

TSFC Securities Public Company Limited
Report and financial statements
31 December 2017



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Independent Auditor's Report

To the Shareholders of TSFC Securities Public Company Limited

Opinion

I have audited the accompanying financial statements of TSFC Securities Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2017, and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TSFC Securities Public Company Limited as at 31 December 2017, its 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 Company 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 from interest on margin loans

The Company's revenues mainly consisted of interest on margin loans, which amounted to Baht 223 million for the year ended 31 December 2017, representing 91% of the Company's total revenue. The Company charges interest on margin loans at fixed interest rates that are adjusted periodically based on market conditions and competitive environment. Because of the high volume of trading securities transactions from customers, and the recognition of revenue from interest on margin loans relying primarily on data processed by information systems, I addressed the measurement and occurrence of interest on margin loans as key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the Company's internal controls relevant to margin loans and recognition of interest on margin loans, including computer-based controls relevant to the calculation of interest on margin loans. I also tested, on a sampling basis, interest rates, calculation and account recording. In addition, I performed analytical procedures on interest on margin loans and examined, on a sampling basis, material manual adjustments via journal vouchers.

Allowance for doubtful accounts for securities business receivables

As discussed in Note 4.8 to the financial statements, the allowance for doubtful accounts for securities business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral placed dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts is significant because of the number of the customers and the significance of the amount of the securities business receivables to the Company's financial statements. Therefore, I addressed the adequacy of allowance for doubtful accounts for such securities business receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the revaluation adjustments made to the fair values of collateral, the calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the Company to the determination and calculation of the allowance, and compared the Company's policy with regulatory requirements. Moreover, I tested certain controls over the computer-based controls relevant to the status of account receivables and the calculation of the collateral value.
- I examined the allowance for doubtful accounts as at the period-end date by testing the completeness of the data used in the calculation of allowance for doubtful accounts, testing on a sampling basis the status of outstanding debts, the valuation of collateral items, collections of debt after the period-end date, the correctness of the debt classification and the calculation of the allowance.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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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.

A handwritten signature in black ink, appearing to read 'S. Punpongsanon'.

Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 19 February 2018

TSFC Securities Public Company Limited

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets			
Cash and cash equivalents	6	5,190,496	647,215
Securities purchased under resale agreements	7	300,090,822	-
Receivables from Clearing House		64,525,578	31,470,534
Securities business receivables	8	3,406,079,557	2,657,576,828
Investments	10	254,394,327	117,932,091
Loans	11	297,105,480	346,552,397
Equipment	12	4,230,154	5,356,526
Intangible assets	13	5,831,374	9,722,591
Deferred tax assets	24	9,660,195	10,936,713
Other assets	14	7,357,591	5,502,149
Total assets		4,354,465,574	3,185,697,044

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

Araya Yom.

(Mrs. Araya Yommana)

Director



Securities Public Company Limited

บริษัทหลักทรัพย์เพื่อประชาชน จำกัด มหาชน

Areeya T.

(Mrs. Areeya Turakitwankan)

Assistant Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of financial position (continued)
As at 31 December 2017


(Unit: Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Liabilities and owners' equity			
Liabilities			
Borrowings from financial institutions	15	1,807,876,862	870,000,000
Payables to Clearing House		56,760,391	98,858,737
Securities business payables		127,332,472	161,297,636
Current tax liabilities		9,563,832	5,344,768
Debt issued and borrowings	16	638,491,024	387,683,838
Provision for long-term employee benefits	26.2	13,686,270	12,698,916
Other liabilities	17	14,764,241	15,565,454
Total liabilities		2,668,475,092	1,551,449,349
Owners' equity			
Issued and paid-up share capital			
Ordinary shares	18	1,549,125,840	1,549,125,840
Retained earnings			
Appropriated - statutory reserve	19	21,612,240	17,934,270
Unappropriated		115,143,059	67,190,417
Other components of owners' equity	10.3	109,343	(2,832)
Total owners' equity		1,685,990,482	1,634,247,695
Total liabilities and owners' equity		4,354,465,574	3,185,697,044

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


(Mrs. Araya Yommana)
Director




(Mrs. Areeya Turakitwankan)
Assistant Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2017

	Note	2017	(Unit: Baht) 2016
Revenues			
Fees and service income	21	1,054,484	422,671
Interest on margin loans		223,360,584	166,785,625
Gains and return on financial instruments	22	20,421,276	14,871,478
Other incomes		103,512	856,214
Total revenues		244,939,856	182,935,988
Expenses			
Employee benefits expenses		59,482,027	57,263,740
Fees and service expenses		1,951,942	1,844,251
Finance costs		45,381,056	30,182,490
Bad debt and doubtful accounts (reversal)	9	7,982,472	(647,488)
Other expenses		38,027,762	36,542,006
Total expenses		152,825,259	125,184,999
Profit before income tax		92,114,597	57,750,989
Income tax	24	(18,555,208)	(11,725,083)
Profit for the year		73,559,389	46,025,906
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain on remeasuring available-for-sale investments	10.3	140,219	962
Income tax relating to Items that will be reclassified subsequently to profit or loss	10.3, 24	(28,044)	(192)
Items that will be reclassified subsequently to profit or loss - net of income tax		112,175	770
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains on defined benefit plan	26.2	1,635,137	-
Income tax relating to Items that will not be reclassified subsequently to profit or loss	24	(327,027)	-
Items that will not be reclassified subsequently to profit or loss - net of income tax		1,308,110	-
Other comprehensive income for the year		1,420,285	770
Total comprehensive income for the year		74,979,674	46,026,676
Earnings per share			
Basic earnings per share	25	0.47	0.30

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



(Mrs. Araya Yommana)

Director





(Mrs. Areeya Turakitwankan)

Assistant Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of changes in owners' equity
For the year ended 31 December 2017

(Unit: Baht)

	Note	Issued and paid-up share capital	Retained earnings		Other components of owner's equity	Total owners' equity
			Appropriated	Unappropriated		
Balance as at 1 January 2016		1,549,125,840	15,632,975	100,922,098	(3,602)	1,665,677,311
<u>Change during the year</u>						
Profit for the year		-	-	46,025,906	-	46,025,906
Other comprehensive income for the year		-	-	-	770	770
Total comprehensive income for the year		-	-	46,025,906	770	46,026,676
Appropriation of retained earnings	19	-	2,301,295	(2,301,295)	-	-
Dividend paid	20	-	-	(77,456,292)	-	(77,456,292)
Balance as at 31 December 2016		1,549,125,840	17,934,270	67,190,417	(2,832)	1,634,247,695
Balance as at 1 January 2017		1,549,125,840	17,934,270	67,190,417	(2,832)	1,634,247,695
<u>Change during the year</u>						
Profit for the year		-	-	73,559,389	-	73,559,389
Other comprehensive income for the year		-	-	1,308,110	112,175	1,420,285
Total comprehensive income for the year		-	-	74,867,499	112,175	74,979,674
Appropriation of retained earnings	19	-	3,677,970	(3,677,970)	-	-
Dividend paid	20	-	-	(23,236,887)	-	(23,236,887)
Balance as at 31 December 2017		1,549,125,840	21,612,240	115,143,059	109,343	1,685,990,482

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

TSFC Securities Public Company Limited

Statement of cash flows

For the year ended 31 December 2017

	(Unit: Baht)	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before income tax	92,114,597	57,750,989
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	5,564,635	6,370,944
Bad debts and doubtful accounts (reversal)	7,982,472	(647,488)
Gain from investments	(63,706)	(3,429)
Gain on disposal equipments	(24,876)	(811,254)
Finance costs	45,381,056	30,182,490
Interest and dividend income	(20,357,570)	(14,868,049)
Interest on margin loans	(223,360,584)	(166,785,625)
Long-term employee benefits expenses	2,622,491	2,696,750
Loss from operating activities before changes in operating assets and liabilities	(90,141,485)	(86,114,672)
(Increase) decrease in operating assets		
Securities purchased under resale agreements	(300,000,000)	-
Receivables from Clearing House	(33,055,044)	8,631,537
Securities business receivables	(534,065,230)	(108,143,918)
Investments	(3,861,517)	(3,963,227)
Loans to financial institutions	50,093,722	427,717
Other assets	(1,072,237)	203,019
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	937,876,862	(233,626,755)
Payables to Clearing House	(42,098,346)	98,858,737
Securities business payables	(33,965,164)	85,114,291
Short-term debt issued and borrowings	250,807,186	348,213,028
Cash paid for long-term employee benefits	-	(2,945,160)
Other liabilities	2,064,734	(351,246)
Net cash flows from operating activities	202,583,481	106,303,351
Cash received from interest income	15,097,754	10,958,321
Cash paid for interest expenses	(44,834,494)	(30,376,668)
Cash paid for income tax	(13,414,697)	(10,668,844)
Net cash flows from operating activities	<u>159,432,044</u>	<u>76,216,160</u>

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

TSFC Securities Public Company Limited
Statement of cash flows (continued)
For the year ended 31 December 2017

	<u>2017</u>	<u>2016</u>
		(Unit: Baht)
Cash flows from investing activities		
Cash paid for purchase of available-for-sale investments	(1,306,558,163)	(605,734,694)
Cash received from disposal available-for-sale investments	1,174,161,368	605,003,429
Cash received from dividends	-	1,500
Cash received from interest on investments	4,679,596	3,963,228
Cash received from disposal of equipments	25,000	812,148
Cash paid for purchases of equipments	(395,015)	(3,162,836)
Cash paid for purchases of intangible assets	(3,201,654)	(1,681,484)
Net cash flows used in investing activities	<u>(131,288,868)</u>	<u>(798,709)</u>
Cash flows from financing activities		
Dividends paid	(23,236,887)	(77,456,292)
Cash paid for liabilities under finance lease agreement	(363,008)	(207,689)
Net cash flows used in financing activities	<u>(23,599,895)</u>	<u>(77,663,981)</u>
Net increase (decrease) in cash and cash equivalents	4,543,281	(2,246,530)
Cash and cash equivalents at beginning of year	647,215	2,893,745
Cash and cash equivalents at end of year (Note 6)	<u><u>5,190,496</u></u>	<u><u>647,215</u></u>

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

TSFC Securities Public Company Limited
Notes to financial statements
For the year ended 31 December 2017

1. General information

TSFC Securities Public Company Limited (hereinafter referred to as "the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in securities business and has two business licenses to engage in granting credits to securities business and securities borrowing and lending business. Its registered address is located at No. 898, Ploenchit Tower, 10th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act. B.E. 2547, and reference to the principles stipulated by of the Office of the Securities and Exchange Commission ("SEC"). The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Office of the SEC relating to the format of the financial statements of securities companies (version 2), No. SorThor. 22/2559 dated 2 June 2016.

The financial statements in Thai language are the official statutory financial statements of the Company. 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.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue and expenses recognition

a) Revenue recognition

The Company recognises interest income on loans and receivables on an accrual basis, based on the amount principal outstanding, except for interest on loans to and amounts receivable from financial institutions and securities companies which are overdue more than 90 days where income is recognised on the basis of the amount collected.

The Company ceases recognising income from securities business loans on an accrual basis when there is uncertainty as to the collectability of the loans and interest.

In the following cases collectability of loans and interest is held to be uncertain.

- (1) Loans are not fully collateralised.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

The Company recognises interest income on securities on an accrual basis. Dividends are recognised as income when the right to receive the dividends is established.

Gain (loss) on trading in securities is recognised as income/expense on the transaction dates.

The Company recognises the surcharges on the collection basis for securities purchased under resale agreements which are not repurchased under the conditions.

Fees and services income is recognised on an accrual basis.

b) Expenses recognition

The Company recognises expenses on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Recognition and amortisation of customers assets

Cash received from customers of credit balance accounts are recorded as assets and liabilities of the Company for the internal control purposes. At the end of the reporting period, the Company excludes these amounts from both assets and liabilities and presents only the assets which belong to the Company.

4.4 Securities borrowing and lending

The Company records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing and lending payables" and securities lent to customers are recorded as "Securities borrowing and lending receivables", presented including in securities business payables and securities business receivables, respectively in the statement of financial position. At the end of the reporting period, the balance of "Securities borrowing and lending payables" and "Securities borrowing and lending receivables" are adjusted based on the closing price quoted on the Stock Exchange of Thailand of the last working day of the reporting period. In addition, the Company records cash paid as collateral for securities borrowing as "Collateral receivables" and cash received as collateral for securities lending as "Collateral payables".

Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

4.5 Securities purchased under resale agreements

The Company enters into purchase of securities under agreements to resale securities at certain dates in the future at a fixed price. Securities purchased under resale agreements presented as assets in the statements of financial position are stated at amounts paid for the purchase of those securities.

The difference between the purchase and sale considerations is recognised on an accrual basis over the period of the transaction and is included in interest income.

4.6 Receivables from Clearing House

Receivables from Clearing House comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand.

4.7 Securities business receivables

Securities business receivables are the net balances of securities business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include customer trading transactions during the last 3 days of the accounting period, for which settlement was not yet due as at the end of reporting period, credit balance accounts, securities borrowings and lending receivables, collateral receivables (which comprise cash pledged as security with securities lenders) and other receivables such as securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

4.8 Allowance for doubtful accounts

The allowance for doubtful accounts is based on management's evaluation of the adequacy of the reserve for doubtful accounts of each account. The evaluation encompasses consideration of past collection experience and other factors such as collection risk and the value of the collateral, including the change in composition and volume of receivables and the relationship of the reserve to the portfolio and local economic conditions and compliance with the Office of the Securities and Exchange Commission's notification regarding the accounting for sub-standard loans of securities companies which undertake the granting of credits to securities businesses.

4.9 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities which expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association as at the last working day of the reporting period. The fair value of unit trusts is determined from their net asset value as at the end of reporting period.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.10 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation. Depreciation is provided for all equipment using the straight-line basis over the estimated useful lives as follows:

Leasehold improvement	5 - 6 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicle	3 - 5 years

Depreciation is included in determining income.

Expenditures for additions, renewals and betterments, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

4.11 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are as follows:

Computer software	5	years
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4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment and 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 profit or loss.

4.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of building or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.14 Payables to Clearing House

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand.

4.15 Securities business payables

Securities business payables are the obligations of the Company in respect of its securities business with outside parties, such as customer trading transactions during the last 3 days of the accounting period, for which settlement was not yet due as at the end of reporting period, securities delivery obligations as a result of securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.17 Provisions

Provisions are recognised when the Company 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.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

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 Company 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 Company 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 Company records deferred tax directly to owners' equity if the tax relates to items that are recorded directly to owners' equity.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 Company 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 observable 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 Company 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.

4.20 Related party transactions

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times 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:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Allowance for doubtful accounts for loans and securities business receivables

Allowances for doubtful accounts for loans and securities business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgement to establish reserves for estimated losses of each outstanding loan and securities business receivable by taking into account collection risk and the value of the security used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company's equipment and to review estimate residual lives and salvage values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan 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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	2017	2016
Cash	30	30
Saving and current deposits	33,271	20,931
Less: Deposits for customers' account	(28,111)	(20,314)
Total cash and cash equivalents	<u>5,190</u>	<u>647</u>

Supplemental cash flows information

(Unit: Thousand Baht)

	2017	2016
Non-cash items		
Decrease in payable from purchases of intangible assets	3,050	1,525
Purchase of assets under finance lease agreement	-	1,880
Gain on remeasuring available-for-sale investments	140	1
Actuarial gains on defined benefit plan	1,635	-

7. Securities purchased under resale agreements

(Unit: Thousand Baht)

	2017	2016
Equity securities	300,000	-
Add: Accrued interest income	91	-
Total	300,091	-

8. Securities business receivables

(Unit: Thousand Baht)

	2017	2016
Customers' accounts - credit balance	3,405,950	2,657,638
Other receivables	205,262	235,153
Total	3,611,212	2,892,791
Add: Accrued interest income	129	60
Less: Allowance for doubtful accounts	(205,262)	(235,274)
Securities business receivables	3,406,079	2,657,577

8.1 As at 31 December 2017, the Company had discontinued recognising income from securities business receivables with total outstanding balances of approximately Baht 196.6 million (2016: Baht 235.2 million).

8.2 As at 31 December 2017 and 2016, the Company has classified securities business receivables according with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. The Company classified securities business receivables as follows:

(Unit: Million Baht)

	2017				2016			
	Number	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Number	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debt	175	3,415	(9)	3,406	182	2,658	-	2,658
Doubtful debt	5	196	(196)	-	5	235	(235)	-
Total	180	3,611	(205)	3,406	187	2,893	(235)	2,658

9. Allowance for doubtful accounts

Movements of allowance for doubtful accounts for loans to financial institutions and securities business receivables are summarised below.

(Unit: Thousand Baht)

	2017			2016		
	Normal debt	Doubtful debt	Total	Normal debt	Doubtful debt	Total
Balance - beginning of the year	3,622	347,128	350,750	3,842	412,098	415,940
Doubtful accounts	8,076**	-	8,076	(220)	-	(220)
Bad debt recoverable	-	(94)	(94)	-	(428)	(428)
Bad debt write-off	-	(38,588)	(38,588)	-	(64,542)	(64,542)
Balance - end of the year	11,698	308,446*	320,144	3,622	347,128	350,750

* Allowance for doubtful accounts amounting to Baht 308 million comprised the following.

- Baht 263 million prior to the completion of the Company's capital restructuring on 24 July 2009
- Baht 45 million during 2010 - 2014
- No transaction in 2015 - present

** A part of allowance for doubtful accounts was from allowance that was 100% set up for debt amounting to Baht 8 million which was higher than normal debt class.

10. Investments

10.1 Cost and fair value

(Unit: Thousand Baht)

	2017		2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Debt securities				
Government bonds	349,485	349,615	309,611	309,603
Add (less): Allowance for revaluation of securities	130	-	(8)	-
Less: Government securities for customers' account	(95,238)	(95,238)	(191,685)	(191,685)
Total debt securities	254,377	254,377	117,918	117,918

	(Unit: Thousand Baht)			
	2017		2016	
	Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value
Unit trusts				
Equity fund	10	17	10	14
Add: Allowance for revaluation of securities	7	-	4	-
Total unit trusts	17	17	14	14
Total available-for-sale securities	254,394	254,394	117,932	117,932
Held-to-maturity investments				
Fixed deposits	-	-	30,000	30,000
Less: Deposits for customers' account	-	-	(30,000)	(30,000)
Total held-to-maturity investments	-	-	-	-
Total investments	254,394	254,394	117,932	117,932

10.2 Investments in debt securities and deposit to financial institutions classified by the remaining contracts

	(Unit: Thousand Baht)							
	2017				2016			
	Not over		Over		Not over		Over	
	1 year	1-5 years	5 years	Total	1 year	1-5 years	5 years	Total
Available-for-sale								
debt securities	349,615	-	-	349,615	309,603	-	-	309,603
Held-to-maturity								
investment	-	-	-	-	30,000	-	-	30,000
Total	349,615	-	-	349,615	339,603	-	-	339,603

10.3 Gain (loss) on remeasuring available-for-sale investments

	(Unit: Thousand Baht)	
	2017	2016
Balance - beginning of the year (net of income tax)	(3)	(4)
Changes during the year		
- from revaluation (before net of income tax)	140	1
- income tax	(28)	-
Balance - end of the year	109	(3)

11. Loans

(Unit: Thousand Baht)

	2017	2016
At call	311,882	311,976
Not over 1 year	100,000	150,000
Total	411,882	461,976
Add: Accrued interest income	105	52
Less: Allowance for doubtful accounts	(114,882)	(115,476)
Total loans	297,105	346,552

Loans are unsecured loan.

As at 31 December 2017, the Company had discontinued recognising income from 4 debtors from loans to financial institutions of approximately Baht 112 million (2016: Baht 112 million). These comprise of transactions with problem financial institutions which were ordered to discontinue their operations by the Ministry of Finance on 8 December 1997.

12. Equipment

(Unit: Thousand Baht)

	Leasehold improvement	Office equipment	Furniture and fixtures	Vehicle	Total
Cost					
1 January 2016	25,101	19,939	4,368	2,059	51,467
Purchases	-	1,835	18	3,190	5,043
Write-off	-	(1,382)	-	(2,059)	(3,441)
31 December 2016	25,101	20,392	4,386	3,190	53,069
Purchases	26	369	-	-	395
Disposals/write-off	-	(3,466)	(8)	-	(3,474)
31 December 2017	25,127	17,295	4,378	3,190	49,990
Accumulated depreciation					
1 January 2016	25,101	18,397	4,358	2,059	49,915
Depreciation for the year	-	788	5	445	1,238
Write-off	-	(1,381)	-	(2,059)	(3,440)
31 December 2016	25,101	17,804	4,363	445	47,713
Depreciation for the year	1	874	8	638	1,521
Disposals/write-off	-	(3,466)	(8)	-	(3,474)
31 December 2017	25,102	15,212	4,363	1,083	45,760

(Unit: Thousand Baht)

	<u>Leasehold improvement</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Vehicle</u>	<u>Total</u>
Net book value					
31 December 2016	<u>-</u>	<u>2,588</u>	<u>23</u>	<u>2,745</u>	<u>5,356</u>
31 December 2017	<u>25</u>	<u>2,083</u>	<u>15</u>	<u>2,107</u>	<u>4,230</u>
Depreciation charge included in the statements of comprehensive income for the years ended 31 December					
2016					<u>1,238</u>
2017					<u>1,521</u>

As at 31 December 2017, the Company had vehicle with net book value of Baht 2.1 million (2016: Baht 2.7 million) which were acquired under finance lease agreement.

As at 31 December 2017, certain fixed assets items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 42.5 million (2016: Baht 45.5 million).

13. Intangible assets

(Unit: Thousand Baht)

	<u>2016</u>	<u>Additions</u>	<u>Amortised</u>	<u>2017</u>
Software	<u>9,723</u>	<u>152</u>	<u>(4,044)</u>	<u>5,831</u>

(Unit: Thousand Baht)

	<u>2015</u>	<u>Additions</u>	<u>Amortised</u>	<u>2016</u>
Software	<u>14,699</u>	<u>157</u>	<u>(5,133)</u>	<u>9,723</u>

14. Other assets

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Deposits	<u>3,728</u>	<u>3,785</u>
Prepaid expenses	<u>2,555</u>	<u>1,453</u>
Others	<u>1,075</u>	<u>264</u>
Total other assets	<u>7,358</u>	<u>5,502</u>

15. Borrowings from financial institutions

(Unit: Thousand Baht)

	2017				2016			
	Interest rate (% per annum)	Due period			Interest rate (% per annum)	Due period		
		Not over 1 year	1-5 years	Total		Not over 1 year	1-5 years	Total
Promissory notes	1.50 - 2.45	1,748,000	-	1,748,000	1.60 - 2.10	870,000	-	870,000
Bill of exchange	2.60	59,877	-	59,877	-	-	-	-
Total borrowings from financial institutions		<u>1,807,877</u>	<u>-</u>	<u>1,807,877</u>		<u>870,000</u>	<u>-</u>	<u>870,000</u>

The borrowings from financial institutions are unsecured loan.

The loan agreements contain covenants that, among other things, require the Company to maintain net capital ratios in the agreements.

16. Debt issued and borrowings

(Unit: Thousand Baht)

	2017				2016			
	Interest rate (% per annum)	Due period			Interest rate (% per annum)	Due period		
		Not over 1 year	1-5 years	Total		Not over 1 year	1-5 years	Total
Promissory note	2.40 - 2.60	415,000	-	415,000	-	-	-	-
Bills of exchange	2.00 - 2.25	223,491	-	223,491	2.125 - 2.25	387,684	-	387,684
Total		<u>638,491</u>	<u>-</u>	<u>638,491</u>		<u>387,684</u>	<u>-</u>	<u>387,684</u>

17. Other liabilities

(Unit: Thousand Baht)

	2017	2016
Interest payable	610	63
Accrued expenses	10,755	9,085
Withholding tax payable	395	341
Specific business tax payable	644	509
Other payable	1,025	3,882
Others	1,335	1,685
Total other liabilities	<u>14,764</u>	<u>15,565</u>

18. Share capital

	2017		2016	
	Number of share (Thousand share)	Amount (Thousand Baht)	Number of share (Thousand share)	Amount (Thousand Baht)
Registered share capital (Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126
Issued and paid-up share capital (Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

20. Dividends

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividend for the year 2015	Annual General Meeting of the shareholders on 20 April 2016	77,456	0.50
Total for 2016		77,456	0.50
Dividend for the year 2016	Annual General Meeting of the shareholders on 20 April 2017	23,237	0.15
Total for 2017		23,237	0.15

21. Fees and services income

	(Unit: Thousand Baht)	
	2017	2016
Securities borrowing and lending income	70	282
Front end fee income	984	141
Total	1,054	423

22. Gains and return on financial instruments

(Unit: Thousand Baht)

	2017	2016
Gains on securities	64	3
Interest and dividend income	20,357	14,868
Total	<u>20,421</u>	<u>14,871</u>

23. Directors and management's benefits

During the year, the Company had salaries, bonuses, meeting allowances, post-employee benefits, gratuities of their directors and management, which were as follows:

(Unit: Thousand Baht)

	2017	2016
Short-term employee benefits	26,251	24,700
Post-employment benefits	2,463	2,738
Total	<u>28,714</u>	<u>27,438</u>

24. Income Tax

Income tax for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	2017	2016
Current income tax:		
Current income tax charge	17,634	10,483
Deferred tax:		
Relating to origination and reversal of temporary differences	921	1,242
Income tax reported in the statements of comprehensive income	<u>18,555</u>	<u>11,725</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	2017	2016
Deferred tax relating to		
Gain on change in value of available-for-sale investments	(28)	-
Actuarial gains	(327)	-
	<u>(355)</u>	<u>-</u>

The reconciliation between accounting profit and tax income is shown below.

	(Unit: Thousand Baht)	
	2017	2016
Accounting profit before tax	92,115	57,751
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	18,423	11,550
Effects of:		
Non-deductible expenses	179	192
Additional expense deductions allowed	(47)	(17)
Income tax reported in statements of comprehensive income	18,555	11,725

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2017	2016
Deferred tax assets		
Accumulated amortisation - computer software	6,951	8,396
Provision for long-term employee benefits	2,737	2,540
Unrealised loss from revaluation of available-for-sale investments	-	1
Total	9,688	10,937
Deferre tax liabilities		
Unrealised gain from revaluation of available-for-sale investments	28	-
Total	28	-
Deferred tax asset - net	9,660	10,937

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

26. Post-employment benefits

26.1 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate which is not less than 2% of their basic salaries but not more than the amount contributed by the Company, and by the Company at the rates of 3% to 10% of basic salaries. It will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by BBL Asset Management Company Limited and Finansa Asset Management Limited. The contributions for the year 2017 amounting to approximately 3.2 million (2016: Baht 3.2 million) were recognised as expenses.

26.2 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)	
	2017	2016
Provision for long-term employee benefits at beginning of year	12,699	12,947
Included in profit or loss:		
Current service cost	2,259	2,389
Interest cost	363	308
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	2,066	-
Financial assumptions changes	354	-
Experience adjustments	(4,055)	-
Benefits paid during the year	-	(2,945)
Provision for long-term employee benefits at end of year	13,686	12,699

Long-term employee benefit expenses included in employee benefits expenses in the profit or loss.

The Company expects to pay Baht 0.9 million of long-term employee benefits during the next year (2016: Nil).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2016: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)	
	2017	2016
Discount rate	2.34	2.96
Salary increase rate	5.00	5.00
Turnover rate	0.00 - 11.00	0.00 - 10.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 are summarised below:

2017				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	1%	(1,152)	1%	1,310
Salary increase rate	1%	1,332	1%	(1,194)
Turnover rate	1%	(1,224)	1%	834

2016				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	1%	(1,142)	1%	1,306
Salary increase rate	1%	1,461	1%	(1,291)
Turnover rate	1%	(1,207)	1%	352

27. Operating lease commitments

The Company had entered into several lease agreements in respect of the lease of area in the building, equipments, vehicles and service agreements. The terms of the agreements are generally between 1 year and 4 years.

Future minimum lease payments required under operating leases contracts were as follows:

	(Unit: Million Baht)	
	2017	2016
Payable:		
In up to 1 year	11.2	11.1
In over 1 and up to 4 years	0.5	12.0

28. Fair value hierarchy

As of 31 December 2017 and 2016, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Debt securities*	-	349,615	-	349,615
Unit trusts	-	17	-	17

* Included government securities for customers' account amounting to Baht 95 million.

	(Unit: Thousand Baht)			
	2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Debt securities*	-	309,603	-	309,603
Unit trusts	-	14	-	14
Fixed deposits**	30,000	-	-	30,000

* Included government securities for customers' account amounting to Baht 192 million.

** Presented fixed deposits for customers' account.

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments, loans, borrowings from financial institutions, payables to Clearing House, securities business payables, debt issued and borrowings. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Company is exposed to credit risk primarily with respect to securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments in debt securities and loans. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer.

The investment in debt instruments is determined on the basis of the firm financial status of issuing institutions and their instruments being rated at acceptable rating by the reputable credit rating agencies.

The maximum exposure to credit risk is limited to the carrying amounts of securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments in debt securities and loans less provision for doubtful accounts as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, securities purchased under resale agreements, securities business receivables, investments in debt securities, loans, borrowings from financial institutions and debt issued and borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2017 and 2016 classified by type of interest rates 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)

2017

	Outstanding balances of financial instruments							Interest rate (% per annum)
	Floating interest rate	Repricing or maturity dates				No interest	Total	
		At call	Within 1 year	1 - 5 years	Over 5 years			
Financial assets								
Cash and cash equivalents	-	-	-	-	-	5	5	-
Securities purchased under resale agreements	-	-	300	-	-	-	300	2.55
Receivables from Clearing House	-	-	-	-	-	65	65	-
Securities business receivables	3,404	-	-	2	-	-	3,406	5.75 - 20.00
Investments in debt securities	-	-	254	-	-	-	254	1.15 - 1.37
Loans	-	198	99	-	-	-	297	2.75 - 3.50
Financial liabilities								
Borrowings from financial institutions	-	593	1,215	-	-	-	1,808	1.50 - 2.60
Payables to Clearing House	-	-	-	-	-	57	57	-
Securities business payables	-	-	-	-	-	127	127	-
Debt issued and borrowings	-	-	638	-	-	-	638	2.00 - 2.60

(Unit: Million Baht)

2016

	Outstanding balances of financial instruments							Interest rate (% per annum)
	Floating interest rate	Repricing or maturity dates				No interest	Total	
		At call	Within 1 year	1 - 5 years	Over 5 years			
Financial assets								
Cash and cash equivalents	-	-	-	-	-	1	1	-
Receivables from Clearing House	-	-	-	-	-	31	31	-
Securities business receivables	2,657	-	-	1	-	-	2,658	6.0 - 20.00
Investments in debt securities	-	-	118	-	-	-	118	1.46 - 1.48
Loans	-	198	149	-	-	-	347	2.75 - 3.75
Financial liabilities								
Borrowings from financial institutions	-	420	450	-	-	-	870	1.60 - 2.10
Payables to Clearing House	-	-	-	-	-	99	99	-
Securities business payables	-	-	-	-	-	161	161	-
Debt issued and borrowings	-	-	388	-	-	-	388	2.125 - 2.25

Liquidity risk

The periods of time from the statements of financial position date to the maturity dates of financial instruments as of 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	2017					Total
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	
<u>Financial assets</u>						
Cash and cash equivalents	5	-	-	-	-	5
Securities purchased under resale agreements	-	300	-	-	-	300
Receivables from Clearing House	-	65	-	-	-	65
Securities business receivables	-	121	2	-	3,283	3,406
Investments in debt securities	-	254	-	-	-	254
Loans	198	99	-	-	-	297
<u>Financial liabilities</u>						
Borrowings from financial institutions	593	1,215	-	-	-	1,808
Payables to Clearing House	-	57	-	-	-	57
Securities business payables	-	127	-	-	-	127
Debt issued and borrowings	-	638	-	-	-	638

(Unit: Million Baht)

	2016					Total
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	
<u>Financial assets</u>						
Cash and cash equivalents	1	-	-	-	-	1
Receivables from Clearing House	-	31	-	-	-	31
Securities business receivables	-	230	11	-	2,417	2,658
Investments in debt securities	-	118	-	-	-	118
Loans	198	149	-	-	-	347
<u>Financial liabilities</u>						
Borrowings from financial institutions	420	450	-	-	-	870
Payables to Clearing House	-	99	-	-	-	99
Securities business payables	-	161	-	-	-	161
Debt issued and borrowings	-	388	-	-	-	388

29.2 Fair values and financial instruments

Since the majority of the Company'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 statements of financial position.

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

30. Capital management

The primary objectives of the Company's capital management is to ensure that it has an appropriate financial structure, to preserve the ability to continue its business as a going concern and to maintain net capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

31. Event after the reporting period

On 19 February 2018, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval a dividend payment, from profit for the year 2017, to the shareholders of the Company's for 154.9 million ordinary shares, at a rate of Baht 0.20 per share, or a total of Baht 30.98 million, to be paid on 18 May 2018.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2018.