



Our Ref. 63068

April 21, 2020

Subject : Clarification on the change of operating results over 20% of the Company's unaudited Statements of Comprehensive Income for the period ended March 31, 2020

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 March 31, 2020.

The operating results of the Company for the first quarter of year 2020 showed a net profit of Baht 314.01 million, an increase of Baht 262.94 million or 514.89% comparing with net profit of Baht 51.07 million obtained during the same period of year 2019. The details of which are listed below:

1. An increase of net interest income by Baht 218.86 million due to an increase of interest income by Baht 128.76 million and a decrease of interest expense by Baht 90.10 million. The details are described as below:

An increase of interest income by Baht 128.76 million due to

- an increase of interest income from loans to customers by Baht 129.24 million due to the growth of loan portfolio from Baht 18,679.81 million as at March 31, 2019 to Baht 19,547.95 million as at March 31, 2020 or increase 4.65%.
- a decrease of interest income from interbank and money market items (Repo) by Baht 0.30 million due to the decrease in interbank transaction volume comparing to the year 2019.
- a decrease of interest income from investment in debt securities by Baht 0.18 million since the Company sold investments during the year 2019 while no investment has been purchased during the year 2020.

A decrease of interest expense by Baht 90.10 million due to

- a decrease of interest expenses from deposits by Baht 5.36 million due to the decrease of average deposit balance comparing to the year 2019.
- a decrease of contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 13.19 million which is in line with the proportion of deposits and borrowings.
- a decrease of interest expenses from debt securities issued and borrowings by Baht 75.11 million, resulting from a decrease in loans for business operations from Baht 8,500 million as at March 31, 2019 to Baht 1,500 million as at March 31, 2020 or decrease 82.35%.
- an increase of interest expense on lease liabilities by baht 3.56 million, resulting from the new accounting standard TFRS16.

2. An increase of fee income relating to loan to customers by Baht 21.88 million according to the growth of loan portfolio as described in no.1
3. An increase of loss on investment by Baht 0.38 million according to measurement of investment during the period.
4. An increase of other operating incomes by Bath 36.30 million due to an increase in bad debt recoveries.
5. A decrease of other operating expenses by Baht 171.94 million which was mainly caused by
  - a decrease of loan management fee by Baht 260.70 million due to the establishment of collection team by the company in certain areas.
  - an increase of tax and duties expenses by Baht 7.02 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 81.74 million according to growth in loan portfolio and business expansion.
6. An increase of bad debt, doubtful accounts by Baht 112.79 million due to the growth of loan portfolio as described in no.1
7. An increase of income tax expenses by Baht 72.87 million, mainly due to an increase of profit before income tax.

In summary, net profit of the company in the first quarter of year 2020 was Baht 314.01 million or Baht 0.48 EPS comparing with Baht 0.23 EPS in the same quarter of year 2019.

Since the total comprehensive income has duly included remeasurements of post-employment benefit obligations, change in revaluation of debt and equity instruments measured at fair value through other comprehensive income and income tax relating to components of other comprehensive income for the first quarter of year 2020, the total comprehensive income of the company showed a gain balance of Baht 310.06 million while the total comprehensive income of the same quarter of year 2019 showed a profit balance of Baht 52.84 million.

Yours sincerely

(Mr. Thititham Rojanapruk)  
Managing Director