



ราชนานี ลีสซิ่ง
Ratchthani Leasing
A Thanachart Group Company

9 November 2023

Subject : Management Discussion and Analysis for the Third quarter ended 30 September 2023
(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 Third quarter ended 30 September 2023 (reviewed) as follows:

Performance Overview

Thai economy in 3Q23 Thai economy modestly recovered even with an increased support from incoming foreign tourists. However, the export sector came under pressure due to weakening demand from trading partners. Private consumption improved in tourism and travel-related service sector. Going forward, the Thai economy will continue to face challenges from global economic uncertainties due to central banks raising and maintaining high interest rates to control inflation, China's economic slowdown that could affect Thailand's export. These are important factors to be closely monitored.

For the third quarter of 2023, the net profit of the Company and its subsidiary reported a net profit of Baht 250.41 million. It was represented the ROE of 7.98%, decreased from 13.59% in 2Q23. The total income amounted to Baht 1,160.08 million, financial cost amounted to Baht 304.07 million, the selling and administrative expense amounted to Baht 207.74 million, and expected credit loss amounted to Baht 339.78 million. The Total assets amounted to Baht 55,636.78 million, the total liabilities amounted to Baht 43,112.83 million and the total equity amounted to Baht 12,523.95 million.

For the Separate financial statements, the Company reported a net profit of the third quarter of 2023 amounted to Baht 272.10 million, decreased by Baht 136.78 million or 33.45% on year-on-year basis. Driven primarily by the increase in expected credit loss and loss from sale of foreclosed assets, caused by the growth strategy into high yield loans, as well as the pressure from high household debt level and rising cost of living. These risks were in accordance with the Company's forecast, and the Company have maintained a sufficient level of loan loss reserves against credit risks from the business growth strategy and macroeconomic factors. And also due to the Company's ongoing proactive measures in managing the outstanding repossessed cars. However, the Thai economic uncertainty may exert pressure on the overall hire purchase industry, especially in terms of lending and fees and service income.

The Company must adopt a prudent approach in setting aside expected credit loss, accounting primarily for potential risks. In parallel, focus should be on proactive asset quality management and accelerated adjustment to upcoming rules, regulations and other measures. Total income of the Company amounted to Baht 1,166.87 million, increased by Baht 102.54 million or 9.63%, the financial cost amounted to Baht 304.07 million, increased by Baht 73.75 million or 32.02% on year-on-year basis was due primarily to higher cost of funds following the interest rate uptrend, expected credit loss amounted to Baht 339.78 million, increased by Baht 217.67 million or 178.26% was resulted from an increase in credit risk.

As of the end of the third quarter of 2023, total assets amounted to Baht 55,515.82 million, increased by Baht 1,895.03 million or 3.53% on year-on-year basis. The net of total hire purchase and financial leasing loans amounted to Baht 52,932.68 million, increased by Baht 1,432.80 million or 2.78% on year-on-year basis, total loans to customers and accrued interest receivables net amounted to baht 688.03 million, increased by Baht 558.69 million or 431.95% on year-on-year basis, accounted for 96.59% of total assets. Total liabilities and shareholders' equity amounted to Baht 43,056.66 million and amounted to Baht 12,459.16 million respectively.

Comparing financial position in third quarter of 2023 and the second of 2023. The total assets decreased by Baht 505.46 million or 0.90%. The net of total hire purchase and financial leasing loans decreased by Baht 422.26 million or 0.79%, total loans to customers and accrued interest receivables net amounted increased by Baht 228.02 million or 49.57%. Total liabilities decreased by Baht 777.57 million or 1.77% and shareholders' equity increased by Baht 272.11 million or 2.23% 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 third quarter of 2023 amounted to Baht 38.31 million, the selling and administrative expenses amounted to Baht 6.12 million, and the total income amounted to Baht 54.02 million

Net profit for the nine-months period of 2023 amounted to Baht 124.37 million, the selling and administrative expense amounted to Baht 21.51 million, and the total income amounted to Baht 177.10 million.

Yours faithfully,
Ratchthani Leasing Public Company Limited

- Kovit Rongwattanasophon -

(Mr. Kovit Rongwattanasophon)
Chairman of the Executives Committee
and Managing Director

บริษัท ราชธานีลีสซิ่ง จำกัด (มหาชน)

Ratchthani Leasing Public Company Limited

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