



ราชนานี ลีสซิ่ง
Ratchthani Leasing
A Thanachart Group Company

February 19, 2020

Subject: Management Discussion and Analysis for the year ended 31 December 2019
(reviewed)

To : Director and Manager
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 2019 (reviewed) as follows:

Performance Overview

For the fourth quarter of 2019, the net profit of the Company and its subsidiary was 481.66 million baht. The total income was 1,078.46 million baht, financial cost was 263.72 million baht, the selling and administrative expense was 145.44 million baht and bad debts and doubtful accounts expense was 63.57 million baht. The Total Assets was 50,880.93 million baht, the total liabilities was 43,209.91 million baht and the total equity was 7,671.02 million baht.

For the Separate financial statements, the Company had net profit of the fourth quarter of 2019 was 449.87 million baht. A decrease of 5.04 million baht or 1.11% from the same period of the prior year. The total revenue was 1,036.22 million baht, an increase of 25.83 million baht or 2.56%. Interest expenses were 263.73 million baht, an increase of 38.34 million baht or 17.01%. The increase was due to additional of borrowing to support hire purchase loan expansion and maintained the company interest spread. For the provision expenses for the fourth quarter of 2019 was 63.57 million baht, a decrease from the same period of the prior year of 28.43 million baht or 30.90%.

For the overall performance of 2019, the net profit was 1,849.70 million baht, an increase of 208.95 million baht or 12.74% from 2018. The total revenue was 4,086.22 million baht, an increase of 258.86 million baht or 6.76% from 2018, and interest expenses of 2019 were 1,011.35 million baht, an increase of 141.55 million baht or 16.27%. For the impairment loss of loans was 193.53 million baht, a decrease of 209.07 million baht or 51.93%.

Financial Position Overview

As of 31 December 2019, the Company still had strong financial position. The total assets were 50,703.72 million baht, an increase of 3,172.66 million baht or 6.67% 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 49,708.61 million baht, an increase of 3,296.98 million baht or 7.10% from the same period of the prior year, accounted for 98.04% of total assets. Total liabilities and shareholders' equity were 43,146.37 million baht and 7,557.35 million baht, respectively.

Operation Performance of Subsidiary

RTN Insurance Broker Company Limited

RTN Insurance Broker Company Limited which is principally engaged in life and non-life insurance brokerages and start operation during in the first quarter of 2019. The business is focus on support hire purchase loans insurance services of Ratchthani Leasing Public Company Limited. Net profit for the fourth quarter of 2019 was 31.78 million baht, the selling and administrative expense was 3.23 million baht, and the total income was 42.95 million baht. Net profit for 2019 was 113.87 million baht, the selling and administrative expense was 12.39 million baht, and the total income was 154.75 million baht.

Please be acknowledged

Yours sincerely,

(Mr. Kovit Rongwattanasophon)

Managing Director