

Financial Performance of Thailand's Securities Industry

(data as of December 2016)

Highlight

- In 2016, Thai securities industry reported a 19.2%YoY rise in net profit to THB 10.26 billion, from THB 8.6 billion in 2015. The major contribution came from growing brokerage fee last year.
- Rising net profit lifted ROE in 2016 to 10.5% compared to 9.3% in 2015 and the 10-yr average level of 10.3%.
- Average commission rate (exclude proprietary trading) for 2016 was at 0.12%, fell from 0.13% in 2015.

Key Financial Ratio

10-yr Average

2016

ROE (%)

10.3%

10.5%

ROA (%)

4.0%

3.2%

Net Profit Margin (%)

21.4%

22.7%

Cost to Income Ratio

0.71

0.72

Debt to Equity Ratio

1.6

2.94

Aggregate Income Statement of Securities Companies 2016

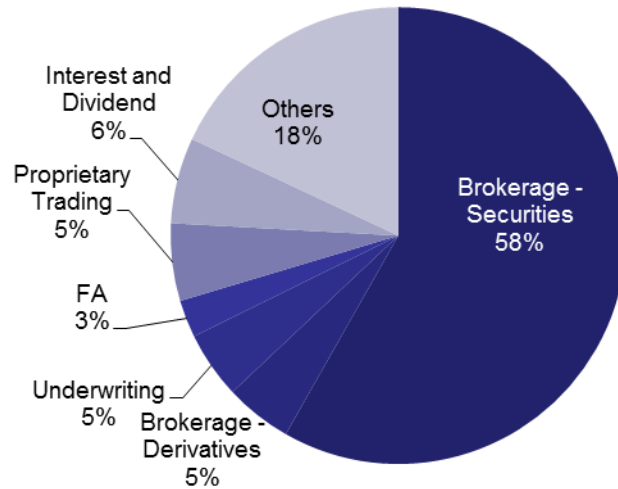
| (unit : mil. baht) | 2015 | 2016 | % YoY change |
|---|---------------|---------------|--------------|
| Brokerage - Securities | 25,588 | 27,477 | 7.4% |
| Brokerage - Derivatives | 1,933 | 2,401 | 24.2% |
| Underwriting | 1,738 | 893 | -48.6% |
| Financial Advisory | 796 | 853 | 7.2% |
| Gains on Trading - Securities | -266 | 3,280 | n.a. |
| Gains on Trading - Derivatives | 2,733 | 1,651 | -39.6% |
| Interest and Dividend | 3,260 | 2,916 | -10.5% |
| Others | 6,432 | 5,660 | -12.0% |
| Total Revenue | 42,212 | 45,132 | 6.9% |
| Expenses on Borrowing | 2,235 | 2,025 | -9.4% |
| Fee & Service Expenses | 3,704 | 4,197 | 13.3% |
| Provision for Bad Debt / Doubtful Account | -54 | 12 | n.a. |
| Personnel Expenses | 16,752 | 17,231 | 2.9% |
| Premises & Equipment | 4,127 | 4,264 | 3.3% |
| Other Expenses | 4,559 | 4,520 | -0.9% |
| Total Expenses | 31,323 | 32,249 | 3.0% |
| Corporate Tax | 2,287 | 2,628 | 14.9% |
| Net Profit | 8,602 | 10,256 | 19.2% |

Aggregate Income Statement of Securities Companies – 4nd Quarter

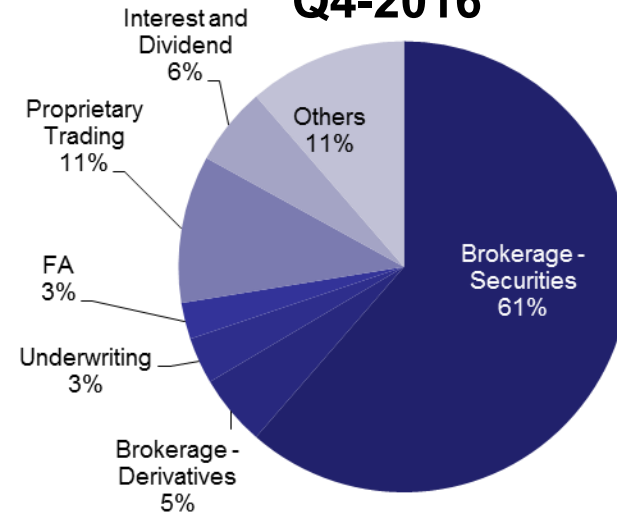
| (unit : mil. baht) | Q4 - 2015 | Q4- 2016 | % YoY change |
|---|--------------|---------------|--------------|
| Brokerage - Securities | 5,707 | 7,290 | 27.7% |
| Brokerage - Derivatives | 467 | 606 | 29.6% |
| Underwriting | 464 | 396 | -14.6% |
| Financial Advisory | 260 | 310 | 19.2% |
| Gains on Trading - Securities | -1,099 | 880 | n.a. |
| Gains on Trading - Derivatives | 1,636 | 377 | -77.0% |
| Interest and Dividend | 596 | 667 | 11.9% |
| Others | 1,769 | 1,350 | -23.7% |
| Total Revenue | 9,800 | 11,875 | 21.2% |
| Expenses on Borrowing | 479 | 561 | 17.1% |
| Fee & Service Expenses | 829 | 1,117 | 34.7% |
| Provision for Bad Debt / Doubtful Account | -4 | 8 | n.a. |
| Personnel Expenses | 4,022 | 4,536 | 12.8% |
| Premises & Equipment | 1,059 | 1,091 | 3.0% |
| Other Expenses | 1,201 | 1,270 | 5.8% |
| Total Expenses | 7,586 | 8,583 | 13.1% |
| Corporate Tax | 490 | 643 | 31.1% |
| Net Profit | 1,725 | 2,650 | 53.7% |

Revenue Structure of Securities Companies

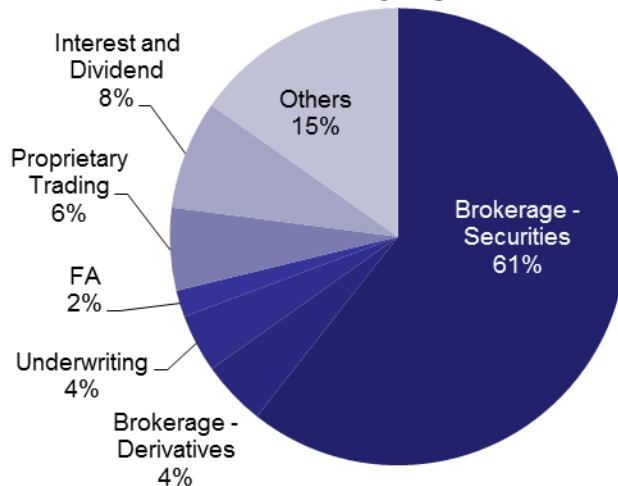
Q4-2015



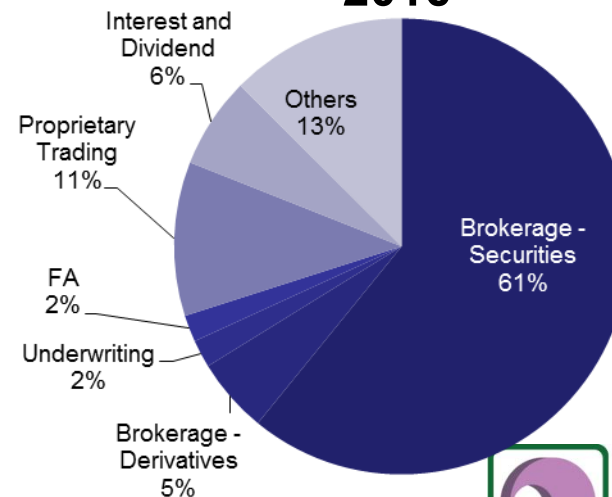
Q4-2016



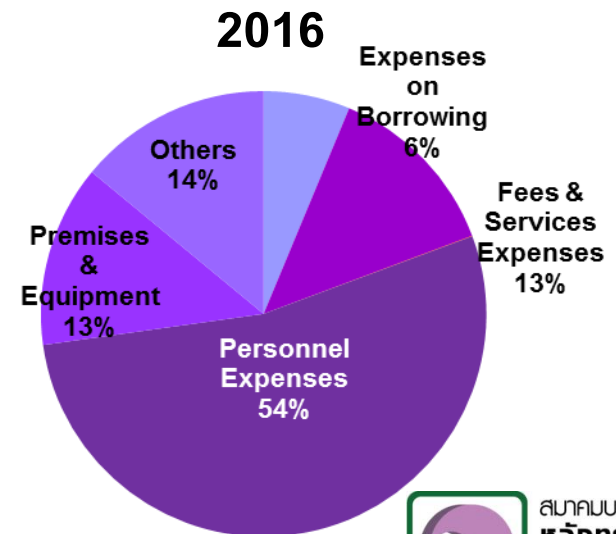
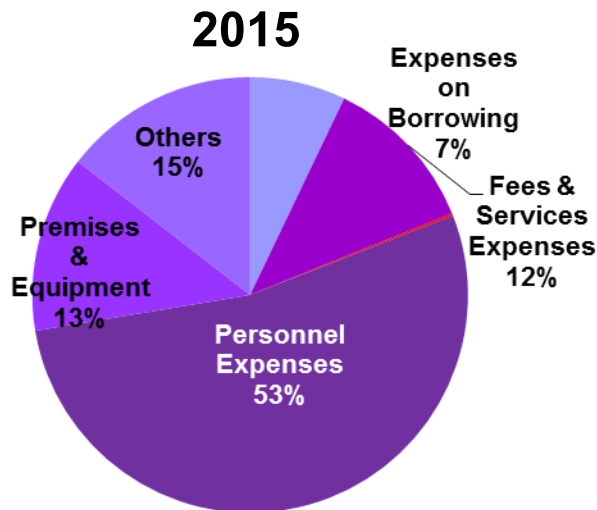
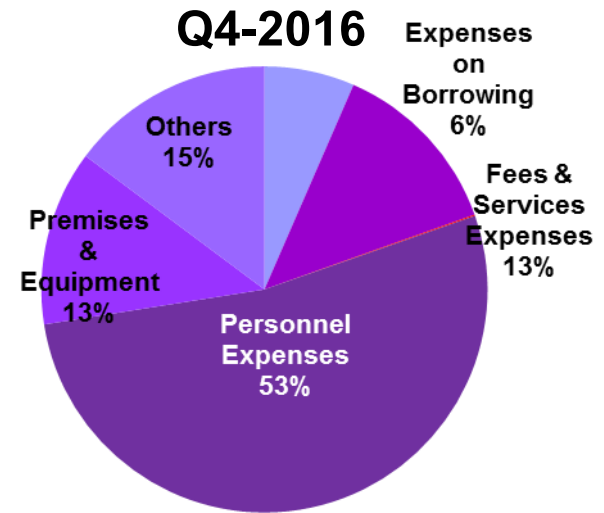
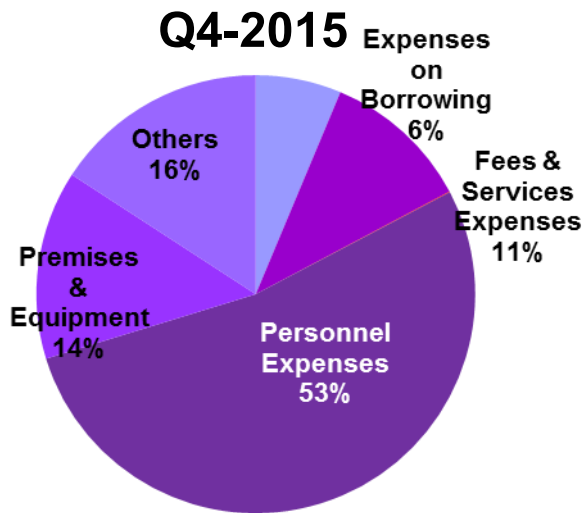
2015



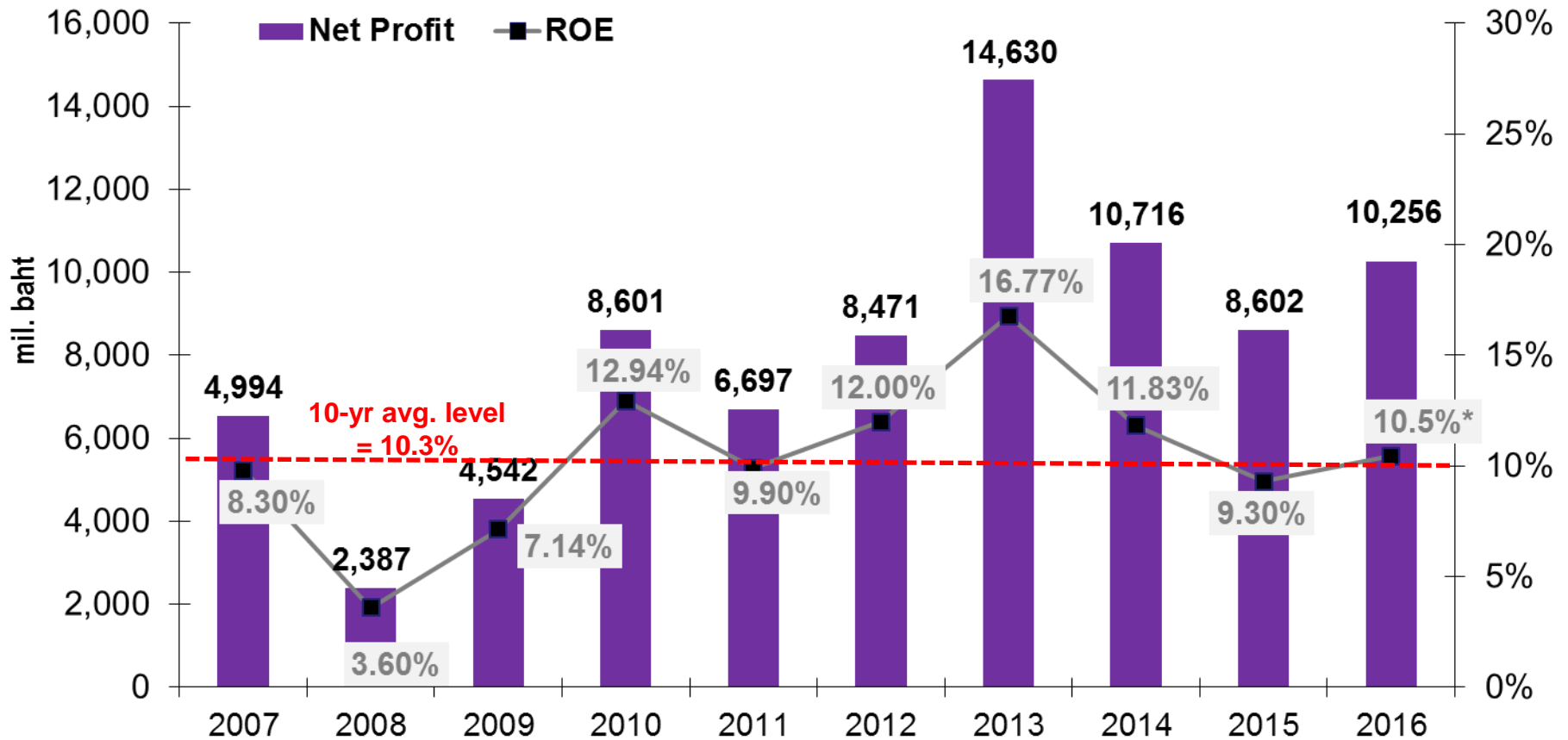
2016



Expenses Structure of Securities Companies



Net Profit and ROE of Securities Companies

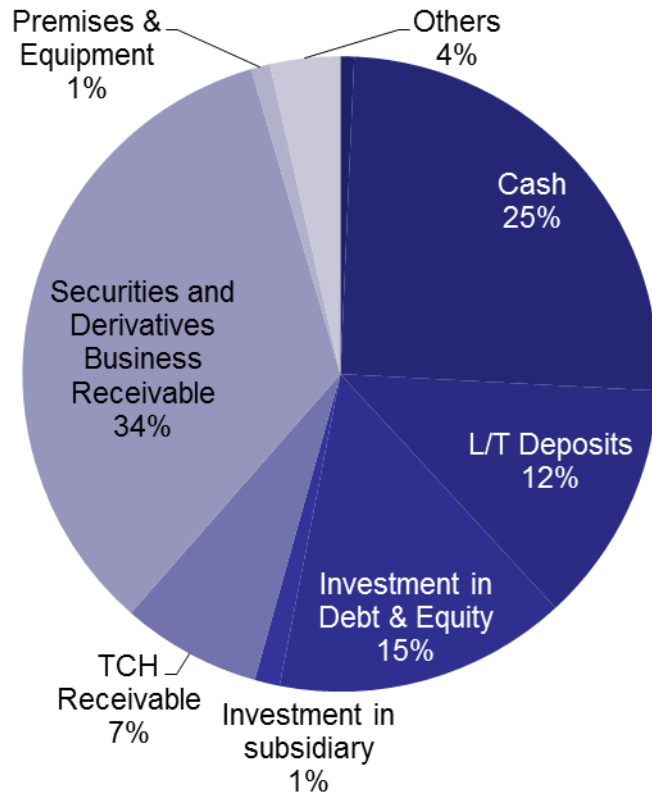


*annualized

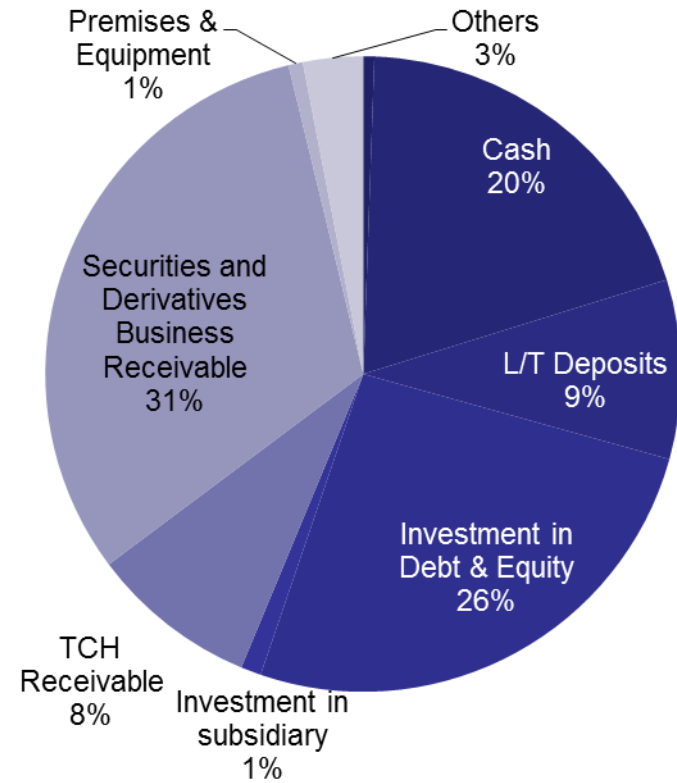
Aggregate Balance Sheet of Securities Companies

| (unit : mil. baht) | 2015 | 2016 | % change |
|--------------------|----------------|----------------|---------------|
| Asset | 289,374 | 357,116 | +23.4% |
| Liabilities | 196,245 | 289,374 | +31.9% |
| Equity | 93,129 | 98,179 | +5.4% |

Assets Structure of Securities Companies

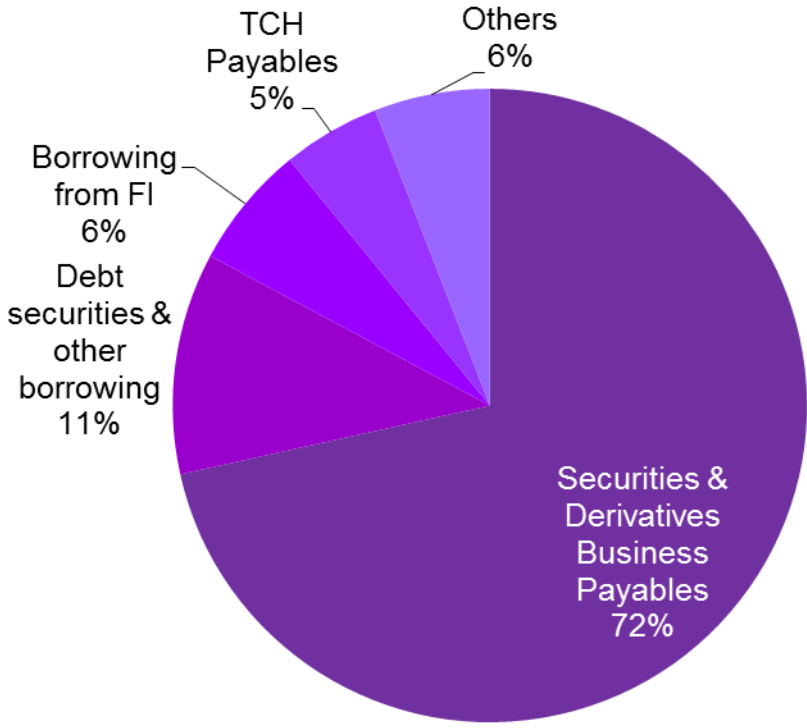


2015

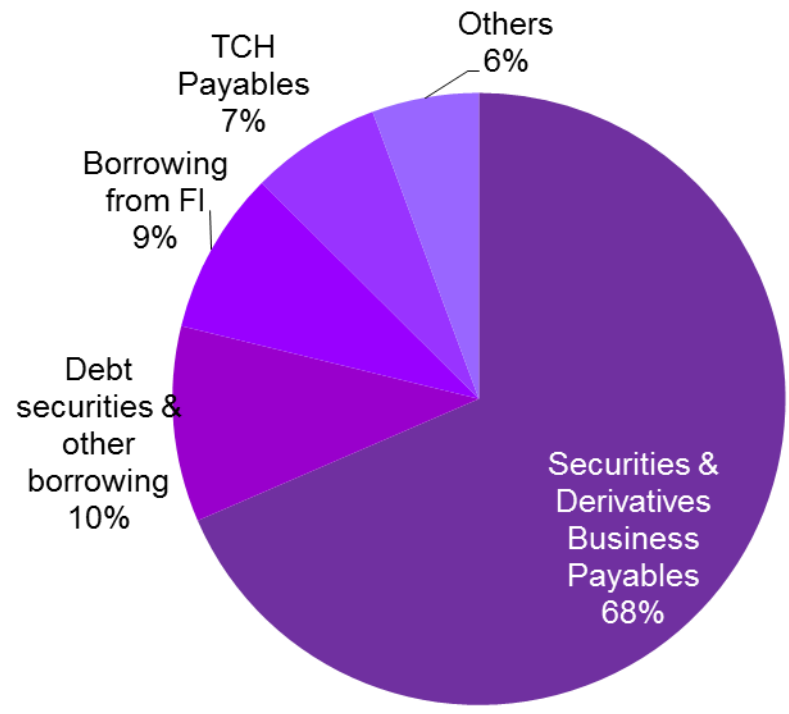


2016

Liabilities Structure of Securities Companies



2015



2016

Average Commission Rate - Equity

| Type of Investor | 2014 | | | 2015 | | | 2016 | | |
|-------------------|-------------------------------|------------------------------|----------------------|-------------------------------|------------------------------|----------------------|-------------------------------|------------------------------|----------------------|
| | Trading Volume (Mil. Baht) | Brokerage Fee (Mil. Baht) | Avg. Commission Rate | Trading Volume (Mil. Baht) | Brokerage Fee (Mil. Baht) | Avg. Commission Rate | Trading Volume (Mil. Baht) | Brokerage Fee (Mil. Baht) | Avg. Commission Rate |
| Local Institution | 1,951,179 | 3,162 | 0.16% | 2,021,461 | 3,209 | 0.16% | 2,588,252 | 4,045 | 0.16% |
| Proprietary Port | 1,933,341 | - | - | 1,981,541 | - | - | 2,695,373 | - | - |
| Foreign | 4,510,809 | 4,314 | 0.10% | 4,779,257 | 3,891 | 0.08% | 6,555,496 | 4,607 | 0.07% |
| Retail | 13,883,253 | 20,905 | 0.15% | 12,748,680 | 18,487 | 0.15% | 13,793,397 | 18,824 | 0.14% |
| Total | 22,278,582 | 28,381 | 0.13% | 21,530,939 | 25,588 | 0.12% | 25,632,518 | 27,477 | 0.11% |
| Total (x-prop) | 20,345,241 | 28,381 | 0.14% | 19,549,398 | 25,588 | 0.13% | 22,937,145 | 27,477 | 0.12% |

Average Commission Rate - Derivatives

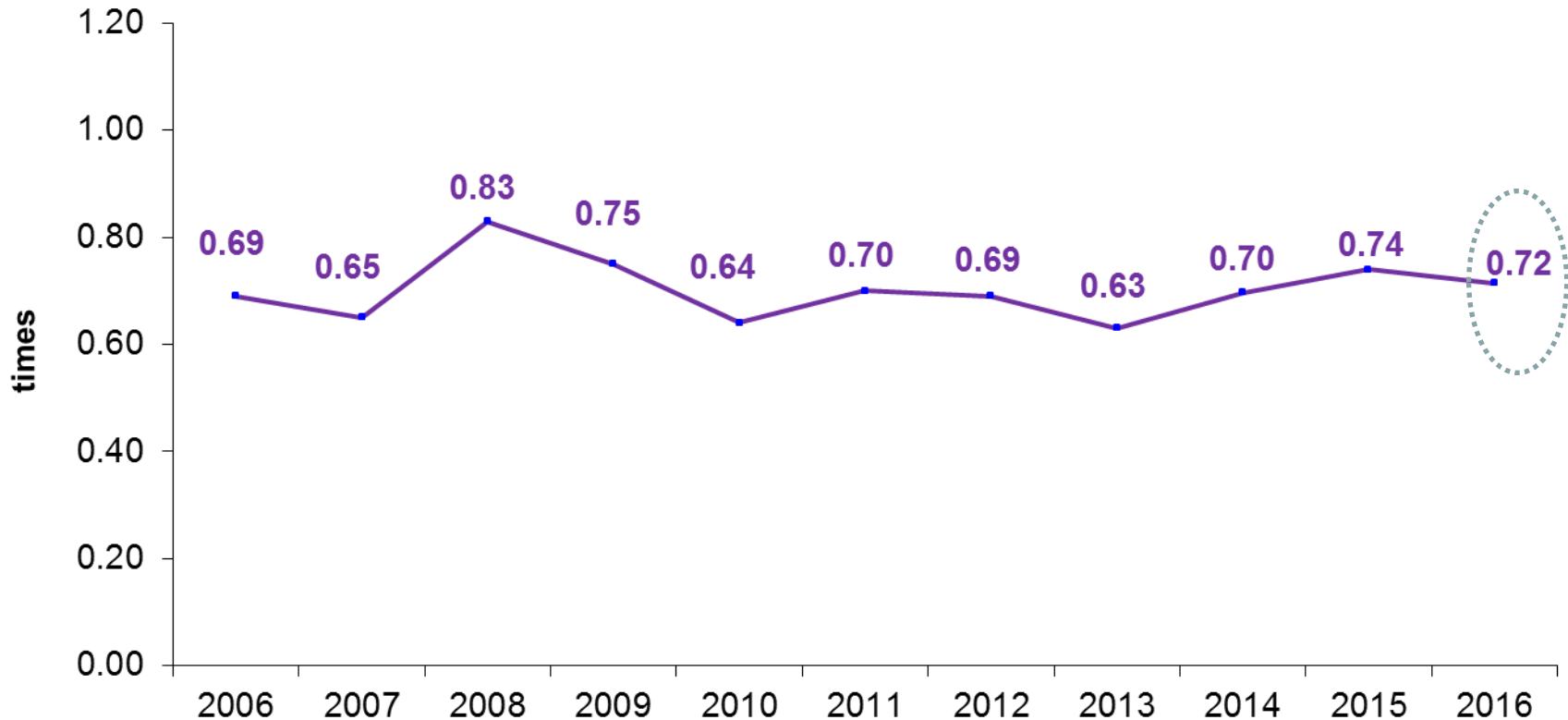
| 2014 | | | 2015 | | | 2016 | | |
|---------------------------|---------------------------|---------------------------------|---------------------------|---------------------------|---------------------------------|---------------------------|---------------------------|---------------------------------|
| Trading Volume (Contract) | Brokerage Fee (Mil. Baht) | Avg. Commission (Baht/Contract) | Trading Volume (Contract) | Brokerage Fee (Mil. Baht) | Avg. Commission (Baht/Contract) | Trading Volume (Contract) | Brokerage Fee (Mil. Baht) | Avg. Commission (Baht/Contract) |
| 36,021,150 | 1,721 | 47.79 | 48,538,899 | 1,933 | 39.82 | 69,576,164 | 2,401 | 34.51 |

Disclaimer:

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Cost to Income Ratio of Securities Companies*



*data at the end of each period