



ราชนานี ลีสซิ่ง
Ratchthani Leasing
A Thanachart Group Company

February 16, 2024

Subject : Management Discussion and Analysis for the year ended 31 December 2023
(Audited)

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 2023 (Audited) as follows

Performance Overview

The Thai economy slowed down from the previous quarter. Tourist expenditures and the value of merchandise exports, softened due to the subdued global demand together with structural factors, which negatively affected manufacturing production and private investment. Public spending also contracted from capital expenditures of the central government as well as investment from state-owned enterprises. Domestic factors, including the government's stimulus measures, should also be closely watched. Going forward, the Thai economy continues to face external challenges such as the economic slowdown in major economies, the impact from maintaining high interest rates to control inflation by central banks, a China's economy slowdown which could affect Thai exports and manufacturing sector, and prolonged geopolitical tensions. These are important factors to be closely monitored.

For the fourth quarter of 2023, the net profit of the Company and its subsidiary reported a net profit of Baht 161.21 million. The total income amounted to Baht 1,121.86 million, financial cost amounted to Baht 318.63 million, the selling and administrative expense amounted to Baht 193.65 million and expected credit loss amounted to Baht 385.83 million. The total Assets amounted to Baht 55,259.63 million, while the total liabilities amounted to Baht 42,574.70 million and the total equity amounted to Baht 12,684.93 million.

For the Separate financial statements, the Company report net profit of the fourth quarter of 2023 amounted to Baht 129.78 million, decreased by Baht 183.78 million or 58.61% from the same period last year. The total revenue amounted to Baht 1,077.81 million, increased by Baht 5.96 million or 0.56%. Interest expenses amounted to Baht 318.63 million, increased by Baht 66.64 million or 26.45%. Driven by higher borrowing with the growth of loan portfolio, the increase in funding costs amid rising market rates. For the expected credit loss for the fourth quarter of 2023 amounted to Baht 385.82 million, an increased from the same period last year of Baht 149.91 million or 63.55%. Driven mainly by the increase of expected credit loss and higher expenses from loss on sale of repossessions.

For the overall performance of 2023, the net profit amounted to Baht 1,361.57 million, decreased by Baht 364.15 million or 21.10% from 2022, driven mainly by the increase of expected credit loss and higher expenses from loss on sale of repossessions from the hire purchase business as a result of the uneven economic recovery, due to high household debt and rising interest rates, weak domestic demand. The total revenue amounted to Baht 4,609.12 million, increased by Baht 275.95 million or 6.37% from 2022, and interest expenses of 2023 amounted to Baht 1,171.79 million, increased by Baht 246.26 million or 26.61%. For the expected credit loss amounted to Baht 1,047.73 million, an increased by Baht 492.62 million or 88.74%.

Basic earnings per share for the year 2023 equaled 0.23 baht per share, decreased from 0.31 baht per share in 2022. The return on equity (ROE) was reported at 10.28%

Financial Position Overview

As of 31 December 2023, total assets amounted to Baht 55,102.08 million, an increased by Baht 1,442.80 million or 2.69% from the same period last year. Total hire purchase and financial leasing loans amounted to Baht 51,664.49 million, decreased by Baht 228.96 million or 0.44% from the same period last year, total loans to customers and accrued interest receivables net amounted to Baht 718.76 million, increased by Baht 511.11 million or 246.14% from the same period last year, accounted for 95.07% of total assets. Total liabilities and shareholders' equity amounted to Baht 42,513.35 million and 12,588.73 million, 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 fourth quarter of 2023 amounted to Baht 31.44 million, the selling and administrative expenses amounted to Baht 5.54 million, and the total income amounted to Baht 44.86 million

Net profit for the year of 2023 amounted to Baht 155.81 million, the selling and administrative expense amounted to Baht 27.05 million, and the total income amounted to Baht 221.96 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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