



Our Ref. 63046

February 25 , 2020

Subject : Clarification on the change of operating results over 20% of the Company's audited Statements of Comprehensive Income for the year ended December 31, 2019

To : Director and Manager  
The Stock Exchange of Thailand

We are pleased to submit herewith, the Company's audited Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2019.

The operating results of the Company for the year 2019 showed a net profit of Baht 810.86 million, an increase of Baht 433.48 million or 114.87% comparing with net profit of Baht 377.38 million obtained during the year 2018. The details of which are listed below:

1. An increase of net interest income by Baht 873.78 million due to an increase of interest income by Baht 852.05 million and a decrease of interest expense by Baht 21.73 million. The details are described as below;

An increase of interest income by Baht 852.05 million due to

- an increase of interest income from loans to customers by Baht 859.35 million due to the growth of loan portfolio from Baht 18,168.13 million as at December 31, 2018 to Baht 19,002.53 million as at December 31, 2019 or increase 4.59%.
- a decrease of interest income from interbank and money market items (Repo) by Baht 2.42 million due to the decrease in private repo transaction volume comparing to the year 2018.
- a decrease of interest income from investment in debt securities by Baht 4.88 million since the Company sold investments during the year 2018 while no investment has been purchased during the year 2019.

A decrease of interest expense by Baht 21.73 million due to

- an increase of interest expenses from deposits by Baht 41.95 million due to the increase of average deposit balance comparing to the year 2018.
  - a decrease of interest expenses from debt securities issued and borrowings by Baht 63.68 million, resulting from a decrease in average loans for business operations from Baht 8,500 million as at December 31, 2018 to Baht 2,000 million as at December 31, 2019 or decrease 76.47%.
2. An increase of fee income relating to loan to customers by Baht 69.26 million according to the growth of loan portfolio as described in no.1
  3. A decrease of net gain on investments by Baht 3.45 million since the Company sold investments during the year 2018 while no significant selling transaction incurred during the year 2019



4. An increase of other operating incomes by Bath 38.20 million due to the increase of bad debt recoveries.
5. An increase of other operating expenses by Baht 543.32 million which was mainly caused by
  - An increase of loan management fee by Baht 291.71 million according to the growth of loan portfolio.
  - an increase of tax and duties expenses by Baht 43.01 million which is in line with an increase of interest income from loans.
  - an increase of personnel expenses, premises and equipment expenses and other expenses by Baht 208.60 million according to growth in loan portfolio and business expansion.
6. A decrease of doubtful accounts by Baht 112.74 million due to the collateral value has been used as a deductible value for provision calculation during the year 2019. The Company sets up allowance for doubtful accounts in accordance with loan classification and reserve requirements by the Bank of Thailand.
7. An increase of income tax expenses by Baht 113.73 million, mainly due to an increase of profit before income tax.

In summary, net profit of the company for the year 2019 was Baht 810.86 million or Baht 1.98 EPS comparing with Baht 1.71 EPS for the year 2018.

Since the total comprehensive income has duly included remeasurements of post-employment benefit obligations, change in revaluation of available-for-sale investments and income tax relating to components of other comprehensive income for the year 2019, the total comprehensive income of the company showed a gain balance of Baht 811.64 million while the total comprehensive income of the year 2018 showed a profit balance of Baht 373.83 million.

Yours sincerely

(Mr. Thititham Rojanapruk)  
Managing Director