

Subject : Clarification on the change of operating results over 20% of the Company's unaudited Statements of Comprehensive Income for the period ended June 30, 2018

To : Director and Manager
The Stock Exchange of Thailand

We are pleased to submit herewith, the Company's unaudited Statement of Financial Position and Statement of Comprehensive Income for the period ended June 30, 2018.

The operating results of the Company for the second quarter of year 2018 showed a net profit of Baht 90.71 million, an increase of Baht 9.72 million or 12.00% comparing with net profit of Baht 80.99 million obtained during the same period of year 2017. The details of which are listed below :

1. An increase of net interest income by Baht 348.71 million due to an increase of interest income by Baht 444.93 million and an increase of interest expense by Baht 96.22 million. The details are described as below ;
An increase of interest income by Baht 444.93 million due to
 - an increase of interest income from loans to customers by Baht 462.40 million due to the growth of loan portfolio, 663%, comparing to the same quarter of year 2017.
 - a decrease of interest income from interbank and money market items (Repo) by Baht 2.91 million due to the decrease in private repo transaction volume comparing to the same quarter of year 2017
 - a decrease of interest income from investment in debt securities by Baht 14.55 million since the Company sold investments during the second quarter of year 2017 while no investment has been purchased during this quarter.An increase of interest expense by Baht 96.23 million due to
 - an increase of interest expenses from deposits by Baht 16.68 million due to the growth of deposit portfolio, 50%, comparing to the same quarter of year 2017.
 - an increase of contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 13.18 million which was in line with the proportion of deposits, debt securities issued and borrowings.
 - an increase of interest expenses from debt securities issued and borrowings by Baht 66.37 million as a result of the increase in borrowings for business operation of the Company.
2. An increase of fee income relating to loan to customers by Baht 33.98 million according to the growth of loan portfolio.
3. A decrease of net gain on investments by Baht 84.92 million since the Company sold investments during the second quarter of year 2017 while no significant selling transaction incurred during this quarter.
4. A decrease of other operating incomes by Baht 6.74 million due to a decrease of dividend income.
5. An increase of other operating expenses by Baht 213.25 million which was mainly caused by
 - an increase of tax and duties expenses by Baht 19.72 million which is in line with an increase of interest income from loans.
 - an increase of personnel expenses, management fee, consulting fee and other expenses by Baht 193.53 million according to growth in loan portfolio and business expansion.

6. An increase of doubtful accounts by Baht 56.05 million which is in line with growth in loan portfolio, loan classification and reserve requirements by the Bank of Thailand.
7. An increase of income tax expenses by Baht 12.01 million, mainly due to an increase of profit before income tax.

In summary, net profit of the company in the second quarter of year 2018 was Baht 90.71 million or Baht 0.41 EPS comparing with Baht 0.37 EPS in the same quarter of year 2017.

Since the total comprehensive income has duly included change in revaluation of available-for-sale investments and income tax relating to items that will be reclassified for the second quarter of year 2018, the total comprehensive income of the company showed a gain balance of Baht 88.38 million while the total comprehensive income of the same quarter of year 2017 showed a loss balance of Baht 11.19 million.

Yours sincerely

(Ms.Doungchai Kaewbootta)
Managing Director