



Our Ref. 63116

August 27, 2020

Subject : Clarification on the change of operating results over 20% of the Company's audited Statements of Comprehensive Income for the period ended June 30, 2020

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 period ended June 30, 2020.

The operating results of the Company for the second quarter of year 2020 showed a net profit of Baht 512.30 million, an increase of Baht 493.15 million or 2,574.91% comparing with net profit of Baht 19.15 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 294.31 million due to an increase of interest income by Baht 210.19 million and a decrease of interest expense by Baht 84.12 million. The details are described as below:

An increase of interest income by Baht 210.19 million due to

- an increase of interest income from loans to customers by Baht 213.38 million due to the growth of average loan portfolio from Baht 18,866.51 million for the six-month period ended 30 June 2019 to Baht 19,320.47 million for the six-month period ended 30 June 2020 or increase by 2.41%.
- a decrease of interest income from interbank and money market items (Repo) by Baht 3.11 million due to the decrease in private repo transaction volume comparing to the year 2019.
- a decrease of interest income from investment in debt securities by Baht 0.08 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 84.12 million due to

- a decrease of interest expenses from deposits by Baht 12.27 million due to the decrease of deposit amount from Baht 7,602.55 million as at 30 June 2019 to Baht 6,322.20 million as at 30 June 2020.
- a decrease of contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 11.97 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 63.50 million, resulting from an increase in average loans for business operations from approximately Baht 7,500 million for the six-month period ended 30 June 2019 to Baht 1,666.67 million for the six-month period ended 30 June 2020 or decrease by 77.78%.
- an increase of interest expense on lease liabilities by baht 3.62 million, resulting from the new accounting standard TFRS16 which effective in 2020.



2. A decrease of fee income relating to loan to customers by Baht 31.23 million due to the revised guidelines of the Bank of Thailand regarding interest rates and fees.
3. An increase of other operating incomes by Bath 30.41 million due to an increase in bad debt recoveries which was received in the second quarter of the year 2020.
4. A decrease of other operating expenses by Baht 181.96 million which was mainly caused by
  - a decrease of loan management fee by Baht 222.76 million due to the establishment of collection team by the company in certain areas.
  - an increase of tax and duties expenses by Baht 4.12 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 78.63 million according to growth in loan portfolio and business expansion.
5. An increase of gain on the financial assets measured at fair value through profit or loss by Baht 42.69 million which resulting from the implementation of TFRS 9 which effective on 1 January 2020 onwards by Baht 43.00 and increase of loss on investments by Baht 0.31 million is the result of the disposal of investment in the second quarter of the year 2020.
6. An increase of income tax expenses by Baht 118.85 million, mainly due to a decrease of profit before income tax.

In summary, net profit of the company in the second quarter of year 2020 was Baht 512.30 million or Baht 0.93 EPS comparing with Baht 0.03 EPS in the same quarter of year 2019.

Since the total comprehensive income has duly included change in revaluation of available-for-sale investments and income tax relating to components of other comprehensive income for the second quarter of year 2020, the total comprehensive income of the company showed a gain balance of Baht 510.54 million while the total comprehensive income of the same quarter of year 2019 showed a profit balance of Baht 19.59 million.

Yours sincerely

(Mr. Thititham Rojanapruk)  
Managing Director