

Capital Nomura Securities Public Company Limited
Report and financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of Capital Nomura Securities Public Company Limited

Opinion

I have audited the accompanying financial statements of Capital Nomura Securities Public Company Limited, which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' 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 Capital Nomura Securities Public Company Limited as at 31 December 2016, 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 under the Royal Patronage of His Majesty the King 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 responded to each matter are described below.

1. Recognition of brokerage fees and interest on margin loans

The Company's income mainly consisted of brokerage fees and interest on margin loans, amounting to Baht 1,076 million and Baht 356 million, respectively, representing 64 percent and 21 percent of the Company's total revenue. The Company charges brokerage fees at variable percentages of trading volume, based on the type of customer and their trading volume, whereas interest on credit balance loans is charged at fixed rates that are adjusted periodically based on market conditions and the competitive environment. Because the size and volume of transactions, the number of customers and the fees charged to customers depend on various factors, and the recognition of revenue from brokerage fees and interest on margin loans relies primarily on data processing by information systems, I addressed the correct measurement and occurrence of brokerage fees and interest on margin loans as a key audit matter.

The audit procedures I performed were as follow. Assessed, and tested on a sample basis, the Company's internal controls relevant to the recognition of brokerage fees and interest on margin loans, including IT system controls relevant to the calculation of brokerage fees and interest on margin loans. I also tested, on a sample basis, the brokerage rates, interest rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fee and interest on credit balance loans and examined, on a sample basis, material manual adjustments made via journal vouchers.

2. Allowance for doubtful accounts for securities and derivatives business receivables

As discussed in Note 9 to the financial statements, the allowance for doubtful accounts for securities and derivatives business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For securities trading and 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 the allowance for doubtful accounts for securities and derivatives business receivables is significant because of the number of the customers and the significance of the amount of the receivables to the Company's financial statements, with securities and derivatives business receivables amounting to Baht 8,821 million as at 31 December 2016, representing 85 percent of the Company's total assets. Therefore, I addressed the adequacy of the allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts for securities and derivatives business receivables, as follows:

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

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Ratana Jala.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

EY Office Limited
Bangkok: 22 February 2017

Capital Nomura Securities Public Company Limited**Statement of financial position****As at 31 December 2016**

		(Unit: Baht)	
	Note	2016	2015
Assets			
Cash and cash equivalents	6	437,956,441	1,463,362,886
Deposits at financial institutions	7	1,600,000	-
Receivables from Clearing House	8	468,496,984	252,230,696
Securities and derivatives business receivables - net	9	8,815,483,132	8,152,071,439
Investments - net	10	186,225,383	709,883,719
Premises and equipment - net	11	130,475,813	92,227,867
Intangible assets - net	12	12,698,110	14,084,361
Deferred tax assets	13	68,648,193	61,440,477
Other assets - net	14	207,619,757	215,543,631
Total assets		<u>10,329,203,813</u>	<u>10,960,845,076</u>

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

Capital Nomura Securities Public Company Limited**Statement of financial position (Continued)****As at 31 December 2016**

		(Unit: Baht)	
	Note	2016	2015
Liabilities and equity			
Liabilities			
Borrowings from financial institutions	15	2,050,000,000	2,300,000,000
Payables to Clearing House	16	70,837,244	305,992,841
Securities and derivatives business payables - net	17	2,294,226,023	1,596,725,594
Borrowings	18	-	895,568,661
Provisions for long-term employee benefits	19	92,068,141	72,059,699
Other liabilities	20	336,807,849	317,492,846
Total liabilities		4,843,939,257	5,487,839,641
Equity			
Share capital			
Registered, issued and paid-up			
2,150,469,000 ordinary shares of Baht 1 each		2,150,469,000	2,150,469,000
Premium on share capital		2,131,833,600	2,131,833,600
Premium on treasury stock		1,487,250	1,487,250
Other components of equity - revaluation			
surplus (deficit) on investments	10.3	(1,491,817)	1,134,327
Retained earnings			
Appropriated - statutory reserve	21	155,000,000	134,300,000
- general reserve		215,000,000	215,000,000
Unappropriated		832,966,523	838,781,258
Total equity		5,485,264,556	5,473,005,435
Total liabilities and equity		10,329,203,813	10,960,845,076

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

Directors

Capital Nomura Securities Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	2016	2015
Profit or loss:			
Revenue			
Brokerage fees	23	1,075,716,791	877,208,683
Fees and service income	24, 29	126,229,949	168,704,264
Gain on securities	10.4	52,327,450	60,670,373
Gain on derivatives/exchange rate		1,037,871	2,961,040
Interest and dividend		68,386,100	88,453,060
Interest on margin loans		356,173,144	487,056,213
Other income		12,002,597	6,085,191
Total revenue		1,691,873,902	1,691,138,824
Expenses			
Financial costs		87,499,367	156,839,644
Fees and services expenses		180,924,218	103,465,147
Operating expenses			
Personnel expenses		644,808,858	650,117,117
Premises and equipment expenses		167,026,748	157,686,428
Directors' remuneration	25	4,114,274	4,030,000
Other expenses		96,778,266	99,200,010
Total operating expenses		912,728,146	911,033,555
Doubtful accounts		-	284,326
Total expenses		1,181,151,731	1,171,622,672
Profit before income tax		510,722,171	519,516,152
Income tax	13	(98,539,096)	(103,552,305)
Profit for the year		412,183,075	415,963,847

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

Capital Nomura Securities Public Company Limited
Statement of comprehensive income (Continued)
For the year ended 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
Other comprehensive income:			
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods:			
Loss on change in value of			
available-for-sale investments		(3,282,680)	(1,252,147)
Income tax relating to loss on change in			
value of available-for-sale investments	13	656,536	250,429
Net other comprehensive income to be reclassified			
to profit or loss in subsequent periods		(2,626,144)	(1,001,718)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Actuarial Losses		(12,766,738)	-
Income tax relating to actuarial losses	13	2,553,348	-
Net other comprehensive income not to be			
reclassified to profit or loss in subsequent periods		(10,213,390)	-
Total comprehensive income (loss) for the year		(12,839,534)	(1,001,718)
Total comprehensive income for the year		399,343,541	414,962,129
Basic earnings per share	27		
Profit for the year		0.19	0.19

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

Capital Nomura Securities Public Company Limited

Statement of changes in equity

For the year ended 31 December 2016

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Other components of equity - revaluation surplus (deficit) on investments	Retained earnings			Total
					Appropriated		Unappropriated	
					Statutory reserve	General reserve		
Balance - as at 1 January 2015	2,150,469,000	2,131,833,600	1,487,250	2,136,045	113,300,000	215,000,000	830,901,831	5,445,127,726
Profit for the year	-	-	-	-	-	-	415,963,847	415,963,847
Other comprehensive income (loss) for the year	-	-	-	(1,001,718)	-	-	-	(1,001,718)
Total comprehensive income for the year	-	-	-	(1,001,718)	-	-	415,963,847	414,962,129
Dividend paid (Note 28)	-	-	-	-	-	-	(387,084,420)	(387,084,420)
Statutory reserve (Note 21)	-	-	-	-	21,000,000	-	(21,000,000)	-
Balance - as at 31 December 2015	<u>2,150,469,000</u>	<u>2,131,833,600</u>	<u>1,487,250</u>	<u>1,134,327</u>	<u>134,300,000</u>	<u>215,000,000</u>	<u>838,781,258</u>	<u>5,473,005,435</u>
Balance - as at 1 January 2016	2,150,469,000	2,131,833,600	1,487,250	1,134,327	134,300,000	215,000,000	838,781,258	5,473,005,435
Profit for the year	-	-	-	-	-	-	412,183,075	412,183,075
Other comprehensive income (loss) for the year	-	-	-	(2,626,144)	-	-	(10,213,390)	(12,839,534)
Total comprehensive income for the year	-	-	-	(2,626,144)	-	-	401,969,685	399,343,541
Dividend paid (Note 28)	-	-	-	-	-	-	(387,084,420)	(387,084,420)
Statutory reserve (Note 21)	-	-	-	-	20,700,000	-	(20,700,000)	-
Balance - as at 31 December 2016	<u>2,150,469,000</u>	<u>2,131,833,600</u>	<u>1,487,250</u>	<u>(1,491,817)</u>	<u>155,000,000</u>	<u>215,000,000</u>	<u>832,966,523</u>	<u>5,485,264,556</u>

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

Capital Nomura Securities Public Company Limited

Notes to financial statements

For the year ended 31 December 2016

1. General information

Capital Nomura Securities Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Nomura Asia Investment (Singapore) Pte. Ltd., which was incorporated in Singapore. The ultimate parent company of the Group is Nomura Holdings, Inc. The Company is principally engaged in the securities and derivatives with business of securities brokerage, derivatives brokerage, selling agent, securities dealing, securities borrowing and lending services, investment and financial advisory and securities underwriting.

The registered office of the Company is at 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Tungmahamak, Sathorn, Bangkok. As at 31 December 2016, the Company has 18 branches including a headquarter, 17 branches in Bangkok and up country.

2. Basis of the preparation of the financial statements

These financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and they are presented in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor/Kor/Nor. 53/2553 dated 15 December 2010.

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 have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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 standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is 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 management of the Company believes that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

b) Fees and service income

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

c) Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognised as income/expenses on the transaction dates.

d) Interest and dividend

Interest is recognised as income on an accrual basis. Dividend from investments is recognised when the right to receive the dividends is established.

e) Interest on credit balance loans

Interest is recognised as interest accrues based on a time proportion basis, but where there is uncertainty as to the collectability of loans and interest the Company ceases accrual.

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

- 1) Loans which are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue for more than 3 months.
- 3) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

4.2 Expense recognition

a) Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

b) Fees and service expenses

Fees and service expenses are charged to expenses on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank deposit accounts maturing within 3 months or less from the date of acquisition, and including call notes receivable and term notes receivable issued by financial institutions with an ordinary maturing within 3 months or less and not subject to withdrawal restrictions.

4.4 Recognition and amortisation of customers' deposits assets

Assets which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the end of the reporting date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

4.5 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities who are the Company's customers. The Company's objective in lending securities to its customers is solely to allow them to short sell securities through the credit balance accounts they have with the Company. These types of transaction are limited to securities listed on the SET 100 Index and on the list of securities which the Company allows customers to purchase through margin accounts (Marginable Securities).

The Company records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the year, the balance of securities borrowing payables and securities borrowing receivables are adjusted based on the close price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in profit or loss. In addition, the Company records cash paid as collateral for securities borrowing as "Guaranteed deposit receivables" and cash received as collateral for securities lending as "Guarantee deposit payables".

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

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of those securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as gain (loss) on remeasuring investments in other comprehensive income in the statements of comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in held-to-maturities debt securities 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.
- d) Investments in non-marketable equity securities which are classified as other investments are valued at cost net of allowance of impairment (if any).
- e) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- f) Losses on impairment of the investments (if any) are included in profit or loss when there is a factor indicating that such investments might be impaired.
- g) 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.
- h) In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other comprehensive income in the statements of comprehensive income, depending on the type of investment that is reclassified.

4.7 Receivables from/payables to Clearing House

Receivables from/payables to Clearing House comprise the net balance receivables from/payables to Thailand Clearing House in respect of securities trades settled and derivative trading, and also include amounts pledged with Thailand Clearing House as security for derivatives trading and the net balance of receivables from/payables to overseas securities companies in respect of overseas securities trades settle through those companies.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts, and also including related accrued interest receivables.

In addition, securities business receivables comprise the net receivables balances of cash accounts, credit balance accounts for which the securities purchased are used as collateral, securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for securities borrowing payables or Thailand Clearing House) as well as other receivables such as overdue cash customers accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's ability to make repayment, taking into consideration recovery risk, and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines.

- a) Assets classified as doubtful loss are to satisfy the following criteria.
 - (1) Loans balance which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written-off in accordance with tax legislation.
 - (2) Loans balance which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria.
 - (1) General loans and other loans for which the collateral value is less than the loan balance.
 - (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - (3) Installment loans with repayment scheduled no less frequently than every 3 months, unless there is clear evidence and high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful loss will be written-off when identified. Allowance for doubtful account will be set aside for loans classified as doubtful at not less than 100 percent of the loan balance. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

4.9 Premises and equipment/Depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

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

Condominium units	20 years
Leasehold improvements	12 years
Office equipment	3, 5, 6 years
Furniture and fixtures	5, 6 years
Motor vehicles	5 years

No depreciation is provided on construction in progress.

Depreciation is included in determining income.

An item of premises 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

4.10 Intangible assets and amortisation

Intangible assets acquired 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 a systematic 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 profit or loss.

Intangible assets with finite useful lives is amortised for a year of 5 years.

4.11 Income tax

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

Current tax

Current 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 legalisation.

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, to the extent it is probable that future taxable profit will be available against which such deductible temporary differences 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 equity if the tax relates to items that are recorded directly to equity.

4.12 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value with reference to the latest appraisal value less estimated selling expenses.

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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 Company 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 periods. Such reversal is recognised in profit or loss.

4.14 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.15 Related parties transaction

Related parties comprise 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 individuals 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 direct or indirect authority in the planning and direction of the Company's operations.

4.16 Long-term leases

Leases of assets that all the significant risk and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

4.17 Foreign currencies

The financial statements are presented in Baht, which is also the Company'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 rates ruling at the end of reporting date.

Gains and losses on exchange are included in determining income.

4.18 Employee benefits

a) Short-term employee benefits

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

b) 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 contributions are recognised as expenses when incurred.

c) Post-employment benefits (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.

4.19 Derivatives - Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.20 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.

4.21 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.

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 estimation. The significant judgements and accounting estimates are as follows:

5.1 Allowances for loan losses for securities and derivative business receivables

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

5.2 Impairment of investments

The Company reviews and set up allowance for impairment of investment when indication of impairment exists. The determination of what is indication of impairment requires judgement of management to estimate the expected loss by considering the status of each investment item.

5.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences 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.

5.4 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.

5.5 Fair value of financial instruments

In determining the fair value of financial instruments recognised in statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and discloses of fair value hierarchy.

5.6 Premises and equipment/Depreciation

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

In addition, the management is required to review premises and 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.

5.7 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, staff turnover rate, and mortality rate.

6. Cash and cash equivalents

	(Unit: Baht)	
	2016	2015
Cash	75,000	74,000
Current deposits and saving deposits	905,966,518	387,833,307
Time deposits with maturity date not more than 3 months		
from acquisition date	-	300,000,000
Promissory notes at call	363,000,000	1,115,000,000
Promissory notes with maturity date due no more than 3 months	-	250,000,000
Total cash and cash equivalents	1,269,041,518	2,052,907,307
Less: Deposits for customers' account	(831,085,077)	(589,544,421)
Cash and cash equivalents	<u>437,956,441</u>	<u>1,463,362,886</u>

7. Deposits at financial institutions

	(Unit: Baht)	
	2016	2015
Time deposits with maturity date more than 3 months		
from acquisition date	100,000,000	600,000,000
Deposits subject to restriction	1,600,000	-
Less: Deposits for customers' account	(100,000,000)	(600,000,000)
Deposits at financial institutions	<u>1,600,000</u>	<u>-</u>

8. Receivables from Clearing House

	(Unit: Baht)	
	2016	2015
Receivables from Clearing House		
Equity and debt securities	460,332,699	247,804,828
Derivatives	62,912,397	24,959,046
Receivables from foreign companies	2,480,662	4,167,608
Total receivables from Clearing House	525,725,758	276,931,482
Less: Receivables from Clearing House for customers' accounts	(57,228,774)	(24,700,786)
Receivables from Clearing House	<u>468,496,984</u>	<u>252,230,696</u>

9. Securities and derivatives business receivables

	(Unit: Baht)	
	2016	2015
<u>Securities business receivables</u>		
Cash accounts	1,240,159,799	769,148,189
Credit balances receivables	6,950,679,593	6,622,207,301
Guaranteed deposit receivables	306,918,817	380,668,994
Receivables under securities borrowing and lending business	286,731,826	345,991,348
Other receivables	6,311,825	6,569,999
Total securities business receivables	8,790,801,860	8,124,585,831
Add: Accrued interest receivables	30,547,717	33,563,524
Less: Allowance for doubtful accounts	(6,335,398)	(6,335,398)
Net securities business receivables	8,815,014,179	8,151,813,957
<u>Derivatives business receivables</u>		
Derivatives business receivables	468,953	257,482
Total derivatives business receivables	468,953	257,482
Net securities and derivatives business receivables	8,815,483,132	8,152,071,439

9.1 As at 31 December 2016, the Company has securities business receivables of approximately Baht 6 million on which the recognition of income on an accrual basis has been suspended (31 December 2015: Baht 6 million).

9.2 As at 31 December 2016 and 2015, the Company has classified its securities business receivables including related interest receivable as follows, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies.

(Unit: Thousand Baht)

	2016		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	8,815,483	-	8,815,483
Doubtful	6,335	(6,335)	-
Total	8,821,818	(6,335)	8,815,483

(Unit: Thousand Baht)

	2015		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	8,152,071	-	8,152,071
Doubtful	6,335	(6,335)	-
Total	8,158,406	(6,335)	8,152,071

9.3 As at 31 December 2016, guaranteed deposit receivables of approximately Baht 307 million represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed is approximately Baht 287 million (31 December 2015: Baht 381 million and Baht 346 million, respectively).

9.4 Allowance for doubtful accounts

(Unit: Thousand Baht)

	For the years ended 31 December	
	2016	2015
Balance - beginning of the year	6,335	6,335
Change during the year	-	-
Balance - end of the year	6,335	6,335

10. Investments

10.1 Classify by type of investments

(Unit: Baht)

	2016		2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Trading securities</u>				
Debt securities	-	-	55,780,586	55,967,588
Listed equity securities	68,399,250	68,612,500	94,474	91,601
Total	68,399,250	68,612,500	55,875,060	56,059,189
Add: Allowance for revaluation	213,250		184,129	
Net trading securities	68,612,500		56,059,189	
<u>Available-for-sale securities</u>				
Listed equity securities	30,210	-	30,210	-
Unit trusts	101,072,525	99,207,753	110,721,254	112,139,163
Total	101,102,735	99,207,753	110,751,464	112,139,163
Add (less) : Allowance for revaluation	(1,864,772)		1,417,909	
Less: Allowance for impairment	(30,210)		(30,210)	
Net available-for-sale securities	99,207,753		112,139,163	
<u>Held-to-maturity debt securities</u>				
Treasury bill	2,714,668,006		2,394,470,600	
Less: Investments for customer's accounts	(2,702,734,744)		(1,859,257,101)	
Net held-to-maturity debt securities	11,933,262		535,213,499	
<u>Other investments</u>				
Non-marketable equity securities	15,665,250		15,665,250	
Less: Allowance for impairment	(9,193,382)		(9,193,382)	
Net other investments	6,471,868		6,471,868	
Net investments	186,225,383		709,883,719	

10.2 Debt securities classified by remaining periods to maturity

As at 31 December 2016 and 2015, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

	2016			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Treasury bill	2,714,668,006	-	-	2,714,668,006
Less: Investments for customer's accounts	(2,702,734,744)	-	-	(2,702,734,744)
Total investments in held-to-maturity debt securities	11,933,262	-	-	11,933,262

(Unit: Baht)

	2015			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Treasury bill	2,394,470,600	-	-	2,394,470,600
Less: Investments for customer's accounts	(1,859,257,101)	-	-	(1,859,257,101)
Total investments in held-to-maturity debt securities	535,213,499	-	-	535,213,499

10.3 Other components of equity - revaluation surplus (deficit) on investments

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Balance - beginning of the year	1,134,327	2,136,045
Changes during the year from		
Revaluation	(3,124,889)	(1,267,830)
Disposal	(157,791)	15,683
Deferred income tax	656,536	250,429
Balance - end of the year	(1,491,817)	1,134,327

10.4 Gain on securities

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Realised gain (loss) on trading in securities		
Trading securities	52,140,538	61,115,795
Available-for-sale securities	157,791	(15,683)
Unrealised gain (loss) on trading securities	29,121	(429,739)
Total gain on securities	52,327,450	60,670,373

10.5 Interest and dividend income

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Interest income from debt securities	43,146,235	45,819,441
Dividend income from equity securities	7,094,220	4,591,295
Total interest and dividend income	50,240,455	50,410,736

11. Premises and equipment

(Unit: Baht)

	For the year ended 31 December 2016					Total
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	
Cost						
1 January 2016	22,704,701	244,038,739	142,462,531	48,285,980	735,851	458,227,802
Additions	-	44,603,337	3,752,334	-	24,719,159	73,074,830
Disposals/Write-off	-	(14,380,182)	(3,965,374)	(24,374,034)	-	(42,719,590)
Transfer in/out	-	2,457,014	22,997,996	-	(25,455,010)	-
31 December 2016	22,704,701	276,718,908	165,247,487	23,911,946	-	488,583,042
Accumulated depreciation						
1 January 2016	18,441,571	203,381,269	119,719,796	24,457,299	-	365,999,935
Depreciation for the year	-	22,595,314	8,854,631	2,902,388	-	34,352,333
Depreciation on disposals/write-off	-	(14,354,998)	(3,516,017)	(24,374,024)	-	(42,245,039)
31 December 2016	18,441,571	211,621,585	125,058,410	2,985,663	-	358,107,229
Net book value						
31 December 2016	4,263,130	65,097,323	40,189,077	20,926,283	-	130,475,813
Depreciation for the year ended 31 December 2016						<u>34,352,333</u>

(Unit: Baht)

For the year ended 31 December 2015

	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2015	22,704,701	216,679,591	134,443,541	24,374,034	-	398,201,867
Additions	-	27,359,148	5,181,802	23,911,946	7,172,231	63,625,127
Write-off	-	-	(3,599,192)	-	-	(3,599,192)
Transfer in/out	-	-	6,436,380	-	(6,436,380)	-
31 December 2015	22,704,701	244,038,739	142,462,531	48,285,980	735,851	458,227,802
Accumulated depreciation						
1 January 2015	18,441,571	185,008,821	110,789,242	20,519,344	-	334,758,978
Depreciation for the year	-	18,372,448	11,451,008	3,937,955	-	33,761,411
Depreciation on write-off	-	-	(2,520,454)	-	-	(2,520,454)
31 December 2015	18,441,571	203,381,269	119,719,796	24,457,299	-	365,999,935
Net book value						
31 December 2015	4,263,130	40,657,470	22,742,735	23,828,681	735,851	92,227,867
Depreciation for the year ended 31 December 2015						33,761,411

As at 31 December 2016, the Company premises and office equipment have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 304 million (31 December 2015: Baht 314 million).

12. Intangible assets

(Unit: Baht)

	Remaining amortisation period	For the year ended 31 December 2016				Balance end of the year
		Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	
Computer software	0 - 4.85 years	19,746,712	2,836,280	-	-	22,582,992
Software in progress		2,644,933	1,240,818	-	(1,328,654)	2,557,097
Total intangible assets		22,391,645	4,077,098	-	(1,328,654)	25,140,089
Less: Accumulated amortisation		(8,307,284)	-	(4,134,635)	-	(12,441,919)
Net intangible assets		14,084,361	4,077,098	(4,134,635)	(1,328,654)	12,698,110
Amortisation expenses for the year ended 31 December 2016						4,134,635

(Unit: Baht)

	Remaining amortisation period	For the year ended 31 December 2015				Balance end of the year
		Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	
Computer software	0.4 - 4.92 years	12,759,992	6,970,750	-	-	19,746,712
Software in progress		40,734	3,139,183	-	(534,984)	2,644,933
Total intangible assets		12,800,726	10,109,933	-	(534,984)	22,391,645
Less: Accumulated amortisation		(5,211,155)	-	(3,096,129)	-	(8,307,284)
Net intangible assets		7,605,541	10,109,933	(3,096,129)	(534,984)	14,084,361
Amortisation expenses for the year ended 31 December 2015						3,096,129

13. Deferred tax assets/liabilities and income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Current income tax:		
Current income tax charge for the year	102,557,714	104,182,641
Adjustment in respect of income tax of prior year	(20,785)	(291,554)
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,997,833)	(338,782)
Income tax expense reported in the statement of comprehensive income	98,539,096	103,552,305

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Deferred tax relating to gain (loss) on re-measuring available-for-sale investments	656,536	250,429
Deferred tax relating to actuarial loss	2,553,348	-
	3,209,884	250,429

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Accounting profit before tax	510,722,171	519,516,152
Applicable tax rates	20 percent	20 percent
Accounting profit before tax multiplied by applicable tax rates	102,144,434	103,903,230
Adjustment in respect of income tax of prior year	(20,785)	(291,554)
Effects of:		
Non-deductible expense	1,059,651	1,107,186
Non-taxable income	(1,591,029)	(1,125,187)
Additional expense deductions allowed	(3,053,175)	(41,370)
Total	(3,584,553)	(59,371)
Income tax expenses reported in the statement of comprehensive income	98,539,096	103,552,305

As of 31 December 2016 and 2015, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	2016	2015
Deferred tax assets		
Allowance for impairment of investments	1,844,719	1,844,719
Allowance for impairment of property foreclosed	5,570,240	5,570,240
Allowance for doubtful accounts/allowance for other receivables	1,321,959	1,324,759
Provisions for long-term employee benefits	18,413,628	14,411,940
Accrued employee expenses	33,939,907	34,997,508
Others	7,815,370	3,666,113
Total deferred tax assets	68,905,823	61,815,279
Deferred tax liabilities		
Others	(257,630)	(374,802)
Total deferred tax liabilities	(257,630)	(374,802)
Net deferred tax assets	68,648,193	61,440,477

14. Other assets

	(Unit: Baht)	
	2016	2015
Loans to employees	70,277,129	77,222,198
Contribution for Securities Clearing Fund	60,533,229	50,131,252
Prepaid expenses	21,097,990	28,646,809
Deposits	17,823,086	18,014,629
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	1,431,814	4,622,857
Deposit for derivative business	5,000,000	5,000,000
Fees and service income receivables	11,004,215	10,538,788
Others	5,452,294	6,367,098
Total other assets	207,619,757	215,543,631

15. Borrowings from financial institutions

As at 31 December 2016 and 2015, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

	(Unit: Thousand Baht)				
	2016				
Interest rate per annum (percent)	Remaining period to maturity			Total	
	At call	Less than 1 year	1 - 5 years		
Promissory notes	1.675 - 1.676	-	750,000	-	750,000
Borrowings					
Borrowings (THB)	2.41 - 3.08	-	700,000	600,000	1,300,000
Total borrowings from financial institutions		-	1,450,000	600,000	2,050,000

(Unit: Thousand Baht)

	2015				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Less than 1 year	1 - 5 years	
Promissory notes	1.93 - 2.23	-	1,000,000	-	1,000,000
Borrowings					
Borrowings (THB)	2.41 - 3.08	-	-	1,300,000	1,300,000
Total borrowings from financial institutions		-	1,000,000	1,300,000	2,300,000

As at 31 December 2016 and 2015, the above borrowings of Baht 1,300 million are borrowings from domestic bank and the Bangkok branch of the overseas banks, with maturities of 2-3 years counting from contract date. The interest is carried at fixed rates per annum, payable as specified in the loan agreements. The loan agreements contain conditions whereby the Company is obliged to pay unwinding fees arising as a result of the Company terminating the agreements or prepaying the borrowings before the maturity date, which is calculated based on the conditions as specified in the loan agreements.

16. Payables to Clearing House

	(Unit: Baht)	
	2016	2015
Payables to Clearing House		
Equity and debt securities	70,323,678	305,608,149
Derivatives	513,566	384,692
Total payables to Clearing House	70,837,244	305,992,841

17. Securities and derivatives business payables

	(Unit: Baht)	
	2016	2015
<u>Securities business payables</u>		
Cash accounts	1,723,064,392	896,755,323
Guarantee deposit payables	279,565,098	350,508,874
Payable under securities borrowing and lending business	286,731,826	345,991,348
Total securities business payables	2,289,361,316	1,593,255,545
Accrued interest payables	3,217,670	3,450,269
Total securities business payables	2,292,578,986	1,596,705,814
<u>Derivatives business payables</u>		
Derivatives business payables	1,647,037	19,780
Total derivatives business payables	1,647,037	19,780
Net securities and derivatives business payables	2,294,226,023	1,596,725,594

18. Borrowings

As at 31 December 2015, net of discount for borrowing of Baht 896 million, are unsecured borrowing from bill of exchange and carrying interest at 1.85 percent fixed rate per annum, payable at the maturity date 6 month.

19. Provisions for long-term employee benefits

Provisions for long-term employee benefits, which are compensations on employees' retirement, are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Provisions for long-term employee benefits at beginning of year	72,059,699	64,441,460
Included in profit or loss:		
Current service cost	5,989,128	5,306,102
Interest cost	2,368,926	2,509,215
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	(5,302,768)	-
Financial assumptions changes	19,620,895	-
Experience adjustments	(1,551,389)	-
Benefits paid during the year	(1,116,350)	(197,078)
Provisions for long-term employee benefits at end of year	92,068,141	72,059,699

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	2016	2015
Current service cost	5,989,128	5,306,102
Interest cost	2,368,926	2,509,215
Total expenses recognised in profit or loss	8,358,054	7,815,317

The Company has obligation relating to long-term employee benefits expected to be paid to its employees in the next one year amount of Baht 0.6 million.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employees benefit was 17 years.

Significant actuarial assumptions are summarised below:

	2016	2015
Discount rate	2.10 - 2.16 percent per annum	3.9 percent per annum
Salary increase rate	5 - 7 percent per annum	5 - 6 percent per annum
Average turnover rate	3 - 25 percent per annum based on employee's year of services	2.5 - 35 percent per annum based on employee's age

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	31 December 2016		31 December 2015	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(4.6)	5.0	(3.1)	3.3
Salary increase rate	4.6	(4.3)	3.9	(3.7)

(Unit: Million Baht)

	31 December 2016		31 December 2015	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Average turnover rate	(3.3)	3.6	(2.8)	3.1

20. Other liabilities

(Unit: Baht)

	2016	2015
Accrued employee expenses	171,777,398	177,053,477
Accrued interest expenses	12,845,874	16,484,110
Accrued expenses	49,629,035	37,244,526
Corporate income tax payable	69,559,737	59,475,812
Others	32,995,805	27,234,921
Total other liabilities	<u>336,807,849</u>	<u>317,492,846</u>

21. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2016, the Company allotted profit of Baht 20.7 million to the statutory reserve (31 December 2015: Baht 21.0 million).

22. Capital Management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

23. Brokerage fee income

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Brokerage fee from securities business	873,314,149	792,942,515
Brokerage fee from derivatives business	66,883,052	54,044,763
Brokerage fee from others business	135,519,590	30,221,405
Total brokerage fees income	<u>1,075,716,791</u>	<u>877,208,683</u>

24. Fees and service income

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Underwriting fee	34,295,817	39,432,783
Financial advisory	9,754,795	17,745,000
Securities borrowing and lending	25,765,376	21,032,723
Business support	53,482,409	87,866,927
Others	2,931,552	2,626,831
Total fees and service income	<u>126,229,949</u>	<u>168,704,264</u>

25. Directors' remuneration

Directors' remuneration represents the benefits paid to directors of the Company in accordance with Section 90 of the Public Limited Companies Act., exclusive of salaries, bonuses and related benefits paid to directors who hold executive positions.

26. 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 the employees at the rate of 5 - 15 percent of their basic salary and the Company at the rate of 5-10 percent of basic salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the fund rules.

The contributions for the year 2016 amounting to approximately Baht 26.2 million were recognised as expenses. (2015: Baht 25.6 million).

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

27. 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 outstanding during the year.

28. Dividends

During the years, the Company declared the following dividends for payment to shareholders:

	Approved by	Total dividend declaration	Dividend declaration per share
		(Million Baht)	(Baht)
Dividends from the operating results for the year ended 31 December 2015	The annual ordinary meeting of the Company's shareholders No. 1/2559 on 25 April 2016	387	0.18 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)
Dividends from the operating results for the year ended 31 December 2014	The annual ordinary meeting of the Company's shareholders No. 1/2558 on 29 April 2015	387	0.18 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)

29. Related party transactions

During the years, the Company had significant business transactions with the following related parties.

Related parties	Relationship
Nomura Holdings., Inc.	Ultimate parent company
Nomura Singapore Limited	Having common major shareholders
Nomura Securities Co., Ltd.	Having common major shareholders
Nomura International (Hong Kong) Limited	Having common major shareholders
Nomura International Plc.	Having common major shareholders
Instinet Pacific Limited	Having common major shareholders
United Information Highway Co., Ltd.	Having common director

Such transactions with its related companies were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business. The significant transactions are summarised below.

(Unit: Baht)

	For the years ended 31 December		Pricing policies
	2016	2015	(for the year 2016)
<u>Transactions occurred during the years</u>			
Brokerage fees income			
- Nomura Singapore Limited	161,045	631,121	At normal rate charged to other clients
- Nomura International Plc.	447,429	1,277,434	At normal rate charged to other clients
- Instinet Pacific Limited	69,910,984	35,248,966	At normal rate charged to other clients
- Director	-	501,320	At normal rate charged to other clients
Fees income from business support services			
- Nomura Singapore Limited	15,612,403	15,908,475	At actual costs plus a margin of 10 percent
Fees income from international investment banking services			
- Nomura Singapore Limited	17,860,000	22,250,000	At actual costs plus a margin of 10 percent
Fees income from introducing broker			
- Nomura Singapore Limited	2,478,854	865,586	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fee income from securities borrowing and lending			
- Nomura International Plc.	773,812	4,377,859	At normal rate charged to other clients
- Instinet Pacific Limited	143,265	59,434	At normal rate charged to other clients
Fees income from other services			
- Nomura Securities Co., Ltd.	6,414,400	5,425,400	At the contract rate determined by extent and amount of work assigned
- Nomura International (Hong Kong) Limited	1,460,631	3,787,956	At the contract rate determined by extent and amount of work assigned
Fees income from securities trading and research			
- Nomura Singapore Limited	12,134,976	40,495,097	At actual costs plus a margin of 10 percent net with the brokerage commission received

(Unit: Baht)

	For the years ended 31 December		Pricing policies
	2016	2015	(for the year 2016)
<u>Transactions occurred during the year</u>			
(continued)			
Other income			
- Nomura International (Hong Kong) Limited	145,671		- Base on the scope and volume of work assigned
- Nomura Singapore Limited	43,367		- Base on the scope and volume of work assigned
Fee expenses from Hi-speed circuit service			
- United Information Highway Co., Ltd.	2,271,263	1,971,614	At the same rate charged to other clients without dependent interest
Brokerage fees expense from foreign securities trading			
- Nomura Singapore Limited	35,524	72,520	Calculated base on trade volume and at the referential rate charged by others without dependent interest
Referral Fees			
- Nomura International (Hong Kong) Limited	368,034		- Calculated base on the proportionate rate of underwriting fees received from clients which was the same rate paid to others non related parties
- Nomura Securities Co., Ltd.	736,069		- Calculated base on the proportionate rate of underwriting fees received from clients which was the same rate paid to others non related parties
Funding cost from trading fixed income in foreign currency			
- Nomura Singapore Limited	-	86,837	At normal rate charged to other clients
Interest income from loans to employees			
- Director	8,975	14,044	At the same rate charged to other Company's staffs

As at 31 December 2016 and 2015, the outstanding balances of the related party transactions are as follows:

	(Unit: Baht)	
	2016	2015
Securities business receivables		
- Nomura International Plc.	-	3,718,000
- Instinet Pacific Limited	285,380,657	9,309,650
Other assets - accrued income receivables		
- Nomura International (Hong Kong) Limited	69,874	-
- Nomura Singapore Limited	3,511,542	8,022,875
- Director	-	536,412
Other assets - loans to employees		
- Director	436,697	739,599
Other assets - Securities borrowing and Lending receivables		
- Nomura International Plc.	18,216	382,196
- Instinet Pacific Limited	21,430	6,976
Other assets - others		
- Nomura Holdings, INC.	-	172,594
- Instinet Pacific Limited	74,472	49,648
- Nomura Singapore Limited	818,172	847,167
- Nomura Securities Co., Ltd.	592,709	46,262
Securities business payables		
- Instinet Pacific Limited	194,285,031	77,765,896
- Nomura International Plc.	-	4,200,299
Other liabilities		
- United Information Highway Co., Ltd.	-	215,222

Management's remuneration

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Short-term employee benefits	94,157,988	98,220,543
Post-employment benefits	5,275,584	5,455,956
	<u>99,433,572</u>	<u>103,676,499</u>

30. Operating information by segment

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 Company is organised into business units based on its products and services and have four reportable segments as follows:

- Securities business segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Fixed Income segment, which provide service according to trading debt securities.
- Other segments, which provide support services and operating management.

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 profit or loss and total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Below is the financial information as at 31 December 2016 and 2015, and for the years ended 31 December 2016 and 2015 of the Company by segment.

(Unit: Million Baht)

	For the years ended 31 December									
	Securities and derivatives brokerage segment		Investments banking segment		Fixed income segment		Other segments		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Total revenue	1,112	937	70	90	64	85	20	19	1,266	1,131
Segment operating profit	392	315	18	23	32	47	6	7	448	392
Unallocated income(expenses)										
Gain on investments/ derivatives/exchange rate									3	13
Interest and dividend income									60	66
Interest on margin loans									356	488
Other income									12	5
Financial costs									(87)	(157)
Operating expenses									(281)	(287)
Income tax									(99)	(104)
Profit for the year									412	416

(Unit: Million Baht)

	As at 31 December									
	Securities and derivatives brokerage segment		Investments banking segment		Fixed income segment		Other segments		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Premises and equipment - net									130	92
Unallocated assets									10,199	10,869
Total assets									10,329	10,961

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the years 2016 and 2015, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

31. Commitments and contingent liabilities

As at 31 December 2016 and 2015, the Company has the following outstanding commitments and contingent liabilities.

31.1 The Company has the following outstanding commitments under the lease agreements for its office building and motor vehicles, under which the Company is to pay rental and service fees in the future, counting from the year end date, as follows.

	(Unit: Million Baht)	
	2016	2015
Within 1 year	54	51
In 1-2 years	26	39
Over 2 years	20	14

31.2 The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.

31.3 The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.

31.4 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses at the rate of 0.001 percent of its trading volume in the Stock Exchange of Thailand. For commission received from securities trading, underwriting and others which the Company has licenses, the fee is charged at the rate of 1 percent of income from the aforesaid activities. For securities trading of funds, the fee is charged at the rate of 0.001 percent of sale volume of funds. The minimum total fee is Baht 100,000 per annum and the maximum total fee is Baht 10,000,000 per annum.

31.5 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to derivatives business licenses at the rate of Baht 0.10 per contract and Baht 0.01 per contract for single stock futures with underlying price not over Baht 100. The minimum total fee is Baht 100,000 per annum and the maximum total fee is Baht 1,000,000 per annum.

31.6 As at 31 December 2016, there has been a criminal lawsuit brought by an individual against the Company accusing the Company for fraud and violation of the Securities and Exchange Act B.E. 2535, without any claim for civil compensation. The case is still pending trial in the court of first instance. Therefore, the Company has not yet set aside any provision for loss in the accounts.

32. Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

32.1 Risk management policy

The Company's financial instruments as stated in the statements of financial position principally comprise cash and cash equivalents, deposits at financial institutions, receivables/payables from clearing house, securities and derivatives business receivables/payables, investments, loans to employees, borrowings from financial institutions and other borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

32.2 Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. 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 base. The maximum exposure to credit risk is limited to the carrying amounts of receivable from Clearing House, securities and derivatives business receivables and loans to employees as stated in the statements of financial position.

32.3 Interest rate risk

Interest rate risk refers to the risk that the value of financial asset and financial liabilities may change from the market interest rate. However, since most of the Company's financial assets and liabilities will mature in 1 year or has floating interest rate, the Company's interest rate risk is expected to be low.

As at 31 December 2016 and 2015 significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

2016

Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Interest rate	
		Within 1 year				Floating interest rate	Fixed interest rate
		1 - 5 years					
Financial assets							
Cash and cash equivalents	434	-	-	4	438	0.05 - 1.00	-
Deposits at financial institutions	-	2	-	-	2	-	1.38
Receivable from Clearing House	-	-	-	468	468	-	-
Securities and derivatives business receivables	6,950	287	-	1,554	8,791	5.19	3.50
Investments	-	12	-	174	186	-	1.42 - 1.52
Loans to employees	70	-	-	-	70	1.50	-
Financial liabilities							
Borrowings from financial institutions	-	1,450	600	-	2,050	-	1.675 - 3.08
Payables to Clearing House	-	-	-	71	71	-	-
Securities and derivatives business payables	-	287	-	2,002	2,289	-	2.50

(Unit: Million Baht)

2015

Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Interest rate	
		Within 1 year				Floating interest rate	Fixed interest rate
		1 - 5 years					
Financial assets							
Cash and cash equivalents	1,195	250	-	18	1,463	0.05 - 1.45	1.00
Receivable from Clearing House	-	-	-	252	252	-	-
Securities and derivatives business receivables	6,622	346	-	1,157	8,125	5.38	3.50
Investments	-	537	54	119	710	-	1.42 - 6.50
Loans to employees	77	-	-	-	77	1.50	-
Financial liabilities							
Borrowings from financial institutions	-	1,000	1,300	-	2,300	-	1.93 - 3.08
Payables to Clearing House	-	-	-	306	306	-	-
Securities and derivatives business payables	-	346	-	1,247	1,593	-	2.50
Borrowings	-	896	-	-	896	-	1.85

32.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

Counting from the reporting date, as at 31 December 2016 and 2015, the periods to the maturity dates of financial instruments are as follows.

(Unit: Million Baht)

	2016					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	438	-	-	-	-	438
Deposits at financial institutions	-	2	-	-	-	2
Receivable from Clearing House	-	468	-	-	-	468
Securities and derivatives business						
receivables - net	593	121	-	-	6,951	8,155
Investments - net	168	12	-	-	6	186
Loans to employees	-	-	11	59	-	70
Financial liabilities						
Borrowings from financial institutions	-	140	600	-	-	740
Payables to Clearing House	-	71	-	-	-	71
Securities and derivatives business						
payables - net	566	128	-	-	-	694

(Unit: Million Baht)

	2015					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	1,463	-	-	-	-	1,463
Receivable from Clearing House	-	252	-	-	-	252
Securities and derivatives business						
receivables - net	727	803	-	-	6,622	8,152
Investments - net	112	591	-	-	7	710
Loans to employees	-	-	8	69	-	77
Financial liabilities						
Borrowings from financial institutions	-	100	1,300	-	-	1,400
Payables to Clearing House	-	306	-	-	-	306
Securities and derivatives business						
payables - net	697	900	-	-	-	1,597
Borrowings	-	896	-	-	-	896

32.5 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

As at 31 December 2016 and 2015, the Company has no liabilities in foreign currency.

32.6 Equity position risk

The Company is exposed to equity position risk, due to the Company has investment in listed securities which will result in fluctuations in revenue or the value of financial assets.

33. Fair value

As of 31 December 2016 and 2015, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Equity instruments	68,613	-	-	68,613
Available-for-sale investments				
Unit trusts	-	99,208	-	99,208
				(Unit: Thousand Baht)
	2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Debt instruments	-	56,059	-	56,059
Available-for-sale investments				
Unit trusts	-	112,139	-	112,139

As at 31 December 2016 and 2015, the Company had the financial assets and financial liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	2016				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets for which fair value are disclosed					
Cash and cash equivalents	438	438	438	-	-
Deposits at financial institutions	2	2	2	-	-
Receivable from Clearing House	468	468	-	468	-
Securities and derivatives business receivables - net	8,815	8,815	-	8,815	-
Investments	18	18	-	11	7
Loans to employees	70	55	-	-	55
Financial liabilities for which fair value are disclosed					
Borrowings from financial institutions	2,050	2,050	-	2,050	-
Payables to Clearing House	71	71	-	71	-
Securities and derivatives business payables - net	2,294	2,294	-	2,294	-

(Unit: Million Baht)

	2015				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets for which fair value are disclosed					
Cash and cash equivalents	1,463	1,463	1,463	-	-
Receivable from Clearing House	252	252	-	252	-
Securities and derivatives business receivables - net	8,152	8,152	-	8,152	-
Investments	542	542	-	535	7
Loans to employees	77	58	-	-	58
Financial liabilities for which fair value are disclosed					
Borrowings from financial institutions	2,300	2,300	-	2,300	-
Payables to Clearing House	306	306	-	306	-
Securities and derivatives business payables - net	1,597	1,597	-	1,597	-
Borrowings	896	896	-	896	-

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follow:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, Deposits at financial institutions, Receivable from Clearing House, Securities and derivatives business receivables - net, Payables to Clearing House and Securities and derivatives business payables - net, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments, their fair value is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available. The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of unit trusts has been determined by using the net asset value per share as announced by the fund managers. For investment in non-marketable equity securities, their fair value is based on their net book value.
- d) For loans to employees, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For Borrowings from financial institutions and Borrowings carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

34. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 22 February 2017.