



# บริษัท ตรีนิษฐ์ วัฒนภา จำกัด (มหาชน)

Trinity Watthana Public Company Limited

Ref. Wor Thor. Tor. 032/2021

November 11, 2021

Subject : Explanation and analysis of financial performance for the third quarter ended September 30, 2021

Attention : The President  
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 7/2021, held on November 11, 2021, has approved the reviewed financial statements for the third quarter ended September 30, 2021. The Company would like to explain and analyze the financial position and operating results for the third quarter and the nine-month period ended September 30, 2021 compared to the corresponding period of 2020 as follows:

(Unit : Million Baht)	Third quarter ended September 30			Nine-month ended September 30		
	2021	2020	Change (%)	2021	2020	Change (%)
Net Profit (Loss)	64.74	3.70	1,652	173.74	(7.10)	2,547
Earnings (Loss) per share	0.30	0.02	1,489	0.83	(0.04)	2,420

## 1. Overview of Business Operation and Significant Changes

The widespread outbreak of Coronavirus Disease 2019 (COVID-19) resulted negatively to the world economy especially from the Delta variance outbreak in the second quarter of 2021 till the third quarter of 2021. As a result, the SET index decreased from 1,587.79 points at the end of June 2021 to 1,521.92 points in July 2021 and then increased to 1,638.75 in August 2021 and then decrease to 1,605.68 points at the end of September. The average daily trading value was Baht 92,912 million in the third quarter of 2021, increase from Baht 56,139 million in the same period of 2020 or increased by 65.50%.

Derivatives daily trading volume has increased from 399,930 contracts in the third quarter of 2020 to 525,147 contracts in same period of 2021, representing an increase of 31.31%.

In the third quarter of 2021, the local retail investors were still active in SET. That is, their turnovers accounted for 45.7% of SET's total turnovers which was the same with last year at 45.0% in the third quarter of 2020. Whereas the turnovers made by foreign institutional investors increased from 35.1% of SET's turnovers in the third quarter of 2020 to 38.9% in the same period of 2021. The local institutional investors' turnovers in the third quarter of 2021 were 6.3% of SET's turnovers which dropped from 9.1% in the same period of 2020. Whereas the proprietary trading's turnovers in the third quarter of 2021 were 9.1% of SET's turnovers which dropped from 10.7% in the same period of 2020.

## 2. Operating Results for the third quarter ended September 30, 2021

### Income

The consolidated income of the Company and subsidiaries for the third quarter of 2021 was Baht 255.26 million, which was increased from Baht 125.18 million for the same period of 2020, or increased by 104%. The changes in the consolidated income of the Company and subsidiaries were attributed to the following:



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- 1) The securities business income increased from Baht 87.82 million for the third quarter of 2020 to Baht 175.14 million in the same period of 2021, or increased by 99.43%, resulted from the following:
  - The subsidiary's securities brokerage fee increased from Baht 42.48 million for the third quarter of 2020 to Baht 88.50 million in the same period of 2021 or increased by 108.33% due to the increase in trading volume resulted from the widespread outbreak of Coronavirus Disease 2019 (COVID-19);
  - Fee and service income increased from Baht 21.58 million for the third quarter of 2020 to Baht 51.47 million in the same period of 2021 or increased by 138.51% as a result from underwriting business;
  - Interest income from margin loan increased from Baht 20.90 million for the third quarter of 2020 to Baht 33.78 million in the same period of 2021 or increased by 61.63% as a result from the increase in margin loan during the period.
- 2) Interest income increased from Baht 22.93 million for the third quarter of 2020 to Baht 32.43 million in the same period of 2021 or increased by 41.43% resulting from an increase in other short-term loans when compared to the same period of 2020.
- 3) Advisory income increased from Baht 2.49 million for the third quarter of 2020 to Baht 28.62 million in the same period of 2021 or increased by 1,045% resulting from an increase in advisory fee for initial public offering during the third quarter of 2021.

### **Operating Expenses**

The Company and subsidiaries' total expenses increased from Baht 121.32 million for the third quarter of 2020 to Baht 177.69 million for the same period of 2021, or increased by 46.46%. The expenses which had significant changes include:

- Employee benefit expenses in the third quarter of 2021 amounted to Baht 113.21 million which was increased from Baht 75.36 million in the same period of 2020, or by 50.23%. This varied in relation to the overall operating results.
- Fee and services expenses in the third quarter of 2021 amounted to Baht 17.12 million which was increased from Baht 12.35 million in the same period of 2020, or by 38.62%. This increase varied in relation to the Company's trading volume.
- The financial costs increased from Baht 14.16 million in the third quarter of 2020 to Baht 23.77 million in the same period of 2021 or increased by 67.87%, resulting from an increase in borrowings for settlement, margin loan and loans to others during the period.

### **Net Profit (Loss)**

The Company and subsidiaries' net profit were Baht 64.74 million for the third quarter of 2021 compared to net profit amounted to Baht 3.70 million in the same period of 2020, or increased by 1,652%.

## **2. Operating Results for the nine-month period ended September 30, 2021**

### **Income**

The consolidated income of the Company and subsidiaries for the nine-month period of 2021 increased from that of 2020 by 107%; that is, the Company and subsidiaries' consolidated income for the nine-month period of 2021 was Baht 725.05 million, which was increased from Baht 350.56 million. The major changes in the consolidated income of the Company and subsidiaries were the following:

- 1) The securities business income increased from Baht 302.57 million for the nine-month period of 2020 to Baht 448.65 million in the same period of 2021 or increased by 48.28%, resulted from the following:



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- An increase in a daily average turnover of SET from Baht 64,526 million to Baht 96,462 million for the nine-month period of 2021 or increased by 49.49%. The subsidiary's securities brokerage fee increased from Baht 166.69 million for the nine-month period of 2020 to Baht 263.53 million in the same period of 2021 or increased by 58.10%. The subsidiary's securities brokerage fee significantly increased as a result of the increase in trading volume of local retail investors.
  - Fee and service income increased from Baht 65.88 million for the nine-month period of 2020 to Baht 89.12 million in the same period of 2021 or increased by 35.28% as a result from underwriting business;
  - Interest income from margin loan increased from Baht 60.23 million for the nine-month period of 2020 to Baht 91.41 million in the same period of 2021 as a result from the increase in margin loan during the period.
- 2) The Company's net gain and return from investment was Baht 113.89 million for the nine-month period of 2021 compared to net loss and return from investment was Baht 56.89 million in the nine-month period of 2020. The huge loss in the nine-month period of 2020 resulted from the widespread outbreak of Coronavirus Disease 2019 (COVID-19) which caused the SET index went down deeply around 600 points from 1,580 points at the end of 2019 to 1,024 points in a very short period during the first quarter of 2020 and bounced back to 1,400 points in June 2020.
- 3) Interest income increased from Baht 71.63 million for the nine-month period of 2020 to Baht 87.96 million in the same period of 2021 or increased by 22.80%, resulting from an increase in other short-term loans during the nine-month period of 2021.

### Operating Expenses

The Company and subsidiaries' total expenses increased from Baht 360.68 million for the nine-month period of 2020 to Baht 512.18 million in the same period of 2021. The expenses which had significant changes include:

- Employee benefits expenses for the nine-month period of 2021 amounted to Baht 330.86 million which was increased from Baht 213.09 million in the same period of 2020, or by 55.27%. This increase varied in relation to the Company's overall operating results.
- Fee and services expenses for the nine-month period of 2021 amounted to Baht 50.39 million which was increased from Baht 40.78 million in the same period of 2020, or by 23.57%. This increase varied in relation to the Company's trading volume.
- The financial costs increased from Baht 44.19 million for the nine-month period of 2020 to Baht 61.91 million in the same period of 2021 or increased by 40.10%, resulting from an increase in borrowings for settlement, margin loan and loans to others during the period.

### Net Profit (Loss)

In the nine-month period of 2021, the Company and subsidiaries' net profit were Baht 173.74 million compared to net loss amounted to Baht 7.10 million in the same period of 2020, equivalent to increase by 2,547%.

## 3. Financial Position

### Total Assets

As of 30 September 2021, the total assets of the Company and subsidiaries amounted to Baht 6,249.86 million comparing to Baht 5,043.36 million at the end of 2020, of which significant items included investments in the amount of Baht 930.85 million which was increased from Baht 912.35 million, securities and derivatives business receivables in the amount of Baht 3,258.95 million increased from Baht 2,404.69 million and other short-term loans amounted to Baht 1,357.36



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million increased from Baht 1,081.51 million. These main items represented 14.89%, 52.14%, and 21.72% of the total assets as of 30 September 2021, respectively.

### **Securities and Derivatives Business Receivables**

As of 30 September 2021, the subsidiary's securities and derivatives business receivables in the amount of Baht 3,258.95 million included margin loan receivables in the amount of Baht 3,063.07 million increased from Baht 2,204.08 million at the end of 2020. The subsidiary categorized its securities and derivatives business receivables in accordance with the Thai Financial Reporting Standard as performing debts in the amount of Baht 3,077.20 million, under-performing debts in the amount of Baht 181.77 million and non-performing debts in the amount of Baht 61.97 million. In this regard, the Company has provided allowance for expected credit losses in accordance with the financial reporting standard.

### **Investments**

The Company and subsidiaries' net investments as of 30 September 2021 were Baht 930.85 million, 14.89% of total assets, which was increased from Baht 912.35 million at the end of 2020. Out of this amount, short-term investment was Baht 666.13 million slightly decreased from Baht 689.76 million at the end of 2020. Long-term investment was Baht 224.11 million increased from Baht 195.31 million at the end of 2020 and the remaining investment Baht 31.22 million was the investment in the joint venture which were accounted for under an equity method.

### **Liabilities**

As of 30 September 2021, the Company and subsidiaries' total liabilities stood at Baht 4,565.71 million compared to the total liabilities of Baht 3,446.18 million at the end of 2020. The total liabilities mainly comprised of borrowings increased from Baht 2,853.13 million at the end of 2020 to Baht 3,561.57 million at the end of 2021 while securities and derivatives business payables increased from Baht 263.64 million at the end of 2020 to Baht 542 million.

### **Shareholders' Equity**

As of 30 September 2021, the Company and subsidiaries' shareholders' equity stood at Baht 1,684.16 million compared to Baht 1,597.18 million at the end of 2020. The increase was mainly derived from 1) Share capital and premium on share capital increased Baht 79 million from exercising warrants to purchase ordinary shares from shareholders (TNITY-W1) 12.96 million shares and ESOP warrants 2.25 million shares. 2) Net profit for the period amounted to Baht 173.74 million. 3) Loss from actuarial amounted to Baht 21.15 million, and a decrease in unrealized loss from investments presented in shareholders' equity amounted to Baht 12.40 million. 4) The dividend for the year 2020 and interim dividend for the year 2021 amounted to Baht 160.80 million.

The return on equity for the nine-month period of 2021 was 14.12% per annum comparing to (0.60)% per annum in the same period of 2020.

Please be informed accordingly.

Yours faithfully,

Charnchai Kongthongluck  
Director & CEO