

(Translation)

May 12, 2023

Ref FSS. 113/2023

Subject: Management's discussion and analysis
Operating Results for the three-month period ended March 31, 2023

To President
The Stock Exchange of Thailand

Dear Sirs,

Finansia Syrus Securities Public Company would like to report reviewed, separate and consolidated and separate financial statements for the three-month ended March 31, 2023. The consolidated statement represents a net gain of Baht 3.23 million, which decreased by Baht 81.48 million, or 96.19%. The separate statement represents a net gain of Baht 14.94 million, which decreased by Baht 69.59 million, or 82.33%.

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>2023</u>	<u>+ Increased</u> <u>/- Decreased</u>	<u>2023</u>	<u>+ Increased</u> <u>/-Decreased</u>
Brokerage fees income	321.24	(203.50)	321.24	(203.50)
Fees and service income	80.90	52.97	36.20	8.27
Interest income	55.44	13.60	59.49	17.66
Gain (loss) and return on financial instruments	20.29	(15.10)	20.39	(15.00)
Shares of gain (loss) from investments in an associate	0.51	(0.03)	-	-
Other income	21.00	11.67	22.61	12.37
Total income	499.38	(140.39)	459.93	(180.20)

- The consolidated and the separate statements recorded brokerage fees income earned from securities trading in 2023 was Baht 321.24 million, which decreased from the year 2022 by Baht 203.50 million, or 38.78%. This is because SET's average daily turnover decreased from Baht 88,386 million in 2022 to Baht 62,001 million, or 29.85% compared with the same period in 2022. The company has a market share of 4.8% and turnover is ranked fifth in the industry.

2. Fee and service income under the consolidated and the separate statements, was Baht 80.90 million, and Baht 36.20 million, which increased by Baht 52.97 million and Baht 8.27 million, or 189.61% and 29.59% respectively. This is because of underwriting income increase of Baht 40.04 million and an advisory service fee increase of Baht 12.93 million.
3. The consolidated and the separate statements recorded Baht 55.44 million, and Baht 59.49 million as interest income, which increased by Baht 13.60 million and Baht 17.66 million, or 32.49% and 42.22% respectively. This includes the interest income at financial institutions and Government Bonds increased by Baht 9.53 million, compared with the same period in 2022. Moreover, interest income on margin loans increased by Baht 2.90 million, Credit Balance recorded as of 31 Mar 2023 is Baht 2,000.09 million, and the customer collateral is higher than 3 times of the loan amount.
4. The consolidated and the separate statements recorded Baht 20.29 million and Baht 20.39 million as gain and return on financial instruments, which decreased by Baht 15.10 million, and Baht 15 million, or 42.67% and 42.37% compared with the same period in 2022. In terms of investment loss, decreased by Baht 13.91 million, derivative loss decreased by Baht 24.32 million, and dividend income decreased by Baht 4.69 million.

Expenses :

(Unit: Million Baht)

	Consolidated		Separate	
	2023	+Increased /-Decreased	2023	+ Increased / -Decreased
Employee benefits expenses	255.31	(62.62)	212.45	(94.53)
Fees and service expenses	70.83	(17.76)	55.57	(33.01)
Finance costs	15.65	2.87	15.60	2.84
Expected credit losses (reversal)	0.25	0.01	0.25	0.01
Other expenses	150.38	37.25	157.22	32.51
Total expenses	492.42	(40.25)	441.09	(92.18)
Profit before income tax	6.96	(100.14)	18.84	(88.02)
Income tax	(3.73)	18.66	(3.90)	18.43
Profit for the period	3.23	(81.48)	14.94	(69.59)

1. The consolidated and the separate statements present the amount of employee benefits expenses of Baht 255.31 million and Baht 212.45 million, which decreased by Baht 62.62 million, and Baht 94.53 million or 19.70% and 30.79% respectively, compared with the same period in 2022. This is because of the decrease in payout to sales staff.
2. The consolidated and the separate statements present fees and service expenses as Baht 70.83 million and Baht 55.57 million, which decreased by Baht 17.76 million and Baht 33.01 million or 20.05% and 37.26% respectively, compared with the same period in 2022. This is because of the decrease in trading and clearing fee by Baht 20.21 million.

3. The consolidated and the separate statements recorded other expenses of Baht 150.38 million and Baht 157.22 million, which increased by Baht 37.25 million, and Baht 32.51 million, or 32.93% and 26.07% respectively. This is because of advisory fee for restructuring of shareholding and company management.

Yours sincerely,



(Ms. Chorpetch Riamdee)

Chief Finance Officer