Financial Performance of Thailand's Securities Industry

Data as of December 2018

สมาคมบริษัทหลักทรัพย์ไทย
ASCO
ASSOCIATION OF THAI SECURITIES COMPANIES

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Highlight

- **In 2018, Thai securities industry reported a small decrease in net profit of 0.9%YoY to THB8.58 billion,** as revenue growth was lower than expense following a fall in securities brokerage fee, some fee incomes as well as losses on securities trading.

- **ROE in 2018 was at 8.1%,** which was lower than 8.3% in the previous year and the 10-yr average level of 10.7%.

- **Average commission rate (exclude proprietary trading) for 2018 was at 0.1%,** fell from 0.11% at the end of 2017

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Key Financial Ratio

	10-yr Average	2018
ROE (%)	10.7%	8.1%
ROA (%)	3.7%	2.4%
Net Profit Margin (%)	22.3%	18.8%
Cost to Income Ratio	0.71	0.76
Debt to Equity Ratio	2.08	2.45

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Aggregate Income Statement of Securities Companies 2018

(unit : mil. baht)	2017	2018	%YoY
Brokerage – Securities	24,269	23,803	-1.9%
Brokerage - Derivatives	2,360	3,157	+33.7%
Underwriting	1,984	1,565	-21.1%
Financial Advisory	1,177	907	-22.9%
Gains (loss) on Securities*	3,082	-7,327	-337.8%
Gains (loss) on Derivatives	1,132	11,184	+887.7%
Interest and Dividend	3,205	4,164	+29.9%
Interest on margin loans	3,541	3,834	+8.3%
Others	3,561	4,321	+21.3%
Total Revenues	44,311	45,608	+2.9%
Expenses on Borrowing	2,469	2,718	+10.1%
Fee & Service Expenses	4,184	4,564	+9.1%
Provision for Bad Debt / Doubtful Account	323	90	-72.1%
Personnel Expenses	17,145	18,039	+5.2%
Other Expenses**	9,318	9,368	+0.5%
Total Expenses	33,439	34,779	+4.0%
Corporate Tax	2,208	2,246	+1.7%
Net Profit	8,665	8,584	-0.9%

%YoY change in Green = positive impact to P&L, %YoY change in Red = negative impact to P&L

Source : SEC * Both trading and revaluation **Including rentals, depreciation, entertainments and others

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Aggregate Income Statement of Securities Companies Q4-2018

(unit : mil. baht)	Q4-2017	Q4-2018	%YoY
Brokerage – Securities	6,613	4,649	-29.7%
Brokerage - Derivatives	667	685	+2.6%
Underwriting	787	966	+22.7%
Financial Advisory	407	160	-60.6%
Gains (loss) on Securities*	1,791	-4,433	-347.5%
Gains (loss) on Derivatives	-318	5,605	+1,861.3%
Interest and Dividend	546	753	+38%
Interest on margin loans	952	919	-3.5%
Others	1,286	1,156	-10.1%
Total Revenue	12,731	10,460	-17.8%
Expenses on Borrowing	650	655	+0.8%
Fee & Service Expenses	1,133	997	-12.0%
Provision for Bad Debt / Doubtful Account	59	-25	-141.3%
Personnel Expenses	4,965	4,448	-10.4%
Other Expenses**	2,515	2,537	+0.9%
Total Expenses	9,322	8,612	-7.6%
Corporate Tax	692	397	-42.6%
Net Profit	2,718	1,451	-46.6%

%YoY change in Green = positive impact to P&L, %YoY change in Red = negative impact to P&L

Source : SEC (data from Bor.Lor.2/1) * Both trading and revaluation **Including rentals, depreciation, entertainments and others

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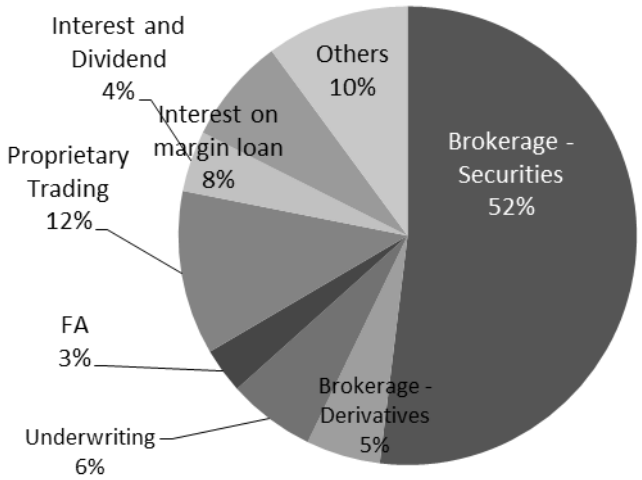
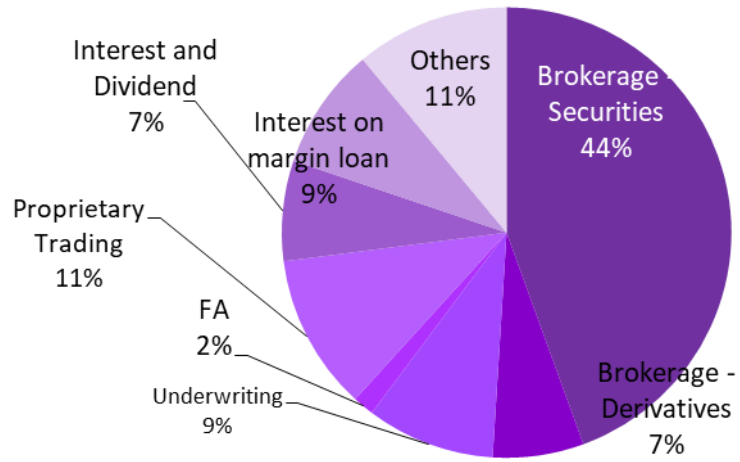
Revenue Structure of Securities Companies

Q4-2017



Q4-2018



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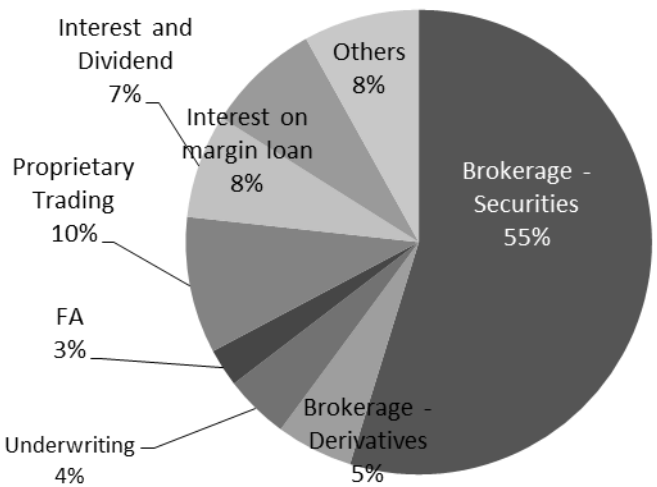

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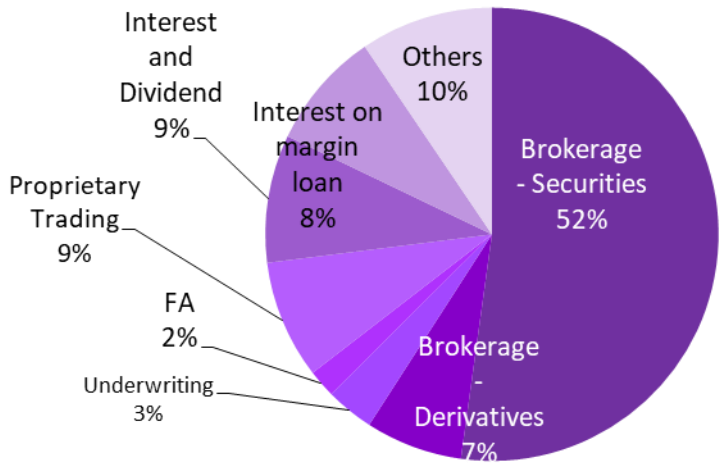

Source : SEC (data from Bor.Lor.2/1)

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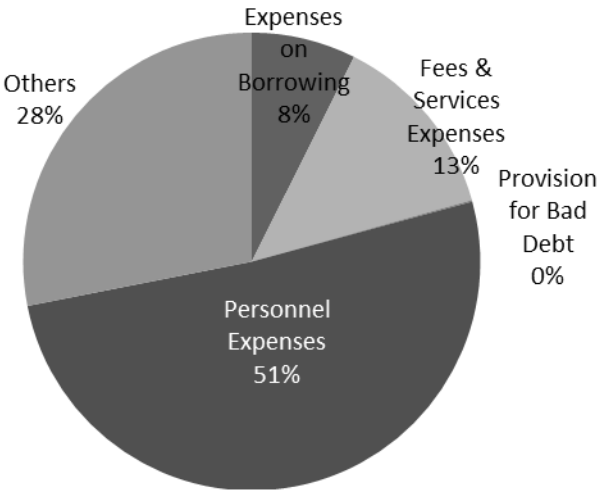
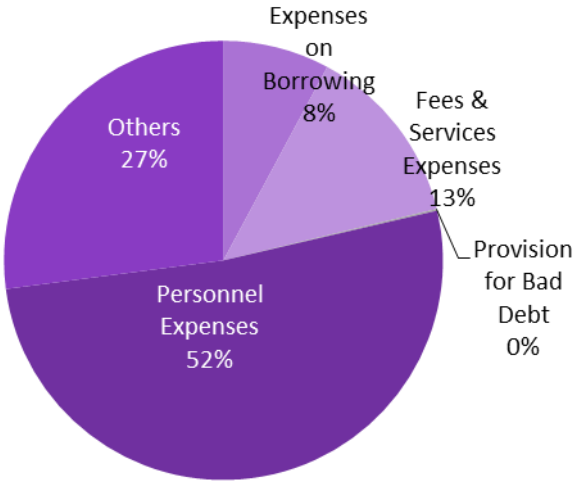
Expenses Structure of Securities Companies

Q4-2017



Q4-2018



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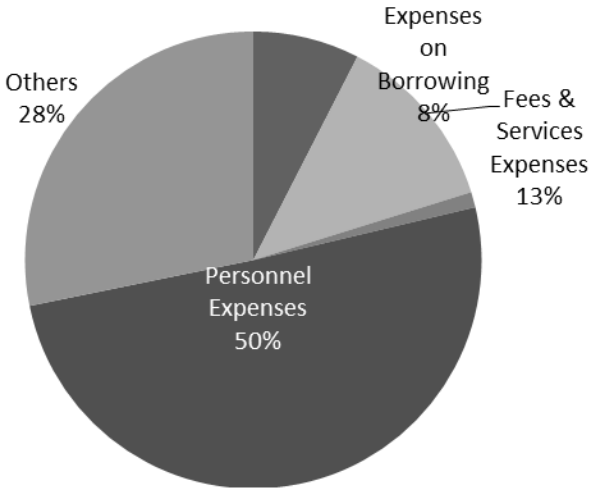

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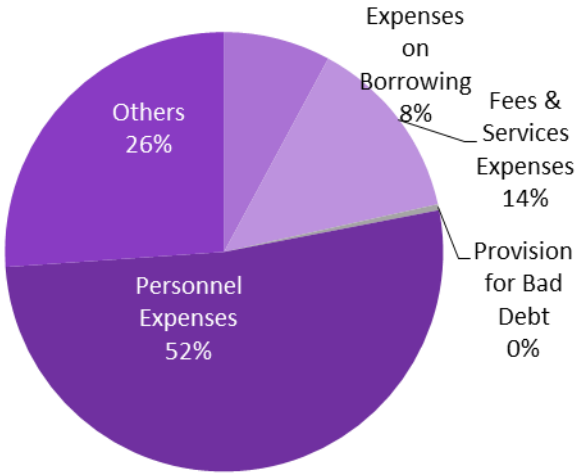

Source : SEC (data from Bor.Lor.2/1)

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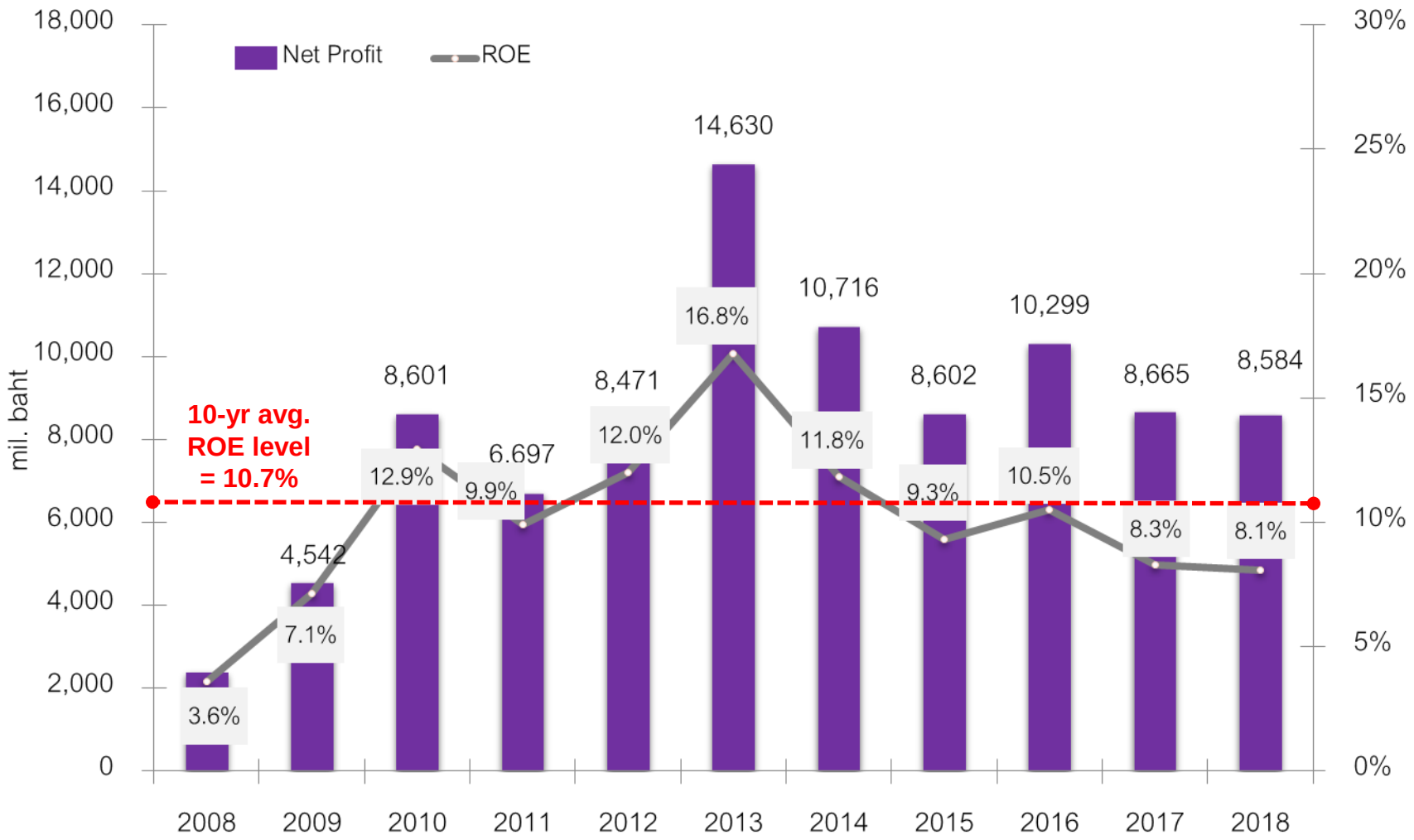
Net Profit and ROE of Securities Companies



Source : SEC (data from Bor.Lor.2/1)

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Aggregate Balance Sheet of Securities Companies

(unit : mil. baht)	2017	2018	%YoY
Cash and cash equivalents	67,723	69,409	2.5%
Receivables from Clearing House	32,875	32,924	0.1%
Securities & Derivatives business receivables - net	134,127	107,596	-19.8%
Investments* - net	140,946	130,359	-7.5%
Loans	1,121	2,464	119.8%
Investments in subsidiaries and associates – net	4,110	4,001	-2.7%
Properties, plants and equipment – net	2,596	2,238	-13.8%
Intangible assets – net	2,604	2,959	13.6%
Other assets	14,381	11,718	-18.5%
Total Asset	400,483	363,668	-9.2%
Borrowings from financial institutions	34,648	20,731	-40.2%
Payable to Clearing House	16,323	13,291	-18.6%
Securities & Derivatives business payables	188,006	178,077	-5.3%
Other debt instruments	38,791	30,280	-21.9%
Other liabilities	18,780	15,808	-15.8%
Total Liabilities	296,548	258,187	-12.9%
Total Equity	103,935	105,481	+1.5%

* Investments in Debt instruments & equity & deposits at financial institutions

Source : SEC (data from Bor.Lor.2)

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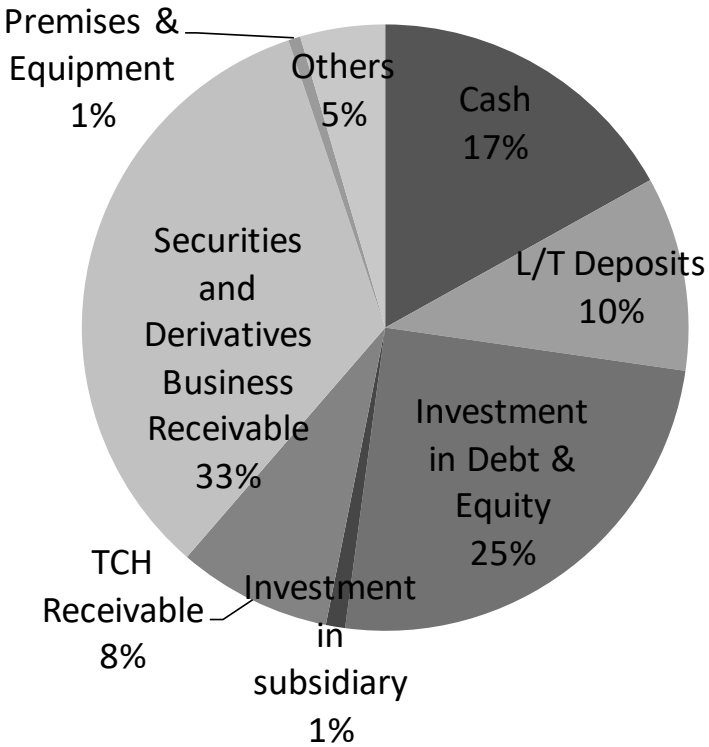
Assets Structure of Securities Companies



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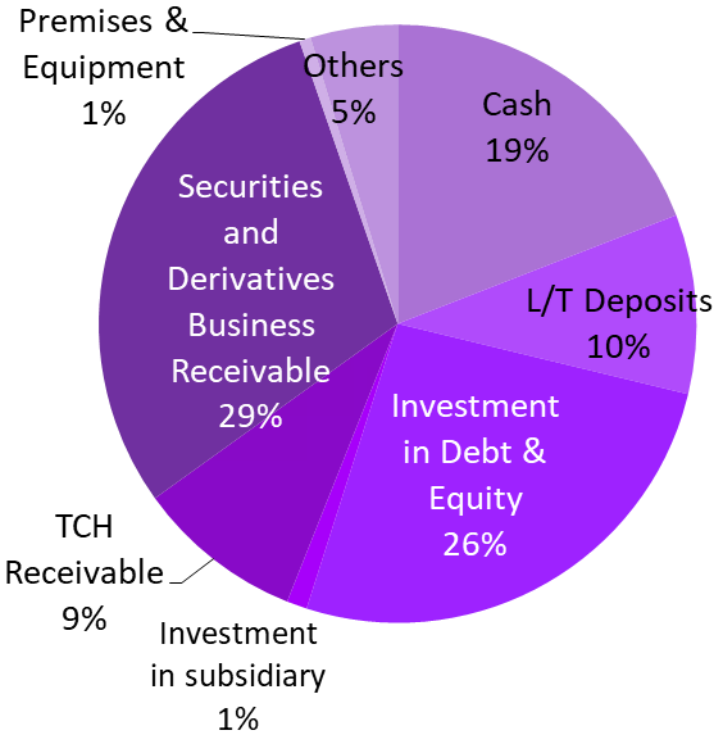

2018

Source : SEC (data from Bor.Lor.2)

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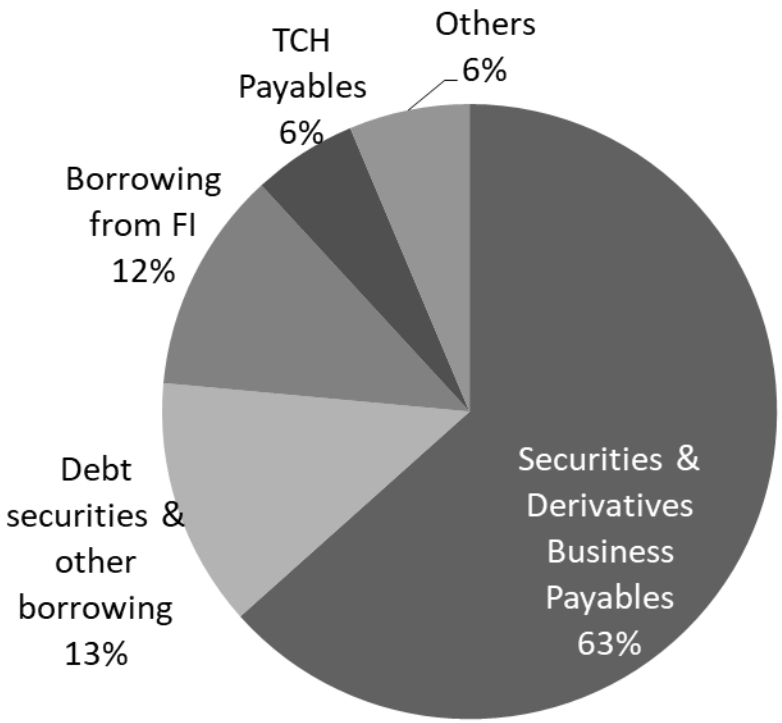
Liabilities Structure of Securities Companies



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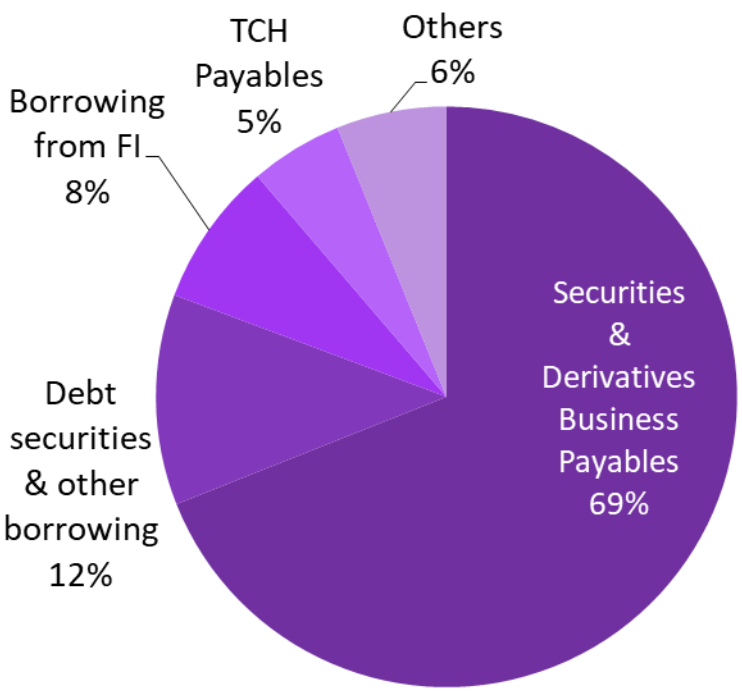

2018

Source : SEC (data from Bor.Lor.2)

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Average Commission Rate - Equity

	2016			2017			2018		
	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
Total	25,632,518	27,477	0.11%	24,455,496	24,269	0.10%	28,260,155	23,803	0.08%
Total (x-prop)	22,937,145	27,477	0.12%	21,899,207	24,269	0.11%	24,790,495	23,803	0.10%

*Trading Volume in SET and mai

Source : SEC and SET

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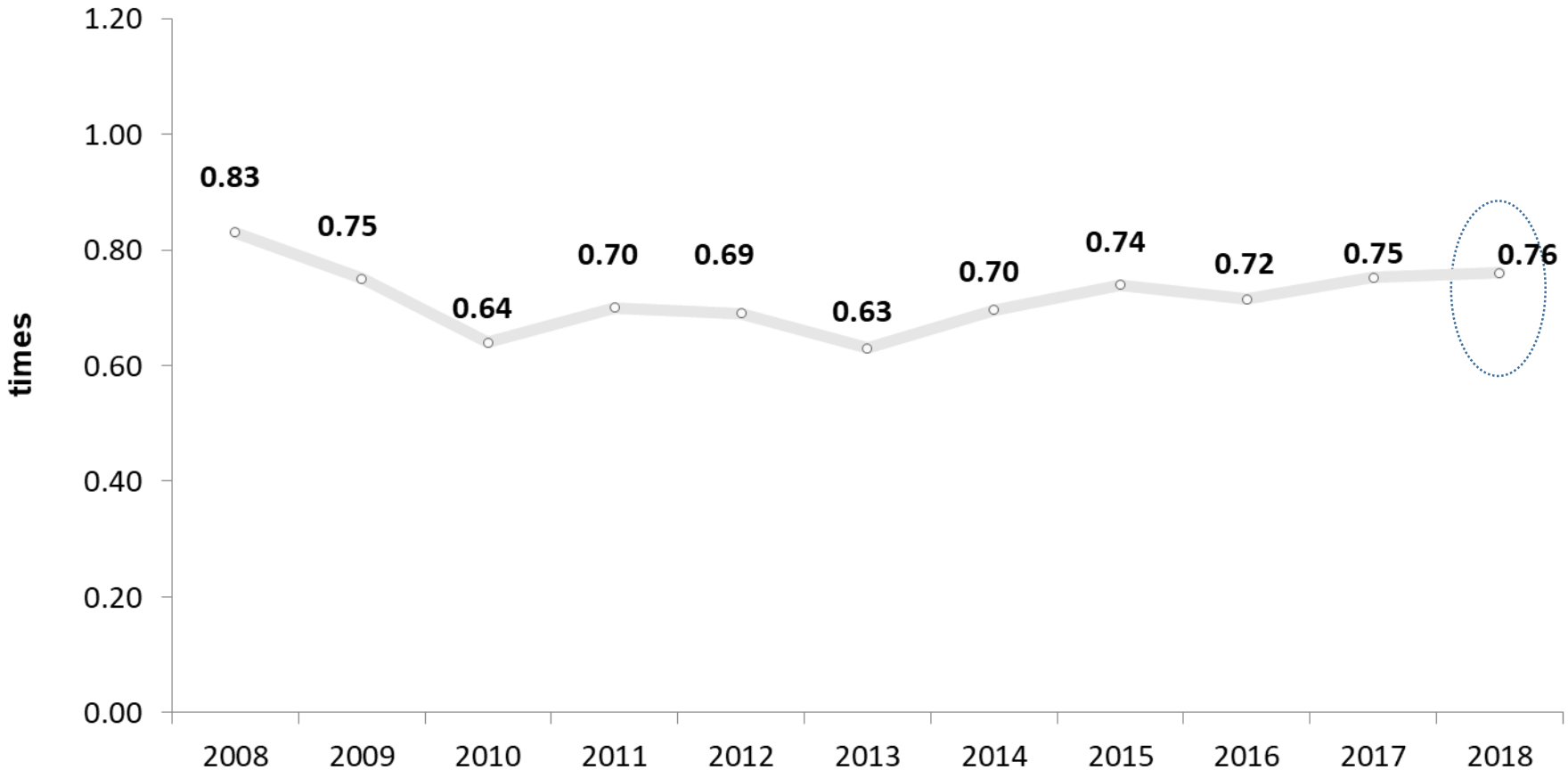
Average Commission Rate - Derivatives

2016			2017			2018		
Trading Volume (B+S) (Contract)	Brokerage Fee (Mil. Baht)	Avg. Commission (Baht/Contract)	Trading Volume (B+S) (Contract)	Brokerage Fee (Mil. Baht)	Avg. Commission (Baht/Contract)	Trading Volume (B+S) (Contract)	Brokerage Fee (Mil. Baht)	Avg. Commission (Baht/Contract)
139,152,328	2,401	17.25	157,981,148	2,360	14.94	208,844,400	3,157	15.12

Source : SEC and SET

Cost to Income Ratio of Securities Companies*



*data at the end of each period

Source : SEC (data from Bor.Lor.2/1)

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Average Commission Rate - Equity

	2016			2017			2018		
Type of Investor	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	2,588,252	4,045	0.16%	2,692,226	4,172	0.15%	2,972,170	4,743	0.16%
Proprietary Port	2,695,373	-	-	2,556,289	-	-	3,469,660	-	-
Foreign	6,555,496	4,607	0.07%	7,393,478	4,645	0.06%	10,283,964	5,018	0.05%
Retail	13,793,397	18,824	0.14%	11,813,503	15,453	0.13%	11,534,360	14,042	0.12%
Total	25,632,518	27,477	0.11%	24,455,496	24,269	0.10%	28,260,155	23,803	0.08%
Total (x-prop)	22,937,145	27,477	0.12%	21,899,207	24,269	0.11%	24,790,495	23,803	0.10%

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