



February 15, 2023

Subject Management Discussion and Analysis of the Company's Operating Result for year 2022 ended 31 December 2022 (Audited)

Attention The President  
The Stock Exchange of Thailand

Asia Sermkij Leasing Public Company Limited ("the Company") would like to submit Management Discussion and Analysis for the operating performance of the year 2022 ended 31 December 2022 (Audited) as follows:

### Overview of operating performance

For the year 2022, the Company and its subsidiaries have profit of Baht 1,512.14 Million, increased by Baht 309.34 Million or 25.72 percent from the profit of Baht 1,202.80 Million in year 2021. This was due to the growth in disbursement and cost management. The new disbursement in 2022 was in the amount of Baht 35,606.68 million, increased by Baht 4,762.92 million or 15.44 percent from Baht 30,843.76 million in 2021. Total revenue in 2022 was Baht 5,623.60 Million, increased by Baht 1,209.22 Million or 27.39 percent from total revenue of Baht 4,414.38 Million in year 2021. The details are as follow:

### Revenues

#### 1. Hire purchase interest income

Hire purchase interest income was Baht 4,168.89 Million in year 2022, increased by Baht 880.87 Million or 26.79 percent from Baht 3,288.02 Million in year 2021. This was mainly due to an increase in hire purchase disbursement and portfolio.

#### 2. Interest income on financial leases

Interest income on financial leases was Baht 79.72 Million in year 2022, increased by Baht 16.14 Million or 25.39 percent from Baht 63.58 Million in year 2021. This was mainly due to an increase in financial leases disbursement and portfolio.

#### 3. Interest income from loan

Interest income from loan was Baht 611.81 Million in year 2022, increased by Baht 158.36 Million or 34.92 percent from Baht 453.45 Million in year 2021. This was due to an increase in loan disbursement and loan portfolio, mainly from car loan product.

#### 4. Service income from insurance broker

Service income from insurance broker was Baht 586.58 Million in year 2022, increased by Baht 118.26 Million or 25.25 percent from Baht 468.32 Million in year 2021. This was mainly due to an increase in disbursement and penetration rate, mainly in penetration of credit life insurance.



## Expenses

### 1. Selling and administrative expenses

1. Selling and administrative expenses in year 2022 was Baht 1,126.66 Million, increased by Baht 77.44 Million or 7.38 percent from Baht 1,049.22 Million in year 2021. This increase was due to the growth of disbursement and revenues while the Company had better operating efficiency. The cost to income ratio in 2022 was 26.25 percent, significantly decreased from 31.07 percent in 2021.

### 2. Expected credit loss expense and impairment loss on assets foreclosed

Expected credit loss expense and impairment loss on assets foreclosed in year 2022 was Baht 1,264.88 Million, increased by Baht 448.16 Million or 54.87 percent from Baht 816.72 Million in year 2021. This was due to a write-off and an increase in delinquency, partly from loan receivable of the subsidiary. NPL ratio in 2022 increased to 3.47 percent from 2.71 percent in 2021.

### 3. Financial Cost

Financial Cost in year 2022 was Baht 1,335.61 Million, increased by Baht 296.48 Million or 28.53 percent from Baht 1,039.13 Million in year 2021. This was due to an increase in borrowings amount to support disbursement and an increase in interest rate. The interest expense rate in 2022 was 2.63 percent, increased from 2.55 percent in 2021.

Please be informed accordingly.

Yours sincerely,

Asia Sermkij Leasing Public Company Limited

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(Mr. Danai Lapaviwat)  
Chief Financial Officer