



**LH FINANCIAL GROUP PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**(THIS REPORT DISCUSSES PRINCIPAL CHANGES ON THE AUDITED  
CONSOLIDATED FINANCIAL STATEMENT)**

## **Overview of Business Operations**

LH Financial Group Public Company Limited is a non-operating holding company and the parent company of the financial business group, the financial business group consists of the following companies;

- LH Financial Group Public Company Limited
- Land and Houses Bank Public Company Limited
- Land and Houses Fund Management Company Limited
- Land and Houses Securities Public Company Limited
- Land and Houses Advisory Company Limited

## **Certified Companies of Thailand's Private Sector Collective Action Coalition Against Corruption**

LH Financial Group Public Company Limited, Land and Houses Bank Public Company Limited and Land and Houses Fund Management Company Limited, has certified as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) by the Private Sector Collective Action Coalition Against Corruption Council in October 2014. Land and Houses Securities Public Company Limited has signed a declaration of intent in view of establishing the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in 2014.

## **ESG100 Certificate of the year 2015**

LH Financial Group Public Company Limited is ranked among the top 100 companies for listed companies outstanding performance in terms of environmental, social and governance (ESG) by Thaipat Institute.

## **Performance Evaluation of Corporate Governance of the year 2015**

Thai Institute of Directors Association (IOD) disclosed the result the Corporate Governance Report evaluation of Thai Listed Companies, LH Financial Group Public Company Limited was rated in the top level of "Excellence : 5 Stars".

## **Overview of Economy and Competition in Commercial Banking of the year 2015**

According to the satisfactory growth of many sectors, Thailand's economy in 2015 expanded by 2.7-2.8 such as contributed by the government expenditure and investment, the remarkable growth of the tourism sector. Moreover, the contributors were from high growth of public consumption in the last quarter of the year which accelerate expenditures conform to tax incentives of the government economic stimulus package including the important factor of car-buying before using the new car tax structure which will take effect in the year 2016 onwards.

However, the economy recovery was limited by the depressed farm income due to the agricultural prices, which go down and the occurrence of severe drought crisis. In addition to the export sector reduced for 3 years continuously, which expected to become lower by 5%. This is the result of the slowing down of the trading partner's economy, especially, China and ASEAN. Additionally, the recovery was controlled by the lower oil and commodity prices, which effect to the pricing and the termination of Generalized System of Preference : GSP.

Private sector investments recovered in the last quarter at a low level. It is expected that the investment sector will be up in the next period arise from the government measures which be promulgated gradually to support and stimulate private sector investment. For example, Soft Loan program for the SMEs which was a measure of the Ministry of Finance and the BOI to stimulate the private sector to invest, specifically, in the 10 target industries and in the Special economic zone.

The tourism in the year 2015 was considered a key sector to maintain the Thai economy. Although, the explosion took place at the Ratchaprasong intersection on August impacted in some areas, the economy had recovered and come back to a normal situation rapidly. Therefore the number of tourists arose, mainly, Chinese tourists which estimated more than 8 million people. Therefore, in the year 2015, the number of foreign tourists was calculated at 30 million people and made the revenue by 1.4 trillion Baht which higher than the target.

For the commercial banking sector in the 4<sup>th</sup> quarter of 2015, the overview of loan was improved slightly since the demand during the end of the year that considered a disbursement was higher. Moreover, the demand of loan which increase due to supporting by the government Economic Stimulus Measures and the NPLs problems, partly, the NPLs from SMEs tend to be risen which was the key factor that depressed, the profitability of the commercial banks.

### **Credit Rating**

Land and Houses Bank Public Company Limited is assigned the company rating of “A-” (Single A Minus) as the third year by TRIS Rating and the rating outlook of “Stable”. The rating reflects the bank’s continual improvements in its business and financial profiles and takes into consideration as the best asset quality and high capitalization.

### **Branch Networking**

At the end of the year of 2015, the total branches of Land and Houses Bank Public Company Limited was 126 branches, increased 9 branches from the end of 2014. Most of provincial branches have been opened in HomePro. The bank allied with Home Product Center Public Company Limited to expand branches in all provinces where HomePro located. The bank’s branch expansion strategy is to have nationwide service points for expanding its customer base.

### **Products and Services**

Land and Houses Bank Public Company Limited has continuously developed for the financial products and services to meet the needs of the customer including to increase the fees and service income.

*LH Bank Speedy* is an internet banking service which accommodates the financial transactions that can perform transactions on anywhere and anytime with a double security system for ensuring on the transaction. The menus are easy to use. Customers can transfer money, operate products and services payment, check cheque status or seize including monitoring of their accounts. The bank will send SMS to the customer for the result of the transaction that they do.

*Deposit - withdraw cash without slip* is a service with more convenient for customers who operate any transaction at the bank branch. The customer just informs the teller to intend their deposit-withdraw, the teller will perform transaction and take slip for the customer to sign.

*Credit Bureau Checking Service* is a service with more convenient for customer and people who need to check their credit bureau by applying for Credit Bureau checking service at the bank’s counter in every branch.

**Mobile Branch** is considered as a delivery branch of the bank. This service is an additional financial service channel for customer in various areas with the financial transaction service such as open account service, deposit, withdraw, transfer, and pay for product and service including ATM Booth service.

**SMS Alert** is the service which the bank developed for customer to aware of the movements of the various accounts by sending SMS alert when the customer's account has some movement (deposit – withdrawal) via mobile phone. Which allow customer know the status of account in order to increase the customer's confidence on financial transaction.

**Cash Management** is a financial service to support the financial management that is convenient and fast, reduces document work, reduce management costs and increase efficiency in business management, including salary payroll, bulk payment for retail fund transfer to another bank, bill payment for products and services via the bank and direct debit / direct credit and an automatic transfer system (ATS).

**Privilege Banking** is a new and privileged financial service for our premium customers. This service provides private and professional secretary for consulting and effective management portfolio to achieve high returns. This service also provides various privileges and benefits.

**Currency Exchange Service** is the service of currency exchange, namely USD (US Dollar), EUR (Euro), GBP (British Pound), AUD (Australian Dollar), JPY (Yen), SGD (Singapore Dollar) and HKD (Hong Kong Dollar).

**Automatic Teller Machine Service (ATM)** provides withdrawal services, money transfer within the bank, money transfer to the account of other bank, and payment for commodities and services, including the bank's ATM support to withdraw Baht currency all of Bank in Thailand and accepts to JCB (Japan Credit Bureau) and CUP (China Union Pay) cards to provide service for foreign businessman and traveler. As of the end of 2015, there are 190 Automatic Teller Machines, increasing by 12 machines from the end of 2014.

**Cash Transfer via Bank's Counter to Other Banks' Account**, the customer could transfer cash to the other bank account through the bank's counter.

*Goods and Services Payment Service* includes utility charges, credit card, insurance premiums, other expenses and automatic transfer system. The bank is also an agent of Counter Service and True Money, accepting payments for more than 500 items of goods and services.

*Tax Payment Service* offered to the bank customers and public by providing the service through many channels such as the bank's branches, ATM and LH Bank speedy. Then they can conveniently pay a tax.

*Agent Service for Mutual Fund, Private Fund, and Investment Unit Broker* provided by Land and Houses Fund Management Company Limited.

*Agent Service for Securities Brokerage* provided by Land and Houses Securities Public Company Limited.

### Analysis of the Operating Results

The Management Discussion and Analysis of operating results of LH Financial Group Public Company Limited and its subsidiaries performance are comparative performance of the year of 2015 and the year of 2014;

**Table: Operating Results**

(Unit: Million Baht)

Items	Quarter		Variance	Quarter	Variance	For years		Variance
	4/2015	3/2015	(%QoQ)	4/2014	(%YoY)	2015	2014	(%YoY)
Net interest income	1,190.8	1,141.0	4.4	947.9	25.6	4,366.4	3,381.9	29.1
Net non-interest income	291.1	267.0	9.0	242.2	20.2	1,177.0	864.8	36.1
Operating income	1,481.9	1,408.0	5.2	1,190.1	24.5	5,543.4	4,246.7	30.5
Other operating expenses	645.7	601.4	7.4	554.8	16.4	2,399.6	2,045.0	17.3
Bad debts, doubtful accounts and impairment loss	264.1	258.5	2.2	260.0	1.6	1,089.6	710.0	53.5
Income tax expenses	111.5	105.3	5.9	73.3	52.1	402.5	290.3	38.6
Profits from operation before bad debts and doubtful accounts, and income tax expenses	836.2	806.6	3.7	635.3	31.6	3,143.8	2,201.7	42.8
Profits from operation before income tax expenses	572.1	548.1	4.4	375.3	52.4	2,054.2	1,491.7	37.7

Items	Quarter		Variance	Quarter	Variance	For years		Variance
	4/2015	3/2015	(%QoQ)	4/2014	(%YoY)	2015	2014	(%YoY)
Net profits	460.6	442.8	4.0	302.0	52.5	1,651.7	1,201.4	37.5
Basic earnings per share (Baht)	0.0338	0.0325	4.0	0.0222	52.3	0.1211	0.0892	35.8
Diluted earnings per share (Baht)				0.0222			0.0892	

LH Financial Group Public Company Limited and its subsidiaries' the operation had net profits on the fourth quarter of 2015 amounted of Baht 460.6 million, increased by Baht 158.6 million, or up 52.5% when compared to the fourth quarter of 2014. The increase was the result of net interest income up to 25.6% following the growth of loans and net fees and service income up to 52.0%.

As the operation for the year of 2015, the company and its subsidiaries had net profits amounted of Baht 1,651.7 million, increased by Baht 450.3 million, or up 37.5% when compared to the same period of last year mainly from the increase of net interest income up 29.1% following the growth of loans, especially big corporate loan and corporate loan increased 23.7% from last year and net fees and service income up to 61.6%.

Basic earnings per share for the fourth quarter and for the year of 2015 were 0.0338 Baht per share and 0.1211 Baht per share, respectively. Compared to the same period of last year were 0.0222 Baht per share and 0.0892 Baht per share, respectively. The return on equity (ROE) for the year of 2015 and 2014 were 9.7% and 7.7% per year, respectively.

#### **Net Interest Income**

In the fourth quarter of 2015, they had net interest income amounted of Baht 1,190.8 million, increased by Baht 242.9 million or up 25.6% when compared to the same period of last year, following the growth of loans and they had interest expenses amounted of Baht 1,031.8 million decreased from the same period of last year amounting to Baht 1.1 million, or down 0.1%.

For the year of 2015, they had net interest income amounted of Baht 4,366.4 million, increased by Baht 984.5 million or up 29.1% when compared to the same period of last year, following the growth of loans. For the year of 2015, they had interest expenses amounted of Baht 4,127.5 million increased from the same period of last year amounting to Baht 54.3 million, or up 1.3%.

### **Net Interest Income after Deducted Bad Debt and Doubtful Accounts**

Land and Houses Bank Public Company Limited “the subsidiary” records allowances for bad debt and doubtful accounts based on the guideline of the Bank of Thailand. It evaluates the status of debtors based on its experiences, which has recorded allowances for bad debt and doubtful accounts including revaluation allowance for debt restructuring amounted of Baht 264.1 million in the forth quarter of 2015 increased amounting to Baht 4.1 million, or up 1.6% when compared to the same period of last year and loan loss reserves ratio is at 180.42%.

In the forth quarter of 2015, net interest income after deducted bad debt and doubtful accounts amounted of Baht 926.7 million, increased by Baht 238.8 million, or up 34.7% when compared to the forth quarter of 2014.

For the year of 2015, net interest income after deducted bad debt and doubtful accounts amounted of Baht 3,276.8 million, increased by Baht 604.9 million, or up 22.6% when compared to the year of 2014.

### **Net Non-Interest Income**

Net non-interest income are including net fees and service income, gain on trading and foreign exchange transactions, gains on investments, dividend income and other operating income.

In the forth quarter of 2015, net non-interest income at amounted of Baht 291.1 million, increased by Baht 48.9 million compared to the forth quarter of 2014 or up 20.2%. Almost of net non-interest income are net fees and service income and gains on investments.

For the year of 2015, net non-interest income at amounted of Baht 1,177.0 million, increased by Baht 312.2 million when compared to the year of 2014 or up 36.1%. Almost of net non-interest income are gains on investments 57.2% of net non-interest income.

### **Other Operating Expenses**

In the forth quarter of 2015, they had other operating expenses at amounted of Baht 645.7 million, increased by Baht 90.9 million when compared to the forth quarter of 2014 or up 16.4%, as a result of the increase of employees’ expenses that provide for business expansion. Premises and equipment expenses and other expenses were variable according to increase the growth of the business. The ratio of operating expenses to total revenue from operation for this quarter is at 43.6%, which is reduced when compared to the same period of last year at 46.6%.

For the year of 2015, they had operating expenses at amounted of Baht 2,399.6 million, increased by Baht 354.6 million when compared to the year of 2014 or up 17.3%. The ratio of operating expenses to total revenue from operations is at 43.3%, which is reduced when compared to the same period of last year at 48.2%.

**Table: Other Operating Expenses**

(Unit: Million Baht)

Item	Quarter		Variance	Quarter	Variance	For the years		Variance
	4/2015	3/2015	(%QoQ)	4/2014	(%YoY)	2015	2014	(%YoY)
Employees' expenses	324.1	294.1	10.2	257.3	26.0	1,173.4	961.0	22.1
Premises and equipment expenses	180.9	176.2	2.7	170.9	5.9	704.6	629.3	12.0
Other expenses	140.7	131.1	7.3	126.6	11.1	521.6	454.7	14.7
<b>Total</b>	<b>645.7</b>	<b>601.4</b>	<b>7.4</b>	<b>554.8</b>	<b>16.4</b>	<b>2,399.6</b>	<b>2,045.0</b>	<b>17.3</b>

**Profit from Operation before Bad Debts and Doubtful Accounts and Income Tax Expenses**

The company and its subsidiaries had profit from operation before bad debts and doubtful accounts and income tax expenses grew constantly from Baht 635.3 million in the forth quarter of 2014 to Baht 836.2 million in the forth quarter of 2015 or up 31.6%, due to net interest income and net fees and service income increased by the expansion of loans and the variety of the financial products and services.

The company and its subsidiaries had profit from operation before bad debts and doubtful accounts and income tax expenses grew constantly from Baht 2,201.7 million in 2014 to Baht 3,143.8 million in 2015 or up 42.8%, due to net interest income and net fees and service income increased by the expansion of loans and gains on investments.

**Analysis of the Financial Position**

The Management Discussion and Analysis of operating results of LH Financial Group Public Company Limited and its subsidiaries are a comparison of the financial positions as of 31 December 2015 and as of 31 December 2014.

### Total Assets

As of 31 December 2015, the company and its subsidiaries had total assets amounted of Baht 199,666.8 million, increased by Baht 34,696.5 million when compared to year 2014 or up 21.0%. Core assets comprise of loans to customers and accrued interest receivables - net at 65.5% of total assets, followed by investments - net at 23.6% of total assets.

**Table: Total Assets**

(Unit: Million Baht)

Item	December	September	Variance	December	Variance
	2015	2015	(%)	2014	(%)
Interbank and money market items - net	17,676.4	17,060.1	3.6	13,117.2	34.8
Investments - net	47,203.0	43,150.7	9.4	33,728.1	40.0
Loans to customers - net	130,757.8	128,378.9	1.9	113,728.1	15.0
Loans to customers net of deferred revenue	133,097.4	130,699.6	1.8	115,633.7	15.1
Other assets - net	4,029.6	3,858.8	4.4	4,396.9	(8.4)
<b>Total assets</b>	<b>199,666.8</b>	<b>192,448.5</b>	<b>3.8</b>	<b>164,970.3</b>	<b>21.0</b>

### Total Liabilities

As of 31 December 2015, they had total liabilities amounted of Baht 181,715.9 million, increased by Baht 33,032.0 million when compared to year 2014, or up 22.2%. Almost of total liabilities were deposits, which were 75.4% of total liabilities.

### Owners' Equity

As of 31 December 2015, owners' equity amounted of Baht 17,950.9 million, increased by Baht 1,664.5 million when compared to year 2014, or up 10.2%.

**Table: Total Liabilities and Owners' Equity**

(Unit: Million Baht)

Item	December	September	Variance	December	Variance
	2015	2015	(%)	2014	(%)
Deposits	137,064.3	130,382.4	5.1	122,631.9	11.8
Interbank and money market items	20,638.5	20,255.0	1.9	23,171.2	(10.9)
Debts issued and borrowings - net	21,664.0	22,011.8	(1.6)	1,000.0	2,066.4
Other liabilities	2,349.1	2,331.1	0.8	1,880.8	24.9
<b>Total liabilities</b>	<b>181,715.9</b>	<b>174,980.3</b>	<b>3.8</b>	<b>148,683.9</b>	<b>22.2</b>
<b>Total owners' equity</b>	<b>17,950.9</b>	<b>17,468.2</b>	<b>2.8</b>	<b>16,286.4</b>	<b>10.2</b>

## **Employees**

As of 31 December 2015, the company and its subsidiaries had 1,773 employees, representing an increase of 220 employees when compared to 31 December 2014.

## **Performance of the Subsidiaries**

### **1. BANKING BUSINESS**

#### **Loans to Customers**

Loans to customers classified by business sector of Land and Houses Bank Public Company Limited had Big Corporate & Corporate, SMEs & SSME and Retail.

As of 31 December 2015, the bank had loans to customers (excluding interbank and money market items) amounted of Baht 132,727.2 million, increased by Baht 16,707.2 million when compared to year 2014, or up 14.4%. Almost of total loans to customers were Big Corporate & Corporate at 56.4%, the next sector was Retail at 24.0% and SMEs & SSME at 19.6% of total loans. When loans to customers classified by type of business loans, the most portion of them was public utilities and services at 25.9%, the next sector was housing loans sector at 22.5% and manufacturing and commerce sector at 20.6% of total loans, respectively.

#### **Big Corporate & Corporate**

As of 31 December 2015, the bank had total loans to customers of Big Corporate & Corporate amounted of Baht 74,920.4 million, increased by Baht 14,360.2 million when compared to year 2014, or up 23.7%.

#### **SMEs & SSME**

As of 31 December 2015, the bank had total loans to customers of SMEs & SSME amounted of Baht 25,993.7 million, increased by Baht 2,890.9 million when compared to year 2014, or up 12.5%.

#### **Retail**

As of 31 December 2015, the bank had total loans to customers of Retail amounted of Baht 31,813.1 million, decreased by Baht 543.9 million when compared to year 2014, or down 1.7%.

**Table: Loans to Customers Classified by Business Sector**

(Unit: Million Baht)

Loans to customers classified by business sector	December	September	Variance	December	Variance
	2015	2015	(%)	2014	(%)
Big Corporate & Corporate	74,920.4	73,778.4	1.5	60,560.2	23.7
SMEs & SSME	25,993.7	24,542.6	5.9	23,102.8	12.5
Retail	31,813.1	31,991.8	(0.6)	32,357.0	(1.7)
<b>Total loans to customers net of deferred revenue *</b>	<b>132,727.2</b>	<b>130,312.8</b>	<b>1.9</b>	<b>116,020.0</b>	<b>14.4</b>

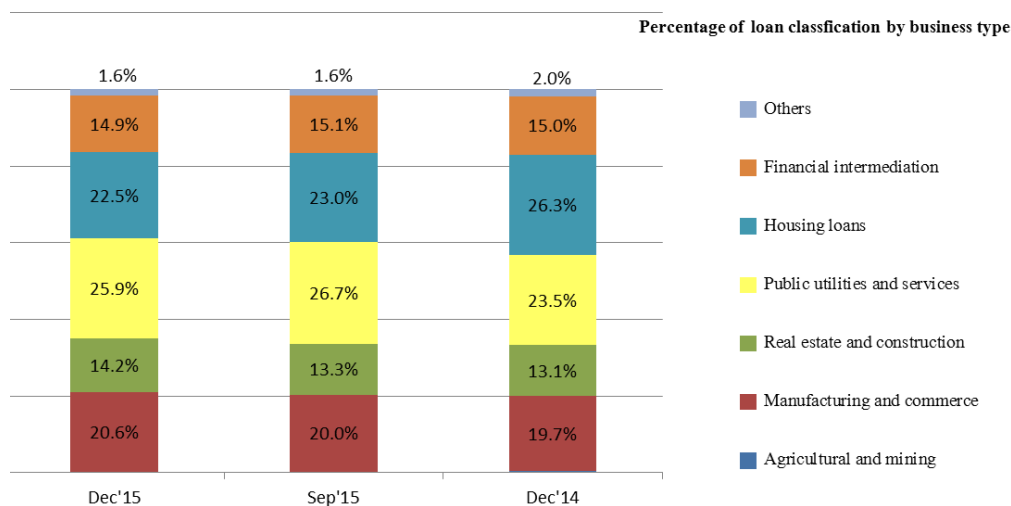
\* Total loans to customers net of deferred revenue excluding interbank and money market items

**Table: Loans to Customers Classified by Type of Business**

(Unit: Million Baht)

Loans to customers classified by type of business loans	December	September	Variance	December	Variance
	2015	2015	(%)	2014	(%)
Agricultural and mining	386.1	420.9	(8.3)	420.9	(8.3)
Manufacturing and commerce	27,390.8	26,071.2	5.1	22,909.6	19.6
Real estate and construction	18,847.7	17,287.3	9.0	15,230.6	23.7
Public utilities and services	34,424.6	34,764.7	(1.0)	27,283.5	26.2
Housing loans	29,812.7	30,035.8	(0.7)	30,472.3	(2.2)
Financial intermediation	19,749.2	19,645.5	0.5	17,432.1	13.3
Others	2,116.1	2,087.4	1.4	2,271.0	(6.8)
<b>Total loans to customers net of deferred revenue *</b>	<b>132,727.2</b>	<b>130,312.8</b>	<b>1.9</b>	<b>116,020.0</b>	<b>14.4</b>

\* Total loans to customers net of deferred revenue excluding interbank and money market items



### **Non-Performing Loans**

As of 31 December 2015, the bank had non-performing loans (Gross) amounted of Baht 2,814.7 million, increased by Baht 365.6 million when compared to year 2014 or up 14.9%. The ratio of NPLs to total loans at 1.89% of total loans (including interbank and money market items).

Non-performing loans (Net) amounted of Baht 1,832.2 million, increased by Baht 228.6 million when compared to year 2014 or up to 14.3%. The ratio of NPLs (Net) at 1.24% of total loans after deducted allowance for doubtful debts of non-performing loans.

### **Allowance for Doubtful Debts**

As of 31 December 2015, the bank had allowance for doubtful debts amounted of Baht 2,555.3 million, increased by Baht 487.2 million when compared to year 2014, or up 23.6%.

### **Deposits**

As of 31 December 2015, the bank had total deposits amounted of Baht 137,300.1 million, increased by Baht 13,638.1 million when compared to year 2014, or up 11.0%.

**Table: Deposits Classified by Type of Deposits**

(Unit: Million Baht)

Classified by type of deposits	December	September	Variance	December	Variance
	2015	2015	(%)	2014	(%)
Demand deposits	5,678.0	3,823.8	48.5	5,034.1	12.8
Savings deposits	51,887.3	51,316.5	1.1	50,659.0	2.4
Time deposits	41,212.8	36,154.4	14.0	30,684.7	34.3
Fixed deposits receipt	38,522.0	39,298.3	(2.0)	37,284.2	3.3
<b>Total deposits</b>	<b>137,300.1</b>	<b>130,593.0</b>	<b>5.1</b>	<b>123,662.0</b>	<b>11.0</b>

### **Investments in Securities** (excluding investments in subsidiaries)

As of 31 December 2015, the bank had net investments in securities which had book value at amounted of Baht 45,965.0 million, increased by Baht 12,784.6 million when compared to year 2014, or up 38.5%.

### **Capital Adequacy and the Ratio of Capital Fund to Risk Assets**

As at 31 December 2015, the ratio of total capital fund to risk assets (BIS ratio) at 14.01%, higher than the 8.50% minimum rate required by the Bank of Thailand and increasing when compared with 31 December 2014 at 12.41%.

The capital that increased was from the issuance of subordinated debt to raise Tier 2 capital No.1/2015 worth Baht 4,000 million and in November 2015, the bank requested for payment for the capital increase by Baht 500.0 million.

The ratio of Tier I capital fund to risk assets was 10.18%, higher than the 6.00% minimum rate required by the Bank of Thailand.

**Table: The ratio of capital fund to risk assets**

The ratio of capital fund to risk assets	31 December 2015		31 December 2014	
	Million Baht	%	Million Baht	%
<b>Common Equity Tier-1 capital funds</b>				
The Bank	15,202.8	10.18	13,895.8	11.32
Minimum rates required by law		4.50		4.50
The Difference		5.68		6.82
<b>Tier 1 capital funds</b>				
The Bank	15,202.8	10.18	13,895.8	11.32
Minimum rates required by law		6.00		6.00
The Difference		4.18		5.32
<b>Total capital funds</b>				
The Bank	20,936.1	14.01	15,231.9	12.41
Minimum rates required by law		8.50		8.50
The Difference		5.51		3.91

## 2. SECURITIES BUSINESS

In the year 2015, the overview of the SET Index had decreased about 14% and ended 1,288.02 points at the final day of trading which down from the last year, which closed at 1,497.67 points. At the early of the year, the SET index was up to 1,600 points, however, it was continuously down afterwards. This is due to the lack of confidence to the global economy, and the China's economy which continued to be weak. In domestic, the government's offensive policy was clearly seen, however, the Thai economic has faced with the deceleration of the export sector and the reduction of the domestic demand. All together, these factors caused the foreign investors made a lot selling continuously since

the 2015 half - year, therefore, the foreign investors sold shares at a net sell of Baht 1.5 hundred thousand million. Trading summary of the year 2015 was decreased to Baht 9,997,371 million from the end of the year 2014 stood at Baht 10,193,179 million or down 1.92%.

There were several factors influenced the security business, especially, the intensity of pricing competition. Since the SET has announced to use a policy of a fee that can be negotiable and the unlimited of the license for undertaking securities business; The company had to adjust its operation to keep existing customers and added the new customers at the same time. The company focused on the quality of services and advisement, and emphasized on developing new products to meet the need of customers.

In the year 2015, the company had grown continuously. The brokerage income from the securities business and derivatives business at total amount of Baht 94.9 million. This was the success of an extension of its marketing by building the Equity and TFEX Product Specialists team to responsible for advising customers about investment strategies together with the cooperation of Land and Houses Bank Public company Limited (LHBANK) by extending the customer base through the bank branches. The company gained new 600 accounts via the bank branches.

The company received the TFEX Top IC Awards by the Stock Exchange of Thailand for 3 quarters consecutively, moreover, its officer also received the TFEX IC Star of the Month Award.

### **3. FUND MANAGEMENT BUSINESS**

As of December 30, 2015, Land and Houses Fund Management Company Limited had managed the mutual funds with a total net asset value of Baht 52,849.2 million, increased Baht 10,283.3 million or up 24.16 % compared to as of the end of 2014. The mutual funds under management consist of property fund and real estate investment trust :

- Property fund and Real estate investment trust with a value of Baht 26,456.3 million
- General fixed income fund with a value of Baht 20,305.9 million
- Equity fund with a value of Baht 369.8 million
- Mixed fund with a value of Baht 385.0 million
- Fund of fund with a value of Baht 2,340.8 million

- Private fund with a value of Baht 1,147.7 million
- Provident fund with a value of Baht 1,843.4 million

The company held the market share at 1.23% in respect of only 3 types of mutual funds (mutual fund, property fund and real estate investment trust) which was ranked the 11<sup>th</sup> share among 20 companies.

The amount of fee income as of the end of 2015 was Baht 132.8 million, increased Baht 38.6 million compared to the end of 2014 which was a result of the growth of all types of mutual funds under the company's management.