



Our Ref. 64043

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, 2020

To : Director and Manager
The Stock Exchange of Thailand

We are pleased to submit herewith, the Company's reviewed but unaudited Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2020.

The operating results of the Company for the year 2020 showed a net profit of Baht 1,567.19 million, an increase of Baht 756.33 million or 93.28% comparing with net profit of Baht 810.86 million obtained during the year 2019. The details of which are listed below:

1. An increase of net interest income by Baht 567.44 million due to an increase of interest income by Baht 321.12 million and a decrease of interest expense by Baht 246.33 million. The details are described as below:

An increase of interest income by Baht 321.12 million due to

- an increase of interest income from loans to customers by Baht 328.32 million due to the decrease of direct cost of lending
- a decrease of interest income from interbank and money market items (Repo) by Baht 5.80 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 1.41 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 246.33 million due to

- a decrease of interest expenses from deposits by Baht 48.47 million due to the decrease of deposit amount from Baht 6,348.33 million as of the year 2019 to Baht 5,234.10 million as of the year 2020 or decreased by 17.55%.
 - a decrease of contributions to Financial Institution Development Fund and Deposit Protection Agency by Baht 39.14 million which is in line with the proportion of deposits, borrowings, and Government announcement.
 - a decrease of interest expenses from debt securities issued and borrowings by Baht 173.34 million, resulting from a repayment all loans during the year 2020 or decreased by 100.00%.
 - an increase of interest expense on lease liabilities by baht 14.61 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 75.55 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 44.64 million due to an increase in bad debt recoveries which was received during the year 2020.
4. An increase of gain on the financial assets measured at fair value through profit or loss by Baht 60.23 million which resulting from the implementation of TFRS 9 which effective on 1 January 2020 onwards.
5. An increase of gain on investments by Baht 54.73 million is the result of the disposal of investment during the year 2020.
6. An increase of other operating expenses by Baht 286.52 million which was mainly caused by a decrease of loan management fee by Baht 369.20 million, while the employee expenses increase by Baht 68.34 million, compared to 2019.
7. An decrease of expected credit loss by Baht 4.51 million due to the expected credit loss is calculated in accordance with the TFRS9 standard which effective on 1 January 2020 onwards.
8. An increase of income tax expenses by Baht 186.19 million, mainly due to an increase of profit before income tax.

In summary, net profit of the company for the year ended December 31,2020 was Baht 1,567.19 million or Baht 2.84 EPS comparing with Baht 1.98 EPS for the year 2019.

Since the total comprehensive income has duly included remeasurement of post-employment benefit obligations, losses on investments in debt instruments at fair value through other comprehensive income, change in revaluation of available-for-sale investments and income tax relating to components of other comprehensive income for the year 2020, the total comprehensive income of the company showed a gain balance of Baht 1,562.97 million while the total comprehensive income for the year 2019, showed a profit balance of Baht 811.64 million.

Yours sincerely

(Mr. Thititham Rojanapruk)
Managing Director