



SAWAD-09/2022

12 May 2022

Subject Management Discussion and Analysis for the three-month period ended 31 March 2022

To Managing Director

The Stock Exchange of Thailand

We, Srisawad Corporation Public Company Limited (the "Company"), would like to provide an overview of the financial performance for the three-month period ended 31 March 2022 with details as per below.

As for the financial performance for the three-month period ended 31 March 2022, the Company and its subsidiaries had consolidated net profits totaling 1,117.89 million Baht. This represents an increase of net profits for 304.28 million Baht or 21.40 percent from the 1,422.17 million Baht of net profits from the same period of the previous year. The contributing factors were as follows:

#### 1. Factors Related to Income

##### 1.1 Interest Income

For the three-month period ended 31 March 2022, interest income totaling 1,725.39 million Baht, compared to the interest income from same period of the prior year which totaling 1,900.71 million Baht. This represents a decrease of 175.32 million Baht, or 9.22 percent due to there was an inclusion of interest income of the subsidiary (Fast Money Company Limited) in Q1'2021 while the Company do not include the interest income of this subsidiary in Q1'2022. This caused by the Company reclassified this investment in subsidiary to investment in associate and lost the ultimate control. According to the accounting standard, the Company could not include Fast Money Company's transactions in consolidation financial statement.

Note: The Company reclassified the investment in subsidiary to investment in associate on 22 March 2021.

##### 1.2 Other Income

For the three-month period ended 31 March 2022, other income totaling 793.85 million Baht decreased by 111.50 million Baht or 12.32 percent from the same period of prior year which totaling 905.35 million Baht which mainly due to record of gain on reclassification of investment in subsidiary to investment in associate in Q1'2021 (According to Clause 1.1) which is specifically occurred by this transaction.

However, apart from this specific gain on reclassification of investment in subsidiary to investment in associate, other income still increase by 112 million Baht.





## 2. Factors Related to Expenses

### 2.1. Operating Expenses

For the three-month period ended 31 March 2022, operating expenses totaling 990.82 million Baht increased by 74.45 million Baht or 8.12 percent from the same period of prior year which totaling 916.37 million baht due to increase in marketing expenses and the expense related to branch expansion for support a rising number of customers and the expected economic growth after the situation for COVID-19 relief.

### 2.2. Expected Credit Loss

For the three-month period ended 31 March 2022, expected credit loss totaling 19.96 million Baht increase accordingly to an increase in outstanding balance of loan to customer from Q1'2021 amounting 32,005 million Baht to 35,893 million Baht in Q1'2022 which increase totaling 3,888 Baht million or 12.15 percent from Q1'2021.

### 2.3. Funding Costs

For the three-month period ended 31 March 2022, interest expenses totaling 165.66 million Baht decreased by 53.14 million Baht or 24.29 percent from the prior year which totaling 218.80 million Baht. The decrease corresponds to the decrease in loans and deposits during the period.

Regards,

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(Wanaporn Pornkitipong)

Director of Finance and Accounting

