

BLS 055/2010

July 30, 2010

Subject : Clarification on Over 20% Change in 2Q2010 Operating Results-[Unaudited](#)

To : The President of the Stock Exchange of Thailand

Bualuang Securities Public Company Limited ("the Company") would like to clarify on the 2Q2010 operating results ([unaudited](#)) which had been changed from the same period of last year by more than 20%. The details are as follows:

2Q2010 Operating Results

The company recorded 2Q2010 net profits of Baht 91.58 million which increased for Baht 25.66 million or 38.93% from Baht 65.92 million in 2Q2009. This was attributed mainly by an increase in revenues from investment banking. However, the revenue from securities businesses in 2Q2010 was lower than 2Q2009 due to the amendment of trading commission structure effective from 1 Jan. 10, as part of securities brokerage industry's liberalization, resulting in lower effective commission.

Revenues:

- Brokerage fees from securities business: A decrease of Baht 14.08 million or 6.37% in brokerage fees was due to the low effective commission rate from the amendment of trading commission structure even though our trading volume in 2Q2010 was higher than the same period last year.
- Brokerage fees from derivatives business: The Company recorded a brokerage fees from derivatives business of Baht 16.72 million which was lower than Baht 19.91 million in 2Q2009 for Baht 3.19 million or 16.02% due to our lower market share.
- Fees and services income: Total amount of Baht 100.55 million was sharply higher than Baht 39.29 million from the same period last year due primarily to higher fees generated from investment banking business.
- Gain (Loss) on trading in securities and derivatives: A net gain of Baht 2.76 million was mainly from realized gains from trading activities.
- Other income: An increase of Baht 5.25 million was mainly resulted from gains on sales of equipment.

Expenses

- Bad debt and doubtful accounts (reversal): A negative provision in 2Q2010 was the result of the reversal provision from some securities business receivables.
- Operating expenses: An increase of Baht 18.0 million or 9.84% compared to the same period last year was led by increase in personnel expenses and other expenses which were in line with the increase in revenues and gross profits.

6M2010 Operating Results

The company recorded 1H2010 net profits of Baht 170.28 million which increased for Baht 103.71 million or 155.79% from Baht 66.57 million in 1H2009. This was attributed mainly by an increase in revenues from securities and derivatives brokerage businesses and investment banking.

Revenues:

- Brokerage fees from securities business: An increase of Baht 83.27 million or 26.44% in brokerage fees was due to an increase in total market turnover and our higher market share compare to the same period last year.
- Brokerage fees from derivatives business: The Company received brokerage fees from derivatives business of Baht 33.86 million which was lower than Baht 36.45 million in 1H2009 for Baht 2.59 million or 7.11% due to our lower market share.
- Fees and services income: Total amount of Baht 230.48 million was higher than Baht 51.73 million from the same period last year due primarily to higher fees generated from investment banking business.
- Gain (Loss) on trading in securities and derivatives: A net gain of Baht 4.46 million was mainly from realized gains from trading activities.
- Interest on margin loans: A decrease of Baht 3.69 million was mainly resulted from lower interest earned.
- Other income: An increase of Baht 6.31 million was mainly resulted from gains on sales of equipment.

Expenses:

- Fees and services expenses: A net increase of Baht 8.67 million was primarily from the increases in market-related fees which varied in accordance with volume in brokerage business.
- Bad debt and doubtful accounts (reversal): A net increase in provision of Baht 22.90 million was due to specific provision made on credit balance account as incurred in 1Q2010.
- Operating expenses: An increase of Baht 97.51 million or 32.29% compared to the same period last year was led by increase in personnel expenses and other expenses which were in line with the increase in revenues.

Please be informed accordingly.

Yours sincerely,

(Mrs. Pantip Koeythong)
Company Secretary