

## Securities

As at Dec 31, 2016 there were 42 licensed securities dealers. Of these 42 licensed dealers, the analysis will focus on 32 securities firms whose core business is dealing in securities.

Funds under Management decreased from \$1.12 trillion as at September 30, 2016 to \$1.11 trillion as at December 31, 2016, a 0.8 per cent decrease. This decrease is partially explained by the 4.4 per cent decline in repo liabilities as at December 31, 2016.

The balance sheet capital of the securities firms moved from \$81.9 billion as at September 30, 2016 to \$77.8 billion as at December 31, 2016; a \$4.1 billion or 5.0 per cent decrease. The asset base also declined from \$578.8 billion as at September 30, 2016 to \$550.4 billion as at December 31, 2016, representing a 4.9 per cent decline. This resulted in the capital to total assets ratio remaining unchanged at 14.1 per cent as at December 31, 2016.

For the quarter ended December 2016, there was a decrease in reported revenue for securities firms. Total revenue decreased from \$11.6 billion for the period ended December 31, 2015 to \$11.2 billion by end December 2016. Similarly, net profit after tax declined by \$0.1 billion or 4.8 per cent, moving from \$2.1 billion in December 31, 2015 to \$2.0 billion in December 31, 2016.

**Table 1: Statistical information of the Securities Firms, December 2015 to December 2016**

As at	Dec 15 \$'B	Mar 16 \$'B	Jun 16 \$'B	Sept 16 \$'B	Dec 16 \$'B	%age Change between Sept '16 & Dec '16
<b>Balance Sheet</b>						
Total Assets	532.4	545.7	555.1	578.8	550.4	(4.9)
Total Liabilities	458.7	470.4	477.453	496.9	472.6	(4.9)
Total Capital	73.7	75.3	77.6	81.9	77.8	(5.0)
Funds Under Management	909	928.5	981.2	1116.0	1107.1	(0.8)
Total Repo Liabilities	401	402.2	388.8	396.0	378.4	(4.4)
<b>Profit and loss</b>	<b>Dec 15 \$'B</b>	<b>Mar 16 \$'B</b>	<b>Jun 16 \$'B</b>	<b>Sept 16 \$'B</b>	<b>Dec 16 \$'B</b>	<b>%age Change between Dec '15 &amp; Dec '16</b>
Total Revenue	11.6	6.7	12.5	18.1	11.2	(3.4)
Total Expense	9.3	5.7	7.3	11.8	8.7	(6.5)
Total Interest Income	8.3	4.5	6.8	11.4	7.4	(10.8)
Total Interest Expense	5.1	3	3.9	6.6	4.4	(13.7)
Net Interest Income	3.2	2	2.8	4.8	3.0	(6.3)
<b>Net Profit (after tax)</b>	2.1	0.6	3.3	4.7	2.0	(4.8)

Table 2: Selected Prudential Ratio for Securities Firms						
Ratio	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	FSC Benchmark
Capital/Risk Weighted Asset	21.0%	21.2%	21.5%	21.0%	20.7%	≥ 10%
Capital/Total Assets	14.0%	14.0%	14%	14.1%	14.1%	≥ 6%