



SAWAD-18/2022

14 November 2022

Subject Management Discussion and Analysis for the three-month period ended 30 September 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 30 September 2022 with details as per below.

As for the financial performance for the three-month period ended 30 September 2022, the Company and its subsidiaries had consolidated net profits totaling 1,251.54 million Baht. This represents an increase of net profits for 53.05 million Baht or 4.43 percent from the 1,198.09 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 30 September 2022, interest income totaling 2,307.07 million Baht, compared to the interest income from same period of the prior year which totaling 1,624.68 million Baht. This represents an increase of 682.39 million Baht, or 42.00 percent. The increase was mainly due to the increase in the Accounts Receivable from 36,986.09 million Baht in Q3/2021 to 51,477.54 million Baht in Q3/2022 an increase of 39.18 percent.

1.2 Gain from changes in classification of investment

For the three-month period ended 30 September 2022, a subsidiary has a gain from changes in classification of investment totaling 184.44 million Baht from additionally acquired the share capital of Srisawad Vietnam Liability Co.,Ltd..

2. Factors Related to Expenses

2.1. Operating Expenses

For the three-month period ended 30 September 2022, operating expenses totaling 1,642.18 million Baht increased by 779.24 million Baht or 90.30 percent from the same period of prior year which totaling 862.94 million baht due to increase in marketing expenses and the expense related to branch expansion from 4,874 branches





to 5,187 branches for support a rising number of customers as describe above. In addition, the Company recorded impairment due to the return of finance licenses of a subsidiary amounting to 223 million Baht in this period.

2.2. Expected Credit Loss

According to TFRS 9 related to expected credit loss, the expected credit loss decreased by totaling 120.82 million Baht due to decrease in NPL ratio which corresponds to the increase in the quality of loans of the Group for the three-month period ended 30 September 2022 when compare with the same period of prior year.

2.3. Funding Costs

For the three-month period ended 30 September 2022, interest expenses totaling 235.30 million Baht increased by 46.49 million Baht or 24.62 percent from the prior year which totaling 188.81 million Baht. The increase corresponds to the increase in loans during the period.

Regards,

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(Wanaporn Pornkitipong)

Director of Finance and Accounting

