

14 May 2025

Subject Management Discussion and Analysis for three-month period ending 31 March 2025

To Managing Director

The Stock Exchange of Thailand

We, Srisawad Capital 1969 Public Company Limited (the “Company”), would like to provide an overview of the financial performance for the three-month period ending 31 March 2025 the details as below.

Company Overview:

Since mid of 2023, the Company has focused on improving the quality of its loan portfolio by tightening customer selection criteria, refining lending processes and policies and lowering the loan-to-value (LTV) ratio offered to customers. In parallel, the Company also integrated effort to improve cost management efficiency which positively contributing to improved financial performance. The Company also continues to emphasize on effective and proactive debt management with a focus on accelerating and streamlining debt collection processes.

In April, the Company was assigned a national long-term credit rating of “A-(tha)” with a “Stable Outlook” by Fitch Ratings (Thailand) Limited. This rating reflects the Group’s financial strength and enhances the Company’s ability to manage liquidity and strengthen its financial structure.

The Company is gearing up to pursue growth opportunities within its core business while also evaluating potential new business opportunities. These efforts aim to ensure sustainable profitability over the long term, despite increasing challenges from both global and domestic economic conditions.

Operating Results:

For the three-month period ending 31 March 2025, the Company achieved a net profit of 178.21 million Baht, increasing of 75.67 percent compared to the same quarter of the previous year. The significant improvement was primarily driven by decreasing of selling and administration expenses by 413.79 million Baht or 32.97 percent compared to the same quarter of the previous year. The reduction reflects the Company’s continuous efforts to reduce operational expenses. In addition, the quality of the loan portfolio has shown consistent improvement, supported by enhancements in debt quality and a reduction in the risk profile of new loans. Expenses related to foreclosed assets also declined, further contributing to the Company’s ongoing improvement in financial performance. The details are as follows:

1. Factors Related to Income

1.1 Interest income

For the three-month period ending 31 March 2025, the Company reported interest income of 1,501.87 million Baht, decreasing by 14.52 percent from the same quarter of the previous year which was result of a decline of loan to customers portfolio from 34,694.34 million Baht as of 31 March 2024 to be at 29,245.03 million Baht or decreasing by 15.71 percent. This was driven by stricter lending criteria implemented to improve the overall quality of the loan portfolio.

1.2 Other Income

For the three-month period ending 31 March 2025, other income amounted to 242.84 million Baht, decreasing 21.88 percent from the same quarter of the previous year. This decline was in line with the slowdown in new loan originations, resulting from the Company's strict lending policies.

2. Factors Related to Expenses

2.1. Operating Expenses

For the three-month period ending 31 March 2025, operating expenses amounted to 841.43 million Baht, decreasing by 32.97 percent from the same quarter of the previous year, representing the consistent improvement driven by reductions in costs related to foreclosed assets and employee-related expenses.

2.2. Expected Credit Loss

For the three-month period ending 31 March 2025, the expected credit loss reported 404.18 million Baht, increasing by 20.14 percent from the same quarter of the previous year. This reflects the Company's prudence in provisioning for potential risks as well as ensuring a cautious financial performance in the future.

2.3. Finance Costs

For the three-month period ending 31 March 2025, finance costs reported at 273.98 million Baht, decreasing by 10.28 percent from the same quarter of the previous year due to the decrease in borrowings.

Financial Position as of 31 March 2025

1. Total assets

Since the Company committed on enhancing debt quality amid ongoing economic uncertainty, the Company remains committed to focus on improving the quality of its loan portfolio and maintaining overall liquidity over aggressive expansion in loan portfolio. This results in a decrease in loan to customers by 6.39 percent from the end of 2024 to be at 29,245.03 million Baht. Total assets reported at 33,222.40 million Baht, which also decrease from the end of 2024 by 5.70 percent.

2. Total liabilities

Total liabilities as of 31 March 2025 amounted to 22,412.57 million Baht, decreasing by 8.97 percent from the end of 2024, mainly from the repayments of short-term borrowings and the matured long-term debentures.

Best regards,

Ms. Doungchai Kaewbootta
(Ms. Doungchai Kaewbootta)
Acting Chief Executive Officer