

ANNUAL REPORT

2021



DATA INTELLIGENCE



PRODUCT INNOVATION



SERVICE EXCELLENCE



BUILDING RESILIENCE



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About ThaiBMA

About ThaiBMA

The Thai Bond Market Association (ThaiBMA) is a securities business related association under the Securities and Exchange Commission Act B.E. 2535 (SEC Act). Its main purposes are to be a self regulatory organization (SRO) for a fair and efficient operation of the bond market and to be an information center for the Thai bond market. It also plays functional roles on market development, market convention and standards and being bond pricing agency for the industry. In addition, ThaiBMA provides a forum through which industry professionals can discuss and respond to current issues and play a role in shaping the future of the Thai bond market.

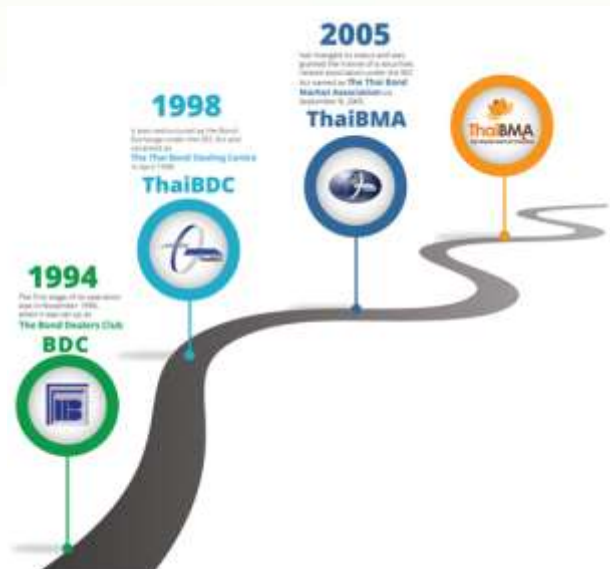
Background

Although ThaiBMA was registered as a securities business related association with the SEC in September 2005, its origin dated back to 1994. In November 1994, the Bond Dealers Club (BDC) was formed under the structure of the Association of Securities Companies (ASCO). Main role of the BDC then was a facilitator of infrastructure for bond trading by introducing an electronic bond trading system, called "Bondnet", the first bond trading platform in the history of the Thai bond market.

After 3 years of its operation, BDC changed its legal status to be in line with its membership structure and to support a more expansive bond market. So, it was restructured as the Bond Exchange under the SEC Act and renamed "The Thai Bond Dealing Centre" (Thai BDC) in April 1998. The primary roles of the Thai BDC were to facilitate the operation of the secondary market for bond trading and perform active roles in many areas with regards to bond market development. One of its missions was to move forward towards being efficient self-regulatory organization (SRO) to oversee the orderly function of the bond market.

ThaiBDC continuously expanded its functions and played active roles in various areas of bond market development. In December 2004, Bond Market Development Committee chaired by the Minister of Finance initiated bond market reform in Thailand. One of the measures was to centralize securities trading platform by migrating electronic trading platform owned by ThaiBDC to the Stock Exchange of Thailand (SET) while ThaiBDC would expand its full functions as the SRO and information center for Thai bond market.

To reiterate its focus on SRO and information center function, ThaiBDC, with the support from the SEC, was granted the license of a securities related association under the SEC Act and was renamed "The Thai Bond Market Association" (ThaiBMA) on September 8th, 2005.



| Roles and Functions of ThaiBMA



1

Self-Regulatory Organization (SRO)

ThaiBMA oversees and monitors the conduct of its members in order to ensure fairness and efficiency in debt securities trading industry. It is committed to retaining the confidence of its members, regulators and investors. SRO tasks comprise the following:

- ◆ Act as the front-line regulator to detect any fraud or unfair trading practices by performing intraday market monitoring and post-trade surveillance.
- ◆ Executing onsite and offsite inspection to ensure that members comply with relevant laws and regulations.
- ◆ Issuing rules and guidelines regarding debt securities trading and good market practice.
- ◆ Responsible for bond trader examination and registration and provide traders with ongoing education to enhance their professionalism.
- ◆ Implement disciplinary actions and enforcement procedures.



Roles and Functions of ThaiBMA

2 Bond Information

Mandated as the sole information center for the Thai bond market, ThaiBMA collects, integrates and processes the data from both the primary and secondary bond markets. It also develops financial tools and information essential for the bond market and disseminates those information through its website www.thaibma.or.th, and www.ibond.thaibma.or.th. Examples are;

Yield curve: ThaiBMA publishes various types of government bond yield curves and corporate yield curve on a daily basis.

Bond information: ThaiBMA provides trading data, bond features, reference yields and relevant market news and regulatory updates.

Financial data: ThaiBMA develops a wide range of financial and quantitative tools such as Bond indices, Zero coupon yield curve, credit spread curve, key rate duration, bond portfolio analysis, Value-at-Risk (VaR) to be used for bond investment and portfolio management.

3 Association

As an association of members, ThaiBMA represents collective voices of members and promote dialogues among market participants to address issues affecting the bond market. ThaiBMA works actively with bond market stakeholders on a comprehensive range of market practices and convention to create and/ or enhance standards within the marketplace. Examples of standard issued by ThaiBMA are bond symbols and standard formula for price/ yield calculation which have become common standard in the market and for various types of bonds.

4 Pricing Agency

In the role of “Bond Pricing Agency”, ThaiBMA provides daily mark-to-market prices for investors. For actively-traded bonds, the mark-to-market prices are based on trading and quotation information. For illiquid debts securities and structured bonds, ThaiBMA develops model yield to be used as fair prices and references for investors.

5 Market Development and Education

ThaiBMA is committed to enhancing market development and market education. It advocates for efficient bond market and initiates a number of studies to the benefits of the whole industry. To expand investor understanding of the bond market, ThaiBMA provides extensive seminars and training programs for market participants and the general public. It also produces a comprehensive range of publications for the benefits of those involved in the bond market.

ThaiBMA's BOARD OF DIRECTORS 2021

	Name	Position	Organization
1.	Mr. Sommai Phasee	Chairman of the Board	The Thai Bond Market Association
2.	Miss Wattana Tiranuchit	Vice Chairman of the Board	The Thai Bond Market Association
3.	Mrs. Pattera Dilokrunthirapop	Vice Chairman of the Board, Chief Executive Officer	DBS Vickers Securities (Thailand) Company Limited
4.	Miss Narumon Chivangkur	Managing Director, Thailand Head of Global Markets and Securities Service	CITIBANK, N.A.
5.	Mr. Sukkawat Prasurtying	Chief Executive Officer	AIA Investment Management (Thailand) Limited
6.	Mr. Apichart Tungkiatsilp	Managing Director of Fixed Income Department	KGI Securities (Thailand) Public Company Limited
7.	Mr. Thitawat Asaves	Executive Vice President	Bank of Ayudhya Public Company Limited
8.	Mr. Rawin Boonyanusasna	Senior Executive Vice President, Managing Director Global Markets Group	Krungthai Bank Public Company Limited
9.	Dr. Bhume Bhumiratana	Cybersecurity product policy manager	Facebook Incorporated
10.	Mr. Tanik Tarawisid	Executive Vice President, Head of Capital Markets Function	Siam Commercial Bank Public Company Limited
11.	Mr. Tada Phutthitada	President	The Thai Bond Market Association

Advisors to the Board of Directors

1.	Ms. Daranee Saeju	Senior Director, Financial Markets Department	Bank of Thailand
2.	Ms. Chanunporn Phisitvanich	Senior Expert on Bond Market Development, Bond Market Development Bureau	Public Debt Management Office, Ministry of Finance

ThaiBMA Members

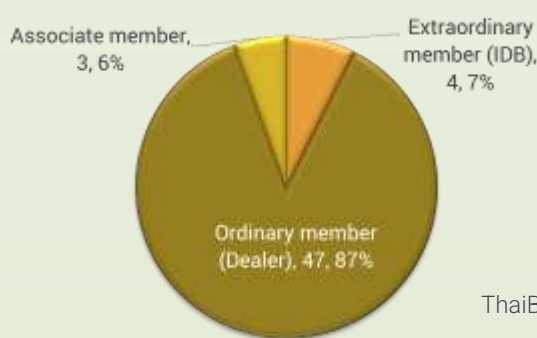
Pursuant to the regulation of the SEC, a financial institution having debt securities dealing license is required to be a member of ThaiBMA. Membership of ThaiBMA is divided into 3 categories:

Ordinary Member is a financial institution having debt securities dealing license (dealer).

Extraordinary Member is a securities company that has inter-dealer brokerage license (IDB).

Associate Member is a financial institution that has debt securities dealing license but remain to have average monthly trading value in the past one year less than 100 million baht.

As of 31 December 2021, membership of ThaiBMA consists of 54 financial institutions, including banks and securities firms.





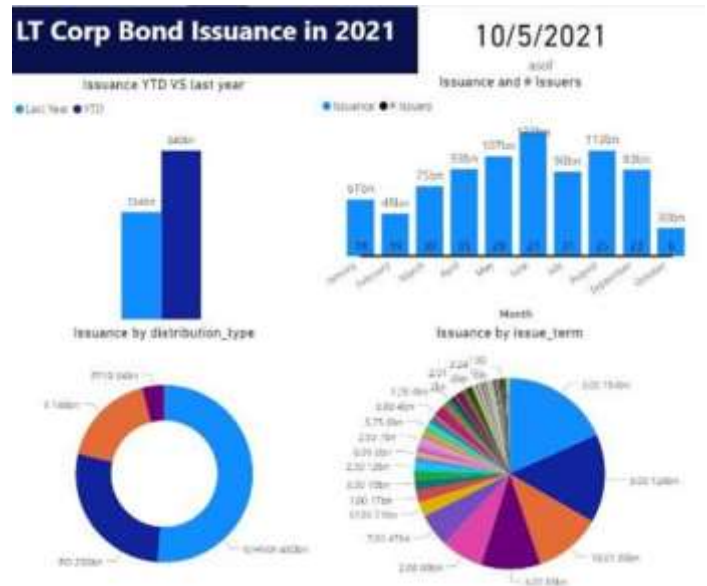
ThaiBMA's Highlights of Activities 2021

- Data Intelligence
- Product Innovation
- Service Excellence
- Building Resilience

Data Intelligence

1.1 Big data analytics

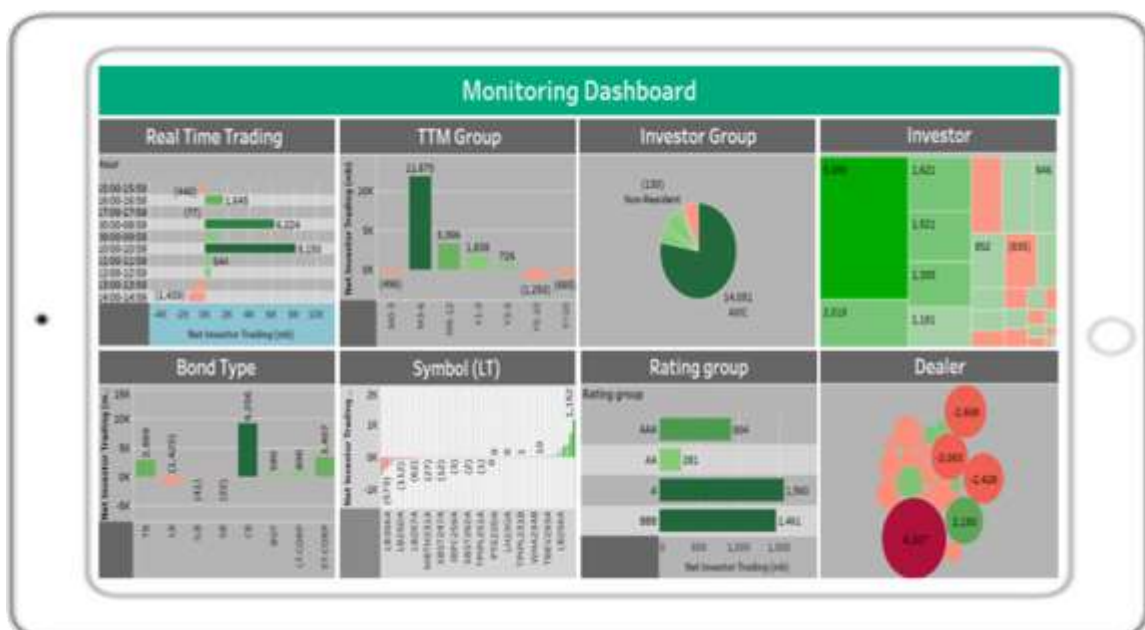
ThaiBMA has established a central bond database by integrating massive amounts of data from multiple sources, including primary and secondary market data, as well as issuer financial data in order to analyze, monitor, and process data quickly and efficiently.



1.2 Surveillance dashboard anywhere & trade investigation

To strengthen the secondary bond market's integrity, and fairness, ThaiBMA has developed a "surveillance dashboard anywhere" to help examine real-time bond trading activity so that suspicious fraudulent transactions could be discovered promptly.

The surveillance dashboard anywhere provides the surveillance team a secured access through mobile and web services into secondary market data. It integrates and displays up to eight views of real-time bond trading activity including trading by dealers, by investor types, by bonds and by time to maturity. It can also provide interactive results across all views. Therefore, trade surveillance and investigations can be enhanced and conducted in a timely manner at any time and in any location.



Product Innovation

2.1 Implied credit rating

Although a credit rating is an assessment of a credit risk of a bond issuer, it sometimes is not able to keep up with market fluctuations. ThaiBMA, therefore, has developed implied internal scoring system that cover both rated and non-rated corporate bonds in order to reflect market movement as quickly as possible.

The implied rating system was created to evaluate credit rating as a point-in-time. The real-time market data movement and fundamental data were analyzed and employed in the system. The dashboard, or data visualization, in Power BI program was designed to present the results and make them easy to monitor. The system was deployed in the fourth quarter of 2021.



2.2 Life path bond and credit assessment II

Life path bond

The life path bond project was created to track bonds' activities starting from issuance until maturity with the objective to enhance accuracy of the pricing model. For instance, credit spread of each bond would be extracted and compared to the credit spread curve when pricing bonds at the issue date. Survey data would also be incorporated in a model to determine a reliable outcome when bonds were downgraded. Moreover, this approach can help in a pricing model in the case of a restructured or defaulted bond.

Product Innovation

Credit assessment II

Phase II of the credit assessment initiative is continued from the previous year as one of the key components of ThaiBMA's bond pricing model. Using various business and financial data, ThaiBMA has applied the Machine Learning (ML) approach to determine credit risks of corporate bond issuers. Credit assessment for short-term bonds, which are considered having unique characteristics, is further explored in this project. Different methodologies have been applied, and ML has been used for logical test. Bond pricing is expected to better reflect market movement using these approaches.



2.3 Bond trader E-testing system

The Covid-19 pandemic has highlighted the necessity of online procedures including E-testing for bond traders. According to the SEC's regulation, an individual needs to pass an examination administered by ThaiBMA to qualify as a bond trader. Therefore, ThaiBMA has developed bond trader e-testing system to facilitate those candidates wishing to take the exam while all exam centers remain closed during the pandemic. The E-testing system enables examinees to take exam from home and know the test results immediately.

To ensure standards and reliability of the exam, ThaiBMA has set rules and requirements for the examinee to comply with. ThaiBMA is also responsible for administering the exam, managing exam database, and reviewing exam results to assure the quality of Bond Trader E-testing system.

กำหนดการจัดสอบ Bond Trader (online)

ผู้ค้าตราสารหนี้ขั้นทะเบียน (Bond Trader) รอบที่ 3

เปิดรับสมัครสอบ: 27 ก.ย. - 29 ต.ค. 2564 | วันสอบ online: เสาร์ที่ 20 พ.ย. 2564

ผู้ค้าตราสารหนี้ขั้นทะเบียน (Bond Trader) รอบที่ 4

เปิดรับสมัครสอบ: 27 ก.ย. - 26 พ.ย. 2564 | วันสอบ online: พุธที่ 9 ธ.ค. 2564

สอบถามข้อมูลเพิ่มเติม: 0-2257-0357 ต่อ 555, 553, 552, 551, 550 (วันจันทร์ - วันศุกร์ เวลา 08.30 - 17.00 น.) | Email: regulation@thaibma.or.th

Service Excellence

3.1 Develop market convention

ThaiBMA has revisited market conventions and issued guidelines to provide clarification on the interest calculation and payment date, including the determination of the interest payment and principal payment date, as well as method for computing the interest on debt instruments in case where the special holidays are announced, and the payment date falls on February 29 on a leap year.

ThaiBMA has also established the coupon payment standards for the new corporate floating-rate bond using Thai Overnight Repurchase Rate (THOR) as reference rate, as well as defined corporate THOR bond convention. As the term interest rate for THOR bond is derived from compounding daily THOR for the entire interest period, the interest rate is only known on the last day of interest period. Hence, the convention suggested 5-day backward shift observation period as calculation convention to calculate compounded THOR. This calculation convention enables the book closing date (X1 date) to be fixed and the interest rate to be determined 5 business days prior to the payment date. ThaiBMA has published the information on ThaiBMA's website since the second quarter of 2021.

In addition, a bond registration and bond pricing system have been developed to support the more complex new types of bonds such as THOR and Digital bonds.

การจ่ายดอกเบี้ยตราสารหนี้ที่อ้างอิง Corporate THOR จ่ายดอกเบี้ยยังไง?

5 DAYS BACKWARD SHIFT

THOR เป็นอัตราดอกเบี้ยระยะสั้นที่ค่อนข้างผันผวน จึงจะคำนวณดอกเบี้ยได้ ต้องนำอัตราดอกเบี้ยมาเฉลี่ยย้อนหลัง 5 วันทำการ ก่อนนำค่าเฉลี่ยมาคำนวณดอกเบี้ย เรียกว่า **Compounded THOR** และจะนำไปใช้เป็นตัวอ้างอิงดอกเบี้ยในงวดนั้นๆ

นักลงทุนจะทราบล่วงหน้าว่าจะได้รับดอกเบี้ยในงวดที่จะถึง คือ 5 วันทำการก่อนวันจ่ายดอกเบี้ยจริง และเป็นวันเดียวกันวันปิดบัญชีบัญชีเงิน เพื่อปิดรายชื่อบุคคลที่ได้รับดอกเบี้ยในงวดนั้นๆ ให้สอดคล้องกับการคำนวณอัตราดอกเบี้ยด้วยนำไปใช้เป็นตัวอ้างอิงดอกเบี้ยในงวดนั้นๆ

การนับวันในงวดดอกเบี้ยจะไม่นับวันเพิ่มหากวันจ่ายดอกเบี้ยตกวันหยุดแล้ว เรือบจ่ายดอกเบี้ยไปวันทำการถัดไป ยกเว้นในงวดสุดท้าย ถ้าตกวันหยุดเลื่อนจ่ายไปวันทำการถัดไป และจะคำนวณวันเพิ่มได้

www.thaibma.or.th www.facebook.com/thaibma

Service Excellence

3.2 Provide ESG bond information

ThaiBMA has fine-tuned the ESG bond information platform on ThaiBMA's website by adding the list of sustainability-linked bond issues, key features, referenced standard, and external review reports. This platform serves as a one-stop information platform to facilitate investors' access to the comprehensive information on green, social, sustainability and sustainability-linked bonds.

As part of the latest update, the ESG platform also incorporated both regional and international standards and guidelines governing the issuance and offering of the ESG bonds, for instance, ASEAN's Green and Social and Sustainability Bond Standards, ICMA's Green and Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principle, as well as the Thai translation of the detailed guidance of issuing green bonds which were prepared by Asian Development Bank (ADB) in collaboration with the Securities and Exchange Commission (SEC) and ThaiBMA.



ThaiBMA

PRODUCTS & SERVICES - MARKET DATA - BOND INFO - RULES / REGULATIONS - ABOUT US - NEWS -

Home

Issuers / Bond Info

Registered Bond

Green, Social & Sustainability Bond

Service Manager / Portfolio

Bonds (0-2027-2037 and 2038-2051)

Issuer

Registered Bond

Registered Bond

Bond Information

New Registered Bond

Bond Switching

Inflation-Linked Bond

Green, Social & Sustainability Bond

Prospectus

Auction & Result

Corporate Calendar

Event Sign Bond

Green, Social, Sustainability Bond & Sustainability-linked Bond

Green Bond

Social Bond

Sustainability Bond

Sustainability-linked Bond

Principles / Guidelines / Standards

Green bonds are broadly defined as debt securities where the proceeds are used exclusively for new or existing projects with climate and environmental benefits based on specified issuance principles or guidelines.

Registered Bond with ThaiBMA

Non-Registered Bond with ThaiBMA

Export to Excel

Issuer Name	ThaiBMA Symbol	Issue Date	Maturity Date	TTM (%)	Cost (%)	Rating	Outstand... (Bt.)	Cur...	Bonds
State Own Enterprise (Non-Guaranteed)									
BANK FOR AGRICULTURE AND AGRICULTURAL COOPERATIVES	BAAC250A PF10	19-Aug-2020	19-Aug-2025	3.74	1.76	AAA/THAIPL (Thailand)	4,500.00	THB	ASEAN-GES, P
BANK FOR AGRICULTURE AND AGRICULTURAL COOPERATIVES	BAAC360A PF10	10-Aug-2020	10-Aug-2030	8.75	2.76	AAA/THAIPL (Thailand)	1,500.00	THB	ASEAN-GES, P
Long-term Corporate Bonds									
BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	BTS0250A EBNW	24-May-2019	24-May-2022	0.50	2.63	A/THS	1,500.00	THB	CES, ASEAN-GES
BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	BTS0250A EBNW	24-May-2019	24-May-2024	2.50	3.15	A/THS	3,000.00	THB	CES, ASEAN-GES
BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	BTS0250A EBNW	24-May-2019	24-May-2026	4.50	3.37	A/THS	2,750.00	THB	CES, ASEAN-GES
BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	BTS0250A EBNW	24-May-2019	24-May-2029	7.51	3.66	A/THS	8,000.00	THB	CES, ASEAN-GES

Service Excellence

3.3 PDPA & regulations

Guideline and practice:

ThaiBMA oversees and monitors the conduct of its members in order to ensure fairness and efficiency in debt securities trading industry. It serves as a self-regulatory organization (SRO) by issuing rules and guidelines on debt securities trading and good market practice. The rules and guidelines which were published on the ThaiBMA's website in 2021 are as follows:

- Establish frequently asked question (FAQ) to assist dealer members and bond market participants in understanding how to perform and comply with ThaiBMA's regulation. The FAQ covers the code of conduct and reporting of debt instrument trading.
- The Guideline for using bonds as collateral in securities margin loans and its enforcement procedures was published in collaboration with the Association of Securities Companies (ASCO).

Privacy policy and procedure:

ThaiBMA published a privacy policy on ThaiBMA's privacy center website and implemented procedures to handle personal data breach in order to ensure compliance with the Personal Data Protection Act B.E. 2562 (PDPA) and to strengthen stakeholders' confidence in the protection of personal information, and the safekeeping of confidential information.

Furthermore, to ensure that all stakeholders would be well-informed about the processing of personal data, ThaiBMA provided the stakeholders with the privacy notice setting out the information regarding the personal data collected, purposes for processing personal data, as well as other PDPA's required information, prior to the collection of their personal data.

Privacy Center



PRIVACY CENTER
การคุ้มครองข้อมูลส่วนบุคคล

เอกสารการแจ้งข้อมูลการประมวลผลข้อมูลส่วนบุคคล (Privacy Notice)
รายละเอียดเกี่ยวกับการจัดการและการประมวลผลข้อมูลส่วนบุคคลที่ดำเนินการโดยสมาคมตลาดตราสารหนี้ไทย และสิทธิของเจ้าของข้อมูลส่วนบุคคล
[click](#)

การใช้สิทธิของเจ้าของข้อมูลส่วนบุคคล
แบบฟอร์มใช้สิทธิต่างๆ ของเจ้าของข้อมูลส่วนบุคคลตามกฎหมายว่าด้วยการคุ้มครองข้อมูลส่วนบุคคล
การยกเลิกแบบฟอร์มนี้หากต้องการลบข้อมูลและคืนสิทธิ์ให้สมาคม Email: Oig@thaibma.or.th
[click](#)

Service Excellence

3.4 Association activities

Throughout the year 2021, ThaiBMA organized activities that brought bond market stakeholders together, giving opportunities for networking among all participants. Key activities organized in 2021 include:

Press conference: ThaiBMA organized press conferences on a quarterly basis to communicate and distribute Thai bond market information to the press and media.



Cooperation between FETCO and ThaiBMA: ThaiBMA, in cooperation with FETCO, published Interest Rate Expectation Index based on survey from fund managers and bond dealers about their views on interest rates and government bond yields.



Best Bond Awards 2020: Best Bond Awards was first organized in 2002 to promote professional standards and reward excellent conducts in the Thai bond market. This event has become one of the most influential awards for bond market professionals. In 2021, the award ceremony was held on April 1, 2021, at Waldorf Astoria hotel.



Service Excellence

CSR activities: To alleviate the impact of Covid-19, ThaiBMA donated 2.52 million baht to Thammasat University field hospital to fund the procurement of high flow oxygen device for critical Covid-19 patients. A total of 2,000 Antigen Test Kits (ATK), with a total value of 480,000 baht, were also given to Khlong Toei Community and the Southern Border Peace Group (Luk Rieng).



Scholarships: ThaiBMA granted scholarships to students in 8 provincial universities that had signed MoU with ThaiBMA, i.e., Khon Kaen University, Prince of Songkla University, Ubon Ratchathani University, Chiang Mai University, Burapha University, Kasetsart University Chalemphrakiat Sakon Nakhon province campus, Maejo University and Naresuan University.



Service Excellence

Market Dialogues and Knowledge Sharing:

ThaiBMA serves as an industry association to promote fair and efficient bond market. We represented dealer members and bond market stakeholders and organized a forum for policy discussions concerning market development as follows:

1. Bond knowledge booth: On February 2, 2021, Together with SET and SEC, ThaiBMA set up a booth to disseminate knowledge and enhance public understanding about the Thai bond market at the 23rd Senate Meeting (Second Annual General Session) at the Parliament Building, Samsen Road.



2. The amendment to the civil and Commercial Code on the interest rate and default interest rate: on February 23, 2021, ThaiBMA organized the meeting with the Bank of Thailand (BOT) to discuss on the amendment that will have an effect on the corporate bond market. According to the amendment, the interest rate on monetary debt, which is not specified by an agreement or a provision of law, shall be reduced from 7.5% per annum to 3% per annum and the default interest rate shall be reduced from 7.5% per annum to 3% plus the add-on rate at 2% per annum. Consequently, in the corporate bond market, if the default interest rate is not specified in the bond's terms and conditions, the determined rate will be applied pursuant to the amendment.

3. Focus group with Asian Development Bank (ADB): The focus group was held on May 10, 2021, to discuss about the use of local currency collateral for cross-border financial transactions.

4. Registration of debt instruments issued abroad: on July 19, 2021, ThaiBMA organized the meeting with Bangkok Bank Public Company Limited (BBL), Kasikornbank Public Company Limited (KBANK), and Allen & Overy (Thailand) Co., Ltd. (A&O) to discuss the possibility of registering debt instruments that were issued abroad.

5. ESG meeting with International Capital Market Association (ICMA): On October 12, 2021, ThaiBMA organized a meeting with ICMA to discuss about ESG development in Thai bond market.

Service Excellence

3.5 Professional trainings courses

ThaiBMA organized a series of professional training courses to strengthen competency and professionalism of personnel involved in the bond market. Due to the prolonged COVID-19 pandemic, ThaiBMA continued to organize regular professional courses via remote classroom as usual.



Bond Market Analysis II
8 October 2020
Remote Classroom

SCHEDULE
13.00 – 15.10
Bond Investment Strategies
Futapon Wittayapornthong
ICR Asset Management Co., Ltd.

15.20 – 16.50
The Art of Yield Curve Modeling
Thanawat Swamgorntham
Ph.D., CPA, FRM
Kasikorn Bank Securities PCL



Bond Market Analysis I (ครั้งที่ 2)
11 October 2021

SCHEDULE
13.15 – 15.15
Analysis Bond Yield Curves
Chai Chokkittam
Ph.D., FRM
Kasikorn Bank Securities PCL

15.30 – 17.00
Fixed Income Risks and Modeling
Thanawat Swamgorntham
Ph.D., CPA, FRM
Kasikorn Bank Securities PCL



MANAGING INVESTMENT PORTFOLIO
Portfolio Theories and Their Practical Implementation
Remote Classroom

SCHEDULE
13.15 – 16.30
- Enhancing Portfolio Risk/Return by International Investment
- Manager Selection Techniques for Effective External Fund Management
- Performance Attribution and Analysis
Tobert Phommavong, Ph.D.
Kasikorn Bank PCL


16.30 – 17.15
Computer-based Workshop with Excel
Tana Panchanagaporn
Bond Rating & Product Development Dept.
Trustee



Derivatives and its Applications in Thailand
5 November 2021

SCHEDULE
13.00 – 14.30
Trading Strategies
Sangam Jongsakul
Wong Dee Bank PCL

14.45 – 16.45
Derivatives Accounting in Thailand and Case study
Kasit Khatunpatt
Debt & Equity Finance
Kasikorn Bank Ltd., Ltd.



CREDIT ANALYSIS

Credit assessment after IFRS 9:-
- Update on IFRS 9 implementation and supervisory actions
- Challenges and remediation activity
- Classification and measurement of financial instruments
- Effect on credit assessment from IFRS 9 and its implication
- Case studies

IFRS 9
amendments on the classification of financial assets

Smartline Chayethorn Chanyangwongchit,
CPA, PricewaterhouseCoopers (PwC)



CORPORATE FUNDING AND LIABILITY MANAGEMENT
17 SEPTEMBER 2020

SCHEDULE
13.00 – 15.10
Liability Management & Source of Funds
The Use of Short term and Long term Instrument
Dusitwan Watanasakulchai
Wachon Bank Ltd.

15.20 – 16.50
Capital structure and funding strategy (Case study)
Wadee Manonwongchai
Debt Capital Raising Specialist

Building Resilience

4.1 Post default

Research paper on post-default measures:

ThaiBMA has conducted research on the issues relating to major problems and obstacles concerning the roles of bondholder's representative in post-default scenario, such as monitoring the issuer's financial performance, monitoring cross default, and the role of the bondholders' representative after the issuer entering the rehabilitation proceeding.

The research paper titled "the missing pieces in the corporate bond ecosystem (legal approach)" was issued and presented to the ThaiBMA's board of directors for discussion and gathering feedback. This research paper aims to identify issues and concerns to foster further research and development of guidelines to strengthen the post-default roles of bondholders' representative and enhance investor protection.

Guideline on event sign bond:

ThaiBMA has issued a guideline on event sign bond, which is available on the ThaiBMA's website. This guideline aims to provide investors with the information on any significant events pertaining to the bond to enable investors to make informed investment decisions. The examples of event sign published on the website are bond restructuring (RS), Investor Caution (IC), Request information (RI) and so on.

ThaiBMA

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Home

Issuers / Bond Info

Event Sign Bond

Service Manager / Personal Notice ID-2287-0287 ver. 363, 362

Issuer

Registered Bond

Auction & Result

Corporate Calendar

Event Sign Bond

Event Sign Bond

as of : 29-October-2021

Restructure (RS)

Investor Caution (IC)

Request Information (RI)

Default Payment (DP)

Rehabilitation (REH)

Issuer Name	Symbol	Company Rating	Issued Date	Current Maturity Date	Current Coupon %	TTM. (Yrs.)	
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Event Sign :

Sign	Name	Explanation(ENG)	Explanation(TH)
RS	Restructure	The debt securities have been approved by the resolution of bondholders' meeting for debt restructuring or changing redemption date or extension redemption period of debt.	ตราสารหนี้ได้มีมติจากที่ประชุมของผู้ถือหุ้นหรือที่ประชุมเจ้าหนี้ หรือ จากการแก้ไขโครงสร้างหนี้ / ขยายระยะเวลาการไถ่ถอน (โดยหนี้)
IC	Investor Caution	Investors must be cautious investing. ThaiBMA have guidelines for posting IC signs as follows: Determining the meeting date of bondholders' meeting that requires resolution passed by a majority of not less than 75% in the following matters: (1) Amendment the redemption date or Payment due date. (2) Reduction, Cancellation or changing the amount owed, interest or payments due in accordance with the debentures. (3) Changing of currency which must be paid in accordance with the debentures. (4) Repayment of debentures by conversion of bonds to other securities. (5) Changing the rules of the bondholders' meeting regarding the quorum and the resolution of the meeting.	นักลงทุนควรระวังการลงทุน ซึ่ง ThaiBMA มีหลักการการแจ้งเตือนสถานะ IC ดังนี้ มีการกำหนดระดับความเสี่ยงที่เพิ่มขึ้นซึ่งจะมีการแจ้งเตือนสถานะความเสี่ยงที่เพิ่มขึ้น 75% ในเรื่องดังต่อไปนี้ (1) การแก้ไขวันครบกำหนดชำระหนี้ หรือ วันครบกำหนดชำระหนี้ (2) การลดหนี้ ยกเลิกหนี้ หรือ เปลี่ยนแปลงหนี้ตามเงื่อนไขที่กำหนดชำระดอกเบี้ย หรือ วันที่ต้องชำระดอกเบี้ย (3) การเปลี่ยนแปลงสกุลเงินตราที่ต้องชำระตามสัญญา (4) การชำระหนี้ที่ผู้ถือตราสารหนี้สามารถแปลงเป็นตราสารหนี้ชนิดอื่น (5) การเปลี่ยนแปลงกติกาสถาบันการประชุมผู้ถือหุ้นหรือเจ้าหนี้และเรื่องอื่นที่เกี่ยวข้องกับตราสารหนี้
RI	Request Information	ThaiBMA is requesting additional information from the issuer.	ThaiBMA ขอข้อมูลเพิ่มเติมจาก Issuers
DP	Default Payment	1. Debt securities do not pay principal payment or interest that including in case of an issuer company is unable to pay the principal or interest as a result of an automatic stay. Due to being in a condition of automatic stay. 2. ThaiBMA receives notifications from issuers or Bond Holders' Representatives which contents of the notifications are regarded to default of bonds caused by Cross Default (Event of Default).	1.ตราสารหนี้ไม่ชำระต้นเงิน หรือ ดอกเบี้ย ซึ่งรวมถึงกรณีที่บริษัทผู้ออกตราสารหนี้ไม่ชำระหนี้หรือดอกเบี้ย เนื่องจากตกอยู่ในภาวะการชำระหนี้ (Automatic stay) 2. มีได้รับแจ้งจากเจ้าหนี้หรือตัวแทนผู้ถือหุ้นหรือเจ้าหนี้ว่าตราสารหนี้มีลักษณะการ Cross Default
REH	Rehabilitation	Debt securities under business rehabilitation plan approved by the Bankruptcy Court.	ตราสารหนี้ที่อยู่ในแผนฟื้นฟูกิจการ ที่ศาลล้มละลายมีมติอนุมัติ

Building Resilience

4.2 Bond market ecosystem

Research papers: ThaiBMA conducted research on the Thai bond market ecosystem in order to promote the Thai bond market's sustainable development and resilience for the benefits of all stakeholders. The key topics covered in 2021 are as follows:

1. Collateral considerations in corporate secured bonds
2. The impact of amending the regulation on issuing and offering Thai perpetual bonds
3. Guidelines on Thai corporate bond market development
4. Current trends in retail investor concentration in Thai corporate bonds
5. Changing landscape in Thai bond market during COVID-19 pandemic
6. Digital trends in Thai bonds offering
7. Greenshoe option in Thai bond market
8. Real estate backed tokens and REIT buyback, the possible effects on the Thai bond market
9. Debt to GDP and trends in Thailand

4.3 Bond literacy

ThaiBMA recognized the importance of promoting professional competency, financial literacy and developing human capital in the bond market. Various trainings, seminars and academic activities were held for both professional and non-professional investors. Due to the prolonged Covid-19 pandemic, several seminars related to bond market investment for retail investors and stakeholders were held by virtual classroom.

Public seminars:

"Sustainability-Linked Bonds": On 26 January 2021, ThaiBMA organized first online seminar on the Sustainability-Linked Bonds (SLBs) to promote sustainable finance through SLBs issuance in Thai bond market and invited keynote speakers from the International Capital Market Association (ICMA), Sustainalytics, Enel Group, and the Securities and Exchange Commission (SEC) to share their experiences and insights.

The seminar covered topics such as Sustainability-Linked Bonds Principles (SLBP) as international reference standards, how it is different from green and social bonds, the importance of Sustainability Performance Target (SPT), as well as the principles for issuing and offering of SLBs in Thailand.

สัมมนาออนไลน์
ทำความรู้จักกับ "Sustainability-Linked Bonds"

กำหนดการ...

- 14.40 - 15.20**
Overview of Sustainability-Linked Bonds and how businesses can take advantage of them
Mustang Kapisi
MD and Chief Representative for APAC Member, ICMA
- 15.20 - 15.40**
Pioneer case of SLB successful issuer: Experience and benefits from issuing SLB.
Nicole Della Vedova
Head of Corporate Finance, Enel SpA
- 15.40 - 16.00**
External Reviews : Overview of the purpose and types of review.
Nicholas Candolle
Assoc. Director Sustainable Finance Solutions, Sustainalytics
- 16.00 - 16.20**
Rule and Regulation on issuing SLB in Thailand
อรุณ ธรรมบุษย์
@bunbushy @sec.thailand.net

ฟรี
อังคาร 26 มกราคม
14.30 - 16.30 น.
ผ่าน MS Team
Scan QR Code เพื่อลงทะเบียน

fbThaiBMA
สอบถามรายละเอียดเพิ่มเติมได้ที่ฝ่ายวิจัยและพัฒนาระบบ 02-257-0357 ต่อ 301 - 305

Building Resilience

“Which assets will perform in the second half 2021: Bond, Stocks, Gold or Crypto?”:

ThaiBMA, in collaboration with Federation of Thai Capital Market Organization (FETCO), organized a seminar on Facebook Live and YouTube Channel on June 25th, 2021.

หุ้น หุ้นกู้ ทองคำ และคริปโต
สินทรัพย์ไหนจะไปได้ในครึ่งปีหลัง 2564
ศุกร์ที่ 25 มิถุนายน 2564 เวลา 14.00-15.30 น.

กำหนดการ
14.00 - 15.00
เวลา "หุ้น หุ้นกู้ ทองคำ และคริปโต
สินทรัพย์ไหนจะไปได้ในครึ่งปีหลัง 2564"
๑ การวิเคราะห์ตลาด และแนวโน้มราคาสินทรัพย์
แต่ละประเภท
๑ ภาพรวมการลงทุนในช่วงครึ่งหลังของปี
๑ ปัจจัยสนับสนุน และความเสี่ยงที่ควร
จับตามองในช่วงครึ่งหลังของปี

ฟรี! ไม่มีค่าใช้จ่าย
ไม่ต้องลงทะเบียน
VIRTUAL SEMINAR ผ่านทาง
LIVE fbthaibma
ThaiBMAChannel

“Bond outlook and update in COVID-19 era”: ThaiBMA, in collaboration with Thai investors Association (TIA), organized a virtual seminar on July 30th, 2021, aiming to educate personnel on investment knowledge in the Thai bond market.

“หุ้นกู้”
วันนี้...ปีนี้...ปีหน้า
สบายดีไหม?

วัน
ศุกร์ 30 มิ.ย. 14.00 - 16.00 น.

โดย
คุณอริยา ตีระประกิจ
กรรมการผู้จัดการ
สมาคมฯ ตลาดตราสารหนี้ไทย ThaiBMA

Bond Basic Course: ThaiBMA organized “Bond Basic” and “Bond Basic All about Corporate Bond” courses every month on Facebook live to provide fundamental knowledge of fixed-income securities market in Thailand for investors and anyone interested in enhancing knowledge in bond markets.

Bond Basic ALL ABOUT หุ้นกู้
เตรียมพร้อมสู่การเป็นนักลงทุนหุ้นกู้ตัวจริง

วันพฤหัสบดีที่ 28 ตุลาคม พ.ศ. 2564
เวลา 10.00 - 12.00 น.
อบรมออนไลน์ รับชมทาง
LIVE fbThaiBMA

ฟรี! ไม่ต้องลงทะเบียน

รู้ก่อนลงทุนหุ้นกู้

- จะลงทุนหุ้นกู้ต้องดูที่ “อุปสงค์” หรือ “อุปทาน”
- ด้วยสิทธิ/ไม่ด้วยสิทธิ มีประกัน/ไม่รับประกัน และ สิทธิแบ่ง คืออะไร
- หุ้นกู้ตัวนิรภัย ทำไม่ให้อุปสงค์สูง
- อันดับเครดิตของผู้ออก กับ ของหุ้นกู้ ต่างกันอย่างไร ต้องดูตัวไหน
- จะซื้อหุ้นกู้ได้กี่ปี ทดสอบแรก หรือ ทดสอบรอง
- ดอกเบี้ยหุ้นกู้ จ่ายภาษีไหม
- ซื้อหุ้นกู้แล้วจะติดตามข้อมูลได้อย่างไร
- ถ้าผู้ออกผิดนัดชำระหนี้ ต้องทำอย่างไร

Bond Basic ALL ABOUT หุ้นกู้
เตรียมพร้อมเป็นนักลงทุนหุ้นกู้ตัวจริง

วันพุธที่ 15 ธันวาคม พ.ศ. 2564
เวลา 10.00 - 12.00 น.
อบรมออนไลน์ รับชมทาง
LIVE fbThaiBMA

รู้ก่อนลงทุนหุ้นกู้

- พันธบัตร กับ หุ้นกู้ ต่างกันอย่างไร
- ลงทุนหุ้นกู้มีความเสี่ยงอย่างไรบ้าง
- หุ้นกู้ตัวนิรภัย/ไม่ด้วยสิทธิ หุ้นกู้มีประกัน/ไม่รับประกัน แตกต่างอย่างไรบ้าง
- Perpetual bond ทำไม่ให้อุปสงค์สูง ไม่จ่ายดอกเบี้ยได้กับค่างาน
- จะซื้อหุ้นกู้ได้กี่ปี ทดสอบแรก หรือ ทดสอบรอง
- จะลงทุนหุ้นกู้ต้องดูที่ “อุปสงค์” หรือ “อุปทาน”
- ดอกเบี้ยหุ้นกู้ จ่ายภาษีไหม ของกินได้หรือเปล่า
- ถ้าผู้ออกผิดนัดชำระหนี้ ต้องทำอย่างไร

Building Resilience

Bond Academy: ThaiBMA organized “Bond Academy, an online training program focusing on bond market for university students with the objective to enhance their practical knowledge in the bond market and expand their career opportunities through virtual classroom, panel discussion from professional experts and workshop activities. Over 1,000 students from various universities across the country have attended the program.



Promoting bond literacy through press and media: ThaiBMA continued to promote bond market literacy through press and media both online and offline. During 2021, 25 articles, more than 40 infographics and Bond basic e-Learning clips were disseminated on website and social media. Nowadays, there are more than 46,000++ followers on Facebook



Highlights of ThaiBMA's Activities in 2021



Sustainability-linked bonds seminar: ThaiBMA in cooperation with ICMA, Sustainalytics, Enel group, SEC held online seminar on January 26, 2021



Knowledge sharing: Together with SET and SEC, ThaiBMA set up a booth to disseminate knowledge and enhance public understanding about the Thai bond market at the 23rd Senate Meeting at the Parliament Building, Samsen Road on February 22, 2021



Press Conferences: ThaiBMA organized press conferences on quarterly basis to communicate and distribute Thai bond market information to press and media via MS Team program.



Bond Academy: ThaiBMA organized "Bond Academy, an online training program, for students from various universities across the country.



Best Bond Awards 2020: The Award ceremony was held on April 1, 2021, at Waldorf Astoria hotel, a Luxury Collection Hotel, Bangkok.



Highlights of ThaiBMA's Activities in 2021



CSR activities: ThaiBMA donated 2.52 million baht to Thammasat University field hospital to fund the procurement of high flow oxygen device . A total of 2,000 Antigen Test Kits (ATK) were also given to Khlong Toei Community and the Southern Border Peace Group (Luk Rieng).



Online training: ThaiBMA organized online training for Faculty of Business Administration King Mongkut's Institute of Technology Ladkrabang on the topic of Fundamentals of Debt Instruments on Sep 23, 2021.



Bond Trader Refresher Course: ThaiBMA organized online Bond Trader Refresher Course 3 times in 2021.



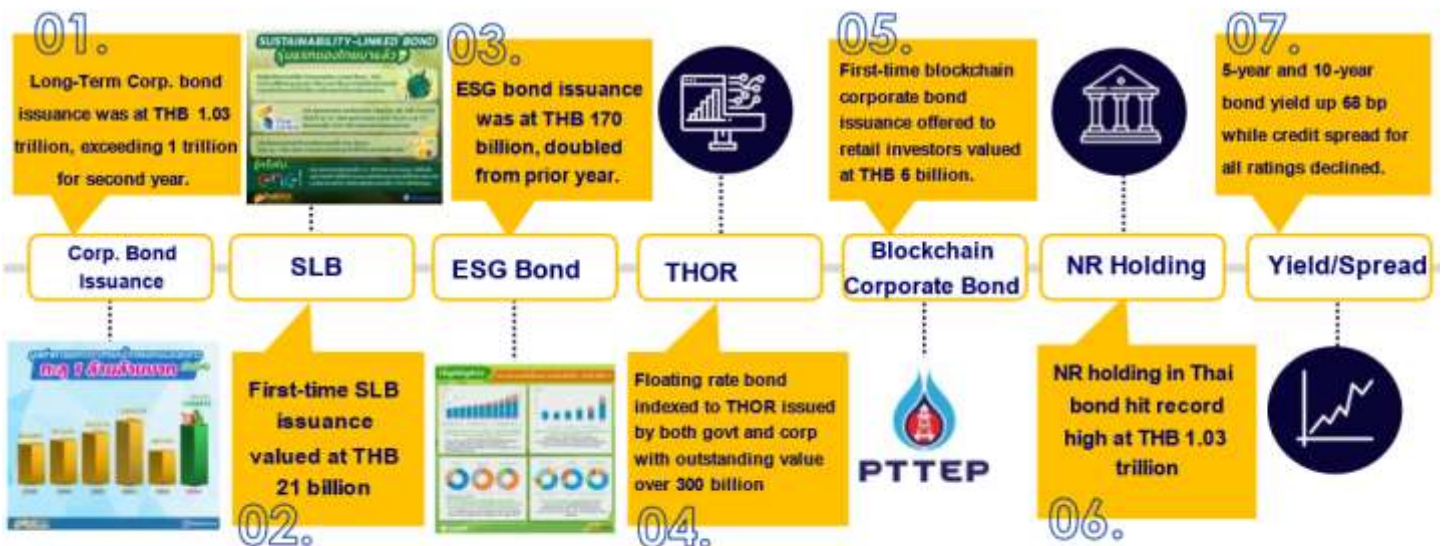
Bond Regulatory Update: ThaiBMA organized online Bond Regulatory Update on November 23, 2021.



Bond Basic All about Corporate Bond: ThaiBMA organized online Bond Basic All about Corporate Bond every month in 2021.

2021

Bond Market Highlights



Another year of 1 trillion corporate bond issuance

Long-Term corporate bond issuance in 2021 exceeded THB 1 trillion for second year since 2019. The issuance value increased 50% from the prior year.

First issue of Sustainability-Linked Bond.

Thai Union PCL. issued the first Sustainability-Linked Bond (SLB) in Thailand with the issue size of THB 5,000 million. The bond has step-up/ step-down coupon related to the achievement of Sustainability Performance Targets (SPTs).

SUSTAINABILITY-LINKED BOND
รุ่นแรกของไทยมาแล้ว

หุ้นกู้ส่งเสริมความยั่งยืน (Sustainability-Linked Bond : SLB) ตราสารหนี้สีเขียวรูปแบบใหม่ ที่อัตราดอกเบี้ยสามารถเพิ่มขึ้นหรือลดลงได้ ตามผลสำเร็จของตัวชี้วัดที่มีความเชื่อมโยงกับสิ่งแวดล้อมและสังคม

Thai Union SLB รุ่นแรกของไทย ออกโดยบริษัท ไทยยูเนี่ยน กรุ๊ป จำกัด (มหาชน) เมื่อวันที่ 20 ก.ค. 2564 มูลค่าการออก 5,000 ล้านบาท อายุ 7 ปี อัตราดอกเบี้ย 2.47% ต่อปี เสนอขายแก่นักลงทุนสถาบัน

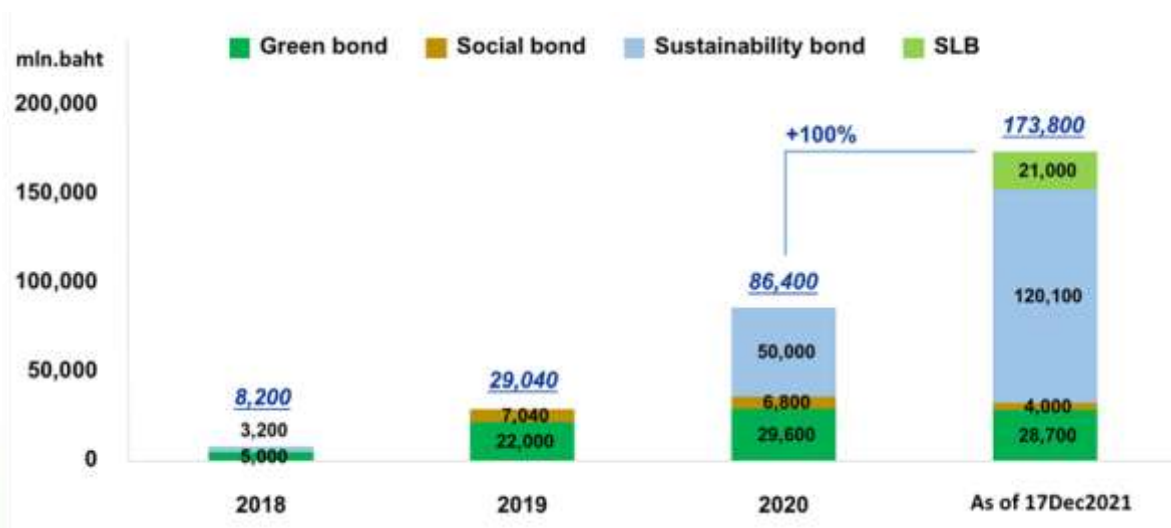
เป็นครั้งแรกของโลกที่การจ่ายอัตราดอกเบี้ย SLB เป็นแบบ Step up / Step down ตามผลการประเมินของตัวชี้วัดด้านความยั่งยืนบริษัท

รู้หรือไม่... enel SLB รุ่นแรกของโลกออกเมื่อ ก.ย. 2019 โดย Enel Group บริษัทผลิตพลังงานในอิตาลีที่ตั้งเป้าหมายจะผลิตพลังงานทดแทนให้ได้อย่างน้อย 55% หากไม่สามารถทำได้ บริษัทจะเพิ่มอัตราดอกเบี้ย 0.25% ให้แก่นักลงทุน

ThaiBMA fbthaibma

ESG bond issuance surged

ESG bond issuance in 2021 dramatically rose by 100% from the previous year. The major portion came from sustainability bond issued by the Ministry of Finance (MOF) to finance the MRT Mass transit orange line and alleviate the effect of COVID-19.



FRB indexed to new reference rate “THOR”

Floating rate note/ bonds indexed to new types of reference rate, Thai Overnight Repurchase Rate (THOR), was continued to be issued by both the Bank of Thailand and corporate sector with total value over THB 300 billion. THOR will replace Thai Baht Interest Rate Fixing (THBFIX) as THBFIX will be phased out in 2023.



NR holding hit record high

Non-resident investors holding in Thai bonds made a new record high, reaching 1.03 trillion baht on Dec 21, 2021. The last high was on July 2, 2019, at 1.005 trillion baht.



| 2021 THAI BOND MARKET REVIEW

- ⇒ Long-Term corporate bond issuance in 2021 exceeded THB 1 trillion for second year since 2019. The issuance value increased 50% from the prior year.
- ⇒ The first sustainability - linked bond (SLB) was issued by Thai Union PCL with the issue size of THB 5,000 million.
- ⇒ ESG bond issuance in Thailand surged by 100% in 2021.
- ⇒ Floating rate note/ bonds indexed to new reference rate - Thai Overnight Repurchase Rate (THOR) with total value of over THB 300 billion were issued in 2021.
- ⇒ Bond yield rose from signs of economic recovery and increased supply of government bond. 10-year bond yield at the end of year was 1.89%, 61 bps higher than the prior year.
- ⇒ The first corporate bond using blockchain technology was offered to retail investors. PTT Exploration and Production (PTTEP) became the first corporate bond issuer of so-called digital bond offered to retail investors via the government's digital wallet "Pao Tang" empowered by Krungthai Bank (KTB).
- ⇒ New high of non-residents holding in Thai bonds at 1.03 trillion was recorded on December 21, 2021.

Outstanding value – Total outstanding value of Thai bond market grew 6.4% from 2021.

In the second year of pandemic, total outstanding value of Thai bond market at the end of 2021 continued to increase by 6.6% to THB 15.07 trillion. The large portion came from government bond which accounted for 45% of total outstanding value. Corporate bond and Bank of Thailand (BOT) bond ranked second and third which accounted for 28% and 19% respectively. The remaining of the outstanding value were State Owned Enterprise (SOE) bond (7%) and foreign bond (1%). (See Figure 1)

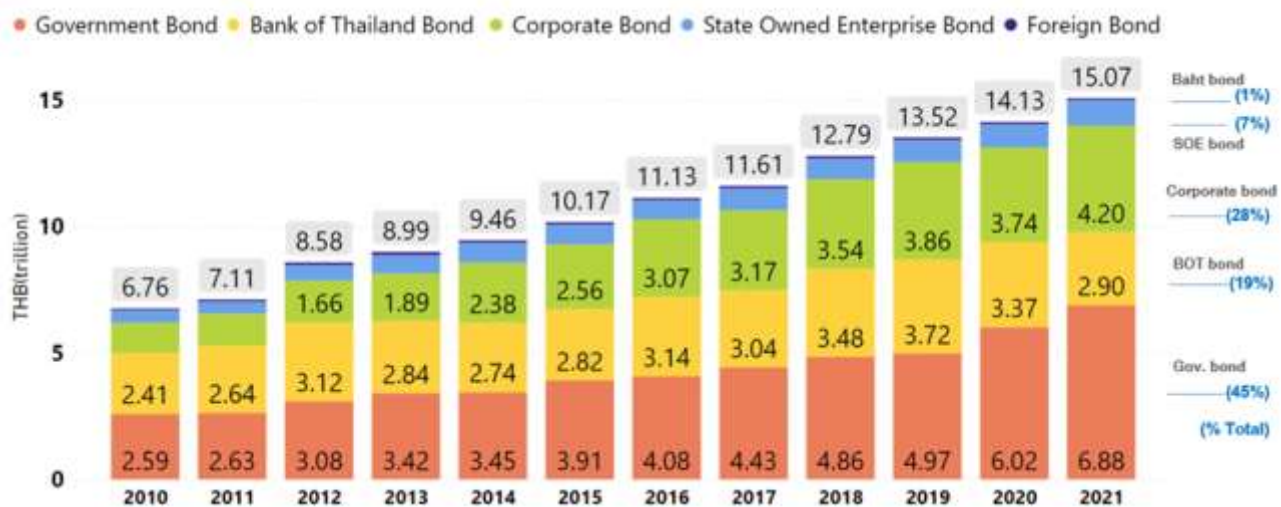


Figure 1: Outstanding Value of Thai Bond Market

Classified by types of bonds, government bond and treasury bill grew 13.67% and 23.02% respectively. They contributed THB 762 billion to overall increase of THB 937 billion. Meanwhile, the outstanding value of BOT bond declined 13.90% and foreign bond fell 13.82%. Outstanding value of long-term corporate bond and commercial paper increased from increase in issuance in 2021. (See Figure 2)

Type	2020	2021	Growth(%)
Government Bond	5,581,029	6,344,024	↑ 13.67%
Treasury Bill	438,958	540,000	↑ 23.02%
State Owned Enterprise Bond	926,622	1,016,305	↑ 9.68%
Bank of Thailand Bond	3,365,405	2,897,665	↓ -13.90%
Long-Term Corporate Bond	3,569,330	3,937,065	↑ 10.30%
Commercial Paper	169,863	264,639	↑ 55.80%
Foreign Bond (Baht Bond)	81,807	70,504	↓ -13.82%
Total	14,133,014	15,070,202	↑ 6.63%

Figure 2: Outstanding Value Classified by Types of Bonds

Classified by sector, the outstanding value of top 6 sectors of long-term corporate bond contributed to 68.66% of the total. The 6 sectors were energy, property, bank, finance (non-bank), food and commerce sectors. (See Figure 3)

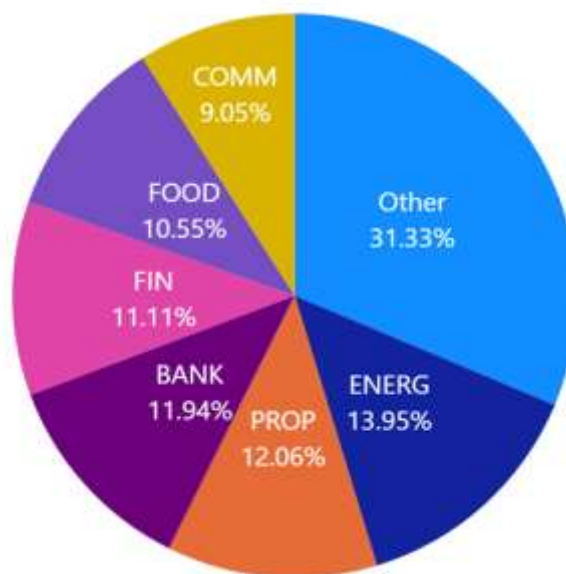


Figure 3: Long-Term Corporate Bond Outstanding Value Classified by Sector

Trading value – Average trading per day down by 20%

Daily average trading value in 2021 was at THB 66 billion, down 20% from the previous year at THB 83 billion due to declining trading activity in BOT bond. However, BOT bond was still the most traded bond for the year with average THB 37 billion traded daily. The second most traded was government bond with average trading at THB 24 billion. Both BOT and government bond accounted for 92% of daily trading activity. The other 8% was from corporate, state-owned enterprise and foreign bond, which accounted for THB 4.6 and 6 million respectively. (See Figure 4)

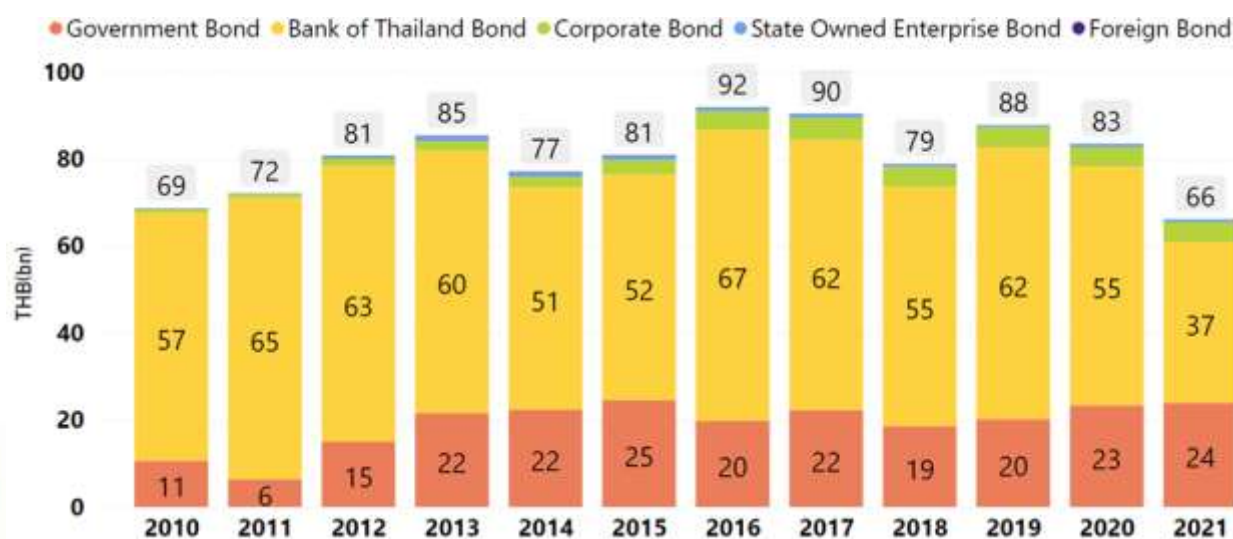


Figure 4: Average Daily Trading Value in Thai Bond Market

The average daily trading value of corporate bond was 4.6 billion, in line with the average of around THB 4.5 billion for the last 4 years. The main reason was due to buy-and-hold nature of individual investors which are the main holder of corporate bonds. (See Figure 5)

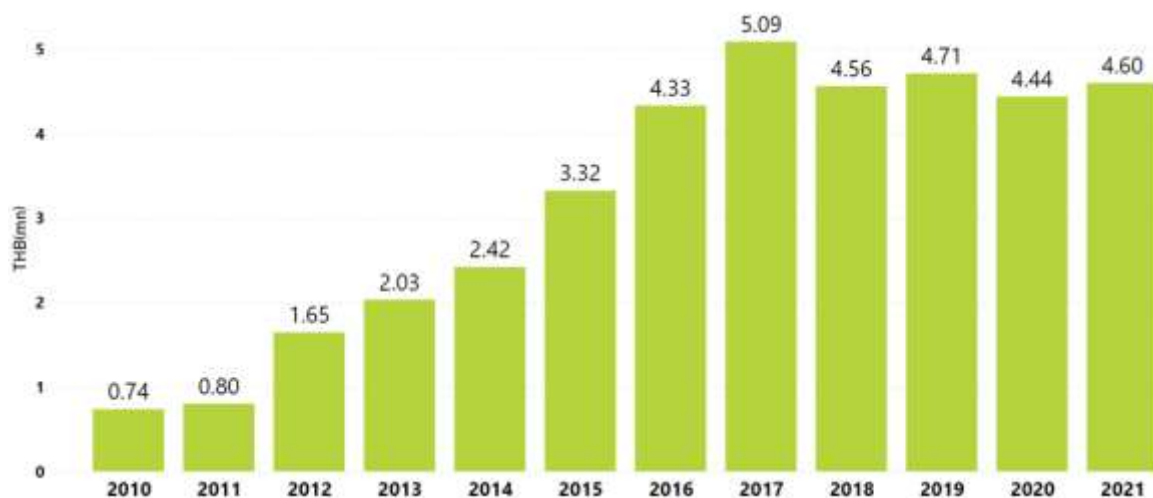


Figure 5: Average Daily Trading Value of Corporate Bond

Bond issuance – Long-term corporate bond issuance increased 50% from last year, breaking THB 1 trillion milestone for second year.

After a slow issuance last year, long-term corporate bond issuance rose sharply by 50% in 2021. The large increase was attributed to 6 business sectors namely energy, property, finance (non-bank), commerce, ICT and food. Each sector contributed over THB 100 billion to overall issuance.

Government bond issuance rose substantially by nearly 50% due to the government's financing needs to fund COVID-19 relief measures. On the contrary, BOT bond issuance declined by 38% to accommodate the increased government bond issuance. Issuance of 6-month BOT bills and 3-year BOT bonds were discontinued in 2021 while the MOF re-auction 6-month treasury bills and 3-year government bonds on a regular basis.

Type	2020	2021		Growth(%)
Government Bond	850,721	1,260,001	↑	48.11%
Treasury Bill	558,958	1,060,000	↑	89.64%
State Owned Enterprise Bond	181,390	197,658	↑	8.97%
Bank of Thailand Bond	7,196,556	4,464,438	↓	-37.96%
Long-Term Corporate Bond	687,433	1,034,572	↑	50.50%
Commercial Paper	607,662	698,943	↑	15.02%
Foreign Bond (Baht Bond)	1,600	5,627	↑	251.69%
Total	10,084,320	8,721,239	↓	-13.52%

Figure 6: Bond Issuance

Long-term corporate bond issuance

The value of long-term corporate bond issuance was at THB 1,034,572 million, up 50% from the prior year and exceeding 1 trillion for second year since 2019. Categorized by credit rating, both investment grade and high yield bond issuance increased 49% and 65% respectively. 67.73% of high yield bond issuance in 2021 were secured bonds.

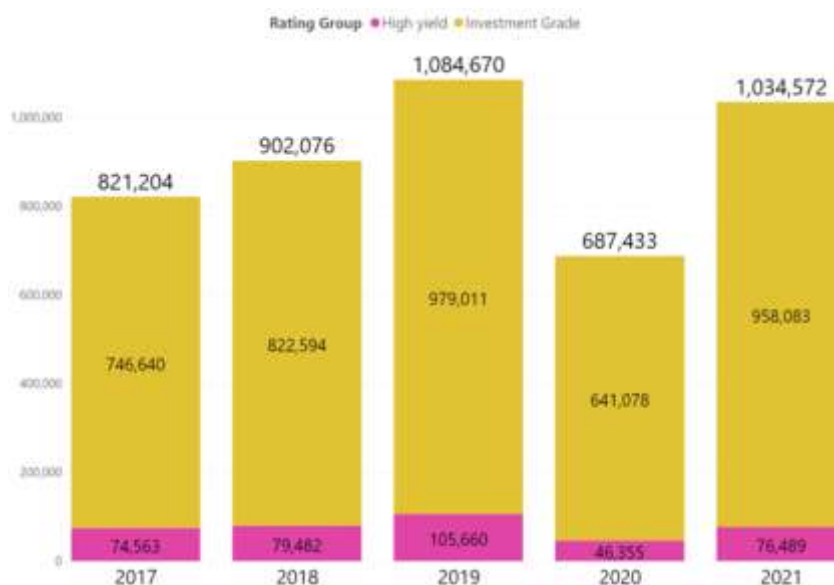


Figure 7: Long-Term Bond Issuance

Foreign bond issuance

This year, there was only 1 issuer from Lao PDR which was EDL-Generation Public Company. The total issuance was at THB 5,626 million. (See Figure 8)



Figure 8: Foreign Bond Issuance

FX bond issuance

Total FX bond issuance in 2021 was at THB 46,153 million. Most of the bonds were EUR denominated bond issued by Kiatnakin Phatra Bank (KKP) and Kasikornbank (KBANK). (See Figure 9)



Figure 9: FX Bond Issuance

ESG bond issuance – ESG issuance hit another record high as both public and private sectors issued more ESG

Total issuance of ESG bond was at THB 173 billion in 2021, which increased 100% from the prior year, making accumulated outstanding value amounting to THB 297 billion. More than half of ESG bond issuance came from MOF's sustainability bond worth THB 107 billion. The proceeds from the bond were used for funding mass transportation projects and COVID-19 relief package. Another issuer from public sector was National Housing Authority of Thailand (NHA). NHA issued social and sustainability bonds to finance new and existing affordable and green housing projects. The projects aim to create sustainable and better living for Thai people.

For private sector, there were variety of ESG bonds issued in 2021. KBANK was a new issuer in sustainability bond. The bank issued EUR 155 million to finance or refinance eligible green or social projects. Another corporate issuer, Thai Food Group, was the first corporate to issue social bond. The proceeds from the bond were used to buy raw materials from farmers, whose businesses were affected by COVID-19, and hire local workers. For green bonds, there were 5 issuers in 2021 and most of them were issued to finance renewable energy projects.

2021 marked the first year that the sustainability-linked bonds (SLBs) were issued in Thailand. As opposed to other ESG bonds, the proceeds from the SLBs can be used in normal business operation to promote more sustainable business activity rather than being tied to finance specific sustainable projects. There were 2 issuers of SLBs, and both were from private sector namely Thai Union (TU) and Indorama Ventures (IVL). TU was the first SLB issuer that introduced step-up and/ or step-down coupon rates related to the achievement of Sustainability Performance Targets (SPTs). These targets include remaining in the Dow Jones Sustainability Index (DJSI) Emerging Markets and ranking in the top 10 companies for the DJSI Food Products Industry Index; reducing carbon emissions from manufacturing operation by 4% annually; and increasing the monitoring and surveillance of Thai Union's wild-caught tuna supply chains. SLB issued by IVL is tied to IVL's three performances: reducing greenhouse gas emissions by 10% by 2025 (from a 2020 base), increasing recycling of PET bale input to 750,000 ton per year by 2025 and achieving 25% renewable electricity consumption in 2030. (See Figure 10)

	Theme	Entity	Issue Size
GOV			
	Sustainability	MOF	THB 107,000 mln.
SOE			
	Sustainability	NHA	THB 2,100 mln.
CORP	Social	NHA	THB 3,000 mln.
	Sustainability	BEM	THB 6,000 mln.
	Sustainability	KBANK	THB 5,000 mln.
	Social	TFG	THB 1,000 mln.
	Green	TLT	THB 2,000 mln.
	Green	BGRIM	THB 3,000 mln.
	Green	BCPG	THB 12,000 mln.
	Green	SPCG	THB 1,500 mln.
	Green	BTS	THB 10,200 mln.
	SLB	TU	THB 5,000 mln.
	SLB	IVL	THB 10,000 mln.
	SLB	TU	THB 6,000 mln.
	Total		THB 173,800 mln.

Figure 10: ESG Bond Issuers in 2021

| Composition of Bond Holders in 2021

Holder of government bond

The top holder of government bond was long-term contractual funds at 26.83% of total government bond outstanding. Insurances ranked second with 23.38%. Foreign Investors remain one of the significant government bond holders at 13.39%.

(See Figure 11)

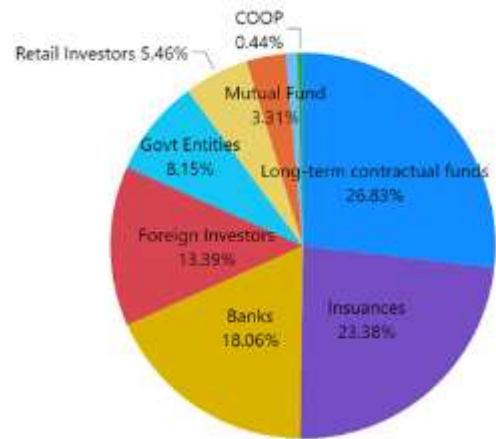


Figure 11: Holders of Government Bond

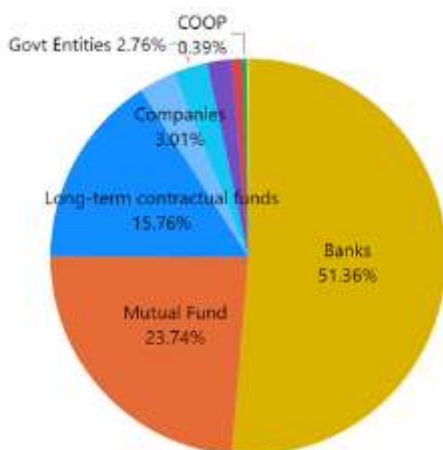


Figure 12: Holders of Bank of Thailand (BOT) Bond

Holder of Bank of Thailand (BOT) bond

The largest holder of BOT bond was banks, accounting for 51.36% of BOT bond outstanding. The second and third largest holders were mutual funds and long-term contractual funds which accounted for 23.74% and 15.76% respectively. (See Figure 12)

Holder of corporate bond

The main holder of corporate bond was individual Investors, accounting for 34.66%. Insurances and long-term contractual funds ranked second and third with 19.14% and 13.34% respectively. (See Figure 13)

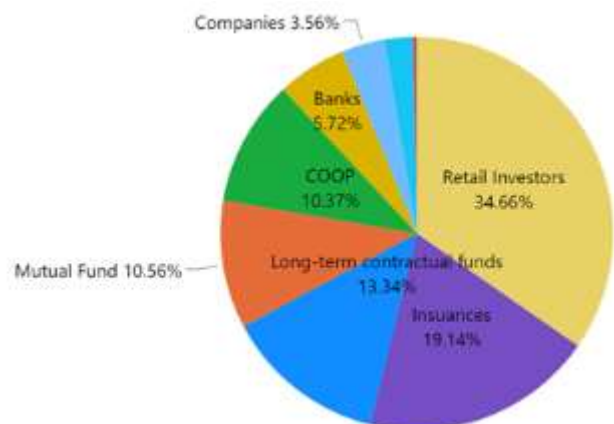


Figure 13: Holders of Corporate Bond

NR flows - large inflow in 2021 made an all-time high NR holding value at THB 1.03 trillion

Total NR flows for the year 2021 was net inflow at THB 144 billion, while previous year was net outflow at THB 64,025 million. The inflow entered in the second quarter of the year when there was high inflation expectation in the US from high economic activity. The market expected that the Federal Reserve (Fed) may raise interest rate faster than expected which would slow down the economic growth. Therefore, investors were buying more risk-free asset to offset the risk. In the first half of the year, total net inflow was at THB 73 billion.

In the second half of the year, there was inflows due to speculation that THB had depreciated excessively from business inactivity and high case of COVID-19. After the cases went down, foreign flows came in both bond market and stock market speculating appreciation of THB. In November 2021, Thai government announced reopening of business and welcomed more foreign tourists. Therefore, there was an expectation that Thai economy would rebound as people went back to work. In the second half of the year, total net inflow in Thai bond market was at THB 71 billion.

The total net inflow for the year 2021 was at THB 144 billion, of which THB 141 billion were inflow for long-term bond. For short-term, there was net buy outright trading at THB 70 billion and expired bond at THB 67 billion, resulting in THB 3 billion of inflow.



NR investor holding

NR investor holding of Thai bond increased from THB 857 billion in 2020 to THB 1.02 trillion at the end of 2021. NR holding reached THB 1 trillion in November 2021 and peaked on 21 December at THB 1.03 trillion which was a record high. The last time that NR holding exceeded 1 trillion was in July 2019. Average Time to Maturity (ATM) declined slightly from 9.55 at the end of 2020 to 8.8 at the end of 2021.

Yield movements

At the start of 2021, COVID-19 remained the dominant risk factor for economy around the world. As the year progressed and vaccines were rolled out, the economy began to recover from the slowdown. Risk appetite grew as investor invested more in risky assets and sold safe assets such as bonds which push yield higher.

During the first half of the year, the surge in US inflation due to business reopening had caused global bond yields including Thailand to rise markedly. There was market expectation that the Fed may have to raise interest rate faster than expected thus slowing down the economic growth.

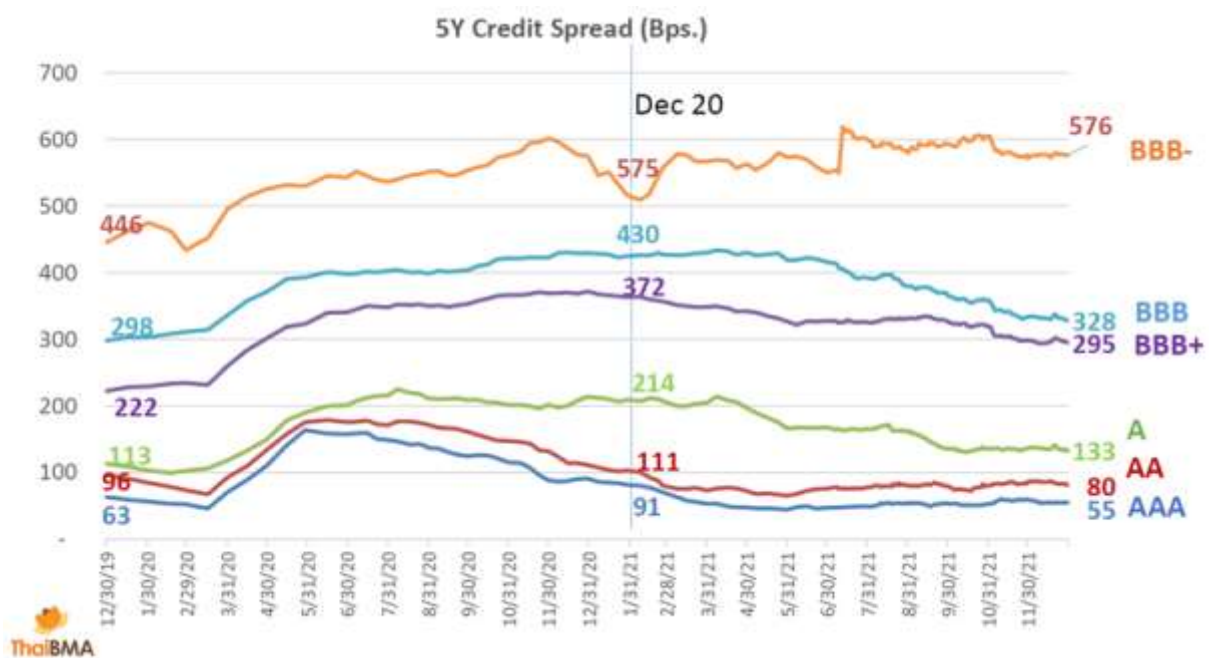
However, Delta variant emerged during the second and third quarter of the year had deteriorated the sentiment of economy full recovery. Investors were in risk-off mode again and bond yield was getting lower.

In the last quarter of the year, Thai economy began to show signs of recovery with the easing of government measures and re-opening of borders. Global inflation, particularly in the US, rose significantly due to higher energy prices, supply bottleneck, labor shortage and increasing demands for goods and services. As inflation concern grew, the Fed's tapering of bond purchase was expected to be earlier and faster than previously anticipated, leading to rising US long-term bond yields. In tandem with US bond yields coupled with expected increasing government bond supply, Thai government bond yields moved higher across the curve. 2-year, 5-year and 10-year government bond yields finished the year at 0.65%, 1.28% and 1.89% respectively. Approximately 61-68 bps higher from the start of the year. Short-term yield rose only slightly because there was no sign of raising policy rate which remained in the lowest level at 0.5%.



Credit spread movement

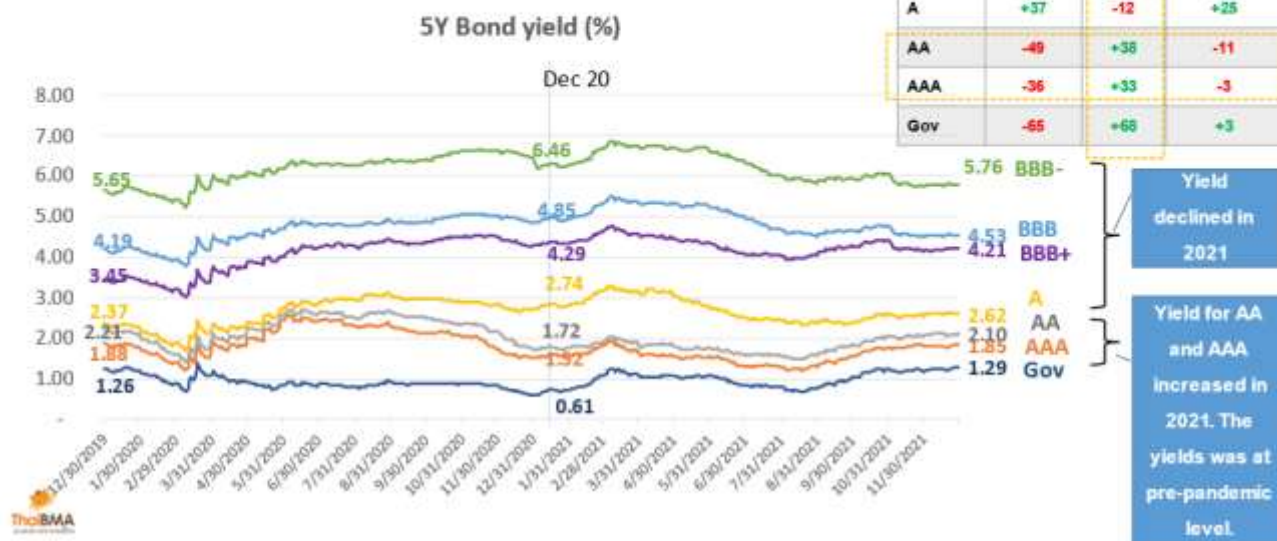
Credit spread of investment grade corporate bonds has been declining as COVID-19 cases subsided and investor's confidence came back. Besides, ample liquidity and low deposit rate have prompted investors to search for higher yield investment such as corporate bonds. For the year 2021, credit spread for bonds in the rating group of AAA and AA, declined 31-36 bps while rating group of A and BBB (except BBB-) declined 77 - 102 bps. Comparing to pre- COVID level, credit spread for rating category of AAA and AA were below the pre-pandemic level, while A and below were still higher than that of pre-pandemic level. This indicated that investors were somewhat risk conscious over credit quality of bonds.



Corporate bond yields

Corporate bond yield, a result of government bond yields plus credit spread, represented a cost of funding for corporates. In 2021, corporate bond yield for 5-year bonds in the rating group of AAA and AA increased by 33–38 bps to stay at 1.85% - 2.1% which was the level near the pre-pandemic level in 2019. For corporates in the rating group of A, 5-year corporate bond yield decreased by 12 bps to stay at 2.52%, higher than the pre-pandemic level of 2.37%. Meanwhile, 5-year corporate bond rated BBB+, BBB and BBB- increased by 76 bp, 34 bp and 12 bp respectively, higher than pre-pandemic level.

Cost of funding for corporate issuers rated AA and above was at pre-pandemic level, at the end of 2019.



Summary

Although 2021 has been another year of COVID-19 with new variants, we have seen healthy recovery of corporate bond issuance from the prior year, indicating that Thai bond market has become more resilient. New products were created and introduced to the market such as sustainability - linked bond (SLB) and THOR floating rate bonds. There was a digital innovation using blockchain technology in bond issuance for both government and corporate sector. The record high of NR holding has also demonstrated foreign investors' confidence in Thai bond market. Despite unforeseeable risks in the future, it is expected that the bond market will continue to be one of the important sources of funding for both the government and corporate sector in Thailand.

AUDIT COMMITTEE REPORT FOR 2021

To Member and Stakeholders,

The Audit Committee of the Thai Bond Market Association (“the Association”) consisted of 3 members of the Board of Directors as followed; Dr. Somjin Sornpaisarn (until 19th May, 2021) Miss Watana Tiranuchit (from 20th May, 2021) as Chairman, Mr. Apichart Tungkiatsilp (until 19th May, 2021) Mr. Thitawat Asaves (from 20th May, 2021) Mr. Sukawat Prasurtying as member. Mr. Santiporn Wongpanchalert, Internal Auditor, served as the Committee Secretary.

The Audit Committee was appointed by and accountable to the Board of Directors. The Committee performed its duties as set forth in the Audit Committee Charter.

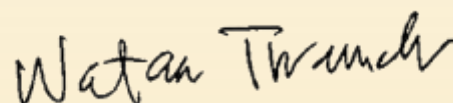
The Committee met four times in 2021 and the issues discussed and reviewed in the meetings can be summarized as followed:

- Reviewed the annual financial statements for the year 2020 for the submission to the Board of Directors and the Annual General Meeting (AGM);
- Selected of the external auditor for the year 2021 and considered the fee for the submission to the Board of Directors and the Annual General Meeting (AGM);
- Reviewed and approved in the 2022 internal audit plan. The Audit Committee also reviewed the audit results and provided recommendations for more efficient operations and proper control system;
- The Audit Committee also followed up on the progress and results of the risk management activities and provided recommendations for effective risk management procedure.

Based on information provided by the management, the Committee is confident that the Association’s internal control and risk management are adequate and proper.

The Committee has exercised independent discretion and expressed its opinions in the best interest of the Association.

The Committee also provided necessary advice and recommendations so that the Association followed good corporate governance practices. This will certainly lay a strong foundation for the Association to achieve stable and sustainable growth and trust of members and stakeholders, in line with the spirit of the SRO, as well as the Information Center of the Thai bond market.



(Miss Watana Tiranuchit)
Chairman of the Audit Committee
March 4, 2022

Good Corporate Governance

ThaiBMA realizes the importance of adherence to the good corporate governance principles. It is fully confident that good corporate governance is an essential factor that promotes the efficiency and effectiveness of the Association's operations in achieving its goals and missions, solid foundation of ThaiBMA has been laid to attain sustainable growth by pursuing its operation with ethical standards and complying with relevant laws and regulations. ThaiBMA believes that good corporate governance will further enhance the creditability and trustworthiness of the Association among stakeholders.

Corporate governance policy

Board of Directors of the ThaiBMA has set forth good corporate governance policy which corresponds with the vision and mission of the Association. The policy covers principles of corporate governance including the Structure and Responsibilities of the Board of Directors, the Roles and Responsibilities of the ThaiBMA, Risk Management and Internal Control, Relationships with Stakeholders, Business Ethics, and Prevention of Conflicts of Interest.

ThaiBMA has publicly disclosed the corporate governance principles to its stakeholders. The principle has also been communicated to all directors, executives and staffs to ensure understanding and compliance. Proper overseeing and monitoring activities have been undertaken to ensure compliance with the policy. The policy has been reviewed and amended from time to time in order to keep pace with the trend of development in this area.

Board of Directors and Committees

1. Board of Directors of the ThaiBMA

According to the ThaiBMA's Articles of Association, the structure and composition of the Board of Directors are as follows:

(1) Structure of the Board of Directors

The Board of Directors shall comprise a maximum of 11 members, one of whom is the Managing Director who is a director by position and the other directors are elected by the ordinary and extra-ordinary members of the ThaiBMA. The directors nominated and voted by the members represent the members and the stakeholders in the Thai bond market in conformation with the role of the ThaiBMA as an SRO. At least three of the eleven members of the Board of directors must be independent directors who are not executive directors, president, persons who have authorities in the management, staff, employees or major stakeholders of the ordinary and extra-ordinary members: The independent directors shall hold office for the term of 3 years.

(2) Roles and responsibilities of the Board of Directors

Board of Directors has the responsibilities to establish policies and strategies of the ThaiBMA in accordance with the Association's objectives, Articles of Association, and the resolution of the General Meeting of Members; to supervise the President and executives of the Association to ensure compliance with the Board of Directors' policy guidelines; to determine and approve the rules, regulations, notifications, orders, as well as the Code of Conduct of the Association; to consider the acceptance or revocation of membership; to consider the punishment of members or related persons who violate the rules, regulations, notifications, orders, as well as the Code of Conduct of the Association; and to consider the appointments of committees and advisors of the Association.

(3) Board meetings and meeting quorum

ThaiBMA officially arranges the Board meetings once a month which are prescheduled throughout the year. An extra-ordinary meeting may be held occasionally if it is deemed appropriate. To ensure that proper consideration be to the issues in the agenda, ThaiBMA is required to send a meeting notices, agenda, and related documents to each Board member at least 7 days prior to the meeting in order to allow sufficient time for each director to study the matters prior to the meeting. In case of emergency, related documents may be sent less than 7 days in advance of the meeting.

Good Corporate Governance

Board of Directors

	Name	Position	Term of office	Meeting attended
1.	Mr. Sommai Phasee	Chairman of the Board and Independent Director	May 20 – Apr 23	12/12
2.	Miss Wattana Tiranuchit ⁽¹⁾	Vice Chairperson of the Board and Independent Director	May 21 – Apr 24	8/8
3.	Mrs. Pattera Dilokrunghthirapop ⁽²⁾	Vice Chairperson of the Board and Director	May 20 – 30 Dec 21	10/12
4.	Miss Narumon Chivangkur ⁽³⁾	Director	May 21 – Apr 24	6/8
5.	Mr. Sukkawat Prasurtying	Independent Director	May 19 – Apr 22	12/12
6.	Mr. Apichart Tungkiatsilp	Director	May 20 – Apr 23	12/12
7.	Mr. Thitawat Asaves	Director	May 19 – Apr 22	12/12
8.	Mr. Rawin Boonyanusasna	Director	May 19 – Apr 22	10/12
9.	Dr. Bhume Bhumiratana	Independent Director	May 20 – Apr 23	6/12
10.	Mr. Tanik Tarawisid ⁽³⁾	Director	May 21 – Apr 24	7/8
11.	Mr. Tada Phutthitada	President and Director	17 May 18 – 16 May 22	12/12
12.	Ms. Daranee Saeju ⁽⁴⁾	Advisor to the Board	June 21 – May 22	12/12
13.	Ms. Chanunporn Phisitvanich ⁽⁴⁾	Advisor to the Board	June 21 – May 22	12/12

Retired committee

	Name	Position	Term of office	Meeting attended
1.	Dr. Somjin Sornpaisarn	Vice Chairman of the Board and Independent Director	May 18 – Apr 21	4/4
2.	Mr. Narin Opamuratawongse	Director	May 18 – Apr 21	4/4
3.	Mr. Pisal Kattiyothaivong	Director	May 18 – Apr 21	4/4

Remarks:

- (1) Miss Wattana Tiranuchit was elected as a new independent director to replace Dr. Somjin Sornpaisarn who completed his term by the Annual General Meeting of Members on 29 April 2021 and Miss Wattana was appointed as a Vice Chairperson by the Resolution of the Board of Directors Meeting in June 2021.
- (2) Mrs. Pattera Dilokrunghthirapop resigned from the Board of Directors on 30 December 2021.
- (3) Miss Narumon Chivangkur and Mr. Tanik Tarawisid was elected as a new director to replace Mr. Narin Opamuratawongse and Mr. Pisal Kattiyothaivong who completed his term by the Annual General Meeting of Members on 29 April 2021.
- (4) Ms. Daranee Saeju and Ms. Chanunporn Phisitvanich was re-appointed an advisor by the Resolution of the Board of Directors Meeting in June 2021.

Good Corporate Governance

2. The Audit Committee

ThaiBMA strictly adheres to good corporate governance practices and has accordingly appointed an Audit Committee to monitor and supervise the operations of the Management to ensure that the Association is operated in accordance with rules and code of ethics under an efficient and effective internal control system. The Audit Committee shall consist of at least 2 independent directors and shall be in office for the same term as director.

The Audit Committee shall prepare the Audit Committee's report containing opinions about the accuracy, completeness, and reliability of the annual financial statements; the adequacy of internal control system; the appointment of external auditor; the compliance with related laws and regulations; as well as the opinion pertaining to any reports that should be disclosed to the members under the scope of responsibilities assigned by the Board of Directors.

(1) Roles, duties and responsibilities

The Audit Committee has the tasks and responsibilities to review financial statements of the Association to ascertain that the statements are accurate and disclose sufficient information; to review the Association's operation to ensure that there are appropriate internal control and audit systems; to request information, comments and explanations from the Association's executives, external auditors, and related persons as well as performing any other tasks as assigned by The Board of Directors.

(2) Meeting of the Audit Committee

For the Audit Committee's meeting, the agenda is set in advance and related documents are circulated to members of the Audit Committee and other participants at least 7 days in advance to allow sufficient time to study the matters or request. The Audit Committee's meetings are normally held at least 4 times in each calendar year. The Chairman of Audit Committee may call a special meeting upon request of the members of the committee, the external auditors, or the Chairman of Board of Directors to jointly consider essential matters.

Members of Audit Committee

	Name	Position	Term of office	Meeting attended
1.	Miss Wattana Tiranuchit ⁽¹⁾	Chairperson	20 May 21 – May 22	3/3
2.	Mr. Sukkawat Prasurtying	Committee	1 June 19 – May 22	4/4
3.	Mr. Apichart Tungkiatsilp ⁽²⁾	Committee	1 June 19 – 19 May 22	1/1
4.	Mr. Thitawat Asaves	Committee	20 May 21 – May 22	3/3

Retired committee

	Name	Position	Term of office	Meeting attended
1.	Dr. Somjin Sornpaisarn	Chairman	1 June 19 – 29 April 21	1/1

Remarks: By the Resolution of the Board of Directors Meeting on 20 May 2021:

- (1) Miss Wattana Tiranuchit was appointed as a new Chairperson to replace Dr. Somjin Sornpaisarn who completed his term.
- (2) Mr. Thitawat Asaves was appointed as a new committee to replace Mr. Apichart Tungkiatsilp.

Subcommittees

Pursuant to the Article Association, Board of Directors is required to appoint five subcommittees; i.e. Market Practice Subcommittee, Market Regulation Subcommittees, Market Information Subcommittee, Disciplinary Subcommittee and Appeal Subcommittee. The composition and scope of each subcommittee will be provided in the following sections. In addition to such five subcommittees, the Board of Directors has also appointed Nomination and Remuneration Subcommittee, Investment Subcommittee and Deposit Sub-committee.

The Nominating and Remuneration Subcommittee

Scope and responsibilities: To consider and provide recommendations on the compensation policy and the remuneration for the Board of Directors, the Managing Director and the Senior Executive Vice President. This includes advices on human resources management policy of the Association.

Members of Nomination and Remuneration Subcommittee

	Name	Position	Term of office	Meeting attended
1.	Mrs. Pattera Dilokrunghthirapop ⁽¹⁾	Chairperson	1 June 19 – 30 Dec 21	1/1
2.	Mr. Apichat Tungkiatsilp	Committee	1 June 19 – May 22	1/1
3.	Mr. Tanik Tarawisid ⁽²⁾	Committee	20 May 21 – May 22	1/1

Retired committee

	Name	Position	Term of office	Meeting attended
1.	Mr. Pisal Kattiyothaivong	Committee	1 June 19 – 29 April 21	-

Remarks: By the Resolution of the Board of Directors Meeting on 20 May 2021:

(1) Mrs. Pattera Dilokrunghthirapop resigned from the Board of Directors on 30 December 2021.

(2) Mr. Tanik Tarawisid was appointed as a new committee to replace Mr. Pisal Kattiyothaivong who completed his term.



Subcommittees

Investment Subcommittee

Scope and responsibilities: To determine a policy, to provide recommendation on guideline of investment management for the Association, to evaluate the performance of private fund manager for the Association, and to consider the modification of rules and regulations relating to investment of the Association. Investment Subcommittee was dissolved by the board meeting in May 2021.

Members of Investment Subcommittee

	Name	Position	Term of office	Meeting attended
1.	Mr. Narin Opamuratawongse	Chairperson	1 June 19 – 20 May 21	1/2
2.	Mr. Thitawat Asaves	Committee	1 June 19 – 20 May 21	2/2
3.	Mr. Rawin Boonyanusasna	Committee	1 June 19 – 20 May 21	2/2
4.	Mr. Tada Phutthitada	Committee	1 June 19 – 20 May 21	2/2

The Deposit Review Subcommittee

The deposit review subcommittee was appointed by the Resolution of the Board of Directors Meeting on 20 May 2021

Scope and responsibilities: To consider on select financial institutions in order to deposit ThaiBMA's excess liquidity, to consider a deposit framework to reduce the risk of concentration of deposits, and to recommend guidelines for managing ThaiBMA's excess liquidity.

Members of Deposit Review Subcommittee

	Name	Position	Term of office	Meeting attended
1.	Mrs. Pattera Dilokrunghirapop	Chairperson	20 May 21 – 30 Dec 21	2/2
2.	Mr. Sukkawat Prasurtying	Committee	20 May 21 – May 24	2/2
3.	Mr. Apichat Tungkiatsilp	Committee	20 May 21 – May 24	2/2
4.	Mr. Tada Phutthitada	Committee	20 May 21 – May 24	2/2

Selection and Remunerations of the Committee and Subcommittees

The selection and screening of members of the Board of Directors and top management as well as the selection and appointment of members of the Subcommittees and the President of the ThaiBMA shall be in accordance with the resolution of the Board of Directors. In addition, the Board of Directors has the tasks to review the remuneration structure of top management as well as to consider and provide recommendations or opinions pertaining to the policy regarding remunerations and other benefits of the Association. The remunerations for members of the Board of Directors, the Audit Committee and Subcommittees are as follows:

(1) Remunerations for Board of Directors

The remuneration of the Board of Directors is in accordance with the resolutions of the Annual General Meeting of the members. The monthly remuneration for the Chairperson of the Board and each member of the Board are set at Baht 50,000 and Baht 10,000 respectively. In addition, both the Chairperson of the Board and each member of the Board are entitled to Baht 10,000 per each attendance.

(2) Remunerations for the Audit Committee

According to the resolution of the Board of Directors, the Audit Committee shall be remunerated for attendance at each meeting. The Chairperson of the Audit Committee is entitled to Baht 12,000 per attendance and each member of the Audit Committee is entitled to Baht 8,000 per attendance.

(3) Remunerations for the Nomination and Remunerations Subcommittee and the Investment Subcommittee

According to the resolution of the Board of Directors, the Chairperson of the Nomination and Subcommittee is entitled to Baht 12,000 and Baht 8,000 respectively per each attendance.

(4) Remunerations for other Subcommittees

Other subcommittees of the Association are Market Practice Subcommittee, Market Regulation Subcommittee, Market Information Subcommittee, Disciplinary Subcommittee, and Appeal Subcommittee. The Board of Directors has resolved to pay the remunerations to each member of each Subcommittee in the form of meeting fee. The Chairperson of each Subcommittee is entitled to a fee of Baht 4,000 per meeting whereas each member of each committee is entitled to a fee of Baht 3,000 per attendance.

Relationship with stakeholders

The Board of Directors of the ThaiBMA realizes importance of relationships with stakeholders and places emphasis on the rights of all stakeholders based on fair and equal treatment as follows:

(1) Regulatory bodies and supporting government agencies

ThaiBMA acts in compliance with relevant laws and regulations promulgated by the regulators, and is ready for inspection at every process of its operations. The Association gives due regard to administration with integrity, transparency, and efficiency in order to attain the mandated mission; facilitating the nation's economic development; and preventing any possible conflicts of interest.

(2) Members

Members of ThaiBMA are supervised and equally treated on a fair basis. Besides, the arbitration process is arranged to settle any disputes which may arise as a result of trading activities between members and their counterparties to ascertain that the disputes are resolved with fairness.

(3) Bond issuers

The ThaiBMA promotes fund mobilization through issuance of debt instruments which is deemed as an alternative for lower cost of financing. Fundraising via bond issuance will enable issuers to manage their financial positions more efficiently. In this regards, ThaiBMA regularly and consistently organizes seminars and trainings for prospective issuers to enhance their understanding about the method and process of bond issuance as well as related rules and regulations

(4) Information users

The ThaiBMA realizes the importance of those who use data and information for analysis and supporting investment decision making. Accordingly, the Association has consistently developed and upgraded the efficiency in rendering information services in terms of format, content quality and dissemination channels. ThaiBMA's website which serves as the main channel for information dissemination has been well recognized by international circles and cited as the most comprehensive website for domestic bond information.

(5) Employees

The ThaiBMA places emphasis on the quality of life of its employees and is committed to create a favorable and pleasant working environment in order to maintain high quality staffs with the organization. Moreover, the Association provides its employees with strong supports and opportunities for knowledge and skills development to ensure their maximum work efficiency.

(6) The Society

The Association bears in mind its role and responsibility to the society, hence contributing to charitable activities. In particular, it acts as a major organization in disseminating information and knowledge related to the Thai bond market.

ThaiBMA also puts emphasis on educational activities to promote knowledge and pays due regard to information disclosure to ensure that all stakeholders, including its members, investors, non-member securities companies, students and academics, as well as the general public are provided with accurate, sufficient, and timely information. The efforts of ThaiBMA in this regard are as follows:

- Providing bond market information via websites www.thaibma.or.th and ThaiBMA Facebook
- Collecting voices of stakeholders via meetings, market dialogue, and stakeholder visit
- Organizing annual “Best Bond Awards” ceremony to promote development of the Thai bond markets on various aspects as well as to enhance quality and professionalism of institutions involving in market transactions which is essential for the consistent and vigorous development of domestic bond market

Risk management and internal control

The Association recognizes the importance of risk management and internal control systems, thus establishing the Association’s risk management policy and framework which is in accordance with international enterprise risk management (ERM) principles. The association has also implemented the risk management structure within the organization by setting up a Risk Management Working Group. Operational systems and internal management processes of the Association have been developed to ensure that the risk management process is implemented efficiently and covers all key risk factors.

With regard to internal control, annual internal audit, covering all main departments, is under taken and the internal audit report after such audit is submitted to the audit committee for consideration. This procedure helps ascertaining that there are efficient operations and sufficient internal control systems.

In addition, not only does the Association issue policies and regulations relating to internal control such as Chinese wall policy in order to prevent confidential information leakage and misuse, but it also places great emphasis on a security of information technology system, bond information database, and backup data as well as a security of computer system to ensure the efficiency and accuracy of data processing. Information technology policy and guideline are drafted and implemented in accordance with the rules and regulation applicable to the Association.

Works process has been established for employees and those who work for the Association to verify the identity of the persons accessing and using the information.

The Association also establishes Disaster Recovery Plan and Alternate Site in case of emergency, including Business Continuity Plan to ascertain that the operation systems especially in the part of services for the third party can be continued without interruption.

Business ethics

ThaiBMA is fully confident that the adoption of code of conduct and business ethics is fundamental factor for the promotion and upgrading of good corporate governance. Board of Directors has approved the Association’s code of conduct which sets out the operational guidelines for directors, executives and staffs in carrying out their duties based on good corporate governance principles.

Printed format of the code of conduct is distributed to each of the directors, executives and employees. Every employee is required to acknowledge the code of conduct and shall be committed to comply with the rules prescribed in the code, where the framework for the ThaiBMA’s standard of practice is prescribed. The Association also assigns a responsible person to continually monitor results of operations and update the code of conduct from time to time.



Conflicts of interest prevention

The Association realizes the importance of avoiding any potential bias or event that would lead to a conflict of interests. The policy of conflict of interest prevention is clearly stated in the code of conduct such that the directors, executives and employees are forbidden from entering into any transactions that might lead to conflict of interests with the Association. In case there is a conflict of interest, due regard should be paid to the benefit of the Association and the conflict must be disclosed to the Board of Directors, the President or the superior of that person (as the case may be) and immediately reported to the Department of Regulations and Compliance.

In addition, ThaiBMA has issued a number of notifications and regulations in an attempt to prevent conflict of interest; for instance, ThaiBMA’s Notification re: investment in or holding of securities by its executives and staffs, re: maintaining confidential and internal information, and ThaiBMA’s Regulation on guidelines for secondment and transfer of employees between departments, etc.

Directory of Members

Ordinary Member/ สมาชิกสามัญ

Companies		บริษัท
1.	AIRA Securities Public Company Limited	บริษัทหลักทรัพย์ ไอรา จำกัด (มหาชน)
2.	ANZ Bank (Thai) Public Company Limited	ธนาคารเอเอ็นเอแซด (ไทย) จำกัด (มหาชน)
3.	Kingsford Securities Public Company Limited	บริษัทหลักทรัพย์ คิงส์ฟอร์ด จำกัด (มหาชน)
4.	Asia Plus Securities Company Limited	บริษัทหลักทรัพย์ เอเชีย พลัส จำกัด
5.	Bangkok Bank Public Company Limited	ธนาคารกรุงเทพ จำกัด (มหาชน)
6.	Bank of America National Association	ธนาคารแห่งอเมริกาเนชั่นแนลแอสโซซิเอชัน
7.	Bank of Ayudhya Public Company Limited	ธนาคารกรุงศรีอยุธยา จำกัด (มหาชน)
8.	Beyond Securities Public Company Limited	บริษัทหลักทรัพย์ บียอนด์ จำกัด (มหาชน)
9.	BNP Paribas, Bangkok Branch	ธนาคารบีเอ็นพี พารีบาส์
10.	Bualuang Securities Public Company Limited	บริษัทหลักทรัพย์ บัวหลวง จำกัด (มหาชน)
11.	Capital Nomura Securities Public Company Limited	บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)
12.	CGS-CIMB Securities (Thailand) Company Limited	บริษัทหลักทรัพย์ ซีจีเอส-ซีไอเอ็มบี (ประเทศไทย) จำกัด
13.	CIMB Thai Public Company Limited	ธนาคารซีไอเอ็มบีไทย จำกัด (มหาชน)
14.	Citibank, N.A.	ธนาคารซิตีแบงก์ เอ็น.เอ.
15.	Citicorp Securities (Thailand) Limited	บริษัทหลักทรัพย์ ซิตีคอร์ป (ประเทศไทย) จำกัด
16.	Country Group Securities Public Company Limited	บริษัทหลักทรัพย์ คันทรี กรุ๊ป จำกัด (มหาชน)
17.	DBS Vickers Securities (Thailand) Company Limited	บริษัทหลักทรัพย์ ดีบีเอส วิคเคอร์ส (ประเทศไทย) จำกัด
18.	Deutsche Bank AG	ธนาคารดอยช์แบงก์
19.	Finansa Securities Limited	บริษัทหลักทรัพย์ ฟินันซ่า จำกัด
20.	Finansia Syrus Securities Public Company Limited	บริษัทหลักทรัพย์ ฟินันเซีย ไชรัส จำกัด (มหาชน)
21.	Globex Securities Company Limited	บริษัทหลักทรัพย์ โกลเบล็ก จำกัด
22.	Government Savings Bank	ธนาคารออมสิน
23.	IV Global Securities Public Company Limited	บริษัทหลักทรัพย์ ไอ วี โกลบอล จำกัด (มหาชน)
24.	JPMorgan Chase Bank, N.A.	ธนาคาร เจพี มอร์แกน เชส
25.	Kasikorn Bank Public Company Limited	บริษัท ธนาคาร กสิกรไทย จำกัด (มหาชน)
26.	Kasikorn Securities Public Company Limited	บริษัทหลักทรัพย์ กสิกรไทย จำกัด (มหาชน)
27.	KGI Securities (Thailand) Public Company Limited	บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
28.	Kiatnakin Phatra Bank Public Company Limited	ธนาคาร เกียรตินาคินภัทร จำกัด (มหาชน)
29.	Kiatnakin Phatra Securities Public Company Limited	บริษัทหลักทรัพย์ เกียรตินาคินภัทร จำกัด (มหาชน)
30.	Krung Thai Bank Public Company Limited	ธนาคาร กรุงไทย จำกัด (มหาชน)

Directory of Members

Ordinary Member/ สมาชิกสามัญ

Companies	บริษัท
31. Krungthai Zmico Securities Company Limited	บริษัทหลักทรัพย์ กรุงไทย ซีมิโก้ จำกัด
32. Krungsri Securities Public Company Limited	บริษัทหลักทรัพย์ กรุงศรี จำกัด (มหาชน)
33. KTB Securities (Thailand) Company Limited	บริษัทหลักทรัพย์ เคทีบี (ประเทศไทย) จำกัด
34. Maybank Securities (Thailand) Public Company Limited	บริษัทหลักทรัพย์ เมย์แบงก์ (ประเทศไทย) จำกัด (มหาชน)
35. RHB Securities (Thailand) Public Company Limited	บริษัทหลักทรัพย์ อาร์เอชบี (ประเทศไทย) จำกัด (มหาชน)
36. SCB Securities Company Limited	บริษัทหลักทรัพย์ ไทยพาณิชย์ จำกัด
37. Siam Commercial Bank Public Company Limited	ธนาคาร ไทยพาณิชย์ จำกัด (มหาชน)
38. Standard Chartered Bank (Thai) Public Company Limited	ธนาคาร สแตนดาร์ดชาร์เตอร์ด (ไทย) จำกัด (มหาชน)
39. The Hongkong and Shanghai Banking Corporation Limited	ธนาคาร ฮั่งกวงและเซี่ยงไฮ้แบงกิงคอร์ปอเรชั่น จำกัด
40. TISCO Bank Public Company Limited	ธนาคาร ทิสโก้ จำกัด (มหาชน)
41. TMBThanachart Bank Public Company Limited	ธนาคาร ทหารไทยธนชาติ จำกัด (มหาชน)
42. Trinity Securities Company Limited	บริษัทหลักทรัพย์ ทรีนีตี้ จำกัด
43. UBS Securities (Thailand) Limited	บริษัทหลักทรัพย์ ยูบีเอส (ประเทศไทย) จำกัด
44. United Overseas Bank (Thai) Public Company Limited	ธนาคาร ยูโอบี จำกัด (มหาชน)
45. UOB Kay Hian Securities (Thailand) Public Company Limited	บริษัทหลักทรัพย์ ยูโอบี เคียฮิเยน (ประเทศไทย) จำกัด (มหาชน)
46. Yuanta Securities (Thailand) Company Limited	บริษัทหลักทรัพย์ หยวนต้า (ประเทศไทย) จำกัด

Extraordinary Member/ สมาชิกวิสามัญ

Companies	บริษัท
47. AFS Securities (Thailand) Limited	บริษัทหลักทรัพย์ เอเอฟเอส (ประเทศไทย) จำกัด
48. Elite Securities Company Limited	บริษัทหลักทรัพย์ อีลิท จำกัด
49. ICAP Securities Company Limited	บริษัทหลักทรัพย์ ไอซีเอพี จำกัด
50. Wall Street Tullett Prebon Securities Limited	บริษัทหลักทรัพย์ วอลล์สตรีท ทัลเลทท์ พรีบอนน์ จำกัด

Associate Member/ สมาชิกสมทบ

Companies	บริษัท
51. KPM Securities Company Limited	บริษัทหลักทรัพย์ เคพีเอ็ม จำกัด
52. Land and Houses Securities Public Company Limited	บริษัทหลักทรัพย์ แลนด์ แอนด์ เฮ้าส์ จำกัด (มหาชน)
53. Phillip Securities (Thailand) Public Company Limited	บริษัทหลักทรัพย์ ฟิลลิป (ประเทศไทย) จำกัด (มหาชน)
54. Siam Wealth Securities Company Limited	บริษัทหลักทรัพย์ สยามเวลธ์ จำกัด

THE THAI BOND MARKET ASSOCIATION

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021

THE THAI BOND MARKET ASSOCIATION

FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

REPORT OF THE AUDITOR

To The Board of Directors and Members of
The Thai Bond Market Association

Opinion

I have audited the financial statements of The Thai Bond Market Association, (Association) which comprise the statement of financial position as at December 31, 2021, and the statement of income and expenditure, statement of changes in capital fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Thai Bond Market Association as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

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 Association in accordance with the Federation of Professional Accounting of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, 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 Association ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Association financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

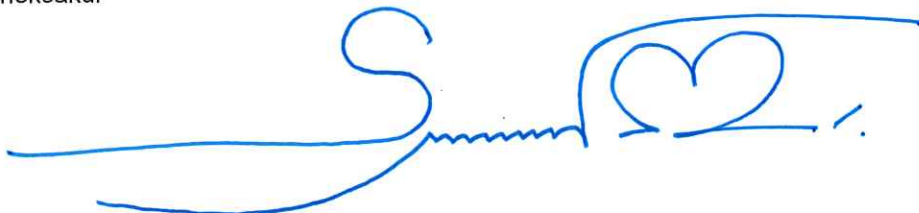
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Association'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 Association'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 Association 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Suwat Maneekanoksakul



(Mr. Suwat Maneekanoksakul)

Certified Public Accountant

Registration No. 8134

Dharmniti Auditing Company Limited

Bangkok, Thailand

March 10, 2022

THE THAI BOND MARKET ASSOCIATION
THE STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

<u>ASSETS</u>			
		Baht	
	Note	2021	2020
Current assets			
Cash and cash equivalents	3	76,340,204.11	15,931,249.74
Current investments	4	950,004,280.81	58,054,458.21
Account receivable		355,332.29	533,560.33
Other current assets		4,562,413.05	1,280,781.84
Total Current Assets		<u>1,031,262,230.26</u>	<u>75,800,050.12</u>
Non-current assets			
Long-term investment	5, 15	21,861,400.59	914,723,410.07
Equipment	6	11,560,590.18	16,726,075.49
Intangible assets	7	924,430.52	1,613,224.35
Other non-current assets	8	2,482,089.96	2,488,650.72
Total Non-Current Assets		<u>36,828,511.25</u>	<u>935,551,360.63</u>
TOTAL ASSETS		<u><u>1,068,090,741.51</u></u>	<u><u>1,011,351,410.75</u></u>

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

THE THAI BOND MARKET ASSOCIATION
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2021

LIABILITIES AND CAPITAL FUND

	Note	Baht	
		2021	2020
Current liabilities			
Other payable	9	3,497,441.23	5,715,572.15
Deferred income	10	30,641,018.04	37,379,074.05
Current portion of deferred annual fee of registered debt securities	11	41,284,586.93	37,843,827.84
Other current liabilities	12	7,757,296.18	5,892,143.70
Total Current Liabilities		83,180,342.38	86,830,617.74
Non-current liabilities			
Deferred annual fee of registered debt securities	11	70,581,805.63	64,718,405.77
Provisions for employee benefit	13	23,999,314.11	19,288,073.15
Demolition provisions		3,604,147.71	3,533,473.67
Total Non-Current Liabilities		98,185,267.45	87,539,952.59
TOTAL LIABILITIES		181,365,609.83	174,370,570.33
Capital fund			
Donated fund		185,529,785.29	185,529,785.29
Initial capital fund from members		33,130,000.00	32,530,000.00
Accumulated fund		671,776,419.26	619,025,824.87
Other components of capital fund		(3,711,072.87)	(104,769.74)
TOTAL CAPITAL FUND		886,725,131.68	836,980,840.42
TOTAL LIABILITIES AND CAPITAL FUND		1,068,090,741.51	1,011,351,410.75

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

THE THAI BOND MARKET ASSOCIATION
STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2021

		Baht	
	Note	2021	2020
INCOME			
Membership annual fees		7,220,476.44	7,594,872.60
Admission fees for registered debt instruments		74,386,211.88	51,613,565.78
Annual fees for registered debt instruments		47,179,578.61	48,027,168.63
Service fees for data provision		52,455,902.71	51,438,943.30
Training fees and book support		1,920,640.00	2,057,060.00
Examination fees, training fees and registration fees for registered traders		1,856,550.00	728,480.00
Earnings from investment in Unit trust	4	60,505.22	335,322.52
Gain on sales from investment in securities	5	10,680,615.46	8,147,409.82
Unrealized gain on securities valuation		-	7,219,419.90
Interest income		3,497,756.58	52,227.01
Other income		229,823.83	428,609.56
Total income		199,488,060.73	177,643,079.12
EXPENDITURE			
Data system expenses		4,115,931.63	3,465,506.14
Staff costs		113,413,020.31	109,378,415.35
Business development expenses		5,850,108.12	7,317,415.87
Administrative expenses		16,449,491.33	14,148,186.44
Depreciation equipment		5,491,942.32	7,143,253.00
Amortization of computer software		723,293.83	886,207.84
Finance costs		693,678.80	624,800.81
Total expenditure		146,737,466.34	142,963,785.45
Income over (under) expenditure for the year		52,750,594.39	34,679,293.67

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

THE THAI BOND MARKET ASSOCIATION
STATEMENTS OF CHANGES IN CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

		Baht				
		Donated fund	Initial capital fund	Accumulated	Other components	Total
	Note		from members	Fund		
Balance as at December 31, 2019						
As previously reported		185,529,785.29	32,530,000.00	584,346,531.20	-	802,406,316.49
Initial capital fund from associate member		-	-	-	-	-
Unrealized gain (loss)	5.2	-	-	-	(104,769.74)	(104,769.74)
Income over (under) expenditure						
for the year 2019		-	-	34,679,293.67	-	34,679,293.67
Balance as at December 31, 2020		185,529,785.29	32,530,000.00	619,025,824.87	(104,769.74)	836,980,840.42
Initial capital fund from associate member		-	600,000.00	-	-	600,000.00
Unrealized gain (loss)	5.2	-	-	-	(3,606,303.13)	(3,606,303.13)
Income over (under) expenditure						
for the year 2020		-	-	52,750,594.39	-	52,750,594.39
Balance as at December 31, 2021		185,529,785.29	33,130,000.00	671,776,419.26	(3,711,072.87)	886,725,131.68

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

THE THAI BOND MARKET ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Baht	
	2021	2020
<u>Cash flows from operating activities :</u>		
Income over(under) expenditure for the year	52,750,594.39	34,679,293.67
Adjustment for :		
Depreciation equipment	5,491,942.32	7,143,253.00
Amortization of computer software	723,293.83	886,207.84
Expenses (income) for employee benefits	1,905,374.06	1,859,747.79
Gain (loss) from the estimation of actuarial principle	2,182,862.14	-
Earnings from investment in mutual fund	(60,505.22)	(335,322.52)
(Gain) loss on sales from investment in securities	(10,680,615.46)	(8,147,409.82)
Unrealized (gain) loss on securities valuation	-	(7,219,419.90)
Interest income	(3,497,756.58)	(52,227.01)
Finance cost	693,678.80	624,800.81
Net profit from operating assets and liabilities	49,508,868.28	29,438,923.86
Account receivable	178,228.04	(491,670.64)
Current assets	(3,281,631.68)	(482,945.01)
Other non-current assets	6,560.76	22,426.16
Other payable	(2,218,130.92)	(16,168,515.34)
Deferred income	(6,738,056.01)	5,452,574.69
Deferred annual fees of registered debt securities	9,304,158.95	(7,156,884.34)
Other current liabilities	1,865,152.48	259,779.97
Cash provided by (used in) operating activities	48,625,149.90	10,873,689.35
Employee benefits paid	-	(578,649.61)
Net cash provided by (used in) operating activities	48,625,149.90	10,295,039.74

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

THE THAI BOND MARKET ASSOCIATION
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Baht	
	2021	2020
<u>Cash flows from investing activities :</u>		
Purchases of mutual investments	(12,000,000.00)	(73,800,000.00)
Purchases of long-term investment	-	(10,000,000.00)
Cash received from the sale of mutual investment	-	49,000,000.00
Cash received from the sale of long-term investment	-	30,000,000.00
(Increase) decrease in fixed deposits	(950,000,000.00)	-
Cash received from the sale of mutual investment	70,110,697.46	-
Cash received from the sale of long-term investment	899,936,321.81	-
Purchases of equipment	(326,457.01)	(9,204,621.69)
Purchases of intangible assets	(34,500.00)	(20,000.00)
Interest received	3,497,742.21	231,272.83
Net cash provided by (used in) investing activities	11,183,804.47	(13,793,348.86)
<u>Cash flows from financing activities :</u>		
Initial capital fund from member	600,000.00	-
Net cash provided by (used in) financing activities	600,000.00	-
Increase (decrease) in cash and cash equivalents, net	60,408,954.37	(3,498,309.12)
Cash and cash equivalents, beginning balance	15,931,249.74	19,429,558.86
Cash and cash equivalents, ending balance	76,340,204.11	15,931,249.74

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

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. GENERAL INFORMATION

(A) Legal status and address

The Thai Bond Market Association was established as a juristic entity on September 8, 2005, and granted the license by the SEC, registration number 4/2548, according to Articles 231 and 232 of the Securities and Exchange Commission Act B.E. (2535).

The address of its registered office is its 900 Tomson Tower Building, 10st Floor, Ploenchit Rd., Lumpini, Pathumwan, Bangkok.

(B) Nature of the Operation

The Association had received the license to operate as an association related to securities business under Section 230 of the Securities and Exchange Act B.E. 2535 with the main function of being a member regulator (Self-Regulatory Organization /SRO) and was a center for information on the bond market including promoting and developing the bond market.

Objectives of the Association are as follows :

(1) To be center of information on the debt securities market and to provide services related to such information;

(2) To promote and develop debt securities market and businesses;

(3) To promote, develop and prescribe standard of practices for debt securities businesses;

(4) To supervise Members to ensure compliance with the rules, regulations, ethics, code of conducts and standard of practices in the debt securities market;

(5) To promote and foster the research and education regarding debt securities including providing professional views of the related subjects as well as to publicize and disseminate the information concerning the debt securities market to the public;

(6) To promote the relationship and cooperation among Members;

(7) To provide forum for resolution of dispute arising from debt securities dealing business between a Member and another Member or a third party;

(8) To carry out any other activities or work for public benefits with on aim to achieve the Association's foregoing objectives, which are all non-political related.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

(C) Data of membership

As at December 31, 2021 and 2020 membership of the Association consists of:

Type of member	Number of members	
	2021	2020
Ordinary Member	46	49
Extraordinary Member	4	4
Associate Member	4	2
Total	54	55

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards as required by the Accounting Profession Act B.E.2547 in compliance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, regarding the financial statement's presentation for association, issued under the Accounting Act B.E.2543.

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

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

2.2 Recognition of initial capital fund

Revenue from the membership admission fees is recognized in full as initial capital fund upon membership application.

2.3 Recognition of revenue and expenditure

Revenue from annual membership fees is recognized based on the membership period.

Revenue from initial registration fee of debt securities is recognized in full upon its registration.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Revenue from annual fees of registered debt securities is recognized based on the maturity and not exceeding seven years.

Revenue from data provision is recognized based on the service period.

Revenue from providing services is recognized when the services are completely rendered.

Interest income is recognized on an accrual basis.

Other revenues and expenses are recognized on an accrual basis

2.4 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions with an original maturity of 3 months or less, excluding cash at banks which are used for guarantee.

2.5 Current investments

The temporary investments in fixed deposits were stated at cost and recognized the interest at the rate announced by that financial institution in the income statement.

General investments are stated at cost less allowance on decline in value (if any). Loss on decline in value (if any) such investments is recognized in the statement of income and expenditure.

Unit trust investments in marketable securities are stated at the fair value. The Association recognizes the change in the fair value of investment in the statement of income and expenditure.

2.6 Long-term Investment

Long-term investment in debt securities to be held to maturity is accounted at amortized cost by the effective rate method.

Investments in equity securities that are available-for-sale investments are stated at fair value. The association recognized the changes in the fair value of equity instruments in equity and uses the weighted average method to calculate the cost of investments. Upon the investment is disposed of, the difference between the net income received and the book value of investment will be recorded in the statement of income and expenditure.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

2.7 Equipment/Depreciation

Equipment is stated at cost accumulated depreciation and allowance on decline in value (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Furniture and fixtures	5 years
Office equipment	5 years
Computer and equipment	5 years
Vehicles	5 years

The Association has reviewed the residual value and useful life of the assets regularly.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided in relation to the equipment under installation.

Equipment is written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of income and expenditure

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance on decline in value (if any). Intangible assets are amortized in the statement of income and expenditure on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 years.

2.9 Deferred income

Deferred income is realized to income by the straight-line method throughout the period of the agreement.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

2.10 Deferred annual fee of registered debt securities

Deferred annual fee of registered debt securities will be recorded as debt securities fee income according to the maturity of the debt securities but not exceeding 7 years.

2.11 Employee benefits

Short-term employment benefits

The Association recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Association has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Association treats these severance payment obligations as a defined benefit plan.

The obligation under the defined plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumption, including discount rate, future salary increases rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized in the statement of income and expenditure.

2.12 Income tax

The Thai Bond Market Association has been registered as a securities business related association with the office of Securities and Exchange Commission to be a juristic person under Section 233 of the Securities and Exchange Commission Act B.E. 2535 whose legal status is not interpreted as "juristic company or partnership" as defined under Article 39 of the Revenue Code. The Association is thus not enforced to pay corporate income tax.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

2.13 Provisions

Provisions are recognized in the statement of financial position when the Association has outstanding liabilities arising from legal disputes or obligations as a result of past event and it is probable that the economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2.14 Using of Accounting Estimation

Preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

2.15 Other components of equity

Other components of the equity are the adjust transaction in the value of long-term investments in available-for-sale securities in order to be in accordance with the current market price.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :

	Baht	
	2021	2020
Cash on hand	35,291.00	34,406.00
Cash at banks - Savings accounts	68,814,293.11	14,976,084.15
Cash at banks - Current accounts	7,490,620.00	920,759.59
Total	76,340,204.11	15,931,249.74

As at December 31, 2021 and 2020 saving accounts bear interest at floating rates which are set by banks.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

4. CURRENT INVESTMENTS

	Baht				
	Balance per book	Increase (decrease) during the period			Balance per book
	as at	Addition	Deduction	Transfer	as at
	Dec. 31, 2020			In (out)	Dec. 31, 2021
Investment (at cost value)					
Fixed Deposit Account	4,265.97	950,000,014.84	-	-	950,004,280.81
Mutual fund T-CASH	58,050,192.24	12,060,505.22	(70,110,697.46)	-	-
Total	58,054,458.21	962,060,520.06	(70,110,697.46)	-	950,004,280.81
Adjustment of the fair value of					
investments	-				-
Total fair value	58,054,458.21				950,004,280.81
Gain (loss) on sales from investment in securities					60,505.22

During the year 2021, the Association received a letter from the SEC to review the Association's investment policy in accordance with the interpretation of the provisions of Section 22 of the Trade Association Act B.E. 2509 of the Office of the Decree which interpreted that the Associations cannot invest in bonds. The Board of Directors of the Association therefore resolved to allow the Association to sell its investments in debt instruments.

The Association had taken the proceeds from the sale of investments in securities held in private funds managed by SCB Asset Management Company Limited and One Asset Management Company Limited in the total amount of Baht 920 million and the excess liquidity from operations in the amount of Baht 30 million to be deposited into a fixed deposit account with the bank for a period of not more than 12 months.

The Association classified the temporary investments as investments in fixed deposits for not more than 12 months, with interest rates of 0.32% - 0.90% for the year ended December 31, 2021.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

5. LONG-TERM INVESTMENT

Long-term investment consisted of :

	Baht	
	2021	2020
Investments in securities	21,861,400.59	914,723,410.07
Total	21,861,400.59	914,723,410.07

5.1 Investments in securities

	Baht				
	Balance per book	Increase (decrease) during the period			Balance per book
	as at	Addition	Deduction	Transfer	as at
	Dec. 31, 2020			in (out)	Dec. 31, 2021
Investment (at cost value)					
Investment in securities	-	-		-	-
Available-for-sale securities	322,424,399.91	-	(296,851,926.45)	-	25,572,473.46
Securities held until maturity	592,403,779.90	-	(592,403,779.90)	-	-
Total	914,828,179.81	-	(889,255,706.35)	-	25,572,473.46
Adjustment of the fair value of					
investments	(104,769.74)				(3,711,072.87)
Total fair value	914,723,410.07				21,861,400.59
Gain (loss) on sales from investment in securities					10,680,615.46

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

	Baht				
	Balance per book	Increase (decrease) during the period			Balance per book
	as at	Addition	Deduction	Transfer	as at
	Dec. 31, 2019			in (out)	Dec. 31, 2020
Investment (at cost value)					
Investment in securities	840,430,239.11	86,250,530.88	20,000,000.00	(906,680,769.99)	-
Available-for-sale securities	-	3,839,012.83	-	318,585,387.08	322,424,399.91
Securities held until maturity	-	4,308,396.99	-	588,095,382.91	592,403,779.90
Total	840,430,239.11	94,397,940.70	20,000,000.00	-	914,828,179.81
Adjustment of the fair value of					
investments	69,031,110.98				(104,769.74)
Total fair value	909,461,350.09				914,723,410.07
Unrealized (gain) loss on					
securities valuation	36,243,110.58				7,219,419.90
Gain (loss) on sales from investment in securities					8,147,409.82

From July 1, 2020, the Association has changed the method of recognizing unrealized gain (loss) from long-term investment into income statement and expenses by the new method recorded in another component of the equity.

During the year 2021, the Association received a letter from the SEC to review the Association's investment policy in accordance with the interpretation of the provisions of Section 22 of the Trade Association Act B.E. 2509 of the Office of the Decree which interpreted that the Associations cannot invest in bonds. The Board of Directors of the Association therefore resolved to allow the Association to sell its investments in debt instruments.

The Association had sold its investments in securities held in private funds managed by SCB Asset Management Company Limited and One Asset Management Company Limited. The 3 remaining unsold bonds were namely TAA216A, BAF302A and MINT313C, which had fair value as at December 31, 2021, total amount Baht 21.86 million.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2021

6. EQUIPMENT

Equipment consisted of :

	Baht				Balance per book as at Dec. 31, 2021
	Balance per book as at Dec. 31, 2020	Addition	Deduction	Transfer in (out)	
<u>At cost</u>					
Office equipment	5,403,287.89	74,057.01	-	-	5,477,344.90
Furniture and fixtures	19,272,927.98	-	-	-	19,272,927.98
Computer equipment	29,707,697.11	252,400.00	-	-	29,960,097.11
Vehicles	4,429,000.00	-	-	-	4,429,000.00
Total	58,812,912.98	326,457.01	-	-	59,139,369.99
<u>(Less) Accumulated depreciation</u>					
Office equipment	4,652,106.57	355,464.66	-	-	5,007,571.23
Furniture and fixtures	17,727,588.57	1,354,676.48	-	-	19,082,265.05
Computer equipment	17,794,749.66	3,220,789.48	-	-	21,015,539.14
Vehicles	1,912,392.69	561,011.70	-	-	2,473,404.39
Total	42,086,837.49	5,491,942.32	-	-	47,578,779.81
Equipment - net	16,726,075.49				11,560,590.18

	Baht				Balance per book as at Dec. 31, 2020
	Balance per book as at Dec. 31, 2019	Addition	Deduction	Transfer in (out)	
<u>At cost</u>					
Office equipment	5,116,183.11	287,104.78	-	-	5,403,287.89
Furniture and fixtures	19,272,927.98	-	-	-	19,272,927.98
Computer equipment	20,790,180.20	8,917,516.91	-	-	29,707,697.11
Vehicles	4,429,000.00	-	-	-	4,429,000.00
Total	49,608,291.29	9,204,621.69	-	-	58,812,912.98
<u>(Less) Accumulated depreciation</u>					
Office equipment	3,857,611.88	794,494.69	-	-	4,652,106.57
Furniture and fixtures	14,006,470.70	3,721,117.87	-	-	17,727,588.57
Computer equipment	15,758,126.82	2,036,622.84	-	-	17,794,749.66
Vehicles	1,321,375.09	591,017.60	-	-	1,912,392.69
Total	34,943,584.49	7,143,253.00	-	-	42,086,837.49
Equipment - net	14,664,706.80				16,726,075.49

As at December 31, 2021 and 2020, equipment of the Association was fully depreciated but still in use, amounting to a total cost of Baht 37.95 million and Baht 13.61 million, respectively.

As at December 31, 2021 and 2020, the Association has presented the list of purchased equipment and the equipment funded by the Ministry of financial to be included as the same item.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

7. INTANGIBLE ASSETS

Intangible assets consisted of :

		Baht			
	Balance per book as at Dec. 31, 2020	Addition	Deduction	Transfer In (out)	Balance per book as at Dec. 31, 2021
<u>At cost</u>					
Computer software	66,358,148.88	34,500.00	-	-	66,392,648.88
Total	66,358,148.88	34,500.00	-	-	66,392,648.88
<u>(Less) Accumulated amortization</u>					
Computer software	64,744,924.53	723,293.83	-	-	65,468,218.36
Computer software - net	1,613,224.35				924,430.52

		Baht			
	Balance per book as at Dec. 31, 2019	Addition	Deduction	Transfer In (out)	Balance per book as at Dec. 31, 2020
<u>At cost</u>					
Computer software	66,338,148.88	20,000.00	-	-	66,358,148.88
Total	66,338,148.88	20,000.00	-	-	66,358,148.88
<u>(Less) Accumulated amortization</u>					
Computer software	63,858,716.69	886,207.84	-	-	64,744,924.53
Computer software - net	2,479,432.19				1,613,224.35

As at December 31, 2021 and 2020, intangible assets of the Association were fully amortized but still in use, amounting to a total cost of Baht 62.84 million and Baht 62.47 million, respectively.

As at December 31, 2021 and 2020, the Association has presented the list of purchased intangible assets and the intangible assets funded by the Ministry of Finance to be included as the same item.

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

8. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of:

	Baht	
	2021	2020
Building deposit	1,470,096.00	1,470,096.00
Office equipment deposit	980,064.00	980,064.00
Others	31,929.96	38,490.72
Total	<u>2,482,089.96</u>	<u>2,488,650.72</u>

9. OTHER PAYABLE

Other payables consisted of:

	Baht	
	2021	2020
Other payables	1,302,271.64	3,702,544.76
Advance cheque paid	-	60,000.00
Accrued expenses	2,105,169.59	1,857,027.39
Others	90,000.00	96,000.00
Total	<u>3,497,441.23</u>	<u>5,715,572.15</u>

10. DEFERRED INCOME

Deferred income consisted of :

	Baht	
	2021	2020
Membership annual fees	2,501,429.00	2,560,060.25
Membership fees of data system - iBond	21,077,863.01	28,621,680.46
Membership fees of data system - iRisk	1,218,520.55	1,225,000.00
Service fees - MTM	5,843,205.48	4,972,333.34
Total	<u>30,641,018.04</u>	<u>37,379,074.05</u>

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

11. DEFERRED ANNUAL FEE OF REGISTERED DEBT SECURITIES

Deferred annual fee of registered debt securities of :

	Baht	
	2021	2020
Deferred annual fee of registered debt securities	111,866,392.56	102,562,233.61
(Less) Current portion	(41,284,586.93)	(37,843,827.84)
Total	70,581,805.63	64,718,405.77

Deferred annual fee of registered debt securities will be recorded the income fee in the statement of income and expenditure according to the aging of the debt securities but not exceeding for 7 years.

12. OTHER CURRENT LIABILITIES

Other current liabilities consisted of:

	Baht	
	2021	2020
Withholding tax	6,414,610.24	4,993,752.44
Output tax - pending	16,281.48	34,905.82
Revenue department payable	1,326,404.46	863,485.44
Total	7,757,296.18	5,892,143.70

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

13. PROVISIONS FOR EMPLOYEE BENEFIT

The details of provisions for employee benefit for the year ended December 31, 2021 and 2020 are shown as follows:

	Baht	
	2021	2020
Provisions for employee benefit as at January 1,	19,288,073.15	17,451,444.52
Gain (profit) loss on remeasurement of defined employee benefits	2,182,862.14	-
Current service costs	1,905,374.06	1,859,747.79
Financial costs	623,004.76	555,530.45
<u>(Less) Employee benefit paid</u>	-	(578,649.61)
Provisions for employee benefit as at December 31,	23,999,314.11	19,288,073.15

The expenditure recognized in the statement of income and expenditure for the year ended December 31, 2021 and 2020 amounted to Baht 4,711,240.96 and Baht 1,836,628.63 respectively.

14. COMMITMENTS OF LEASE AGREEMENT

As at December 31, 2021 the Association has commitments of lease agreement as follows:-

The Thai Bond Market Association has entered into a memorandum of renewal the Office rental agreement on 10st Floor of Tonson Tower Building with BB TV EQUITY Co., Ltd. lease agreement dated January 17, 2019 period of 3 years from April 1, 2019 to March 31, 2022. The space rental fee, rental fee of building equipment and central service fees and charged in the amount of Baht 9.80 million per annum.

As at December 31, 2021, the Association has an obligation to pay the rental fee, building equipment rental fee and common service fee under such agreement as follows:

	Million Baht
Payable within:	
1 year	2.45

THE THAI BOND MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

15. AGREEMENTS OF PRIVATE FUND MANAGEMENT

15.1 The Association entered into a private fund management agreement with SCB Asset Management Company Limited on June 1, 2019. This agreement is effective from the date of the agreement to May 31, 2022. The term is 3 years and the agreement can be automatically extended by 1 year each. Such company has rights, duties and responsibilities in managing private funds as stipulated in the agreement and receives the fund management fees at the rate stipulated in the agreement. Subsequently, on July 15, 2021, the Association issued a letter to inform the closure of private funds under the held-to-maturity securities fund management agreement. The letter of notice of private fund reduction according to the available-for-sale securities fund management agreement is to transfer all the sold amount to the Association's bank account and accepting transfer of securities from One Asset Management Company Limited.

15.2 The Association entered into a private fund management agreement with One Asset Management Company Limited on May 24, 2019. This agreement is effective from June 1, 2019 to May 31, 2022. It is valid for 3 years and the term of the agreement is automatically renewed for 1 year each. Such company has rights, duties and responsibilities in managing private funds as stipulated in the agreement and receives the fund management fees at the rate stipulated in the agreement. Subsequently, on July 15, 2021, the Association issued a letter to inform the closure of the private fund by allowing all the proceeds from the sale to be deposited into the Association's bank account and transfer unsold securities to SCB Asset Management Company Limited.

16. PROVIDENT FUND

The Association has established a provident fund for its employees. Such fund is monthly contributed by both the employees and the Association at the rates specified in the provident fund regulations.

The fund is managed by Krungsri Asset Management Co., Ltd.

During the year 2021 and 2020, Baht 6.92 million and Baht 6.80 million, respectively has been contributed to the fund by the Association.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on March 10, 2022.