



February 19, 2018

Subject : Management Discussion and Analysis for the year ended 31 December 2017  
(Audited)

To : President  
The Stock Exchange of Thailand

Ratchthani Leasing Public Company Limited would like to clarify the management discussion and analysis for the year ended 31 December 2017 (Audited) as follows:

#### Performance Overview

In 2017, the domestic economic have signed to expand from the tourism sector improvement, Private consumption and private investment also improved, This was the company achieved expansion loans target. The net profit in the fourth quarter of 2017 was 320.01 million baht. An increase of 83.19 million baht or 35.13% from the same period of the prior year. The total revenue was 868.78 million baht, an increase of 96.24 million baht or 12.46%. Interest expenses were 213.52 million baht, a decrease of 10.09 million baht or 4.51%. The decreasing was due to additional low cost of borrowing to support hire purchase loan expansion and maintained the company interest spread. For the provision expenses for the fourth quarter of 2017 was 116.67 million baht, a decrease from the same period of the prior year of 27.12 million baht or 18.86%. From the recording normal provision expenses was 56.67 million baht and provided general reserve 60.00 million baht.

For the overall performance of 2017, the net profit was 1,125.81 million baht, an increase of 244.65 million baht or 27.76% from 2016. A success in maintaining operating results marks the 8<sup>th</sup> consecutive quarterly growth. The total revenue was 3,307.24 million baht, an increase of 322.05 million baht or 10.79% from 2016, and interest expenses of 2017 were 822.40 million baht, a decrease of 64.60 million baht or 6.82%. For the impairment loss of loans was 523.43 million baht, an increase of 27.08 million baht or 5.46%. From the Company provided normal provision was 243.43 million baht and provided general provision was 280.00 million baht to support the new accounting policy change in 2019.



Financial Position Overview

As of 31 December 2017, the company still had strong financial position. The total assets were 39,491.79 million baht, an increase of 6,126.92 million baht or 18.36% from the same period of the prior year. The increasing was due to the continuous hire purchase loan expansion, particularly from trucks. Total hire purchase loans were 38,598.25 million baht, an increase of 5,850.71 million baht or 17.87% from the same period of the prior year, accounted for 97.74% of total assets. Total liabilities and shareholders' equity were 33,864.50 million baht and 5,627.30 million baht, respectively.

Please be acknowledged

Your sincerely,

( Mr.Boonchu Wongpakdee )

Deputy Managing Director,

Chief Financial Officer