

## MFC Asset Management Public Company Limited

### Company's Management Discussion and Analysis

This part provides an explanation of the Company's operating results and financial status as follows:

#### 1. Operating results (consolidated)

The table below is the summary of operating results for the second quarter and six month periods of 2019 and 2018.

Unit: Thousand Baht

	2 <sup>nd</sup> Quarter			Six-month Periods		
	2019	2018	% Change	2019	2018	% Change
Fees and service income	224,076	212,335	5.53	430,141	447,735	(3.93)
Gain and return on financial instruments	19,541	8,642	126.12	26,949	19,460	38.48
Other income	364	512	(28.98)	794	1,294	(38.65)
Total revenues	243,980	221,490	10.15	457,884	468,490	(2.26)
Employee benefits expenses	142,160	117,113	21.39	259,154	237,776	8.99
Fees and service expenses	23,724	19,029	24.67	41,093	45,607	(9.90)
Other expenses	43,725	41,286	5.91	81,505	81,099	0.50
Total expenses	209,609	177,428	18.14	381,751	364,482	4.74
Net profit	27,068	35,721	(24.22)	60,134	84,011	(28.42)

The Company's net profit for the second quarter 2019 was Baht 27.07 million, decrease by Baht 8.65 million or 24.22 % when compared with the same quarter of the previous year. The Company's fees and service income was Baht 224.08 million, increase by Baht 11.74 million or 5.53% from this quarter last year. And The Company's net profit for the six month of 2019 of Baht 60.13 million, decrease by Baht 23.88 million or 28.42% from the same period last year. The Company's fees and service income was Baht 430.14 million, decrease by Baht 17.59 million or 3.93% from this period last year. There were 8 new funds that almost all of them are fixed income fund with a total net asset value of Baht 6,590 million compared with last year there were 9 new funds that almost all of them are equity fund with a total net asset value of Baht 1,520 million. However the company's expenses increase from last year period due to higher employee expenses from annual salary adjustments, as well as one-time employee benefit expenses Baht 19.29 million necessitated by the amended labor law was recorded in 2Q19.

## 2. Financial Status (Consolidated)

The table summarizes the Company's financial status as follows:

	Unit: TH Baht		
	<u>As at 30 Jun 2019</u>	<u>As at 31 Dec 2018</u>	<u>% Change</u>
Total assets	1,282,209	1,397,327	(8.24)
Liabilities and shareholders' equity			
Total liabilities	217,798	214,944	1.33
Shareholders' equity	1,064,410	1,182,384	(9.98)

As of 30 June 2019, the total assets were Baht 1,282.21 million, decreased by Baht 115.12 million or 8.24% from the amount as at the end of 2018, The main components of total assets were investments of Baht 894.40 million or 69.75% of total assets. Accrued fees and service income from asset management business of Baht 136.55 million or 10.65% of total assets. And cash and cash equivalents of Baht 117.71 million or 9.18% of total assets.

As of 30 June 2019, the total liabilities were Baht 217.80 million, increased by Baht 2.85 million or 1.33% from the end of last year.

Lastly, the total shareholders' equity as of 30 June 2019 was Baht 1,064.41 million, decreased by Baht 117.97 million or 9.98% from the end of last year.

## 3. Key Financial Figures (Consolidated)

	<u>As at 30 Jun 2019</u>	<u>As at 31 Dec 2018</u>
Book value (Baht per share)	8.47	9.41
Return on total assets (%)	9.38	12.03
Return on equity (%)	11.30	14.22
Net profit margin (%)	13.13	18.39

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(Lim Chong Boon Dennis)

President