,968	199,986
Total	309,968	1,001,272	309,968	1,001,272
Less: Allowance for expected credit loss	(34)	(296)	(34)	(296)
Total debt instruments measured at amortised cost - net	309,934	1,000,976	309,934	1,000,976

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Financial assets measured at FVTPL</u>				
Government bond	1,238,646	1,511,207	684,467	949,256
Total financial assets measured at FVTPL	1,238,646	1,511,207	684,467	949,256
Total investment managed by SET and subsidiaries	1,548,580	2,512,183	994,401	1,950,232
Investment managed by private funds				
<u>Debt instruments measured at amortised cost</u>				
Saving deposit	3,095	85,000	906	83,862
Total debt instruments measured at amortised cost	3,095	85,000	906	83,862
<u>Financial assets measured at FVTPL</u>				
Government bond	2,972,175	1,505,577	1,438,728	54,288
Bills of exchange	29,878	-	29,878	-
Debentures	1,047,802	364,360	1,047,802	364,360
Total financial assets measured at FVTPL	4,049,855	1,869,937	2,516,408	418,648
Total investment managed by private funds	4,052,950	1,954,937	2,517,314	502,510
Total other current financial assets - net	5,601,530	4,467,120	3,511,715	2,452,742

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	3,969	-	-	-
Total trade receivables - related parties, net	3,969	-	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	89,396	36,616	35,523	9,145
Past due				
Up to 3 months	10,175	25,749	8,180	24,110
3 - 6 months	646	-	105	-
Over 6 months	20,406	16,891	10,574	8,568
Total	120,623	79,256	54,382	41,823
Less: Allowance for expected credit losses	(21,053)	(16,891)	(10,679)	(8,568)
Total trade receivables - unrelated parties, net	99,570	62,365	43,703	33,255
Total trade receivable - net	103,539	62,365	43,703	33,255
<u>Other receivables</u>				
Cash at bank for clearing collateral	4,470	541,538	-	-
Accrued income - related parties (Note 6)	2,375	140	178,730	202,818
Accrued income - unrelated parties	421,109	459,228	161,799	212,623
Cash at banks for dividend accounts				
of investors	96,991	93,505	-	-
Other receivables from sale of investments	-	55,207	-	55,207
Prepaid expenses	43,246	29,766	43,126	29,646
Accrued interest receivable - related parties	-	-	71,497	136,058
(Note 6)				
Accrued interest receivable - unrelated parties	14,187	18,348	11,654	13,025
Others	4,488	1,132	4,307	803
Total other receivables	586,866	1,198,864	471,113	650,180
Trade and other receivables - net	690,405	1,261,229	514,816	683,435

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	16,891	-	8,568	-
Allowance for expected credit losses	4,162	16,891	2,111	8,568
Ending balance	<u>21,053</u>	<u>16,891</u>	<u>10,679</u>	<u>8,568</u>

As at 31 December 2021 and 2020, the Group has trade receivables which revenues recognition have been ceased amount of Baht 109.93 million and Baht 91.19 million, respectively (SET: Baht 45.15 million 2020: Baht 36.77 million).

On 21 January 2021, the Group extended the period of the measures to assist listed companies affected by the COVID-19 situation from 11 March 2020 by extending the period of annual fee reduction and reducing the registrar fee.

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Withholding tax receivable	-	270,451	-	240,116
Loans to employees	26,697	29,132	26,697	29,132
Future margin deposit	2	16,570	2	16,570
Pending input tax	8,754	4,171	8,320	4,150
Inventory - publication	2,627	3,725	2,627	3,725
Value added tax receivable	3,680	3,345	-	-
Others	3,118	3,111	3,118	3,111
Total	<u>44,878</u>	<u>330,505</u>	<u>40,764</u>	<u>296,804</u>

11. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Debt instruments measured at amortised cost</u>				
Cash at banks under a Memorandum of Understanding	512,153	512,153	512,153	512,153
Government bond maturities after 1 year	184,088	296,759	184,088	296,759
Debenture maturities after 1 year	200,000	200,000	200,000	200,000
Total	896,241	1,008,912	896,241	1,008,912
Less: Allowance for expected credit loss	(120)	(58)	(120)	(58)
Total debt instruments measured at amortised cost - net	896,121	1,008,854	896,121	1,008,854
<u>Financial assets designated at FVOCI</u>				
Non-listed ordinary shares	54,336	54,336	49,336	49,336
Total financial assets designated at FVOCI	54,336	54,336	49,336	49,336
<u>Financial assets measured at FVTPL</u>				
Debenture	-	2,482	-	2,482
Mutual fund	5,313,572	3,703,172	5,313,572	3,703,172
Total financial assets measured at FVTPL	5,313,572	3,705,654	5,313,572	3,705,654
Total other non-current financial assets - net	6,264,029	4,768,844	6,259,029	4,763,844

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

Company's name	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding		Cost		Dividend received	
	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)				
Thailand Securities Depository Co., Ltd.	200,000	200,000	100.00	100.00	200,000	200,000	233,426	269,776
Thai Trust Fund Management Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000	13	345
Thai NVDR Co., Ltd.	10,000	10,000	100.00	100.00	10,000	10,000	1,332	2,673
SETTRADE.COM Co., Ltd.	-	80,000	-	100.00	-	74,591	80,000	-
Thailand Futures Exchange Public Company Limited	500,000	500,000	100.00	100.00	500,000	500,000	168,075	130,515
Thailand Clearing House Co., Ltd.	600,000	600,000	100.00	100.00	602,700	602,700	123,336	105,234
SET Venture Holding Co., Ltd.	420,000	300,000	100.00	100.00	420,000	300,000	-	-
Total	1,832,700	1,787,291			1,832,700	1,787,291	606,182	508,543

13. Investments in associates and joint venture

The amounts recognised in the statement of financial position as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity Method		Cost Method	
	2021	2020	2021	2020
Associates	997,223	975,496	779,717	779,717
Joint venture	19,834	19,855	10,330	10,344
Total	1,017,057	995,351	790,047	790,061

The amounts recognised in the statement of comprehensive revenues and expenses are share of revenues over (under) expenses of investments in associates and joint venture, net of tax for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity Method		Cost Method	
	2021	2020	2021	2020
Associates	35,597	28,060	-	-
Joint venture	(7)	(35)	-	-
Total	35,590	28,025	-	-

13.1 Investments in associates

13.1.1 Details of associates

Investments in associates represent investments in entities are controlled by SET and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
Clearing Fund	6.79	7.76	100,000	100,000	209,303	209,193
TSFC Securities Public Company Limited	40.70	40.70	679,717	679,717	787,920	766,303
Total			779,717	779,717	997,223	975,496

(Unit: Thousand Baht)

Associates	Separate financial statements					
	Shareholding percentage		Cost		Carrying amounts based on cost method - net	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
Clearing Fund	6.79	7.76	100,000	100,000	100,000	100,000
TSFC Securities Public Company Limited	40.70	40.70	679,717	679,717	679,717	679,717
Total			779,717	779,717	779,717	779,717

13.1.2 Share of comprehensive revenues (expenses) and dividend received

During the years, SET recognised its share of revenues over expenses from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Associates	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of revenues over expenses from investments in associates during the years		Dividend received during the years	
	2021	2020	2021	2020
Clearing Fund	110	3,297	-	-
TSFC Securities Public Company Limited	35,487	24,763	13,870	20,151
Total	35,597	28,060	13,870	20,151

13.2 Investments in joint venture

13.2.1 Details of investments in joint venture

Investments in joint venture represent investments in entities which are jointly controlled by SET and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
Family Know-how Co., Ltd.*	50.00	50.00	40,500	40,500	19,834	19,855
Total			40,500	40,500	19,834	19,855

(Unit: Thousand Baht)

Joint venture	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
Family Know-how Co., Ltd.*	50.00	50.00	40,500	40,500	(30,170)	(30,156)	10,330	10,344
Total			40,500	40,500	(30,170)	(30,156)	10,330	10,344

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

13.2.2 Share of comprehensive revenues (expenses) and dividend received

During the years, SET recognised its share of comprehensive revenues (expenses) from investments in joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint venture	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of revenues under expenses from investments in joint venture during the years	
	2021	2020
Family Know-how Co., Ltd.	(7)	(35)
Total	(7)	(35)

14. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land and land improvement	Buildings and building improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
Cost						
1 January 2020	1,014,097	4,064,289	1,424,648	388	37,781	6,541,203
Additions	-	11,275	68,311	1,398	28,167	109,151
Disposals/writes-off	-	-	(95,606)	(1,398)	-	(97,004)
Transfers	-	315	56,122	-	(56,437)	-
Adjustments	-	(1,036)	777	-	(108)	(367)
31 December 2020	1,014,097	4,074,843	1,454,252	388	9,403	6,552,983
Additions	-	5,819	73,530	1,070	18,578	98,997
Disposals/writes-off	-	(706)	(196)	(1,070)	-	(1,972)
Transfers	-	2,588	1,541	-	(4,129)	-
31 December 2021	1,014,097	4,082,544	1,529,127	388	23,852	6,650,008
Accumulated depreciation						
1 January 2020	-	1,079,654	723,468	308	-	1,803,430
Depreciation for the year	-	202,640	156,896	60	-	359,596
Depreciation on disposals/writes-off	-	-	(95,592)	-	-	(95,592)
31 December 2020	-	1,282,294	784,772	368	-	2,067,434
Depreciation for the year	-	203,031	151,938	20	-	354,989
Depreciation on disposals/writes-off	-	(388)	(105)	-	-	(493)
31 December 2021	-	1,484,937	936,605	388	-	2,421,930
Net book value						
31 December 2020	1,014,097	2,792,549	669,480	20	9,403	4,485,549
31 December 2021	1,014,097	2,597,607	592,522	-	23,852	4,228,078
Depreciation for the years						
2020						359,596
2021						354,989

(Unit: Thousand Baht)

	Separated financial statements					Total
	Land and land improvement	Buildings and building improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
Cost						
1 January 2020	1,014,097	4,064,291	1,420,732	388	37,781	6,537,289
Additions	-	11,275	68,311	1,398	28,167	109,151
Disposals/writes-off	-	-	(95,425)	(1,398)	-	(96,823)
Transfers	-	315	56,122	-	(56,437)	-
Adjustments	-	(1,036)	777	-	(108)	(367)
31 December 2020	1,014,097	4,074,845	1,450,517	388	9,403	6,549,250
Additions	-	5,819	73,530	1,070	18,578	98,997
Disposals/writes-off	-	(706)	(195)	(1,070)	-	(1,971)
Transfers	-	2,588	1,541	-	(4,129)	-
31 December 2021	1,014,097	4,082,546	1,525,393	388	23,852	6,646,276
Accumulated depreciation						
1 January 2020	-	1,079,656	720,169	308	-	1,800,133
Depreciation for the year	-	202,640	156,656	60	-	359,356
Depreciation on disposals/writes-off	-	-	(95,411)	-	-	(95,411)
31 December 2020	-	1,282,296	781,414	368	-	2,064,078
Depreciation for the year	-	203,031	151,894	20	-	354,945
Depreciation on disposals/writes-off	-	(388)	(105)	-	-	(493)
31 December 2021	-	1,484,939	933,203	388	-	2,418,530
Net book value						
31 December 2020	1,014,097	2,792,549	669,103	20	9,403	4,485,172
31 December 2021	1,014,097	2,597,607	592,190	-	23,852	4,227,746
Depreciation for the years						
2020						359,356
2021						354,945

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 363.68 million (2020: Baht 292.98 million) (SET: Baht 360.55 million 2020: Baht 289.72 million).

15. Leases

15.1 The Group as a lessee

The Group has lease contracts for various items to use in its operations. Leases generally have lease terms between 4 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht) Consolidated and Separate financial statements
	Motor vehicles
1 January 2020	32,970
Additions	6,809
Depreciation for the year	(14,466)
31 December 2020	25,313
Additions	16,028
Depreciation for the year	(14,080)
31 December 2021	27,261

b) Lease liabilities

	(Unit: Thousand Baht) Consolidated and Separate financial statements	
	2021	2020
Lease payments	31,007	29,000
Less: Deferred interest expenses	(2,071)	(1,778)
Total	28,936	27,222
Less: Portion due within one year	(14,256)	(14,629)
Lease liabilities - net of current portion	14,680	12,593

A maturity analysis of lease payments is disclosed in Note 37.2 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in revenues over (under) expense

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2021	2020
Depreciation expense of right-of-use assets	14,080	14,466
Interest expenses on lease liabilities	1,507	1,578
Expenses relating to leases of low-value assets	10,514	10,588

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 26.33 million (2020: Baht 24.65 million) (SET: Baht 26.33 million 2020: Baht 24.65 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

16. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Licences and other intangible assets		Working in process	Total	Licences and other intangible assets		Working in process	Total
As at 31 December 2021								
Cost	2,138,927	7,647	381,246	2,527,820	2,056,411	3,348	381,246	2,441,005
Less: Accumulated amortisation	(1,725,359)	(3,122)	-	(1,728,481)	(1,644,611)	(1,844)	-	(1,646,455)
Net book value	<u>413,568</u>	<u>4,525</u>	<u>381,246</u>	<u>799,339</u>	<u>411,800</u>	<u>1,504</u>	<u>381,246</u>	<u>794,550</u>
As at 31 December 2020								
Cost	2,075,614	3,917	158,322	2,237,853	1,993,099	3,056	158,322	2,154,477
Less: Accumulated amortisation	(1,575,085)	(2,543)	-	(1,577,628)	(1,495,107)	(1,582)	-	(1,496,689)
Net book value	<u>500,529</u>	<u>1,374</u>	<u>158,322</u>	<u>660,225</u>	<u>497,992</u>	<u>1,474</u>	<u>158,322</u>	<u>657,788</u>

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of years	660,225	612,385	657,788	609,788
Additions	289,967	202,668	286,528	201,769
Amortisations	(150,853)	(154,936)	(149,766)	(153,877)
Adjustments	-	108	-	108
Net book value at end of years	<u>799,339</u>	<u>660,225</u>	<u>794,550</u>	<u>657,788</u>

17. 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 31 December 2021 and 2020, the details of investments for which margin deposits were placed by members consist of:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2021	2020
Saving and fixed deposit accounts	12,649,631	13,266,083
Saving accounts in foreign currency	3,442,236	2,415,879
Investments measured by the amortised cost	3,579,603	4,558,309
Securities collateral	95,608	68,538
Accrued benefits	17,198	20,352
Total investments for which margin deposits	<u>19,784,276</u>	<u>20,329,161</u>
Less: Allowance for expected credit loss	<u>(8,559)</u>	<u>(2,792)</u>
Total investments for which margin deposits - net	<u>19,775,717</u>	<u>20,326,369</u>

As at 31 December 2021, saving accounts in foreign currency of USD 103.54 million (2020: USD 80.89 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.

18. 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 follow:

18.1 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).

18.2 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 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 SET after deducting the first part of the contributions to the Clearing Fund by 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 SET after deducting the first part of the contributions to the Clearing Fund by 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 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 31 December 2021 and 2020, assets for clearing system protection and benefits consist of:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Securities Deposit and benefits		Clearing fund and benefits		Total	
	2021	2020	2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020
Investments managed by TCH	-	505,498	-	-	-	505,498
Investments managed by private fund						
Saving accounts	10,977	469	2,437	252	13,414	721
Investments measured fair value through profit or loss	329,046	200,336	1,690,355	1,491,176	2,019,401	1,691,512
Total	340,023	200,805	1,692,792	1,491,428	2,032,815	1,692,233
Accrued interest receivable	222	173	1,122	1,205	1,344	1,378
Other assets	39	51	14,926	17,825	14,965	17,876
Total investments managed by private fund	340,284	201,029	1,708,840	1,510,458	2,049,124	1,711,487
Total investments	340,284	706,527	1,708,840	1,510,458	2,049,124	2,216,985
Less: Allowance for expected credit loss	-	(77)	-	-	-	(77)
Total assets for clearing system protection and benefits - net	340,284	706,450	1,708,840	1,510,458	2,049,124	2,216,908

(Unit: Thousand Baht)

	Separate financial statements	
	Clearing fund and benefits	
	2021	2020
Contributions	100,000	100,000
Accumulated benefits	50,613	50,723
Total assets for clearing system protection and benefits - net	150,613	150,723

Investments managed by TCH

As at 31 December 2020, saving accounts carried interest rates at rates between 0.05% and 0.30% per annum (2021: None).

On 5 May 2021, the meeting of the investment committee of TCH approved the management of the Securities Deposit and benefits to combine the investments managed by TCH and the investments by the private fund as well as transfer the investments manage by TCH to private fund to manage under the same investment portfolio.

Investments managed by private fund

As at 31 December 2021 and 2020, investments in private fund are managed by 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 31 December 2021, the investment in private fund have return rates between 0.19% and 0.20% per annum (2020: between 2.19% and 2.23% per annum).

As at 31 December 2021 and 2020, assets for clearing system protection and benefits payable consist of:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Securities Deposit and benefits*		Clearing fund and benefits		Total	
	2021	2020	2021	2020	2021	2020
Contributions	339,912	705,000	1,392,540	1,193,293	1,732,452	1,898,293
Accumulated benefits	372	2,071	165,687	166,508	166,059	168,579
Total assets for clearing system protection and benefits payable	<u>340,284</u>	<u>707,071</u>	<u>1,558,227</u>	<u>1,359,801</u>	<u>1,898,511</u>	<u>2,066,872</u>

*Due repayment the accumulated benefits to members every 6 months.

19. 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 14 January 2015 and 27 April 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 5,690.00 million by 2020. As at 31 December 2021, the reserve fund for clearing and settlement was Baht 5,702.03 million (2020: Baht 5,804.07 million).

As at 31 December 2021 and 2020, reserve fund for clearing and settlement consist of:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2021	2020
Investments managed by private fund		
Saving accounts	3,408	3,599
Investments measured at fair value through profit or loss	5,688,931	5,790,352
Total	5,692,339	5,793,951
Accrued interest income	5,156	6,543
Other assets	4,534	3,571
Total Investments managed by private fund	5,702,029	5,804,065

As at 31 December 2021 and 2020 investments in private fund are managed by 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 31 December 2021, the investments in private fund have return rates between 0.17% and 0.18% per annum (2020: between 1.94% and 2.20% per annum).

20. Other non-current asset

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Withholding tax receivable	447,873	-	415,930	-
Deposit	10,020	2,485	10,010	2,485
Total	457,893	2,485	425,940	2,485

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - unrelated parties	827,963	29,904	113,410	29,880
Accrued expenses - related parties (Note 6)	582,978	361,641	587,754	363,001
Accrued expenses - unrelated parties	1,319,187	1,297,050	1,259,213	1,262,067
Clearing collateral payable	4,436	541,427	-	-
Dividend payable from registrar services to investors	96,991	93,505	-	-
Financial benefits payable	-	76,323	-	-
Other payable from purchase of investments	-	59,735	-	59,735
Others	167,738	37,674	37,554	11,591
Total trade and other payables	2,999,293	2,497,259	1,997,931	1,726,274

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Withholding tax payable	92,987	57,689	11,888	9,886
Other retention payables	39,573	36,378	31,180	29,686
Provision for employee benefits from accumulated annual leave	68,892	32,872	68,892	32,872
Value added tax payable	30,571	26,533	23,690	21,047
Ngoen-Thong-khong-Mee-Kha Fund	11,576	11,576	11,576	11,576
Others	5,052	4,210	812	2,338
Total other current liabilities	248,651	169,258	148,038	107,405

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Provision for long-term employee benefits		
at beginning of years	751,187	617,849
Included in revenues over expenses:		
Current service cost	52,252	42,804
Interest cost	10,045	14,670
Past service cost and gains or losses on settlement	11,622	10,529
Included in other comprehensive revenues (expenses):		
Actuarial (gain) loss arising from		
Demographic assumptions changes	886	-
Financial assumptions changes	(73,768)	50,431
Experience adjustments	7,787	26,860
Benefits paid during the years	(5,378)	(10,052)
Portion due within one years	(23,189)	(1,904)
Provision for long-term employee benefits		
at end of years	<u>731,444</u>	<u>751,187</u>

Expenses recognised in the statements of comprehensive revenues and expenses for the year ended 31 December 2021 and 2020 as below:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Current service cost	52,252	42,804
Interest cost	10,045	14,670
Past service cost	11,792	1,767
Actuarial (gain) loss	(170)	8,762
Expenses recognised in the statements of comprehensive revenues and expenses	<u>73,919</u>	<u>68,003</u>

The Group expects to pay Baht 10.10 million of long-term employee benefits during the next year (2020: Baht 30.47 million) (SET: Baht 10.10 million 2020: Baht 30.47 million).

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit is 16 years (SET: 16 years 2020: 16 years).

Significant actuarial assumptions are summarised below:

	Consolidated and Separate financial statements	
	2021	2020
Discount rate	0.52% - 3.48%	0.38% - 2.89%
Salary increase rate	5.00% - 11.00%	5.00% - 11.00%
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

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	0.5%	0.5%	(38,989)	(44,114)	42,181	47,943
Salary increase rate	1%	1%	81,018	91,742	(70,756)	(79,391)
Turnover rate	20%	20%	(22,414)	(25,805)	23,776	27,458

24. Fund balances

The statement of change in fund balances for the years ended 31 December 2021 and 2020 presented as part of the consolidated and separate financial statements as follows:

(Unit: Thousand Baht)

		Consolidated financial statements							
		Fund balances							
	Note	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	Staff Welfare Fund	Securities Investor Protection Fund	Derivatives Investor Protection Fund	General Fund	Total
Balance as at 1 January 2020		4,440,000	1,000,000	100,000	113,997	495,774	56,196	20,208,850	26,414,817
Appropriation of general fund	24.2	-	250,000	-	-	-	-	(250,000)	-
Appropriation of reserve fund	24.1 and 24.2	(1,000,000)	1,000,000	-	-	-	-	-	-
Other comprehensive revenues (expenses), net of tax	25.2	-	-	-	-	-	-	(61,720)	(61,720)
Revenues over expenses	25.2	-	-	-	1,261	7,157	723	1,344,940	1,354,081
Balance as at 31 December 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>
Balance as at 1 January 2021		3,440,000	2,250,000	100,000	115,258	502,931	56,919	21,242,070	27,707,178
Other comprehensive revenues (expenses), net of tax	25.2	-	-	-	-	-	-	65,095	65,095
Revenues over expenses	25.2	-	-	-	778	9,417	514	1,585,922	1,596,631
Balance as at 31 December 2021		<u>3,440,000</u>	<u>2,250,000</u>	<u>100,000</u>	<u>116,036</u>	<u>512,348</u>	<u>57,433</u>	<u>22,893,087</u>	<u>29,368,904</u>

(Unit: Thousand Baht)

		Separate financial statements						
		Fund balances						
		Securities	Derivatives	Indemnity	Staff Welfare	Securities Investor		
	Note	Clearing	Clearing					
		Reserve Fund	Reserve Fund	Fund	Fund	Protection Fund	General Fund	Total
Balance as at 1 January 2020		4,440,000	1,000,000	100,000	113,997	495,774	17,498,288	23,648,059
Appropriation of general fund	24.2	-	250,000	-	-	-	(250,000)	-
Appropriation of reserve fund	24.1 and 24.2	(1,000,000)	1,000,000	-	-	-	-	-
Other comprehensive revenues (expenses), net of tax	25.2	-	-	-	-	-	(61,720)	(61,720)
Revenues over expenses	25.2	-	-	-	1,261	7,157	766,341	774,759
Balance as at 31 December 2020		<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>
Balance as at 1 January 2021		3,440,000	2,250,000	100,000	115,258	502,931	17,952,909	24,361,098
Other comprehensive revenues (expenses), net of tax	25.2	-	-	-	-	-	65,095	65,095
Revenues over expenses	25.2	-	-	-	778	9,417	1,005,001	1,015,196
Balance as at 31 December 2021		<u>3,440,000</u>	<u>2,250,000</u>	<u>100,000</u>	<u>116,036</u>	<u>512,348</u>	<u>19,023,005</u>	<u>25,441,389</u>

Details of fund balances are as follows:

24.1 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.

24.2 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.

24.3 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.

24.4 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.

24.5 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 1 October 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 31 December 2021, there were 33 SIPF members from securities companies (2020: 33 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; and
- 4) the SIPF with respect to the part belonging to SIPF's members who caused damage to the investors

24.6 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 15 November 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. As at 31 December 2021, there were 37 DIPF members from security companies (2020: 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; and
- 4) the DIPF with respect to the part belonging to DIPF's members who caused damage to the investors

25. Financial position and results of fund operations

25.1 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 31 December	
	2021	2020
Assets		
Current assets		
Cash deposits	163,656	163,343
Other current financial assets	357,964	365,467
Accrued interest receivable	2,802	3,197
Other current assets	1,110	3,616
Total current assets	<u>525,532</u>	<u>535,623</u>
Non-current assets		
Other non-current financial assets	<u>331,304</u>	<u>304,981</u>
Total non-current assets	<u>331,304</u>	<u>304,981</u>
Total assets	<u><u>856,836</u></u>	<u><u>840,604</u></u>
Liabilities and fund balances		
Liabilities of members portion		
Contributions from members	229,390	228,886
Benefits on contributions from members	<u>115,098</u>	<u>108,787</u>
Total liabilities of members portion	<u>344,488</u>	<u>337,673</u>
Fund balances		
Initial fund	300,000	300,000
Benefits on contributions from SET	<u>212,348</u>	<u>202,931</u>
	512,348	502,931
Other components	-	-
Total fund balances	<u>512,348</u>	<u>502,931</u>
Total liabilities and fund balances	<u><u>856,836</u></u>	<u><u>840,604</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 31 December	
	2021	2020
Assets		
Current assets		
Cash deposits	34,928	3,482
Other current financial assets	70,597	85,758
Contributions from members	7	11
Accrued interest receivable	220	361
Total current assets	<u>105,752</u>	<u>89,612</u>
Non-current assets		
Other non-current financial assets	7,119	22,185
Total non-current assets	<u>7,119</u>	<u>22,185</u>
Total assets	<u><u>112,871</u></u>	<u><u>111,797</u></u>
Liabilities and fund balances		
Current liabilities		
Income tax payable	249	338
Other current liabilities	1	1
Total current liabilities	<u>250</u>	<u>339</u>
Non-current liabilities		
Contributions from members	51,335	51,179
Benefits on contributions from members	3,853	3,360
Total non-current liabilities	<u>55,188</u>	<u>54,539</u>
Total liabilities	<u>55,438</u>	<u>54,878</u>
Fund balances		
Initial fund	50,000	50,000
Benefits on contributions from TFEX	7,433	6,919
Total fund balances	<u>57,433</u>	<u>56,919</u>
Total liabilities and fund balances	<u><u>112,871</u></u>	<u><u>111,797</u></u>

25.2 Results of fund operations

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	Staff	Securities	Derivatives	General Fund	Total
	Welfare	Investor	Investor		
	Fund	Protection Fund (SET's portion)	Protection Fund (TFEX's portion)		
For the year ended 31 December 2021					
Revenues					
Operating revenues	-	-	-	7,734,730	7,734,730
Investment income, net	778	9,510	700	368,641	379,629
Other income	-	-	-	180,107	180,107
Share of profit of investment in associates and joint venture, net of tax	-	-	-	35,590	35,590
Total revenues	778	9,510	700	8,319,068	8,330,056
Expenses					
Operating expenses	-	93	51	5,035,610	5,035,754
Contribution to the Capital Market Development Fund	-	-	-	582,978	582,978
Income tax expenses	-	-	135	1,114,558	1,114,693
Total expenses	-	93	186	6,733,146	6,733,425
Revenues over expenses	778	9,417	514	1,585,922	1,596,631
Other comprehensive revenues (expenses):					
Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods	-	-	-	65,095	65,095
Actuarial gain	-	-	-	65,095	65,095
Other comprehensive revenues (expenses) for the year	-	-	-	65,095	65,095
Total comprehensive revenues over expenses for the year	778	9,417	514	1,651,017	1,661,726
Total comprehensive revenues over expenses for the year attributable to:					
Owners of the parents	778	9,417	514	1,651,017	1,661,726
Non - controlling interests	-	-	-	-	-
	778	9,417	514	1,651,017	1,661,726

(Unit: Thousand Baht)

Consolidated financial statements					
	Staff	Securities Investor	Derivatives Investor		
	Welfare Fund	Protection Fund (SET's portion)	Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2020					
Revenues					
Operating revenues	-	-	-	6,547,755	6,547,755
Investment income (loss), net	1,261	4,686	981	(364,950)	(358,022)
Other income	-	-	-	163,088	163,088
Share of profit of investment in associates and joint venture, net of tax	-	-	-	28,025	28,025
Total revenues	1,261	4,686	981	6,373,918	6,380,846
Expenses					
Operating expenses	-	146	74	4,289,057	4,289,277
Contribution to the Capital Market Development Fund	-	-	-	361,641	361,641
Income tax expenses	-	(2,617)	184	378,280	375,847
Total expenses	-	(2,471)	258	5,028,978	5,026,765
Revenues over expenses	1,261	7,157	723	1,344,940	1,354,081
Other comprehensive revenues (expenses):					
Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods					
Actuarial loss	-	-	-	(61,720)	(61,720)
Other comprehensive revenues (expenses) for the year	-	-	-	(61,720)	(61,720)
Total comprehensive revenues over expenses for the year	1,261	7,157	723	1,283,220	1,292,361
Total comprehensive revenues over expenses for the year attributable to:					
Owners of the parents	1,261	7,157	723	1,283,220	1,292,361
Non - controlling interests	-	-	-	-	-
	1,261	7,157	723	1,283,220	1,292,361

(Unit: Thousand Baht)

	Separate financial statements			
	Staff Welfare Fund	Securities		Total
		Investor	General Fund	
		Protection Fund (SET's portion)		
For the year ended 31 December 2021				
Revenues				
Operating revenues	-	-	3,809,064	3,809,064
Investment income, net	778	9,510	1,074,904	1,085,192
Other income	-	-	1,978,798	1,978,798
Total revenues	778	9,510	6,862,766	6,873,054
Expenses				
Operating expenses	-	93	4,466,119	4,466,212
Contribution to the Capital Market Development Fund	-	-	582,978	582,978
Income tax expenses	-	-	808,668	808,668
Total expenses	-	93	5,857,765	5,857,858
Revenues over expenses	778	9,417	1,005,001	1,015,196
Other comprehensive revenues (expenses):				
Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods				
Actuarial gain	-	-	65,095	65,095
Other comprehensive revenues (expenses) for the year	-	-	65,095	65,095
Total comprehensive revenues over expenses for the year	778	9,417	1,070,096	1,080,291
Total comprehensive revenues over expenses for the year attributable to:				
Owners of the parents	778	9,417	1,070,096	1,080,291
Non - controlling interests	-	-	-	-
	778	9,417	1,070,096	1,080,291

(Unit: Thousand Baht)

	Separate financial statements			
	Staff Welfare Fund	Securities		Total
		Investor	General Fund	
		Protection Fund (SET's portion)		
For the year ended 31 December 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	1,261	4,686	5,087,299	5,093,246
Expenses				
Operating expenses	-	146	3,852,002	3,852,148
Contribution to the Capital Market Development Fund	-	-	361,641	361,641
Income tax expenses	-	(2,617)	107,315	104,698
Total expenses	-	(2,471)	4,320,958	4,318,487
Revenues over expenses	1,261	7,157	766,341	774,759
Other comprehensive revenues (expenses):				
Other comprehensive revenues (expenses) not to be reclassified to revenues or expenses in subsequent periods				
Actuarial loss	-	-	(61,720)	(61,720)
Other comprehensive revenues (expenses) for the year	-	-	(61,720)	(61,720)
Total comprehensive revenues over expenses for the year	1,261	7,157	704,621	713,039
Total comprehensive revenues over expenses for the year attributable to:				
Owners of the parents	1,261	7,157	704,621	713,039
Non - controlling interests	-	-	-	-
	1,261	7,157	704,621	713,039

26. Operating revenues

Operating revenues for the years ended 31 December 2021 and 2020 consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Service type:				
Trading fees	2,908,609	2,343,762	2,261,670	1,667,148
Securities registrar fees	1,458,444	1,228,987	-	-
Clearing & settlement fees	835,006	740,026	-	-
Listing fees	696,307	682,298	696,307	682,298
Member services fees	507,172	436,645	-	-
Information service fees	423,781	377,514	390,074	343,119
Customisation and IT support fees	410,753	344,856	437,613	343,333
Depository fees	379,287	296,348	-	-
Membership fees	63,860	63,950	23,400	23,400
Fund services fees	31,678	24,044	-	-
Payment service fees	12,934	9,325	-	-
Digital gateway service fees	6,899	-	-	-
Total operating revenues	<u>7,734,730</u>	<u>6,547,755</u>	<u>3,809,064</u>	<u>3,059,298</u>
Timing of revenue recognition				
At a point in time				
Trading fees	2,908,609	2,343,762	2,261,670	1,667,148
Securities registrar fees	895,287	635,827	-	-
Clearing & settlement fees	835,006	740,026	-	-
Listing fees	272,151	200,300	272,151	200,300
Member services fees	490,192	419,785	-	-
Information service fees	423,781	377,514	390,074	343,119
Customisation and IT support fees	410,753	344,856	437,613	343,333
Depository fees	379,287	296,348	-	-
Fund services fees	8,879	5,354	-	-
Payment service fees	12,182	8,845	-	-
Digital gateway service fees	4,574	-	-	-
Total	<u>6,640,701</u>	<u>5,372,617</u>	<u>3,361,508</u>	<u>2,553,900</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Overtime				
Securities registrar fees	563,157	593,160	-	-
Listing fees	424,156	481,998	424,156	481,998
Member services fee	16,980	16,860	-	-
Membership fees	63,860	63,950	23,400	23,400
Fund services fees	22,799	18,690	-	-
Payment service fees	752	480	-	-
Digital Gateway service fees	2,325	-	-	-
Total	<u>1,094,029</u>	<u>1,175,138</u>	<u>447,556</u>	<u>505,398</u>
Total operating revenues	<u>7,734,730</u>	<u>6,547,755</u>	<u>3,809,064</u>	<u>3,059,298</u>

27. Investment revenue (loss) - net

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest income	249,320	327,223	141,717	198,303
Less: Interest expenses				
Short-term borrowings from subsidiaries (Note 6)	-	-	(11,149)	(22,492)
Assets for clearing system protection				
- members' portion	(102,648)	(174,824)	-	-
Interest income, net	146,672	152,399	130,568	175,811
Dividend income from				
Mutual funds	63,039	62,386	63,039	62,386
Subsidiaries (Note 12)	-	-	606,182	508,543
Associates (Note 13)	-	-	13,870	20,151
Private fund	-	22	-	22
Other entities	4,536	3,749	4,536	3,749
Realised gain (loss) from investments	42,957	(320,541)	57,953	(371,751)
Loss from derivatives	-	(24,429)	-	(24,429)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Loss on foreign exchange rate	(74,014)	(55,939)	(74,014)	(55,939)
Realised gain (loss) on foreign exchange rate from forward contracts	(248,321)	5,090	(248,321)	5,090
Realised gain (loss) on exchange rate from foreign investments	44,914	(14,246)	44,914	(14,246)
Unrealised gain (loss) from investments	128,109	(165,130)	209,739	(180,203)
Unrealised gain on exchange rate from foreign investments	280,612	3,316	280,612	3,316
Unrealised gain (loss) on foreign exchange rate from forward contracts	(64,669)	42,140	(64,669)	42,140
Unrealised gain (loss) on foreign exchange rate	50,721	(48,694)	50,721	(48,694)
Allowance for expected credit loss	(5,137)	(3,812)	552	(3,504)
Total investment revenue (loss) - net	<u>369,419</u>	<u>(363,689)</u>	<u>1,075,682</u>	<u>122,442</u>

28. Other income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenues from fees and management funds	51,270	47,917	387	2,710
Service income from related parties	31,162	13,368	1,940,047	1,854,011
Educational activities income	16,802	22,844	16,802	22,844
Rental & utilities revenues	11,443	11,832	11,443	11,832
Fines	7,742	12,347	2,887	7,088
Revenue from funding for small entrepreneur	3,999	3,445	-	-
Revenues from securities borrowing and lending	3,489	3,969	-	-
Revenues from marketing events	70	1,365	30	1,289
Other income	<u>54,130</u>	<u>46,001</u>	<u>7,202</u>	<u>7,046</u>
Total other income	<u>180,107</u>	<u>163,088</u>	<u>1,978,798</u>	<u>1,906,820</u>

29. Employee benefit expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Management				
Salaries and other benefits	257,447	234,554	257,447	234,554
Contributions to provident fund	13,747	12,163	13,747	12,163
Total	271,194	246,717	271,194	246,717
Other employees				
Salaries and other benefits	1,791,147	1,621,849	1,791,147	1,622,049
Contributions to provident fund	83,937	78,612	83,937	78,612
Total	1,875,084	1,700,461	1,875,084	1,700,661
Total employee benefit expense	2,146,278	1,947,178	2,146,278	1,947,378

The defined contribution plans comprise provident funds established by the Group for its employees. Contributions are made monthly by the employees at rates between 3.00% and 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.

30. SEC fees

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

The Board of the SEC has approved to charge SET for the year 2020 - 2022 (for the period of 3 years) at the rate of 0.002% of trading value of each year.

On 14 December 2020, the Board of the SEC also required Thailand Future Exchange Public Company Limited (subsidiary) to pay the fee of derivatives trading exchange since 2021 onward. The rate is Baht 2 million per annum but not exceeding Baht 15 million (2020: Baht 2 million).

31. Other expenses

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Donation and CSR expenses	112,158	11,094	112,158	11,096
Fees and compensation expenses	103,046	115,508	99,194	88,306
Capital market development expenses	30,259	27,348	30,259	27,348
Insurance premiums	6,196	3,754	6,196	3,754
Institution membership fees	5,121	4,798	3,655	3,463
Entertainment expenses	3,080	2,492	3,067	2,477
Travelling and vehicle expenses	2,784	2,174	2,767	2,173
Meeting expenses	785	1,711	785	1,692
Other expenses	12,721	6,005	10,195	5,795
Total other expenses	276,150	174,884	268,276	146,104

32. Contribution to the Capital Market Development Fund

The Securities and Exchange Act (No. 6) B.E. 2562, announced on 16 April 2019, requires that 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 expenses, taxes and reserves. 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 SET.

SET transferred money in the amount of Baht 5,700 million to the CMDF on 4 July 2019 and recognised as expenses in separate financial statements for the year 2019.

SET recorded an annual contribution amount of Baht 582.98 million as an expense in the consolidated and separate financial statements for the year ended 31 December 2021 (2020: Baht 361.64 million). 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 31 October 2020 and 18 November 2020, the Board approved the type and principle of reserves as prescribed by The Securities and Exchange Act (No. 6) B.E. 2562. On 23 February 2022, the Board of Governors approved reserve for 2021 of Baht 1,532 million (2020: Approved reserves of Baht 1,314 million). Details are as follows:

Type of reserve	Reserve allocation principles to ensure adequacy of funding sources	Reserve amount (Thousand Baht)	
		2021	2020
1. Reserves set aside according to law or criteria in business operation specified, including reserve amount to accommodate special situations	1.1 Legal reserve	17,608	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	25,660	(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	12,814	261,176
	1.4 Reserves allocated for accommodating operations risks and emergency measures	467,000	424,000
2. Reserves set aside to accommodate the fluctuation of investments	According to 60 nrealized gain/(loss) during the year	394,773	(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	614,000	821,781
Total reserve		1,531,855	1,313,899

Annual contribution calculated as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Revenues over expenses before contribution to CMDF (presented in the statement of comprehensive revenues and expenses)	3,294,167	2,094,001
Less: Income tax expenses	(1,114,558)	(378,279)
Revenue after deduction of expenses, before reserves	2,179,609	1,715,722
Less: Reserves	(1,531,855)	(1,313,899)
Revenue after deduction of expenses, taxes and reserves	647,754	401,823
Annual contribution amount at rate 90%	<u>582,978</u>	<u>361,641</u>

Accumulated contribution to CMDF according to the financial statements as of 31 December 2021 and 2020 can be presented as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Accumulated contribution at beginning of years	6,061,641	5,700,000
Annual contribution amount	582,978	361,641
Total accumulated contribution expenses	<u>6,644,619</u>	<u>6,061,641</u>

33. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	323,756	268,527	-	-
Corporate income tax related to remittance to CMDF	952,000	-	952,000	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(161,198)	(132,344)	(143,332)	(134,782)
Adjust deferred tax assets that shall not be utilised	-	242,096	-	242,096
Income tax expenses reported in revenues over expenses	<u>1,114,558</u>	<u>378,279</u>	<u>808,668</u>	<u>107,314</u>

The amounts of income tax relating to each component of other comprehensive revenues (expenses) for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax on actuarial gains and losses	-	15,571	-	15,571
	<u>-</u>	<u>15,571</u>	<u>-</u>	<u>15,571</u>

The reconciliation between revenues over expenses and income tax expenses as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenues over expenses before income tax	2,711,189	1,732,360	1,823,864	882,073
Applicable tax rate	20%	20%	20%	20%
Accounting revenues before income tax				
multiplied by income tax rate	542,238	346,472	364,773	176,415
Corporate income tax related to remittance to CMDF of previous years	604,935	-	604,935	-
Cumulative loss carried forward from the previous years	(761)	(69,481)	-	(70,009)
Reversal of previous deferred tax asset	(216,059)	-	(216,059)	-
Assessed income under Revenue Code	7,618	3,513	2,102	1,540
Income not subject to tax	(126,187)	(111,096)	(126,187)	(111,096)
Additional expense deductions allows	(7,578)	(5,500)	(7,578)	(5,500)
Non-deductible expenses	186,161	113,904	186,682	115,964
Eliminated transaction between related party, net of tax	124,294	100,612	-	-
Revenues over expenses - Securities/Derivatives Investor Protection Fund, net of tax	(103)	(145)	-	-
Income tax expenses reported in revenues over expenses	1,114,558	378,279	808,668	107,314

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets - net	146,107	595	143,332	-
Deferred tax liabilities - net	-	(15,684)	-	-
Deferred tax - net	<u>146,107</u>	<u>(15,089)</u>	<u>143,332</u>	<u>-</u>
Deferred tax assets				
Allowance for expected credit losses	10,601	1,660	8,539	-
Unrealised loss on financial asset	4,736	574	1,873	1,600
Accumulated amortisation - computer software	36,661	-	36,661	-
Provision for short-term employee benefits	13,778	-	13,778	-
Provision for long-term employee benefit	145,954	-	145,954	-
Total	<u>211,730</u>	<u>2,234</u>	<u>206,805</u>	<u>1,600</u>
Deferred tax liabilities				
Unrealised gain on financial asset	(65,623)	(17,323)	(63,473)	(1,600)
Total	<u>(65,623)</u>	<u>(17,323)</u>	<u>(63,473)</u>	<u>(1,600)</u>

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 242 million (2021: Nil) (SET: Baht 242 million 2021: Nil), on which deferred tax assets have not been recognised as the Group views that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2020, the Group has unused tax losses amounted to Baht 3,037 million (SET: Baht 3,037 million).

Corporate income tax related to remittance contributed to Capital Market Development Fund (“CMDF”)

In accordance with Section 40 of the Securities and Exchange Act (No. 6) B.E. 2562 dated 16 April 2019 (Securities Act), SET is required to contribute Baht 5,700 million to the CMDF in the year the Act came into force. The remittance contributed was recognised as part of revenues under expenses in 2019 and as tax expenditures for corporate income tax calculation of 2019.

In addition, under Section 182/1 of the Securities Act, SET is required to contribute the remittances of Baht 361.64 million and Baht 582.98 million to CMDF which were recognised as an expense in revenues over expenses for the years 2020 and 2021, respectively, after the contribution of the remittance to the fund under Section 40 as mentioned above at the rate of not less than 90% of income after deduction of expenses, taxes, and reserves.

In the year 2019, SET submitted tax inquiry with respect to tax practice of the remittances to CMDF to the Revenue Department. Subsequently, on 15 December 2021, SET received a letter responding to the aforementioned inquiry from the Large Business Tax Administration Office, Revenue Department, responded to the inquiry that the amount of Baht 5,700 million contributed by SET to CMDF and the remittances to CMDF as mentioned above cannot be considered as tax expenditures.

The SET's management, internal legal advisors and external tax advisors believe that SET's compliance with the Securities Act is to achieve the objective of upgrading the development of the Thailand's capital market. Therefore, such remittance contribution to CMDF and annual remittances can be treated as a deductible expenses for calculation of SET's corporate income tax. Currently, SET is in the process of providing additional clarification and taking any necessary actions to provide information, facts including the relevant laws to the Revenue Department and other relevant authorities in order to obtain a new conclusion consistent with the current context that SET is an organisation established under a specific law and in accordance with the relevant legal practice in contributing such remittances to CMDF. However, SET would follow the Interpretation of Thai Financial Reporting Standard No. 23, Uncertainty over Income Tax Treatments.

34. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have five reportable segments as follows:

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

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating revenues and expenses and total assets and on a basis consistent with that used to measure operating revenues and expenses and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Financial information presented in respect of the Group's business segments in the consolidated financial statements as at 31 December 2021 and 2020 and for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement						
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market		Total
					Development and others	Elimination	
For the year ended 31 December 2021							
Revenues from operation	3,950,494	1,050,063	1,341,707	1,458,444	114,129	-	7,914,837
Revenues from inter-segment	1,025,718	489,023	36,288	555,909	51,476	(2,158,414)	-
Total revenues	4,976,212	1,539,086	1,377,995	2,014,353	169,605	(2,158,414)	7,914,837
Segment revenues over (under) expenses	2,214,222	412,189	599,294	483,738	(830,176)	-	2,879,227
Investment revenue, net							369,419
Share of loss of investments in joint venture, net of tax							(7)
Share of profit of investments in associates, net of tax							35,597
Revenues over expenses in operations							3,284,236
Non-operating revenues (expenses)							
Income derived from Securities Investor Protection Fund, net							9,417
Income derived from Derivatives Investor Protection Fund, net							514
Contributions to the Capital Market Development Fund							(582,978)
Revenues over expenses before income tax expenses							2,711,189
Income tax expenses							(1,114,558)
Revenues over expenses							1,596,631
As at 31 December 2021							
Segment assets	4,007,610	34,405,362	1,385,814	1,219,126	1,237,845	(6,111,617)	36,144,140
Other assets	-	-	-	-	24,794,515	(4,057,685)	20,736,830
Total assets	4,007,610	34,405,362	1,385,814	1,219,126	26,032,360	(10,169,302)	56,880,970
Segment liabilities	3,108,316	27,924,126	491,181	825,743	3,085,301	(7,922,602)	27,512,065
Other liabilities	-	-	-	-	1,810,985	(1,810,985)	-
Total liabilities	3,108,316	27,924,126	491,181	825,743	4,896,286	(9,733,587)	27,512,065

(Unit: Thousand Baht)

	Consolidated financial statement						
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market		Total
					Development and others	Elimination	
For the year ended 31 December 2020							
Revenues from operation	3,327,932	1,237,580	765,452	1,228,987	150,893	-	6,710,844
Revenues from inter-segment	712,061	571,468	70,534	566,174	88,547	(2,008,784)	-
Total revenues	4,039,993	1,809,048	835,986	1,795,161	239,440	(2,008,784)	6,710,844
Segment revenues over (under) expenses	1,443,632	556,019	425,434	304,151	(307,451)	-	2,421,785
Investment loss, net							(363,689)
Share of loss of investments in joint venture, net of tax							(35)
Share of profit of investments in associates, net of tax							28,060
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							(361,641)
Revenues over expenses before income tax expenses							1,732,360
Income tax expenses							(378,279)
Revenues over expenses							1,354,081
As at 31 December 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	4,650,427	35,299,608	735,913	732,995	23,503,943	10,495,636	54,427,250
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	1,714,977	29,271,194	259,962	499,393	3,588,155	(8,613,610)	26,720,071

Reconciliation of reportable segment assets/liabilities as at 31 December 2021 and 2020 were as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2021	2020
Assets		
Assets for reportable segments	36,144,140	35,482,720
Unallocated amounts:		
- Cash and investments	18,667,638	16,904,931
- Investments in related parties	1,017,057	995,351
- Accrued interest receivables	14,187	18,348
- Land and work in process	<u>1,037,948</u>	<u>1,025,900</u>
Total assets	<u>56,880,970</u>	<u>54,427,250</u>
Liabilities		
Liabilities for reportable segments	<u>27,512,065</u>	<u>26,720,071</u>
Total liabilities	<u>27,512,065</u>	<u>26,720,071</u>

Geographic information

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

Major customers

For the year 2021 and 2020, the Group has no major customer with revenue of 10% or more of an entity's revenues.

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of approximately Baht 261.93 million (2020: Baht 78.46 million), relating to the acquisition of technology equipment, computer software and system development (SET: Baht 261.93 million 2020: Baht 78.46 million).

35.2 Lease commitments

As at 31 December 2021 and 2020, the Group has future short-term lease payments and leases of low-value assets required under these non-cancellable operating lease agreements that have not yet commenced as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Within 1 year	5,142	7,339
Over 1 and up to 5 years	5,407	10,549
Total	10,549	17,888

35.3 Service commitments

As at 31 December 2021 and 2020, the Group has service commitments as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Within 1 year	212,111	89,085
Over 1 and up to 5 years	129,223	134,689
Total	341,334	223,774

35.4 Guarantees

As at 31 December 2021 and 2020, SET has letters of guarantee issued by banks totaling 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.

35.5 Other commitments

The Stock Exchange of Thailand (SET) has issued a certificate of support to the bank about overdraft limit given to Thailand Clearing House Co., Ltd. (TCH) which is a subsidiary in the amount of Baht 2,900 million (2020: Baht 2,900 million). Under the terms of the certificate of support, SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH, and required to support TCH's operation.

35.6 Contingent liabilities

Subsidiary

- 1) On 22 January 2019, a subsidiary received a claim statement regarding recourse for the damages incurred from a case regarding the wrongful acts of the asset recall and compensation for the forgery of the share certificates. The subsidiary was claimed for damages totaling Baht 76.23 million.

On 4 December 2019, the Civil Court ordered the subsidiary to pay the amount of Baht 62.55 million with an interest rate of 7.5% per annum, and to pay a legal fee of Baht 400,000. On 23 February 2021, the Appeal Court upheld the judgment of the Civil Court. However, the subsidiary filed a petition for an appeal and filed an appeal with the Supreme Court. As at 31 December 2021, the case was still under consideration by the Supreme Court. The outcome of the case has not been finalised. Therefore, the subsidiary did not record a provision for damages arising from the above mentioned case in the 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.

- 2) On 11 December 2019, a subsidiary received a claim statement demanding 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 then filed an appeal with Appeal Court. Therefore, the subsidiary did not record a provision for damages arising from the above mentioned case in the financial statements.

36. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statement			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Mutual Fund	361	5,199	-	5,560
Government bond	-	11,919	-	11,919
Debenture	-	1,048	-	1,048
Bill of exchange	-	30	-	30

(Unit: Million Baht)

	Consolidated financial statement			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at FVOCI				
Ordinary shares	-	-	54	54
Derivatives				
Foreign currency forward contract	-	7	-	7
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	30	-	30

(Unit: Million Baht)

	Consolidated financial statement			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Mutual Fund	83	3,750	-	3,833
Government bond	-	10,499	-	10,499
Debenture	-	367	-	367
Financial assets measured at FVOCI				
Ordinary shares	-	-	54	54
Derivatives				
Foreign currency forward contracts	-	42	-	42

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Mutual Fund	361	5,199	-	5,560
Government bond	-	2,123	-	2,123
Debenture	-	1,048	-	1,048
Bill of exchange	-	30	-	30
Financial assets measured at FVOCI				
Ordinary shares	-	-	49	49

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Mutual Fund	83	3,750	-	3,833
Government bond	-	1,004	-	1,004
Debenture	-	367	-	367
Financial assets measured at FVOCI				
Ordinary shares	-	-	49	49
Derivatives				
Foreign currency forward contracts	-	42	-	42

37. Financial instruments

37.1 Derivatives

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instrument				
Foreign exchange forward contracts	7	42	7	42
Total derivative assets	7	42	7	42

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	30	-	30	-
Total derivative liabilities	30	-	30	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 to 7 months.

37.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, cash at banks for financial benefits payable, assets for margin deposits and benefits, other current financial assets, trade and other receivables, derivative assets/liabilities, other non-current financial assets, assets for clearing system protection and benefits, securities investor protection fund, derivatives investor protection fund, reserve fund for clearing and settlement, margin deposits and benefits payable, trade and other payables, assets for clearing system protection and benefits payable, contributions and benefits to securities investor protection fund, contributions and benefits to derivatives investor protection fund and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

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.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group manages the credit risk relating to investments by determining the minimum credit rating and the proportion of investment to the issuer. The investment framework has been approved by the Investment Committee, which imposed a limit to reduce the concentration risk and default risk of counterparties.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into a variety of forward contracts to mitigate the risk of rising interest rates and foreign currency rates.

Foreign currency 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 foreign investments in some foreign currencies. However, the Group has appropriately applied forward exchange contracts to hedge foreign exchange risk of such investments.

As at 31 December 2021 and 2020, the Group has financial assets and liabilities in foreign currency as follows:

Consolidated financial statements						
Currency	Financial assets		Financial liabilities		Average foreign currency	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per Foreign Currency)	
US Dollar	108	155	112	81	33.42	30.04

Separate financial statements						
Currency	Financial assets		Financial liabilities		Average foreign currency	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per Foreign Currency)	
US Dollar	4	74	8	-	33.42	30.04

Interest rate risk

The Group's exposure to interest rate risk relates primarily to long-term loan and short-term loan. Most of the Group's financial assets and liabilities floating interest rates or fixed interest rates which are close to the market rate.

Interest rate risk arises from the volatility of interest rates in the market which may affect the Group's investments in debt securities and operating results and cash flow. The Group has establishment investment policy by stipulating the remaining of the instruments in order to limit interest rate risk. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

	Consolidated financial statement						Effective interest rate (% per annum)
	2021						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
Within 1 year	1-5 years	Over 5 years					
Financial assets							
Cash and cash equivalent	-	-	-	8,300	718	9,018	0.05 - 0.63
Cash at banks for financial benefits payable	50	-	-	34	-	84	0.10 - 0.65
Assets for margin deposits and benefit	5,648	834	-	13,189	113	19,784	0.05 - 2.06
Other current financial assets	1,783	3,218	598	3	-	5,602	0.05 - 3.70
Trade and other receivables	61	-	-	21	586	668	0.05 - 0.90
Derivative assets	-	-	-	-	7	7	-
Other non-current financial assets	-	384	-	-	5,880	6,264	2.04 - 3.38
Assets for clearing system protection and benefits	812	1,207	-	13	17	2,049	0.34 - 0.84
Securities investor protection fund	358	29	55	162	253	857	0.13 - 0.84
Derivatives investor protection fund	71	7	-	35	-	113	0.05 - 3.38
Reserve fund for clearing and settlement	2,117	3,533	39	3	10	5,702	0.13 - 1.89
	<u>10,900</u>	<u>9,212</u>	<u>692</u>	<u>21,760</u>	<u>7,584</u>	<u>50,148</u>	

(Unit: Million Baht)

Consolidated financial statement							
2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial liabilities</u>							
Margin deposits and benefit payable	-	-	-	19,784	19,784	-	
Trade and other payables	-	-	-	2,999	2,999	-	
Derivative liabilities	-	-	-	30	30	-	
Assets for clearing system protection and benefits payable	-	-	-	1,899	1,899	-	
Contributions and benefits to securities investor protection fund	-	-	-	344	344	-	
Contributions and benefits to derivatives investor protection fund	-	-	-	55	55	-	
Other current liabilities	-	-	-	249	249	-	
Lease liabilities	14	15	-	-	29	5.28 - 5.33	
	<u>14</u>	<u>15</u>	<u>-</u>	<u>25,360</u>	<u>25,389</u>		

(Unit: Million Baht)

Consolidated financial statement							
2020							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	-	-	5,913	2,101	8,014	0.05 - 1.30	
Cash at banks for financial benefits payable	50	-	26	-	76	0.10 - 1.50	
Assets for margin deposits and benefits	6,100	776	13,364	89	20,329	0.01 - 2.13	
Other current financial assets	3,148	1,234	85	-	4,467	0.05 - 3.70	
Trade and other receivables	61	-	553	633	1,247	0.05 - 0.90	
Derivative assets	-	-	-	42	42	-	
Other non-current financial assets	-	499	-	4,270	4,769	1.70 - 3.38	
Assets for clearing system protection and benefits	197	1,495	506	19	2,217	0.13 - 0.45	
Securities investors protection fund	366	149	106	195	841	0.05 - 3.38	
Derivatives investor protection fund	86	22	4	-	112	0.05 - 3.38	
Reserve fund for clearing and settlement	1,239	4,550	3	11	5,804	0.13 - 1.92	
	<u>11,247</u>	<u>8,725</u>	<u>26</u>	<u>20,560</u>	<u>47,918</u>		

(Unit: Million Baht)

Consolidated financial statement							
2020							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial liabilities</u>							
Margin deposits and benefits payable	-	-	-	20,329	20,329	-	
Trade and other payables	-	-	-	2,497	2,497	-	
Assets for clearing system protection and benefits payable	-	-	-	2,067	2,067	-	
Contributions and benefits to securities investor protection fund	-	-	-	338	338	-	
Contributions and benefits to derivatives investor protection fund	-	-	-	55	55	-	
Other current liabilities	-	-	-	169	169	-	
Lease liabilities	15	12	-	-	27	5.35 - 5.56	
	15	12	-	25,455	25,482		

(Unit: Million Baht)

Separate financial statement							
2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	-	-	5,786	715	6,501	0.05 - 0.63	
Other current financial assets	959	1,971	581	1	3,512	0.05 - 3.70	
Trade and other receivables	-	-	-	482	482	-	
Derivative assets	-	-	-	7	7	-	
Other non-current financial assets	-	384	-	5,875	6,259	2.04 - 3.38	
Assets for clearing system protection and benefit	-	-	-	151	151	-	
Securities investor protection fund	358	29	55	162	857	0.05 - 3.38	
Long-term loans to a subsidiary	-	5,691	-	-	5,691	Note 6	
	1,317	8,075	636	5,949	23,460		

(Unit: Million Baht)

Separate financial statement							
2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,998	1,998	-
Derivative liabilities	-	-	-	-	30	30	-
Short-term from subsidiaries	1,811	-	-	-	-	1,811	0.38 - 0.99
Contributions and benefits to securities investor protection fund	-	-	-	-	344	344	-
Other current liabilities	-	-	-	-	148	148	-
Lease liabilities	14	15	-	-	-	29	5.28 - 5.33
	<u>1,825</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>2,520</u>	<u>4,360</u>	

(Unit: Million Baht)

Separate financial statement							
2020							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	5,381	2,008	7,389	0.05 - 1.30
Other current financial assets	2,254	115	-	84	-	2,453	0.05 - 3.70
Trade and other receivables	-	-	-	-	662	662	-
Derivative assets	-	-	-	-	42	42	-
Other non-current financial assets	-	499	-	-	4,265	4,764	1.70 - 3.38
Assets for clearing system protection and benefit	-	-	-	-	151	151	-
Securities investors protection fund	366	149	25	106	195	841	0.05 - 0.45
Long-term loans to a subsidiary	-	5,691	-	-	-	5,691	Note 6
	<u>2,620</u>	<u>6,454</u>	<u>25</u>	<u>5,571</u>	<u>7,323</u>	<u>21,993</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,726	1,726	-
Short-term from subsidiaries	2,416	-	-	-	-	2,416	Note 6
Contributions and benefits to securities investor protection fund	-	-	-	-	338	338	-
Other current liabilities	-	-	-	-	107	107	-
Lease liabilities	15	12	-	-	-	27	5.35 - 5.56
	<u>2,431</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>2,171</u>	<u>4,614</u>	

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.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statement					Total
	2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	No maturity	
Non-derivatives						
Margin deposits and benefits payable	19,784	-	-	-	-	19,784
Trade and other payables	-	2,999	-	-	-	2,999
Assets for clearing system protection and benefits payable	-	-	-	-	1,899	1,899
Contributions and benefits to securities investor protection fund	-	-	-	-	344	344
Contributions and benefits to derivatives Investor protection fund	-	-	-	-	55	55
Lease liabilities	-	15	16	-	-	31
Total non-derivatives	19,784	3,014	16	-	2,297	25,111
Derivatives						
Foreign exchange forward contracts	-	30	-	-	-	30
Total derivatives	-	30	-	-	-	30

(Unit: Million Baht)

Consolidated financial statement						
2020						
	On demand	Less than 1 year	1 to 5 years	> 5 years	No maturity	Total
Non-derivatives						
Margin deposits and benefits payable	20,329	-	-	-	-	20,329
Trade and other payables	-	2,497	-	-	-	2,497
Assets for clearing system protection and benefits payable	-	-	-	-	2,067	2,067
Contributions and benefits to securities investor protection fund	-	-	-	-	338	338
Contributions and benefits to derivatives Investor protection fund	-	-	-	-	55	55
Lease liabilities	-	15	14	-	-	29
Total non-derivatives	20,329	2,512	14	-	2,460	25,315

(Unit: Million Baht)

Separate financial statement						
2021						
	On demand	Less than 1 year	1 to 5 years	> 5 years	No maturity	Total
Non-derivatives						
Trade and other payables	-	1,998	-	-	-	1,998
Short-term borrowings from subsidiaries	-	1,811	-	-	-	1,811
Other current liabilities	-	43	-	-	-	43
Contributions and benefits to securities investor protection fund	-	-	-	-	344	344
Lease liabilities	-	15	16	-	-	31
Total non-derivatives	-	3,867	16	-	344	4,227
Derivatives						
Foreign exchange forward contracts	-	30	-	-	-	30
Total derivatives	-	30	-	-	-	30

(Unit: Million Baht)

	Separate financial statement					Total
	2020					
	On demand	Less than 1 year	1 to 5 years	> 5 years	No maturity	
Non-derivatives						
Trade and other payables	-	1,726	-	-	-	1,726
Short-term borrowings from subsidiaries	-	2,416	-	-	-	2,416
Contributions and benefits to securities investor protection fund	-	-	-	-	338	338
Lease liabilities	-	15	14	-	-	29
Total non-derivatives	-	4,157	14	-	338	4,509

37.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The carrying amount and fair value of financial assets that are not measured as at 31 December 2021 and 2020 as follows:

(Unit: Million baht)

	Consolidated financial statements			
	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments measured at amortised cost				
Government bond and debenture	3,908	3,878	5,299	5,281
Fixed deposit	4,300	4,332	5,621	5,683

(Unit: Million baht)

	Separate financial statements			
	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments measured at amortised cost				
Government bond and debenture	950	916	1,534	1,504
Fixed deposit	698	717	1,016	1,046

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

- a) Financial assets and liabilities which have short-term maturities including cash and cash equivalents, cash at banks for financial benefits payable, cash at banks as shown in assets for margin deposits and benefits, assets for clearing system protection and benefits and reserve fund for clearing and settlement, cash at banks and other current financial assets as shown in securities investor protection fund, derivatives investor protection fund, trade and other receivables, other current financial assets, trade and other payables and margin deposits and benefits payable are presented at their approximate fair value based on the carrying amounts in the statement of financial position.
- b) Debt instruments as shown in other current financial assets, other non-current financial assets, assets for margin deposits and benefits, assets for clearing system protection and benefits, securities investor protection fund, derivatives investor protection fund and reserve fund for clearing and settlement are presented at fair value or calculated by using the rate of return announced by Thai Bond Market Association or other markets.
- c) Equity investments presented under other current financial assets, other non-current financial assets, assets for margin deposits and benefits, assets for clearing system protection and benefits, securities investor protection fund, derivatives investor protection fund and reserve fund for clearing and settlement are presented at fair value or referred generally accepted valuation model in case no market value is available.
- d) Derivatives are presented at fair value calculated by discounted cash flow and of valuation models. Value estimations use data that is observable in related markets such as spot rate, foreign currency forward rate, yield curve of interest rate. The Group considers the effect of credit risk of the counterparty on the estimation of fair value of derivatives.
- e) Contributions and benefits to securities investor protection fund are presented at fair value based on the estimated value close to the carrying amounts in the statement of financial position.
- f) Contributions and benefits to derivatives investor protection fund are presented at fair value based on the estimated value close to the carrying amounts in the statement of financial position.

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

38. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise fund value. As at 31 December 2021, the Group's debt-to-fund ratio was 0.94:1 (2020: 0.96:1) and SET's was 0.25:1 (2020: 0.24:1).

39. Reclassification

The reclassifications from statements of financial position as at 31 December 2020 to be comparable to the presentation of the current period. The reclassification are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
Derivative assets	42,140	-	42,140	-
Other current assets	330,505	372,645	296,804	338,944

The reclassifications had no effect to previously reported revenues over (under) expenses for the year or fund balances.

40. Approval of financial statements

These financial statements were authorised for issue by the Stock Exchange's Board of Governors on 23 February 2022.