

May 13, 2020

Subject : Management Discussion and Analysis For the first quarter ended 31 March 2020
(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 first quarter ended 31 March 2020 (reviewed) as follows:

Performance Overview

Following the Coronavirus 2019 (COVID-19) pandemic that was severely impacted the global economy, including a drastic slowdown in Thai economy, while the tourism sector has been impacted by lockdown policy in many countries, together with a decline in household income following unemployment problem in private sector from the economic downturn observed. In addition private consumption is in a declining trend due to freeze in business activities and social distancing.

For the first quarter of 2020, the net profit of the Company and its subsidiary was 464.66 million baht. The total income was 1,109.77 million baht, financial cost was 249.84 million baht, the selling and administrative expense was 136.79 million baht and allowance for expected credit loss (ECL) was 140.05 million baht. The Total Assets was 50,499.89 million baht, the total liabilities was 42,968.27 million baht and the total equity was 7,531.62 million baht.

For the Separate financial statements, the Company had net profit of the first quarter of 2020 at 436.27 million baht, a decreased of 41.21 million baht or 8.63% from the same period of the prior year. The total income was 1,071.18 million baht, an increase of 66.84 million baht or 6.66%, the financial cost was 249.84 million baht, an increased of 13.28 million baht or 5.61% from the same period of the prior year. Allowance for expected credit loss (ECL) was 140.05 million baht, an increased of 110.49 million baht or 373.78% from the expected credit loss (ECL) framework is based on the requirement of the Thai Financial Reporting Standard No.9 Financial Instruments (TFRS9) was 95 million baht and management overlay was 45 million baht.

As of the end of the first quarter of 2020, the Company had 50,284.41 million baht in total assets, an increase of 1,418.92 million baht or 2.90% from the same period of the prior year. The



increase was due to the continuous hire purchase loan expansion, particularly from trucks. The net of total hire purchase and financial leasing loans were 49,343.44 million baht, an increase of 1,481.91 million baht or 3.10% from the same period of the prior year, accounted for 98.13% of total assets. Total liabilities and shareholders' equity were 42,894.85 million baht and 7,389.56 million baht respectively.

Comparing financial position in the first quarter of 2020 and the ended of 2019. The total assets decreased 419.31 million baht or 0.83%. The net of total hire purchase loans decreased 365.17 million baht or 0.73% Total liabilities decreased 251.52 million baht or 0.58% and shareholders' equity decreased 167.79 million baht or 2.22% 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. The business is focus on support hire purchase loans insurance services of Ratchthani Leasing Public Company Limited. Net profit for the first quarter of 2020 was 28.39 million baht, the selling and administrative expense was 3.89 million baht, and the total income was 39.32 million baht.

Please be acknowledged

Yours sincerely,

(Mr. Kovit Rongwattanasophon)

Managing Director