

(Translation)

February 21, 2023

Ref FSS. 040/2023

Subject: Management's discussion and analysis
Operating Results for the year ended December 31, 2022

To President
The Stock Exchange of Thailand

Dear Sirs,

Finasia Syrus Securities Public Company would like to report the audited, separate and consolidated and separate financial statements for the year ended December 31, 2022. The consolidated statement represents a net gain of Baht 207.46 million, which decreased by Baht 92.72 million, or 30.89%. The separate statement represents a net gain of Baht 218.16 million, which decreased by Baht 78.27 million, or 26.40%.

According to the above, net profit has changed compared to the same period in 2022, which is clarified below.

Income :	(Unit: Million Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>2022</u>	<u>+ Increased</u> <u>/- Decreased</u>	<u>2022</u>	<u>+ Increased</u> <u>/-Decreased</u>
Brokerage fees income	1,563.70	(366.32)	1,563.70	(366.32)
Fees and service income	486.11	372.13	375.20	261.22
Interest income	185.64	55.41	197.01	66.82
Gain (loss) and return on financial instruments	97.00	(68.62)	96.60	(69.01)
Shares of gain (loss) from investments in an associate	4.10	1.02	-	-
Other income	63.83	10.20	70.43	13.26
Total income	<u>2,400.38</u>	<u>3.82</u>	<u>2,302.94</u>	<u>(94.03)</u>

1. The consolidated and the separate statements recorded brokerage fees income earned from securities trading in 2022 was Baht 1,563.70 million, which decreased from the year 2021 by Baht 366.32 million, or 18.98%. This is because SET's average daily turnover decreased from Baht 85,057 million in 2021 to Baht 70,658 million, or 16.93% compared to the previous year. The company has a market share of 5.3% and turnover is ranked third in the industry.
2. Fee and service income under the consolidated and the separate statements, was Baht 486.11 million, and Baht 375.20 million, which increased by Baht 372.13 million and Baht 261.22 million, or 326.47% and

229.17% respectively. This is because of a underwriting income increase of Baht 354.97 million and an advisory service fee increase of Baht 40.67 million.

3. The consolidated and the separate statements recorded Baht 185.64 million, and Baht 197.01 million as interest income, which increased by Baht 55.41 million and Baht 66.82 million, or 42.55% and 51.33% respectively. This includes the increase in interest income from Credit Balance by Baht 270.61 million, recorded as of 31 Dec 2022 is Baht 2,236.87 million, which increased by 13.76%, and the customer collateral is higher than 3 times of the loan amount. Including the interest increase with the direction of the money market and increased loan amount. Moreover, the interest income at financial institutions and Government Bonds increased by Baht 19.36 million, compared with the same period in 2021.

4. The consolidated and the separate statements recorded Baht 97 million and Baht 96.6 million as gain and return on financial instruments, which decreased by Baht 68.62 million, and Baht 69.01 million, or 41.43% and 41.67% compared with the same period in 2021. In terms of investment income, it decreased by Baht 241.93 million, while the profit from derivative products increased by Baht 175.36 million.

Expenses :

(Unit: Million Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>2022</u>	<u>+Increased</u> <u>/-Decreased</u>	<u>2022</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Employee benefits expenses	1,254.16	10.98	1,110.62	(85.17)
Fees and service expenses	272.87	(5.09)	272.55	(5.32)
Finance costs	61.79	14.20	61.69	14.13
Expected credit losses (reversal)	(2.52)	(5.88)	(2.52)	(5.88)
Other expenses	548.95	100.49	584.20	83.59
Total expenses	2,135.25	114.70	2,026.54	1.35
Profit before income tax	265.13	(110.88)	276.40	(95.38)
Income tax	(57.67)	18.16	(58.24)	17.11
Profit for the period	207.46	(92.72)	218.16	(78.27)

1. The consolidated financial statements present the amount of employee benefits expenses of Baht 1,254.16 million, which increased by Baht 10.98 million or 0.88%. While, the financial statement of the company is Baht 1,110.62 million, which decreased by Baht 85.17 million or 7.12% respectively, compared with the same period in 2021. This is because of the decrease in payout to sales staff.

2. The consolidated and the separate statements recorded other expenses of Baht 548.95 million and Baht 584.20 million, which increased by Baht 100.49 million, and Baht 83.59 million, or 22.41% and 16.70% respectively. This is because of the financial advisory fee , legal fee for our restructuring plan , compensation and provision for losses from litigation that may occur.

Yours sincerely,

(Ms. Chorpetch Riamdee)

Chief Finance Officer