

Our Ref. 610115

October 22, 2018

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

To : Director and Manager  
The Stock Exchange of Thailand

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

The operating results of the Company for the third quarter of year 2018 showed a net profit of Baht 110.23 million, an increase of Baht 55.98 million or 103.18% comparing with net profit of Baht 54.25 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 345.87 million due to an increase of interest income by Baht 461.40 million and an increase of interest expense by Baht 115.53 million. The details are described as below;

An increase of interest income by Baht 461.40 million due to

- an increase of interest income from loans to customers by Baht 475.64 million due to the growth of loan portfolio.
- a decrease of interest income from interbank and money market items (Repo) by Baht 3.56 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 10.68 million since the Company sold investments during the third quarter of year 2017 while no investment has been purchased during this quarter.

An increase of interest expense by Baht 115.53 million due to

- an increase of interest expenses from deposits by Baht 12.18 million due to the growth of deposit portfolio.
  - an increase of contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 10.42 million which was in line with the proportion of deposits and borrowings.
  - an increase of interest expenses from debt securities issued and borrowings by Baht 92.93 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 44.16 million according to the growth of loan portfolio
  3. A decrease of net gain on investments by Baht 81.86 million since the Company sold investments during the third quarter of year 2017 while no significant selling transaction incurred during this quarter.
  4. An increase of other operating incomes by Bath 51.15 million due to gain on sell of properties foreclosed during this quarter while no significant selling transaction incurred during the third quarter of year 2017.
  5. An increase of other operating expenses by Baht 246.53 million which was mainly caused by
    - an increase of tax and duties expenses by Baht 18.18 million which is in line with an increase of interest income from loans.
    - an increase of management fee, consulting fee and other expenses by Baht 228.35 million according to growth in loan portfolio and business expansion.



6. An increase of doubtful accounts by Baht 46.36 million which is in line with growth in loan portfolio.  
The company classifies its loan portfolio and sets allowance for doubtful account in according with the notification of the Bank of Thailand.
7. An increase of income tax expenses by Baht 10.45 million, mainly due to an increase of profit before income tax.

In summary, net profit of the company in the third quarter of year 2018 was Baht 110.23 million or Baht 0.50 EPS comparing with Baht 0.25 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 third quarter of year 2018, the total comprehensive income of the company showed a gain balance of Baht 109.63 million while the total comprehensive income of the same quarter of year 2017 showed a loss balance of Baht 8.90 million.

Yours sincerely

(Ms.Doungchai Kaewbootta)  
Managing Director