



SAWAD-11/2023

15 August 2023

Subject Management Discussion and Analysis for the three-month period ended 30 June 2023

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 June 2023 with detail as per below:

Events related to Fast Money Company Limited.

On 30 June 2023, the Company acquired 49% of the share capital of Fast Money Company Limited from the Government Savings Bank according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2023. As a result, the Company’s consolidated financial statements for Q2/2023 have included the financial statements of Fast Money Company Limited., which is the subsidiary of the Company, as shown below.

1. Statement of Financial Position, the Company has included the assets, liabilities and equity of Fast Money Company Limited in the Company’s financial statements. As a result, the Company’s net loans to customers increased by 103% compared to the amount of Q2/2022 and increased by 33% compared to the amount of Q1/2023.

Unit: thousand Baht

	30 June 2022	31 December 2022	31 March 2023	30 June 2023
Company	43,929	58,082	67,202	74,218
Fast Money Company Limited	-	-	-	15,079
Total	43,929	58,082	67,202	89,297

2. The statement of comprehensive income of the Company does not include the income and expenses of Fast Money Company Limited since the acquirement of the shares occurred at the end of the period. The Company also recognizes the share of profits from investments in associated company under the equity method.



As for the financial performance for the three-month period ended 30 June 2023, the Company and its subsidiaries had consolidated net profit totaling Baht 1,223 million. This represents an increase in net profits for Baht 84 million or 7.4% from Baht 1,139 million of net profits from the same quarter of the previous year. The contributing factors were as follows:

1. Factors Related to Income

For the 2nd quarter of 2023, interest income totaling Baht 3,443 million compared to the same quarter of the previous year which totaling Baht 1,918 million, an increase of Baht 1,525 million or 79.5%. This is in accordance with the growth of net loans to customers and accrued interest from Baht 43,929 million to Baht 74,218 million as of 30 June 2022 and 2023 (excluded Fast Money Company Limited), respectively.

2. Factors Related to Expenses

2.1 Operating Expenses

For the 2nd quarter of 2023, operating expenses totaling Baht 1,776 million compared to the same quarter of the previous year which totaling Baht 1,117 million, an increase of Baht 659 million or 59.0% mainly from marketing expenses, losses from sales of foreclosed assets, expenses for branch extension in Vietnam and specific business tax expense.

2.2 Expected credit loss

For the 2nd quarter of 2023, expected credit loss totaling Baht 575 million, increased by Baht 544 million from the same quarter of the previous year which was mainly due to an increase in the allowance for expected credit losses in Vietnam lending portfolio and hire-purchase portfolio, which is in line with the growth of the loan portfolio.

2.3 Finance costs

For the 2nd quarter of 2023, financial costs were Baht 483 million compared to the same quarter of the previous year which totaling Baht 183 million, an increase of Baht 300 million from the same quarter of the previous year due to the increasing of borrowings from financial institutions and senior debentures from Baht 26,463 million in Q2/2022 to Baht 67,490 million in Q2/2023 in line with the increase in market interest rates.



Financial Position as of 30 June 2023

1. Total assets

Total assets were Baht 101,464 million compared with the end of 2022 which totaling Baht 69,482 million, an increase of Baht 31,982 million. This was mainly due to an increase in loans to customers of both the Company and Fast Money Company Limited as described above.

2. Total liabilities

Total liabilities were Baht 72,851 million, an increase of Baht 32,374 million, which mainly from an increase of borrowings from financial institutions amounted to Baht 5,099 million and senior debentures amounted to Baht 14,162 million. In addition, there are the borrowings from financial institutions of Fast Money Company Limited, which were included in aforementioned amount of Baht 13,215 million. The increase in liabilities is in line with the growth of the loan portfolio.

Regards,

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(Wanaporn Pornkitipong)

Director of Finance and Accounting