Financial Market in Thailand

June 26, 2013

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Thanachart Securities

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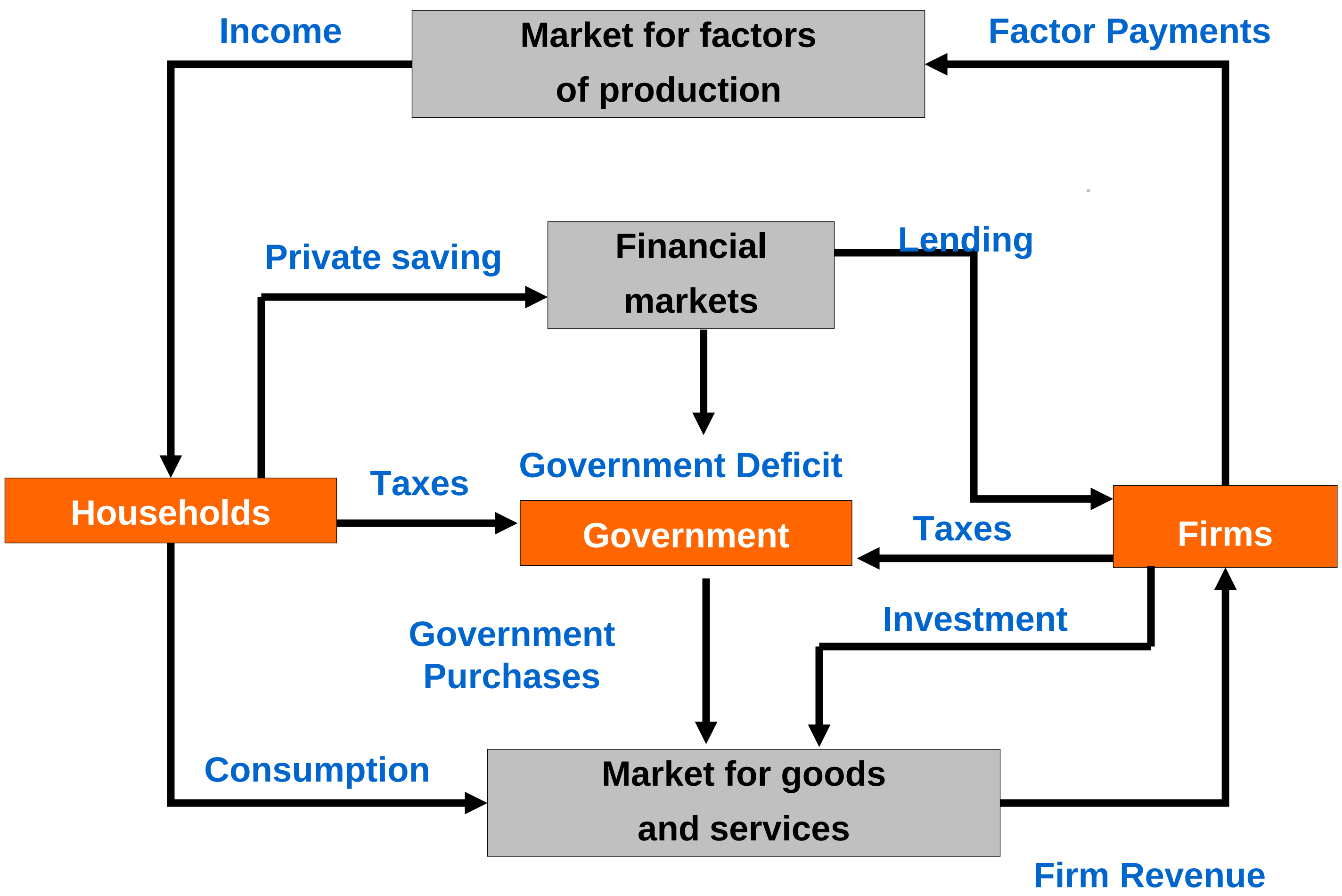
Section 1 : Overview of Financial Market

The Linkage between Financial Market & Macroeconomic Environment



The Structure of Financial Market

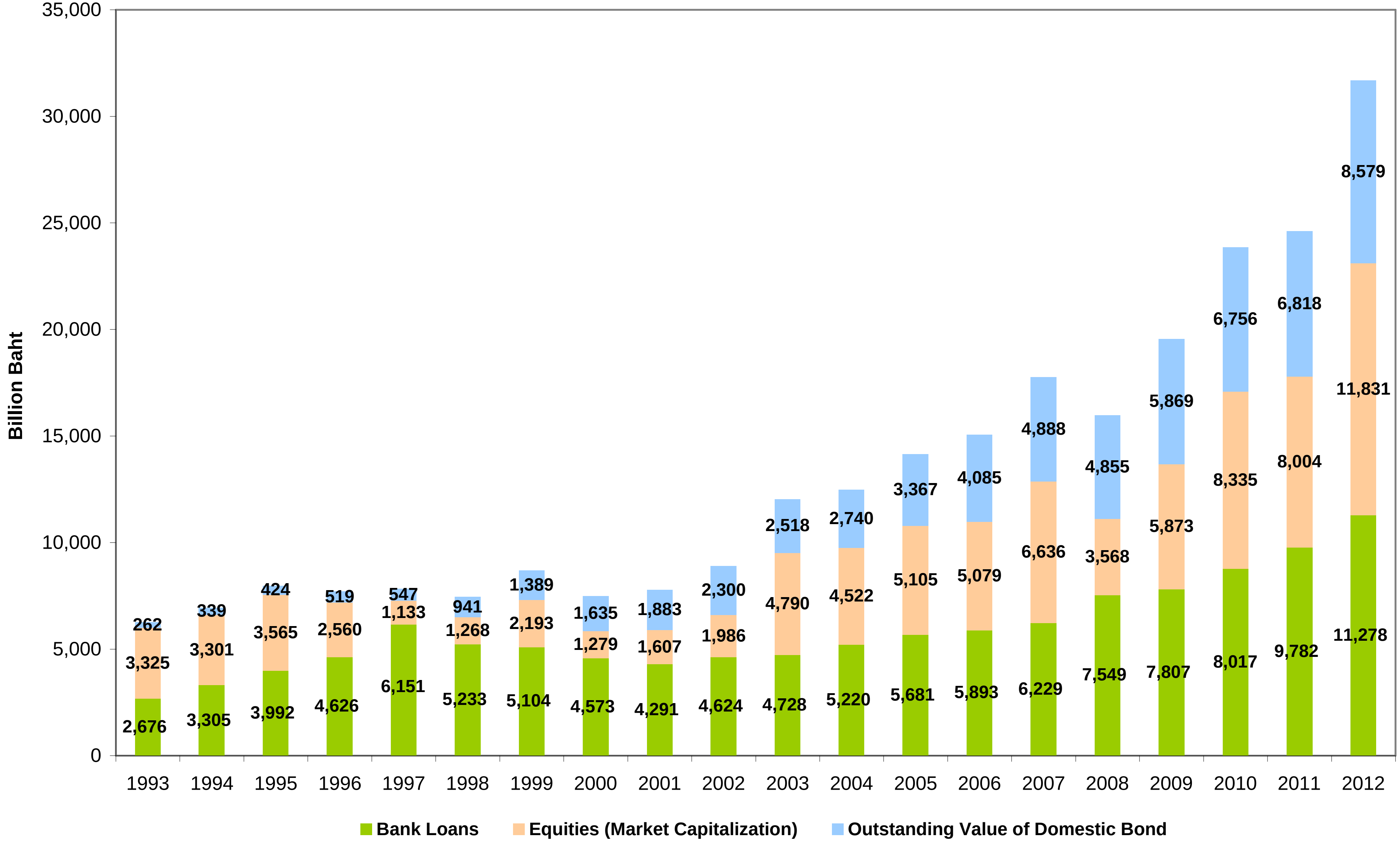
- **ตลาดการเงิน**
  Financial Market
  - **ตลาดเงิน**
    Money Market
    (< 1 Year)
    - Commercial Bank
    - Financial Institution
  - **ตลาดทุน**
    Capital Market
    (≥ 1 Year)
    - Primary Market
    - Secondary Market
      - SET, MAI
      - The Thai Bond Market Association
      - Future Market, AFEX

Financial Instruments in Financial Market

Financial Market

- **Money Market (< 1 Year)**
  - Treasury Bill
  - Promissory Note
  - Bill of Exchange
  - Certificate of Deposit
- **Capital Market (≥ 1 Year)**
  - Government Bond
  - Debenture
  - Convertible Bond
  - Common Stock
  - Prefer Stock
  - Unit Trusts
  - Derivative Products;
    Warrant, Future, Option

Size of Thai Financial Market



Source : BOT, SET,ThaiBMA & SET

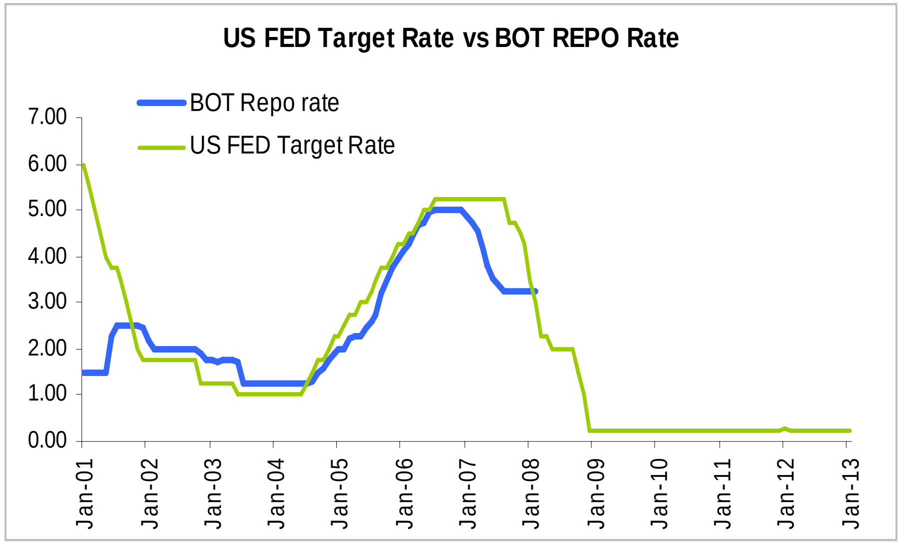
Section 2 : Money Market in Thailand

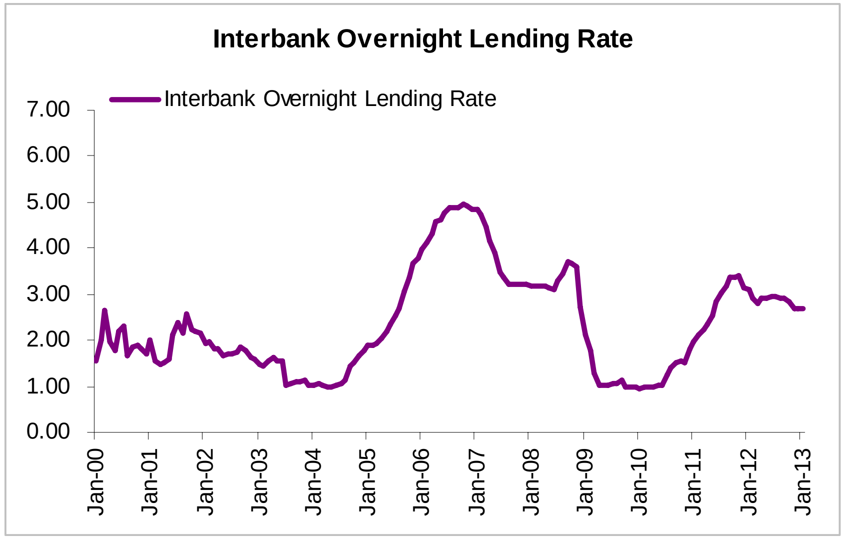
Financial Institutions in Thailand

No.	1993	1997	2002	2008	2010	2012	2013*
Commercial Banks							
Thai Bank	15	15	13	17	16	15	14
Foreign Bank							
- Full Branches	14	20	18	16	15	15	14
- IBFs	22	18	7	1	1	1	1
Finance	92	35	19	4	3	3	2
Credit Foncier	12	12	6	3	3	3	3
Government Bank	4	4	6	8	8	8	8

Source : BOT *as of March 2013

Money Market in Thailand





Remark: 14 - days Repurchase Rate (REPO)

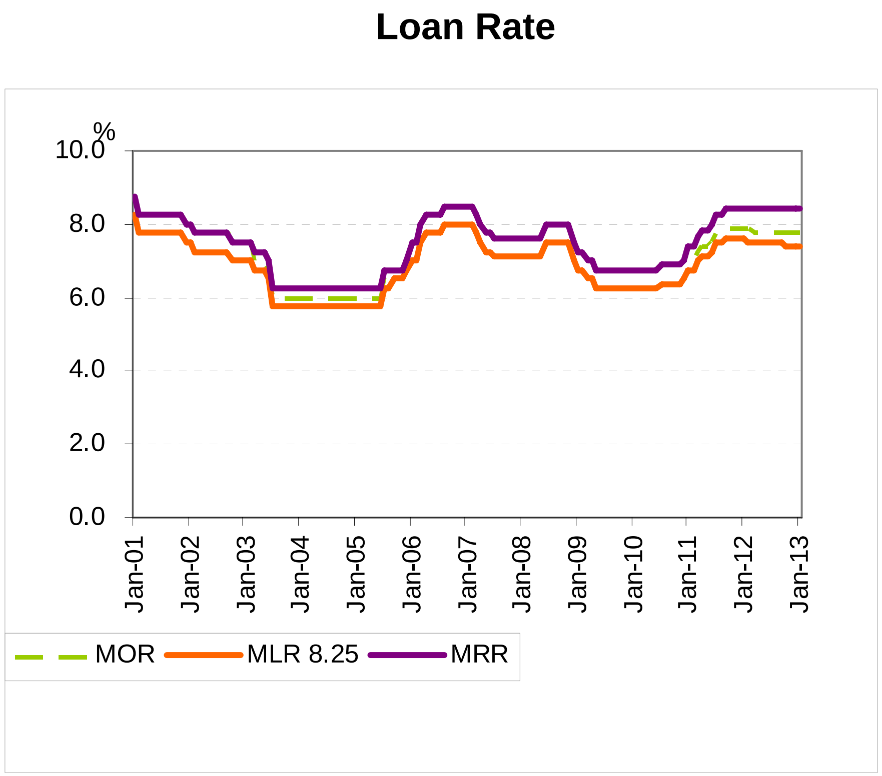
- On January 30, 2013 : The Federal Open Market Committee (FOMC) has voted to keep the target range for the fed funds rate at 0% - 0.25%.The next FOMC meeting and decision on short-term rates will be on March 20, 2013

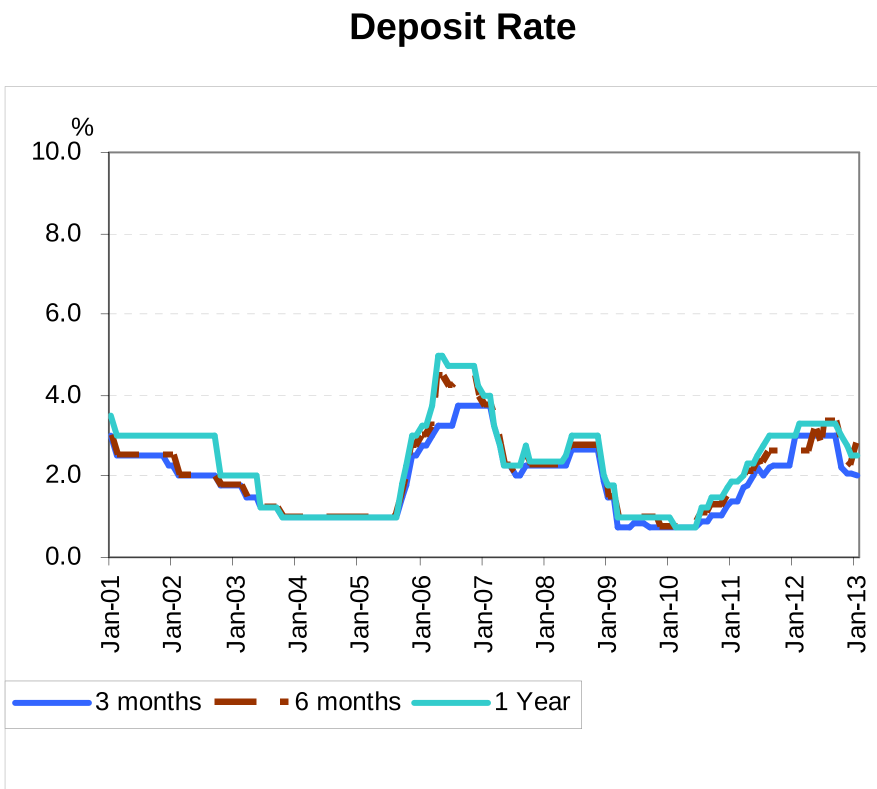
- The last working day of Thai RP market was Feb 12,2008 at rate of 3.25%

- The BoT Interbank Overnight Lending Rate moved in range of 2.05 – 4.93% in 2005-2006 and continued to decline to range 3.18 – 4.84% in 2007, 2.0-4.0% in 2008, 0.65-2.77% in 2009 0.50-2.01% in 2010, 2011 1.50 – 3.60%, 2012 2.40 – 3.50% and Jan 2013 average rate was 2.70%

Source : BOT and US Federal Reserve

Loan rate vs. Deposit rate





Remark: End of period interest rates used for retail customers of 5 commercial banks (BBL, KTB, SCB, KBANK and BAY)

Source : BOT

Commercial Banks' Deposits

Total Deposit of Commercial Banks of 10,098,775 MB as of Dec 30, 2012 (Total Depositor of 82,074,017 Accounts)			
At call	5.12%	516,688	MB
Saving	47.93%	4,840,346	MB
< 3 Month	11.93%	1,206,806	MB
3-6 Month	11.78%	1,190,048	MB
6 Month -1 Year	14.75%	1,489,295	MB
1-2 Year	5.67%	572,429	MB
Over 2 Year	2.80%	283,163	MB

Source : BOT

Commercial Banks' Loan

Total Loan of Commercial Banks of 11,277,738 MB as of Dec 30, 2012 (Including Overdraft, Loan and Bills)			
Government & State Enterprise	2.31%	260,029	MB
Municipality	0.01%	1,130	MB
Business	43.35%	4,889,027	MB
Individual	32.35%	3,648,274	MB
Financial Institutions	18.03%	2,033,926	MB
Financial Institutions Aboard	0.22%	24,646	MB
Non-Profit Institution	0.02%	1,737	MB
Non Resident	3.72%	418,971	MB

Source : BOT

Commercial Banks' Ratio

Loan/Deposit Ratio (%)			
1993	103.49	1994	110.65
1995	112.97	1996	112.13
1997	109.88	1998	99.02
1999	99.70	2000	86.36
2001	79.40	2002	85.14
2003	83.82	2004	87.89
2005	89.66	2006	89.03
2007	94.31	2008	105.49
2009	109.63	2010	117.00
2011	122.42	2012	110.35

Source : BOT

Over 1 Million Baht Deposit

Over 1 Million Baht Deposit Accounts (As of Dec 2012)		
Totaling Depositor of 1,207,416 Accounts (1.47% of Total Depositor of Commercial Banks) **Totaling Deposit of 7,528,779 MB** (74.55% of Total Deposit of Commercial Banks)		
	Accounts	Amount
> 1-10 MB	1,110,603	2,836,669
> 10-25 MB	62,213	946,248
> 25-50 MB	19,625	701,515
> 50-100 MB	8,419	593,807
> 100-200 MB	3,614	508,306
> 200-500 MB	2,017	620,649
> 500 MB	925	1,321,585

Source : BOT

Section 3 : Capital Market in Thailand

Companies Holding Securities Business Licenses

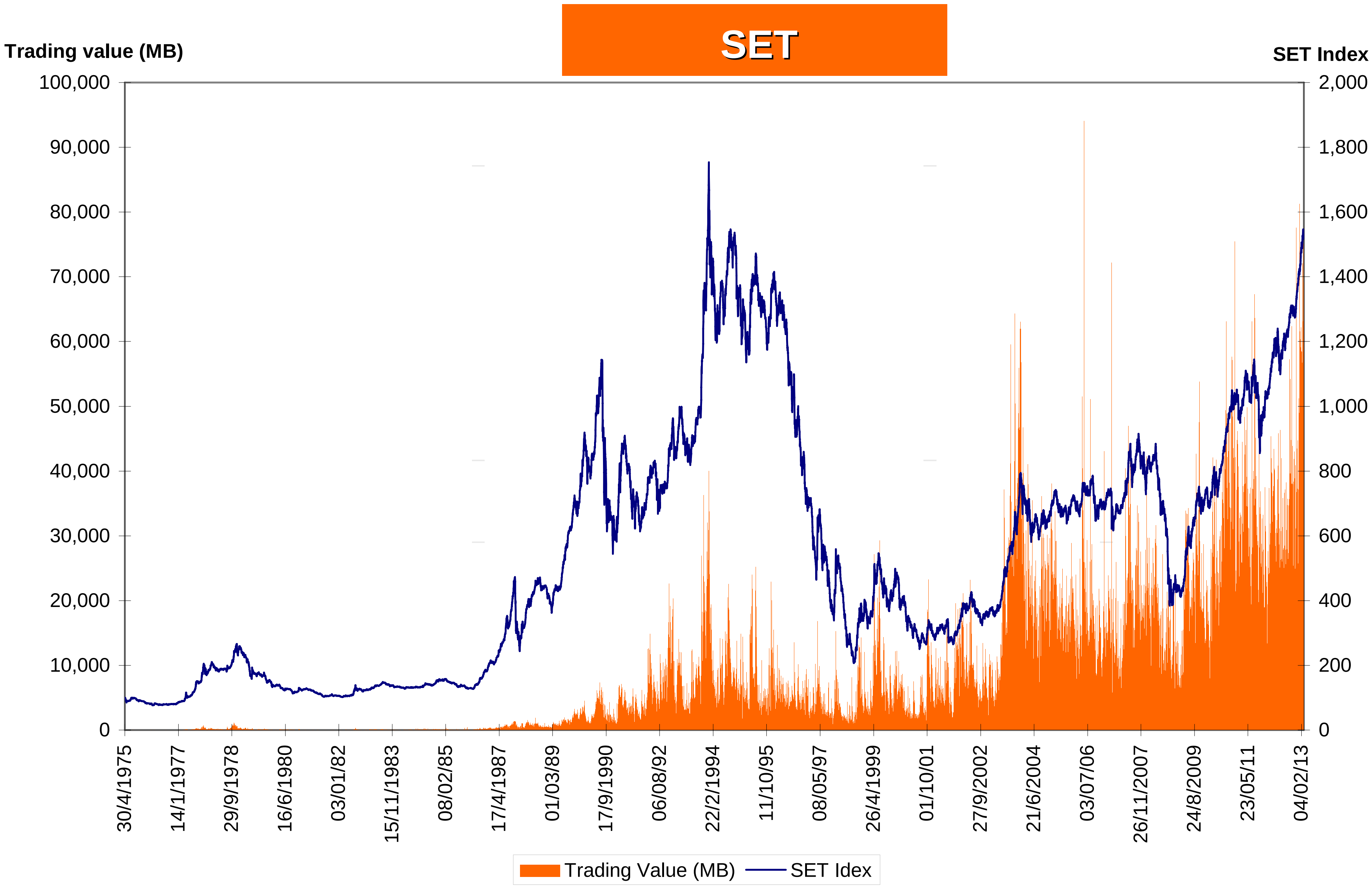
Securities Businesses	Number of Companies						
	2007	2008	2009	2010	2011	2012	2013
Securities Brokerage	41	41	41	41	41	40	40
Securities Dealing	39	39	38	38	37	38	38
Investment Advisory Management	45	47	36	37	37	38	38
Mutual Fund Management	21	22	23	23	24	24	24
Private Fund Management	34	36	30	33	31	33	33
Securities Borrowing and Lending	13	13	13	14	16	16	16
Venture Capital Management	3	3	3	2	2	2	2

Source : SEC, * As of March 2013

Development of Capital Market in Thailand

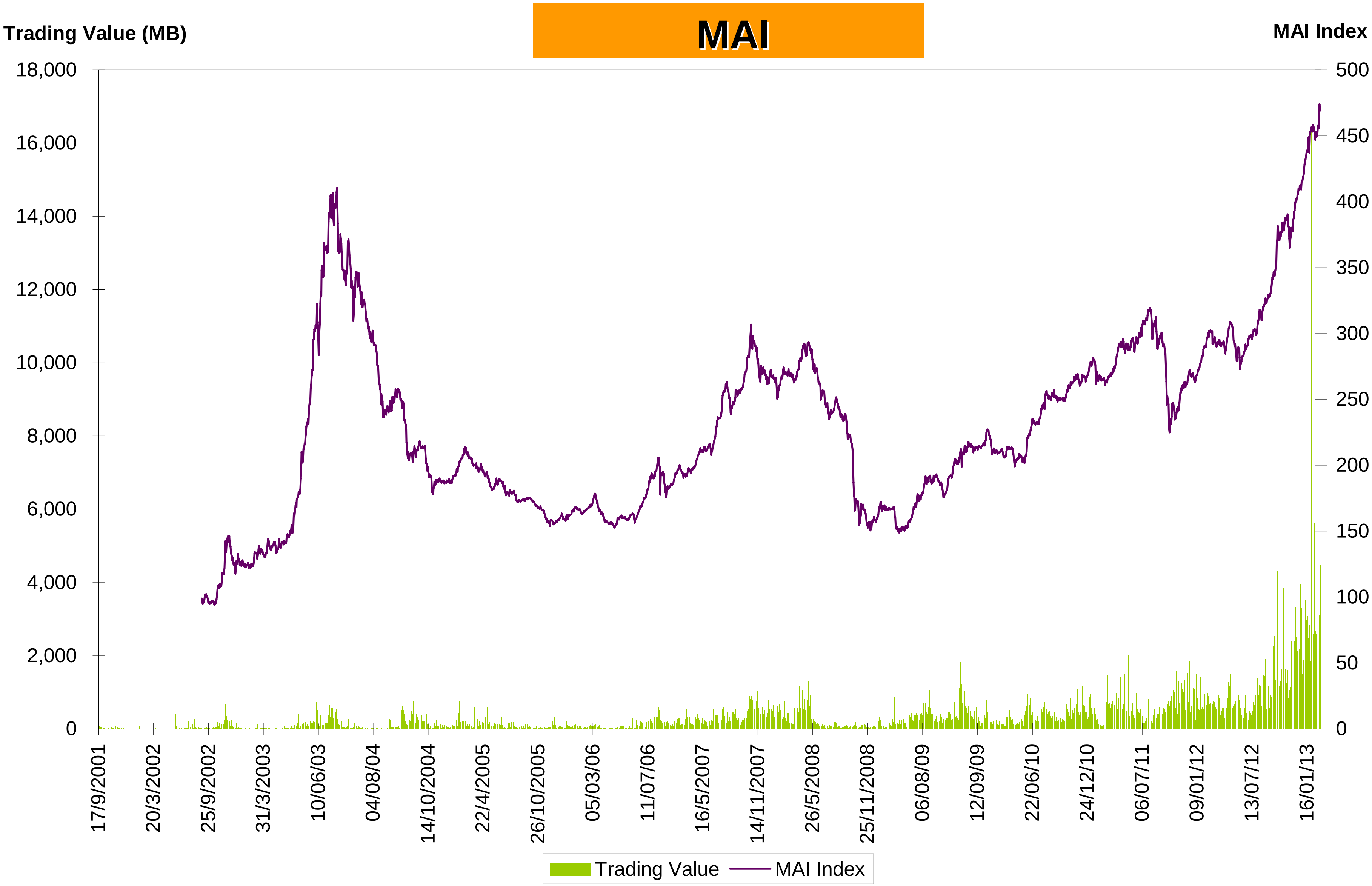
Apr 1975	• First day trading of the Stock Exchange of Thailand (SET)
Jun 1992	• Established scriptless system for settlement and delivery securities
Nov 1994	• Established Bond Dealer's Club
Jan 1995	• Established Thailand Securities Depository Co. Ltd.
Jul 1997	• Established Thai Trust Fund Management Co. Ltd.
Jun 1999	• Established Market for Alternative Investment (MAI)
Dec 1999	• Established Thai Institute of Directors Association (IOD)
Sep 2000	• Established Settrade.com Co. Ltd. &
Oct 2000	• Established Thai NVDR Co. Ltd.
Nov 2003	• First Day trading of Bond Electronic Exchange (BEX)
May 2004	• Established Thailand Futures Exchange Plc. (TFEX)
Apr 2006	• First Day trade of SET50 Index Futures
Sep 2007	• First Day trade of THAIDEX SET50 ETF (Exchanged Traded Fund – ETF)
Oct 2007	• First Day trade of SET50 Index Options
Nov 2008	• Single Stock Futures commence trading
Feb 2009	• 50 Baht Gold Futures commence trading
Jun 2009	• Derivative Warrant commence trading
Aug 2010	• 10 Baht Gold Futures commence trading
Oct/Nov 2010	• 5 Year Government Bond Futures / 3M BIBOR & 6M THBFIX commence trading
June 2011	• Silver Futures commence trading
Oct 2011	• Brent Crude Oil Futures commence trading
June 2012	• USD Future commence trading
Oct 2012	• SECTOR Future commence trading

Stock Market in Thailand : Price & Volume



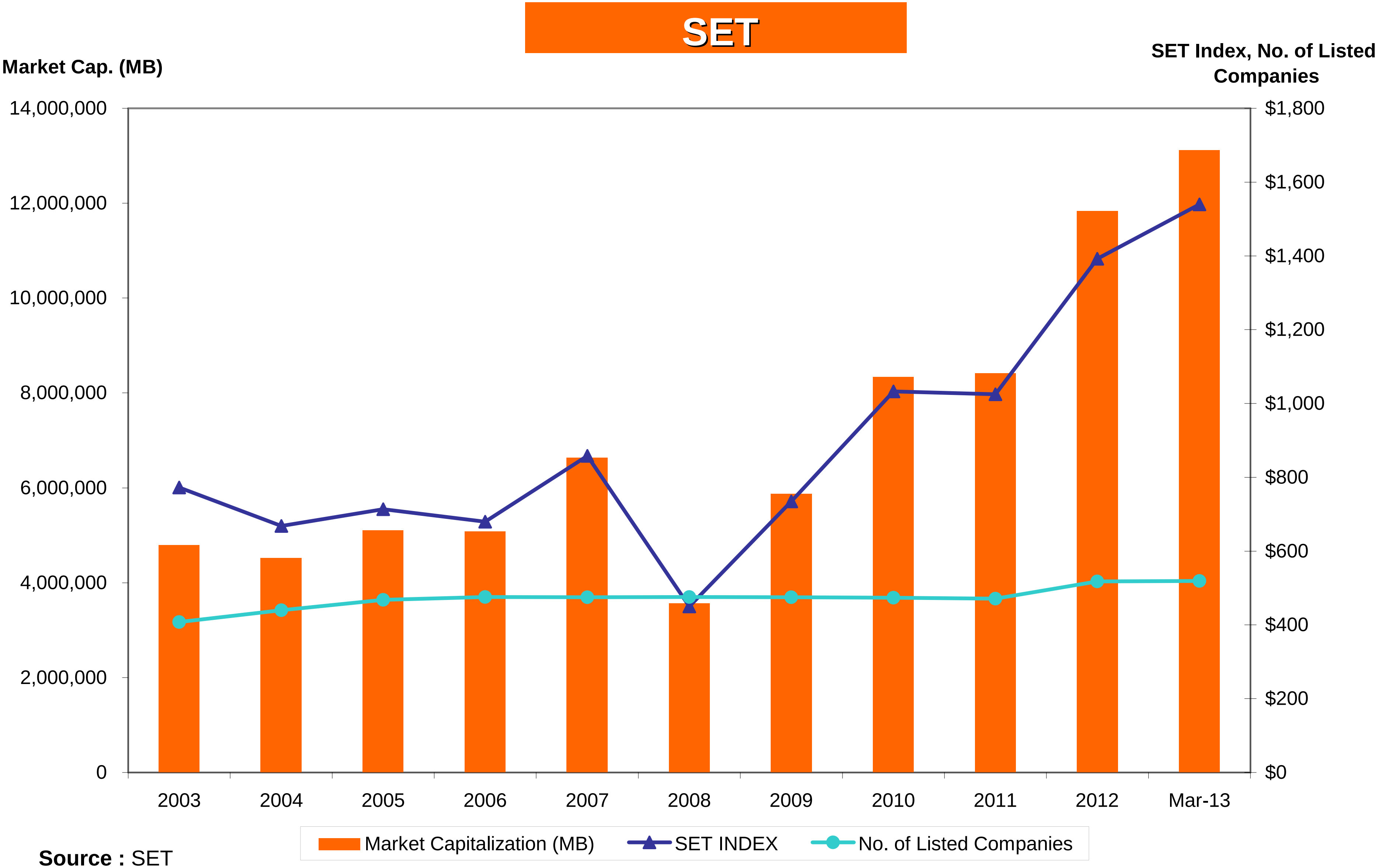
Source : SET: Jan 01, 1975 – March 04, 2013

Stock Market in Thailand : Price & Volume



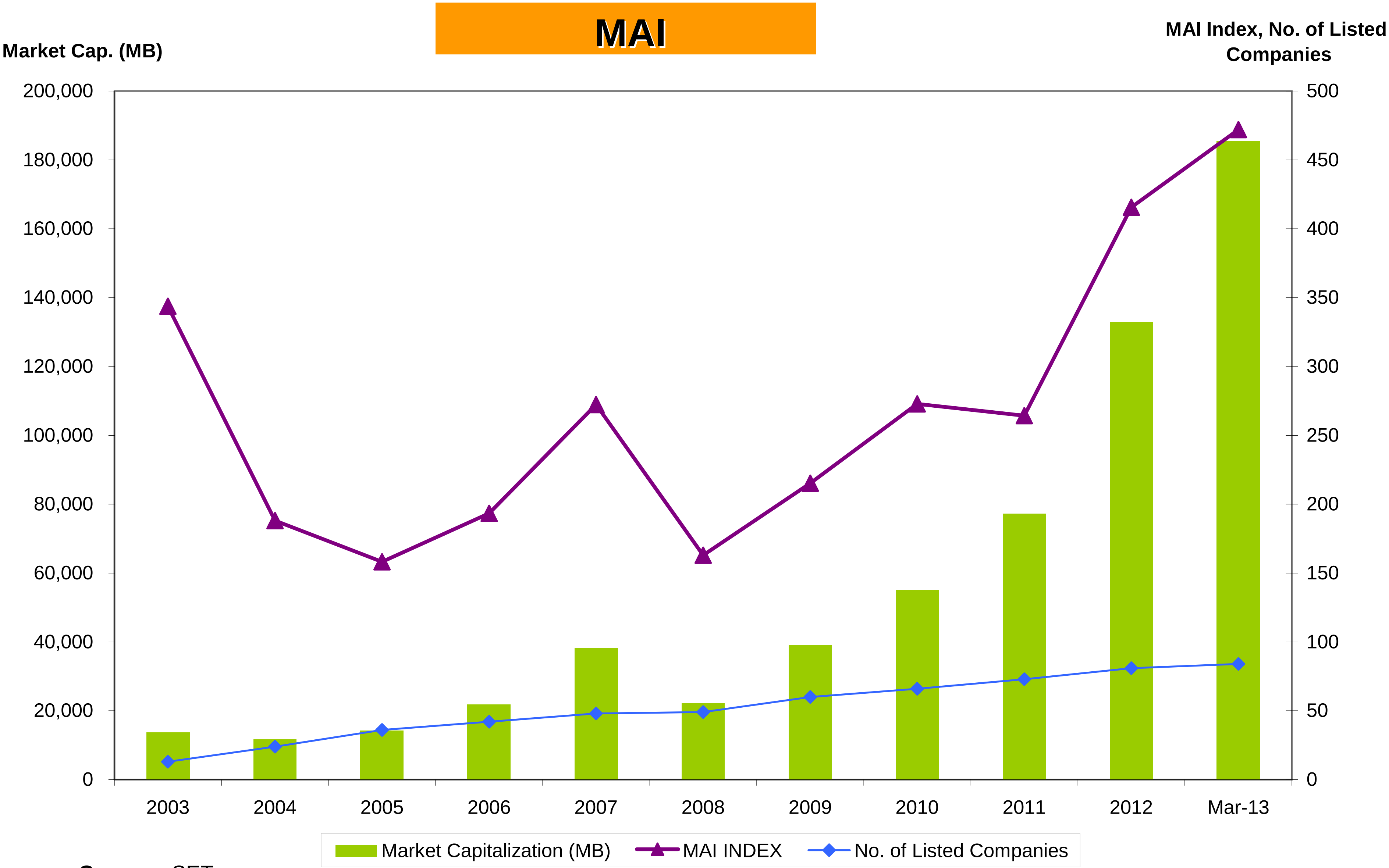
Source : SET : Sep 17, 2001 – Jan 16, 2013

Stock Market in Thailand : Size & Performance



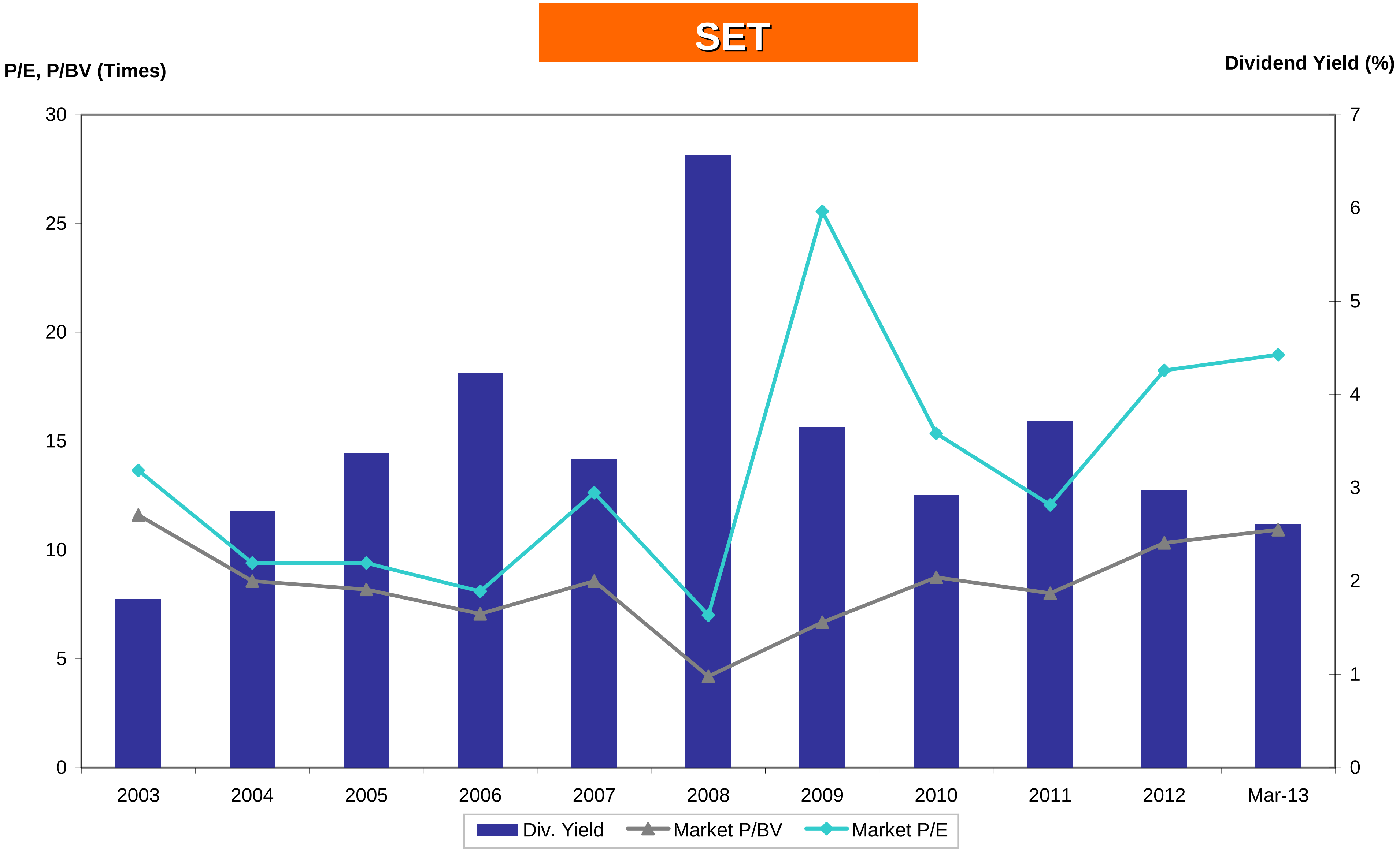
Source : SET

Stock Market in Thailand : Size & Performance



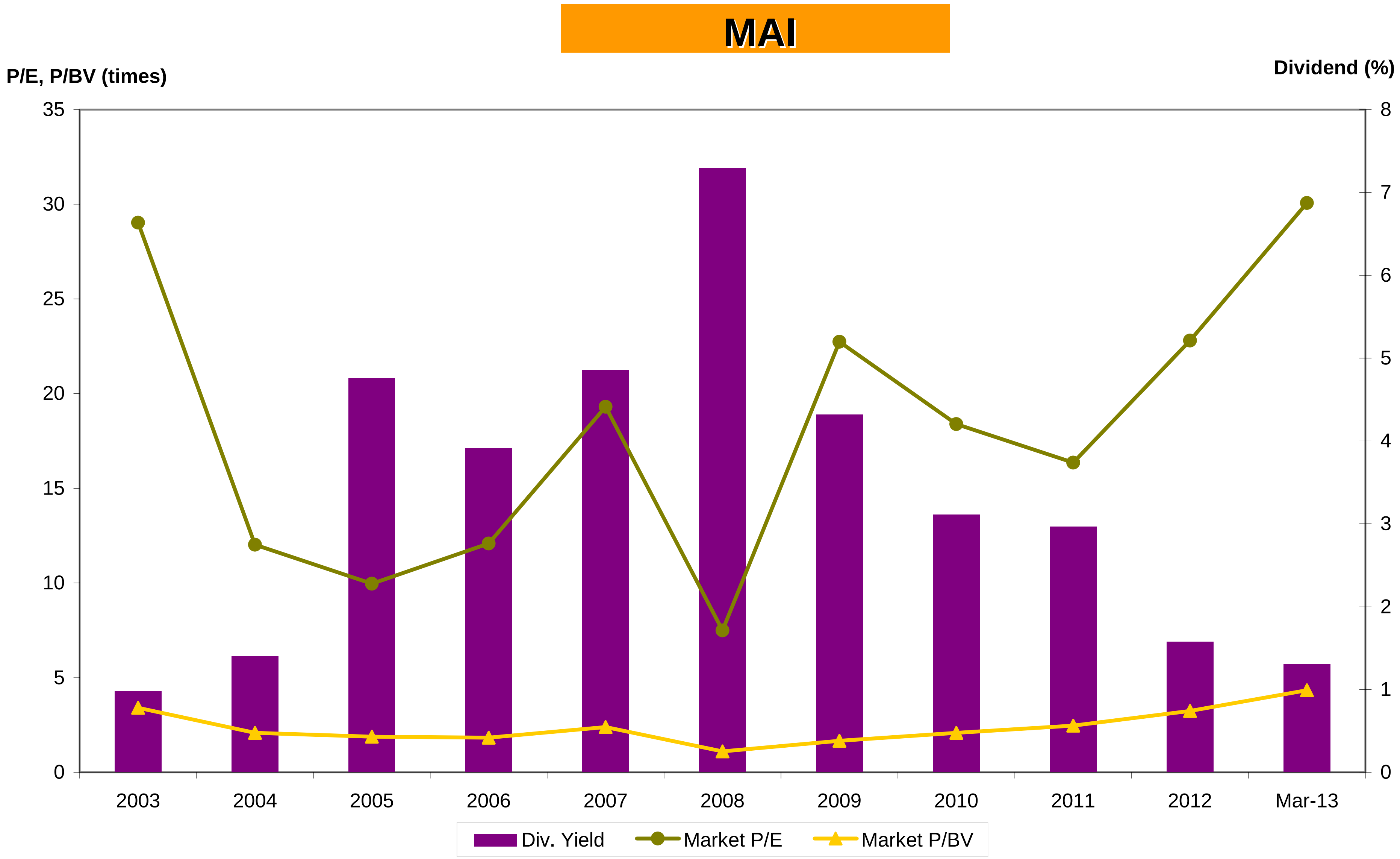
Source : SET

Stock Market in Thailand : Div. Yield, P/E, P/BV



Source : SET

Stock Market in Thailand : Div. Yield, P/E, P/BV

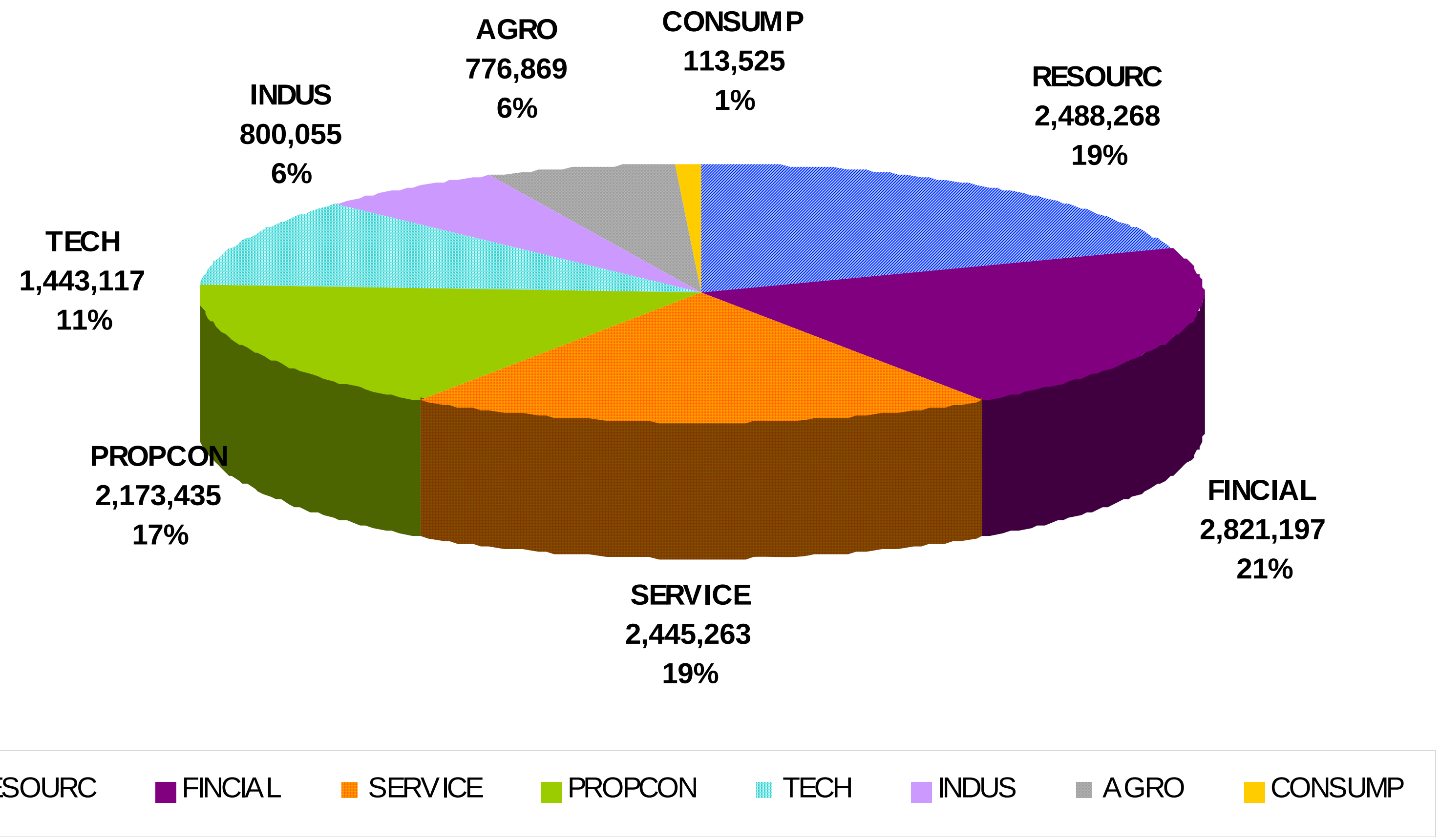


Source : SET

Stock Market in Thailand : Market Capitalization

Unit : Million Baht

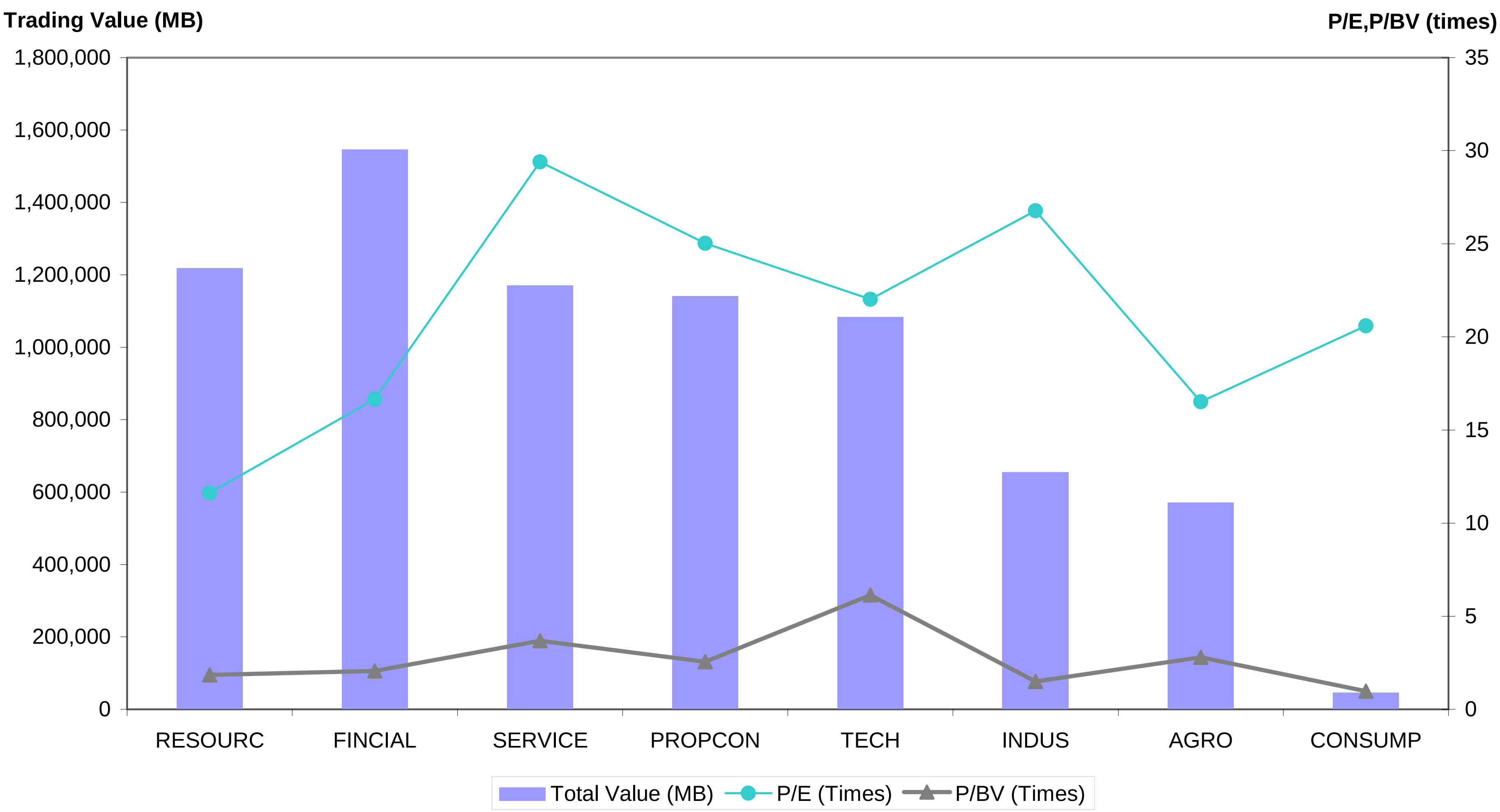
Market Capitalization of SET Classified by Sector 2012



Source : SET (as of March 01, 2013)

Stock Market in Thailand : Trading Value, P/E, P/BV

Trading Value, P/E and P/BV of SET Classified by Sector 2012



Source : SET (as of December 31, 2012)

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Bond Market in Thailand

	Trading Value											
	2007		2008		2009		2010		2011		2012	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
1. Government Debt Securities	10,389,991	98.6%	17,242,128	99.3%	14,372,316	98.8%	16,420,197	98.9%	17,374,857	98.8%	19,774,230	97.9%
1.1 Treasury Bills	799,731	7.6%	542,250	3.1%	1,288,821	8.9%	807,037	4.9%	35,289	0.2%	495,919	2.5%
1.2 Government Bond	1,112,263	10.6%	1,172,889	6.8%	1,484,397	10.2%	1,754,405	10.6%	1,523,498	8.7%	3,176,703	15.7%
1.3 State Agency Bond	8,406,201	79.8%	15,431,787	88.9%	11,520,111	79.2%	13,815,525	83.2%	15,781,118	89.7%	15,537,357	76.9%
1.4 State Owned Enterprise Bond	71,796	0.7%	95,203	0.5%	78,988	0.5%	43,230	0.3%	34,952	0.2%	138,331	0.7%
- Guaranteed	45,756	0.4%	77,951	0.4%	59,435	0.4%	35,096	0.2%	23,935	0.1%	127,418	0.6%
- Non-guaranteed	26,039	0.2%	17,251	0.1%	19,553	0.1%	8,134	0.0%	11,017	0.1%	10,913	0.1%
2. Corporate Bond	135,137	1.3%	115,927	0.7%	167,927	1.2%	178,168	1.1%	195,573	1.1%	403,228	2.0%
2.1 Long-term Corporate Bond	118,241	1.1%	82,470	0.5%	118,786	0.8%	127,569	0.8%	123,629	0.7%	303,490	1.5%
2.2 Commercial Paper	16,896	0.2%	33,457	0.2%	49,141	0.3%	50,599	0.3%	71,944	0.4%	99,738	0.5%
3. Foreign Bond	7,360	0.07%	4,758	0.03%	4,485	0.0%	9,323	0.1%	13,899	0.1%	22,692	0.1%
Total Value	**10,532,488**	**100.0%**	**17,362,814**	**100.0%**	**14,544,729**	**100.0%**	**16,607,689**	**100.0%**	**17,584,330**	**100%**	**20,200,150**	**100%**

	Outstanding Value											
	2007		2008		2009		2010		2011		2012	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
1. Government Debt Securities	3,776,157	80.4%	3,873,327	79.8%	4,689,071	79.9%	5,508,377	81.5%	5,751,311	80.9%	7,447,321	80.9%
1.1 Treasury Bills	114,000	2.4%	81,000	1.7%	206,540	3.5%	71,710	1.1%	-	0.0%	57,755	0.6%
1.2 Government Bond	1,717,249	36.5%	1,808,391	37.3%	2,130,820	36.3%	2,523,158	37.3%	2,629,499	37.0%	3,025,646	32.9%
1.3 State Agency Bond	1,425,200	30.3%	1,465,460	30.2%	1,819,658	31.0%	2,411,732	35.7%	2,641,722	37.1%	3,120,492	33.9%
1.4 State Owned Enterprise Bond	519,708	11.1%	518,477	10.7%	532,053	9.1%	501,777	7.4%	480,090	6.8%	621,714	6.8%
- Guaranteed	342,275	7.3%	379,107	7.8%	372,183	6.3%	341,560	5.1%	322,700	4.5%	462,267	5.0%
- Non-guaranteed	177,433	3.8%	139,370	2.9%	159,870	2.7%	160,216	2.4%	157,389	2.2%	159,447	1.7%
2. Corporate Bond	896,849	19.1%	937,336	19.3%	1,123,638	19.1%	1,189,305	17.6%	1,283,547	18.0%	1,655,656	18.0%
2.1 Long-term Corporate Bond	678,668	14.4%	793,641	16.3%	1,048,957	17.9%	1,103,640	16.3%	1,154,871	16.2%	1,453,019	15.8%
2.2 Commercial Paper	218,181	4.6%	143,695	3.0%	74,681	1.3%	85,664	1.3%	128,675	1.8%	202,637	2.2%
3. Foreign Bond	25,874	0.6%	43,962	0.9%	55,962	1.0%	57,962	0.9%	77,094	1.1%	98,694	1.1%
Total Value	**4,698,880**	**100.0%**	**4,854,625**	**100.0%**	**5,868,671**	**100.0%**	**6,755,643**	**100.0%**	**7,111,951**	**100.0%**	**9,201,671**	**100.0%**

Source : ThaiBMA

THANK YOU