

(Translated)

November 13, 2018

Ref FSS 188/2018

Subject: The Explanation of operating results of the nine-month period ending September 30th, 2018

To The President and Director
The Stock Exchange of Thailand

Dear Sirs,

Finansia Syrus Securities Public Company would like to disclose the reviewed separated and consolidated financial statements for the nine-month period ending September 30, 2018. The consolidated statements represent the net loss of Baht 2.34 million, which decreased by Baht 109.82 million or 102.18% comparing to the same period of 2017. While the separated statements represent the net loss of Baht 12.07 million which decreased from the same period of 2017 by Baht 31.81 million or about 161.15%.

According to the abovementioned, the net profit has changed by more than 20%, comparing to the same period of 2017 which is clarified as below

Income :	(Unit: Million Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2018</u>	<u>+ Increased</u> <u>/ Decreased</u>	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Brokerage fees income	840.50	(26.04)	840.50	(26.04)
Fees and services income	39.66	(25.94)	39.66	(25.94)
Interest income on margin loans	51.54	(9.35)	51.54	(9.35)
Gain (loss) and return on financial instruments	184.90	12.08	184.90	12.08
Shares of gain (loss) from investments in an associate and a joint venture	(0.43)	19.16	0.00	0.00
Gain from change in a joint venture proportion	0.00	(9.87)	0.00	0.00
Gain on sale of investment in a joint venture	8.80	8.80	0.00	0.00
Other income	10.94	(1.53)	13.64	(1.53)
Total income	<u>1,135.91</u>	<u>(32.69)</u>	<u>1,130.24</u>	<u>(50.78)</u>

1. The Consolidated and the separated statements recorded brokerage fees income earned from securities trading in 2018 was Baht 840.50 million, which decreased from the same period of 2017 by Baht 26.04 million or 3.01%. This is mainly because of the company's average daily turnover decreased from Baht 4,372 million in 2017 to Baht 4,341 million in 2018. In addition, at the same period of time, the company's market share decreased from 5.14% to 4.02%.

2. The Consolidated and the separated statements recorded Baht 39.66 million as fee and service income, which decreased by Baht 25.94 million or 39.54% compare with the same period of 2017. This was the result of decreasing in earning from underwriting fee by Baht 14.11 million, research fee by Baht 8.49 million and financial advisory fee by Baht 4.51 million.
3. The Consolidated and the separated statements recorded Baht 51.54 million as interest income on margin loans, which decreased by Baht 9.35 million or 15.35% compare with the same period of 2017.
4. The Consolidated and the separated statements recorded Baht 184.90 million as gain and return on financial instruments, which increased by Baht 12.08 million or 6.99% compare with the same period of 2017. This was mainly because of increasing in gains on derivatives by Baht 134.12 million and dividend by Baht 16.21 million. While gains on investment decreased by Baht 138.25 million.
5. The Consolidated statement recorded Baht 0.43 million as shares of loss from investments in an associate and a joint venture, which decreased by Baht 19.16 million or 97.79% compare with the same period of 2017. This is the result of loss from investments in an associate and a joint venture, recorded in the income statement by using equity method. However, the company has fully completed the process related to the investment disposal of SBI Thai Online Securities Company Limited and received all payment in April 27, 2018.

Expenses :

(Unit: Million Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Employee benefits expenses	664.86	18.45	641.55	17.77
Fees and service expenses	131.59	21.50	131.54	21.50
Finance costs	24.49	1.31	24.49	1.31
Bad debt and doubtful accounts (reversal)	(0.10)	(5.83)	(0.10)	(5.83)
Loss from impairment on investment	0.00	(1.14)	0.00	(47.76)
Loss on sale of investment in a joint venture	0.00	(0.29)	0.00	(45.74)
Other expenses	313.16	50.55	343.26	47.09
Total expenses	1,134.00	84.55	1,140.74	(11.66)
Profit (loss) before income tax	1.91	(117.24)	(10.50)	(39.12)
Income tax	(4.24)	7.42	(1.57)	7.31
Profit (loss) for the period	(2.34)	(109.82)	(12.07)	(31.81)

1. The Consolidated and the separated statements present the amount of employee benefits expenses of Baht 664.86 million and Baht 641.55 million respectively. The expenses on both statements increased by Baht 18.45 million or 2.85% and 17.77 million or 2.85% respectively, compare with the same period in 2017.

2. The Consolidated and the separated statements recorded Baht 131.59 million and Baht 131.54 million as fees and services expenses. The expenses on both statements equally increased by Baht 21.50 million or 19.54% compare with the same period in 2017.
3. Loss from impairment on investment in the separated statement decreased by Baht 47.76 million or 100% due to sale of investment in a joint venture, which was recognized as loss from impairment on investment in SBI Thai Online Securities Company Limited in 2017.
4. Loss from sale of investment in a joint venture in the separated statement decreased by Baht 45.74 million or 100% due to sale of investment in SBI Thai Online Securities Company Limited in 2017.
5. The Consolidated and the separated statements recorded Baht 313.16 million and Baht 343.26 million as other expenses, which increased from the same period last year by Baht 50.55 million and Baht 47.09 million or 19.25% and 15.90% respectively.

Yours sincerely,

(Mr. Chuangchai Nawongs)
Chief Executive Officer and President