

(Translation)

August 18, 2023

Ref FSS. 157/2023

Subject: Management's discussion and analysis

Operating Results for the six-month period ended June 30, 2023

 To President
The Stock Exchange of Thailand

Dear Sirs,

Finansia Syrus Securities Public Company would like to report the audited, consolidated and separated financial statements for the six-month ended June 30, 2023. The consolidated statement represents a net gain of Baht 1.56 million, which decreased by Baht 98.69 million, or 98.44%. The separate statement represents a net gain of Baht 3.36 million, which decreased by Baht 109.25 million, or 97.01%.

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

Income :	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>2023</u>	<u>+ Increased</u> <u>/- Decreased</u>	<u>2023</u>	<u>+ Increased</u> <u>/-Decreased</u>
Brokerage fees income	546.83	(352.87)	546.83	(352.87)
Fees and service income	189.42	136.53	83.89	39.51
Interest income	116.04	31.98	124.08	37.21
Gain (loss) and return on financial instruments	38.20	(15.42)	38.15	(15.21)
Shares of gain (loss) from investments in an associate	1.14	0.21	-	-
Other income	30.72	(1.57)	34.40	0.61
Total income	922.35	(201.14)	827.35	(290.75)

- The consolidated and the separate statements recorded brokerage fees income earned from securities trading in 2023 was Baht 546.83 million, which decreased from the year 2022 by Baht 352.87 million, or 39.22%. This is because SET's average daily turnover decreased from Baht 80,447 million in 2022 to Baht 54,534 million, or 32.21% compared with the same period in 2022. The company has a market share of 4.71% and turnover is ranked fifth in the industry.

2. Fee and service income under the consolidated and the separate statements, was Baht 189.42 million, and Baht 83.89 million, which increased by Baht 136.53 million and Baht 39.51 million, or 258.12% and 89.01% respectively. This is because of underwriting income increase of Baht 124.12 million and an advisory service fee increase of Baht 14.65 million.
3. The consolidated and the separate statements recorded Baht 116.04 million, and Baht 124.08 million as interest income, which increased by Baht 31.98 million and Baht 37.21 million, or 38.05% and 42.83% respectively. This includes the interest income at financial institutions and Government Bonds increased by Baht 22.47 million, compared with the same period in 2022. Moreover, interest income on margin loans increased by Baht 7 million, Credit Balance recorded as of 30 June 2023 is Baht 1,859.28 million, and the customer collateral is higher than 2.79 times of the loan amount.
4. The consolidated and the separate statements recorded Baht 38.20 million and Baht 38.15 million as gain and return on financial instruments, which decreased by Baht 15.42 million, and Baht 15.21 million, or 28.76% and 28.51% compared with the same period in 2022. In terms of investment loss, decreased by Baht 28.18 million, gain on derivative decreased by Baht 54.98 million, and dividend income increased by Baht 11.38 million.

Expenses :

(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>
Employee benefits expenses	496.48	(71.09)	406.64	(122.76)
Fees and service expenses	114.48	(40.73)	98.75	(56.38)
Finance costs	31.41	3.39	31.29	3.31
Expected credit losses (reversal)	0.03	(0.44)	-	(0.47)
Other expenses	271.83	24.64	284.62	21.17
Total expenses	914.23	(84.23)	821.30	(155.13)
Profit before income tax	8.12	(116.91)	6.05	(135.62)
Income tax	(6.56)	18.22	(2.69)	26.37
Profit for the period	1.56	(98.69)	3.36	(109.25)

1. The consolidated and the separate statements present the amount of employee benefits expenses of Baht 496.48 million and Baht 406.64 million, which decreased by Baht 71.09 million, and Baht 122.76 million or 12.53% and 23.19% 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 114.48 million and Baht 98.75 million, which decreased by Baht 40.73 million and Baht 56.38 million or 26.24% and 36.34% respectively, compared with the same period in 2022. This is because of the decreasing in trading fee, clearing fee and warrant issuance fee.

3. The consolidated and the separate statements recorded other expenses of Baht 271.83 million and Baht 284.62 million, which increased by Baht 24.64 million, and Baht 21.17 million, or 9.97% and 8.04% respectively. This is because of advisory fee for strategic adjustment in business operations.

Yours sincerely,



(Ms. Chorpetch Riamdee)

Chief Finance Officer