



Group Lease PCL

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"Digital Finance"  
~Platform for Billions~

## Overview

- **3Q2018 Result – QoQ & YoY**
- **Countries and Products**
- **Q & A**

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# **3Q RESULT**

## **PROFITABLE & STABLE**

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# **3Q2018 Result Year over Year**

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## Net Profit

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2017 Q3

**-2,267**  
M i l l i o n   T H B  
(-67.95 Mil USD)

2018 Q3

**104.64**  
M i l l i o n   T H B  
(3.23 Mil USD)

## Revenue\*

2017 Q3

**732.69**  
M i l l i o n T H B  
(21.96 Mil USD)

2018 Q3

**-0.43%** Down  
**729.56**  
M i l l i o n T H B  
(22.53 Mil USD)

\* Excludes gain/loss on  
exchange rate

## HP interest income\*

2017 Q3

**532.62**  
M i l l i o n T H B  
(16.38 Mil USD)

2018 Q3

**2.37%** UP  
**533.88**  
M i l l i o n T H B  
(16.49 Mil USD)

\* Includes consumer  
finance interest

## ABL interest income

2017 Q3

**43.65**

M i l l i o n   T H B

(1.31 Mil USD)

2018 Q3

**-9.26%**  
**UP****39.61**

M i l l i o n   T H B

(1.22 Mil USD)



## Interest on Loan receivable

2017 Q3

**56.84**

**M i l l i o n   T H B**

(1.70 Mil USD)

2018 Q3

**-99.17%**  
**Down**

**0.47**

**M i l l i o n   T H B**

(0.01 Mil USD)

## Group Loan interest income\*

2017 Q3

**15.52**

**Million THB**

(0.47 Mil USD)

2018 Q3

**193.88%**  
**UP**

**44.85**

**Million THB**

(1.38 Mil USD)

\* Includes other income  
related to microfinance

## Other Income of Hire Purchase\*

2017 Q3

**62.99**

**Million THB**  
(1.89 Mil USD)

2018 Q3

**27.18%**  
**UP**

**80.11**  
**Million THB**  
(2.47 Mil USD)

\* Includes service income  
from GL-AMMK (Myanmar)

## Share of profit from investments in associates

2017 Q3

**28.88**

Million THB  
(0.87 Mil USD)

2018 Q3

**62.42%**  
Down**10.86**  
Million THB

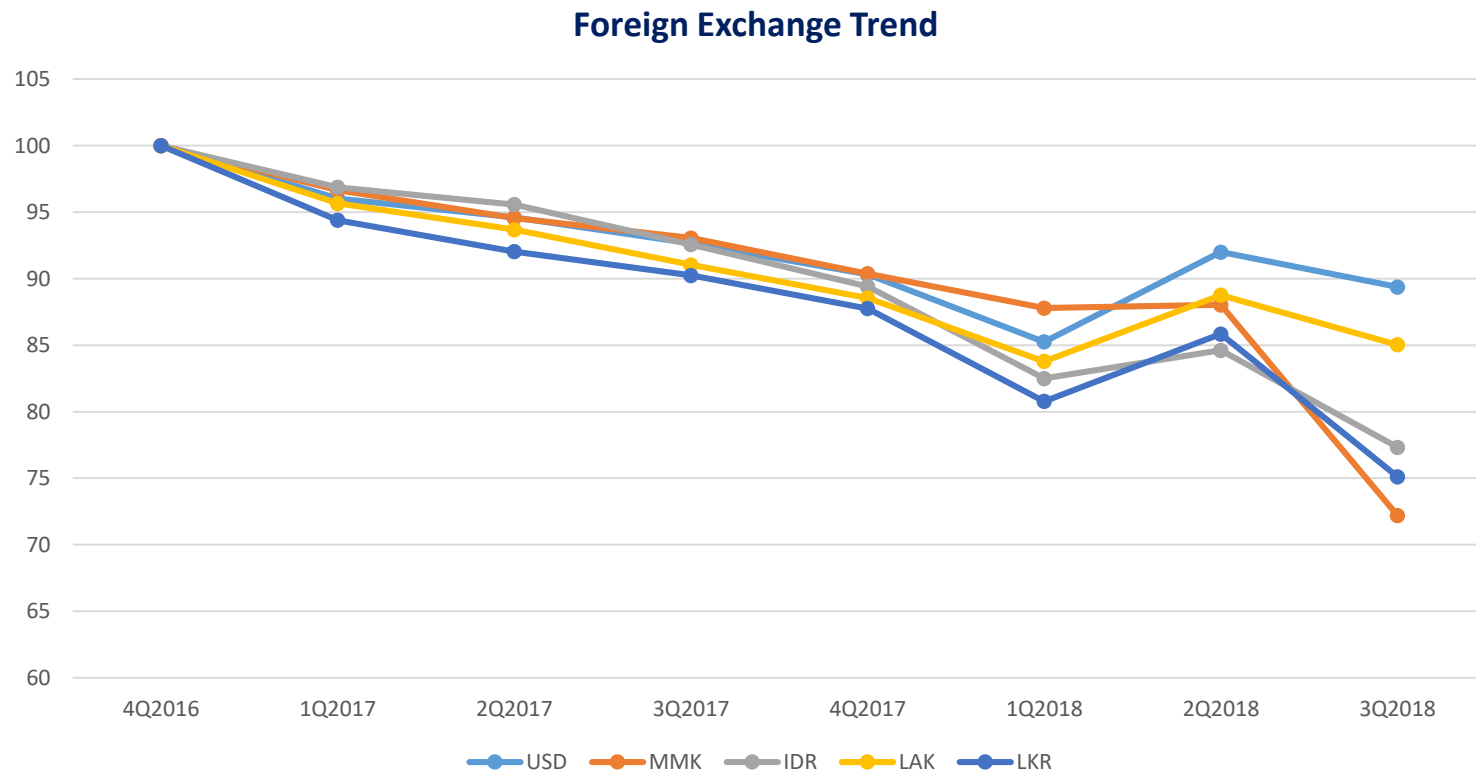
(0.34 Mil USD)

## Portfolio

2017 Q3  
**7,261**  
M i l l i o n T H B  
(217.58 Mil USD)

2018 Q3  
**4.67% UP**  
**7,599**  
M i l l i o n T H B  
(234.68 Mil USD)

# Currencies relative to THB



- Assuming each currency is at a base of 100 at the end of 2016, every currency GL operates in or uses has declined in the past two years relative to the strong THB
- MMK, IDR, and LKR have each lost roughly 25% of their value relative to the THB in the last two years with the sharpest decline in 3Q2018

# **3Q2018 Result Quarter over Quarter**

## Net Profit

2018 Q2

**125.98**  
M i l l i o n T H B  
(3.80 Mil USD)

2018 Q3

**-16.94%** Down  
**104.64**  
M i l l i o n T H B  
(3.23 Mil USD)



## Revenue\*

2018 Q2

**729.01**  
M i l l i o n T H B  
(21.98 Mil USD)

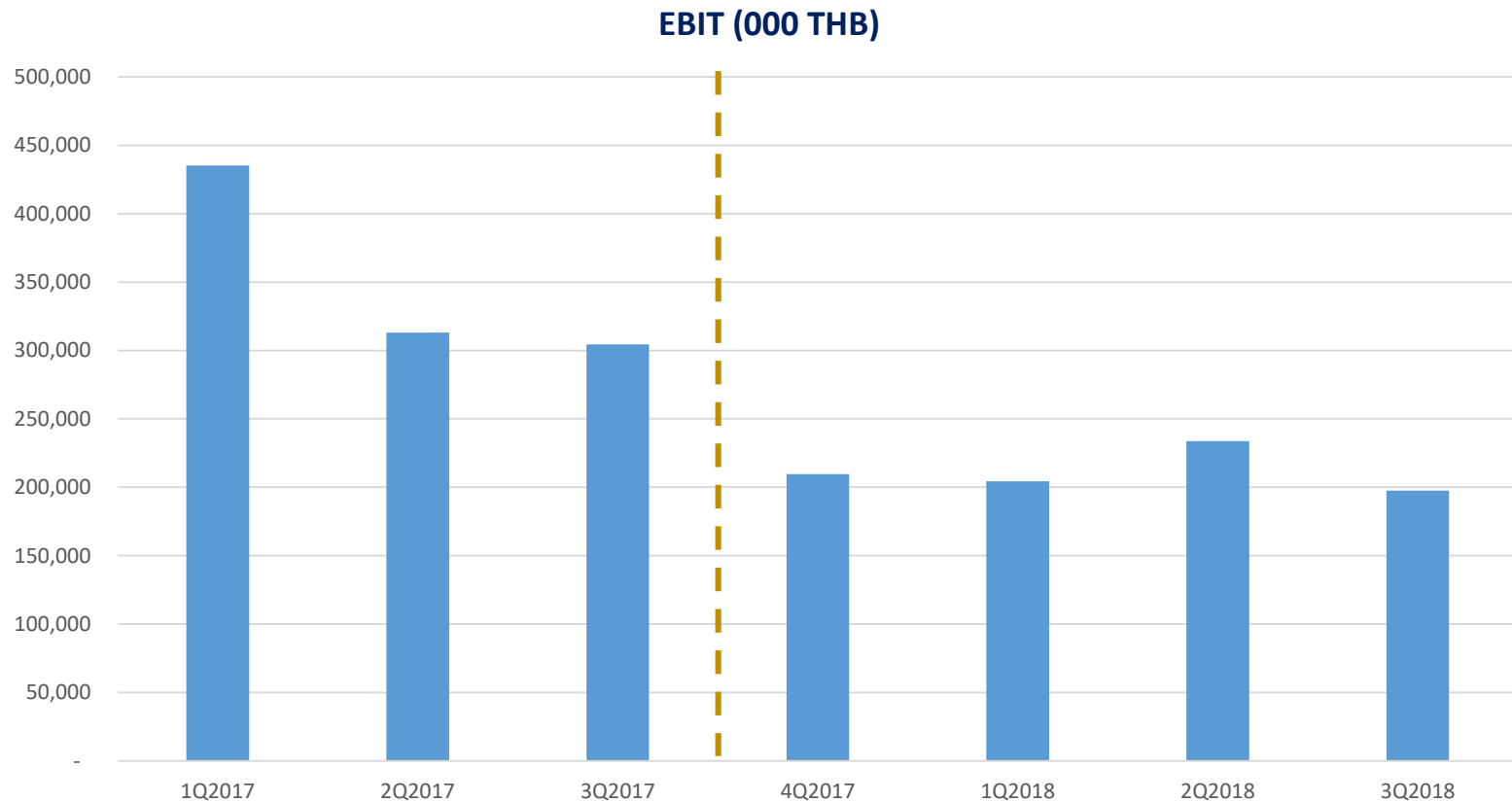
2018 Q3

**0.07%**  
UP

**729.56**  
M i l l i o n T H B  
(22.53 Mil USD)

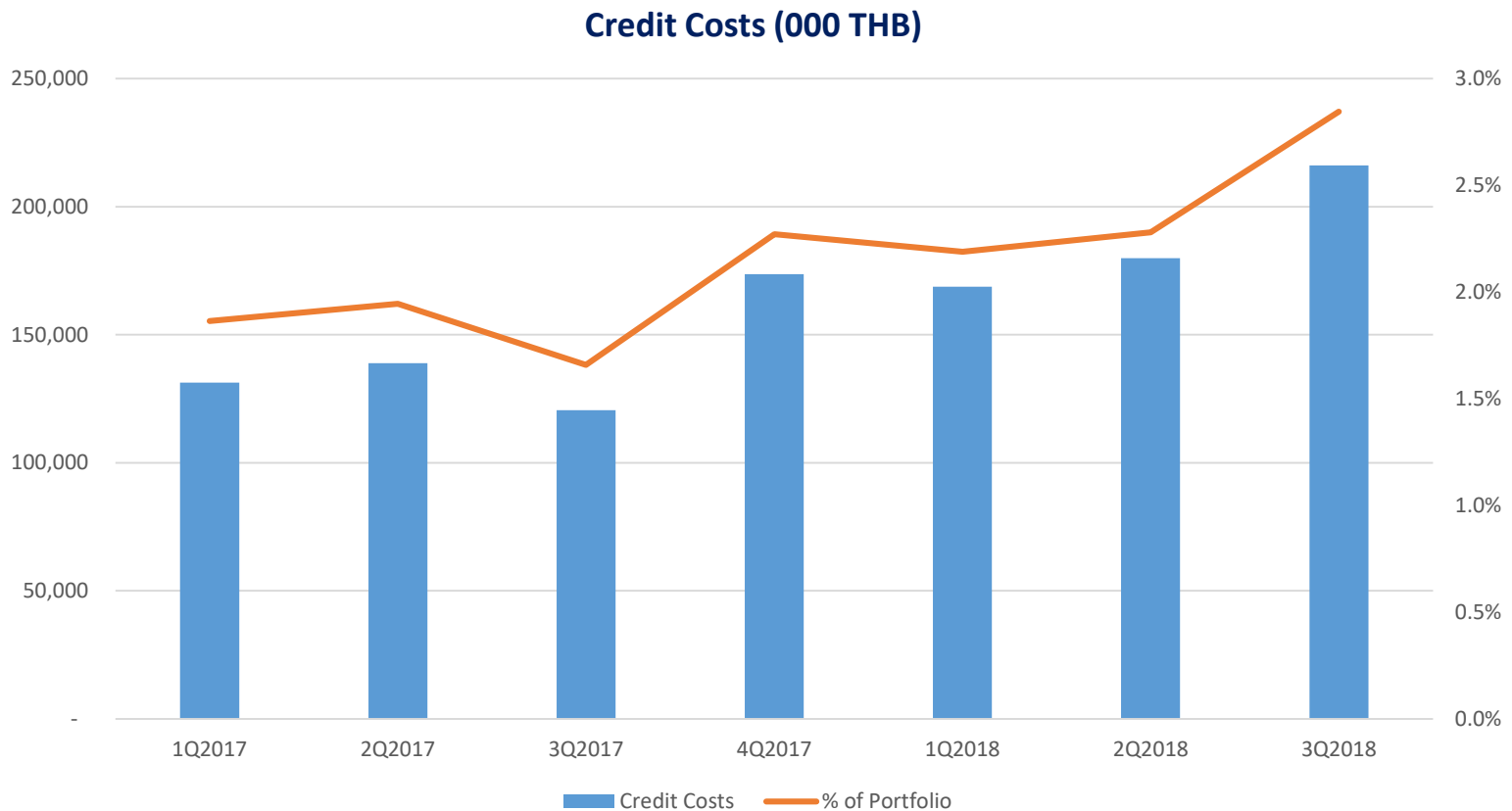
\* Excludes gain/loss on  
exchange rate

## Historical EBIT



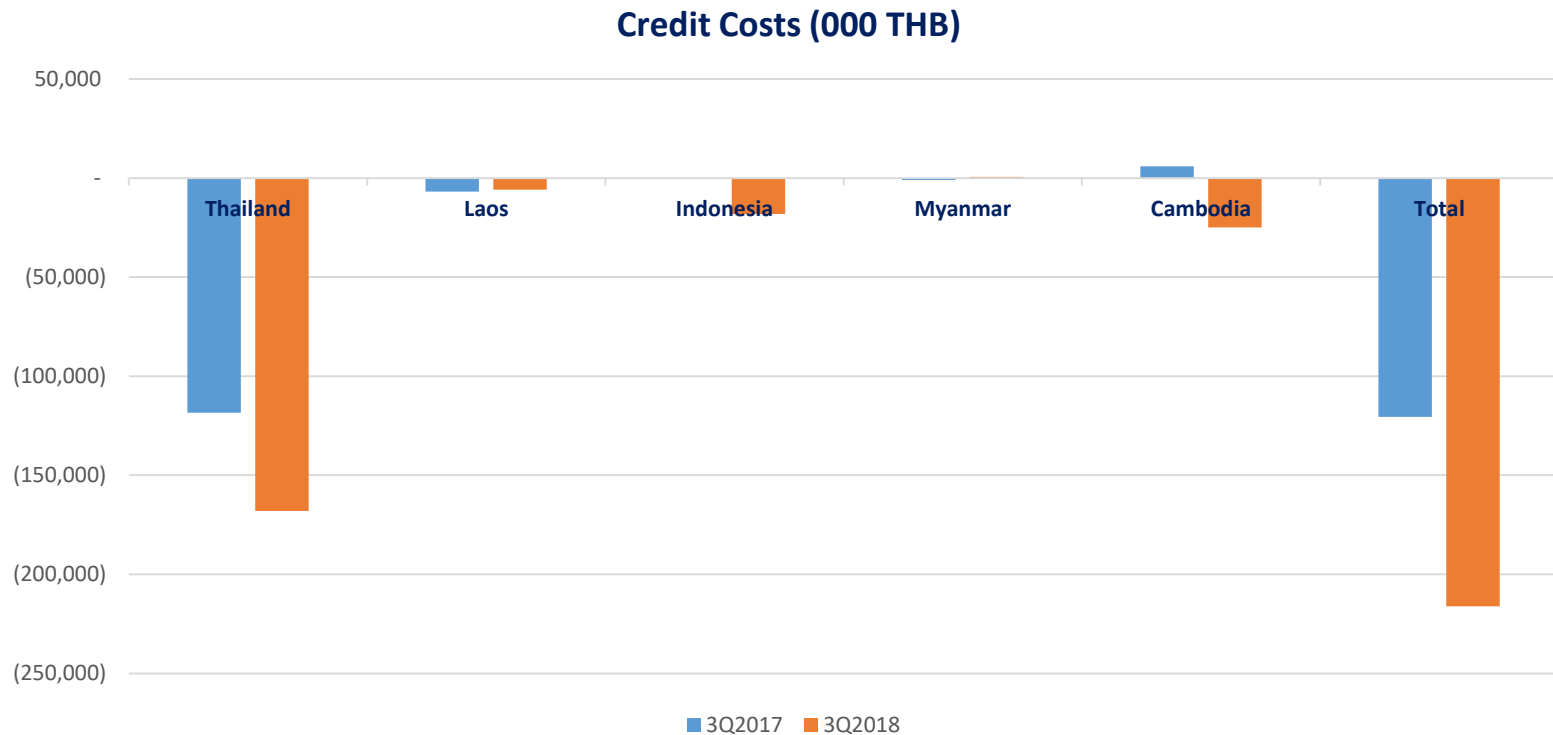
- **GL incurred a drop in EBIT after 3Q2017 as we stopping accruing income related to the disputed loans**
- **EBIT has been stable for the past 4 quarters**

# Historical Credit Costs



- Credit costs have increased both in absolute amount and as a percent of portfolio

# Historical Credit Costs

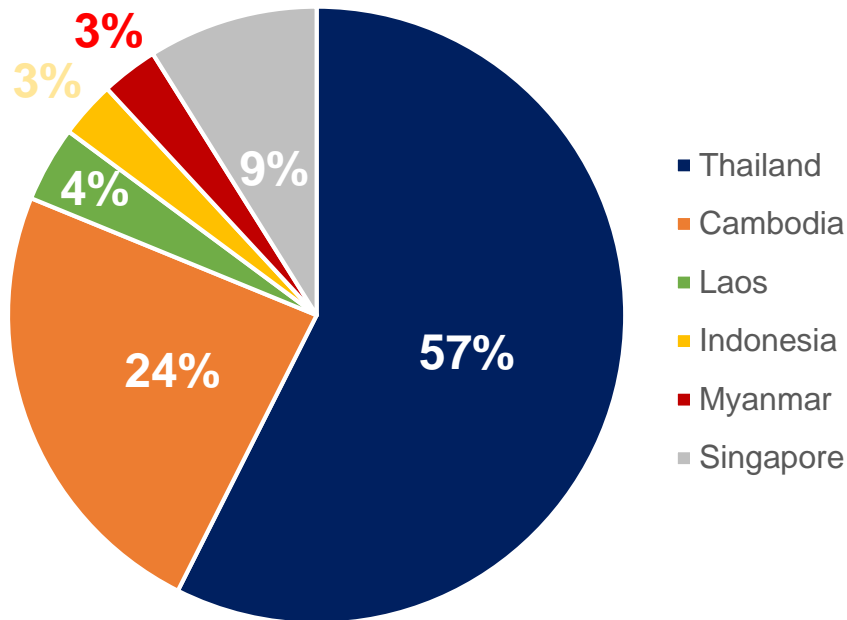


- Credit costs have increased in every country. However much of Indonesia's credit cost this month is due to a one-time write-off. We previously became more strict in Cambodia even as it caused our portfolio to decline and we have now had 3 straight quarters of declining credit costs in Cambodia. In Thailand we recently became more strict and expect our credit costs to start to decline in early 2019**

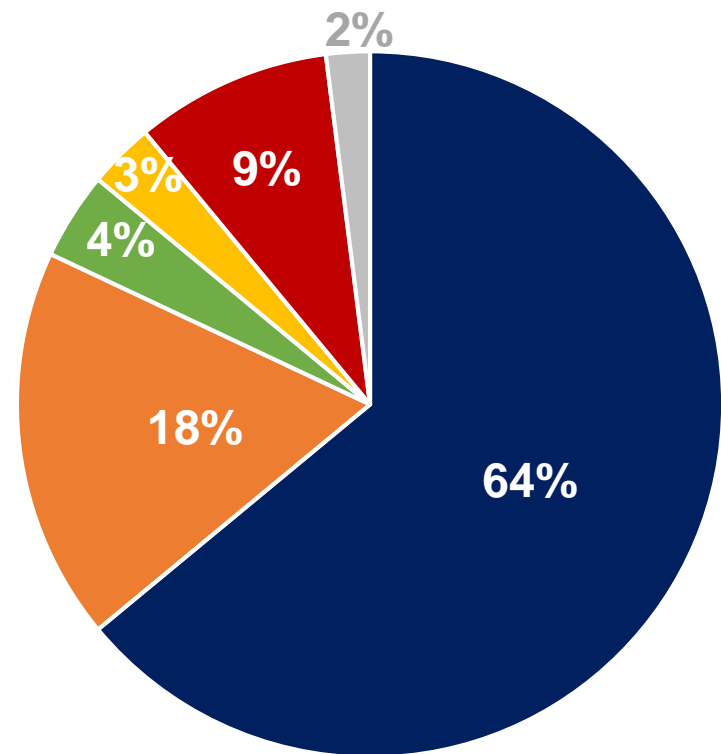
# COUNTRIES & PRODUCTS

## Revenue by Countries

### FY2017



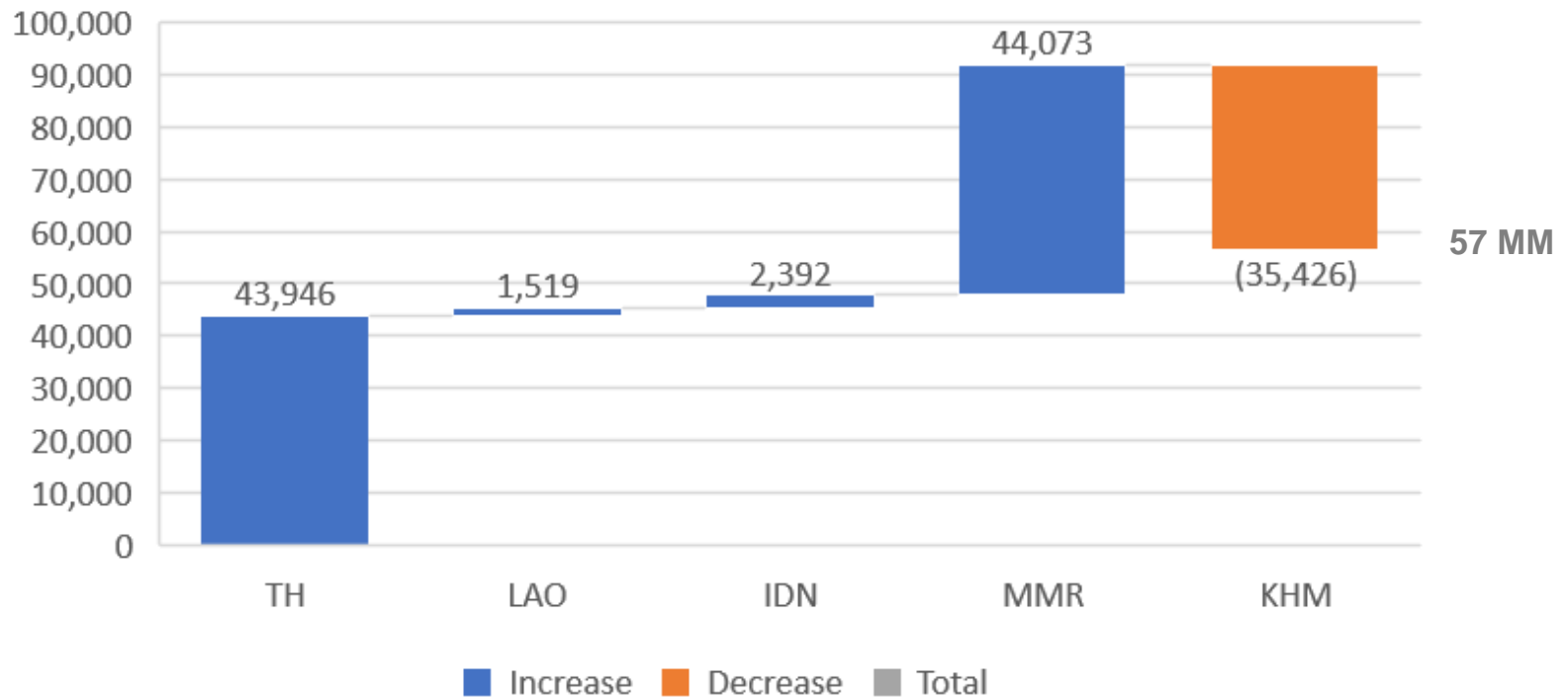
### 3Q2018



- Thailand and Myanmar are increasing in importance and now account for more than 70% of revenue

# Revenue Growth

## YoY Change in Revenue (000 THB)

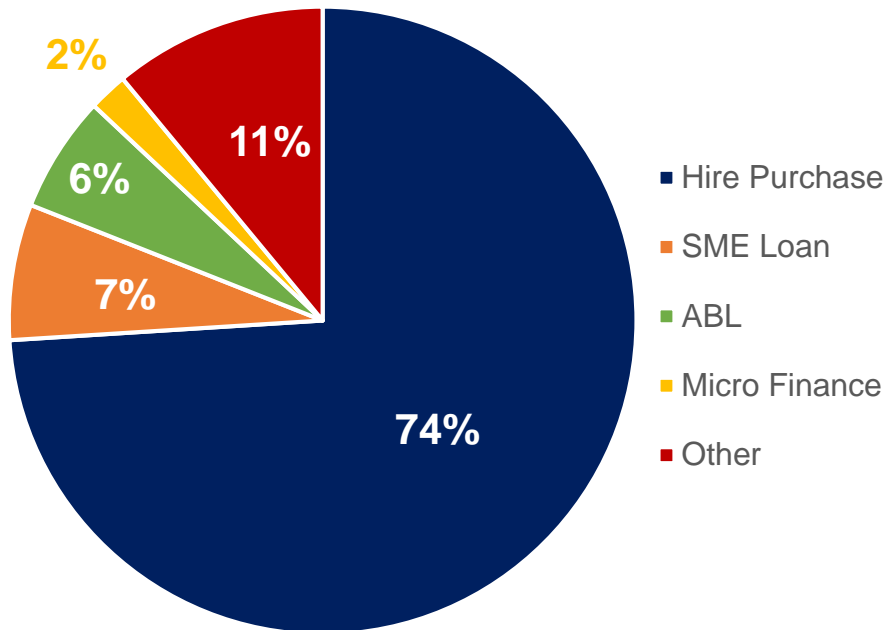


- Revenue has grown roughly THB 57 million compared to 3Q2017 with the majority of the growth from Thailand and Myanmar and a decline in Cambodia

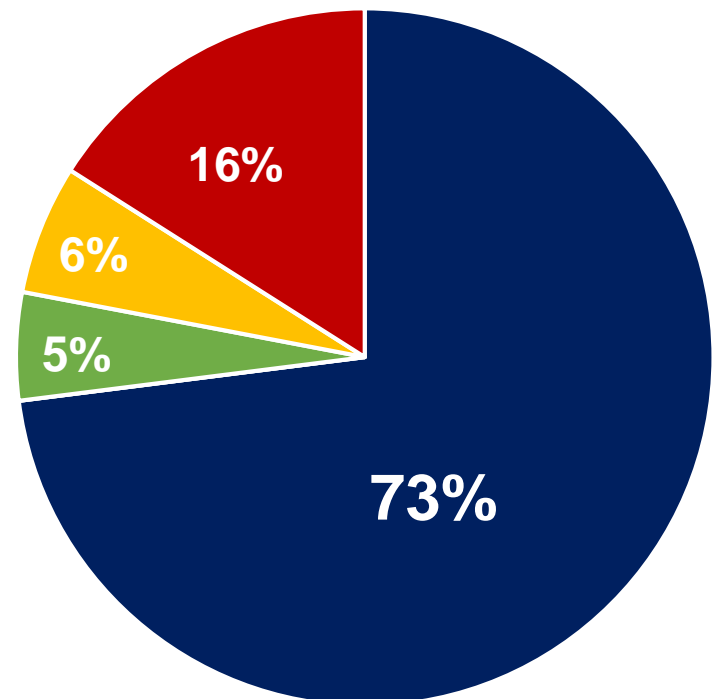
\* Excludes Singapore

## Revenue by Products

FY2017



3Q2018



- SME Loans are no longer part of the business and microfinance has increased



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**THANK YOU**

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# APPENDIX

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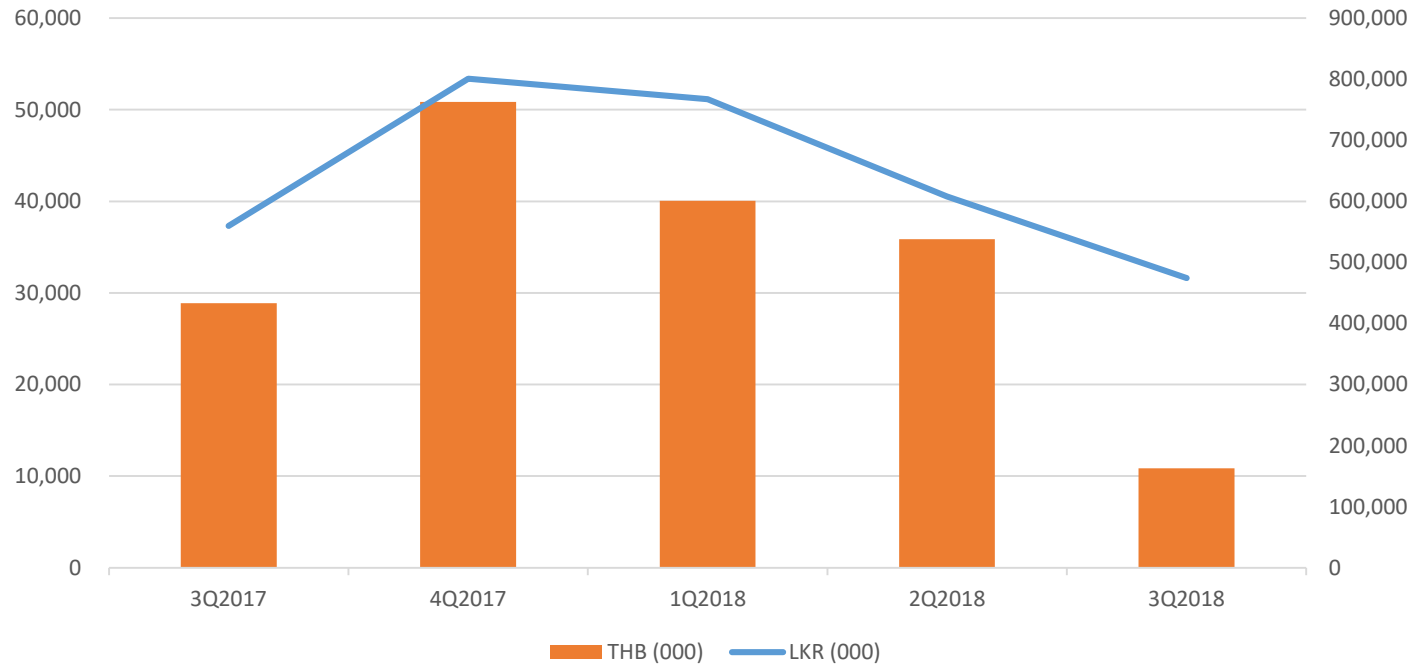
# **CCF UPDATE**

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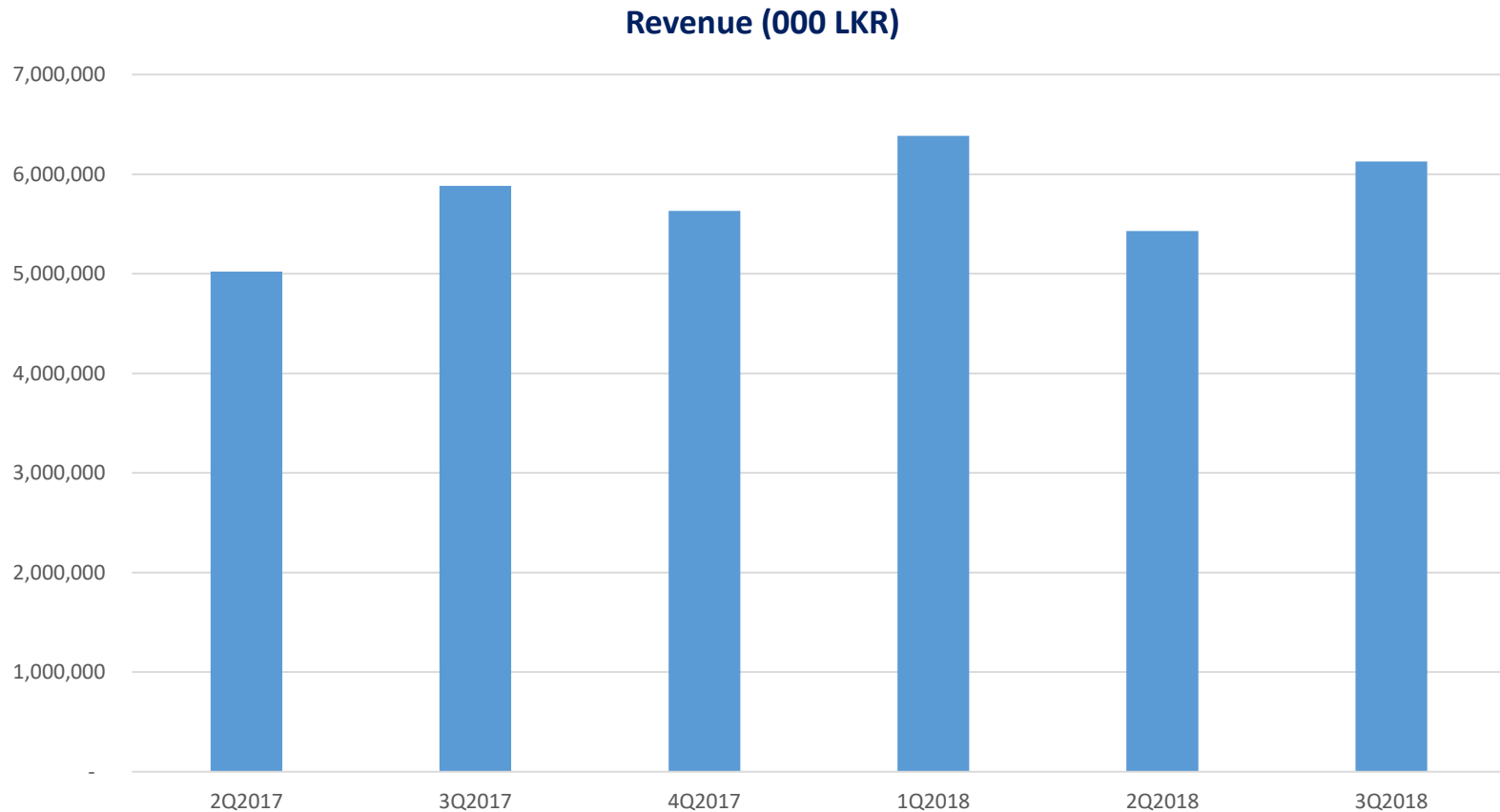
# CCF Performance

Share of CCF Profit in THB and LKR



- **In LKR, CCF reported a 15% decline in profit for the July – Sept 2018 period compared to the same period in 2017**
- **While revenue increased, credit costs and operating expenses grew faster and thus caused the decline in profit**
- **In THB, the profit decline was larger (-62%) due to the strong THB and some one-time adjustments as CCF switched to IFRS 9**

# CCF Performance



- **CCF revenue has remained constant and has overall trended up**



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# **MYANMAR GROWTH**

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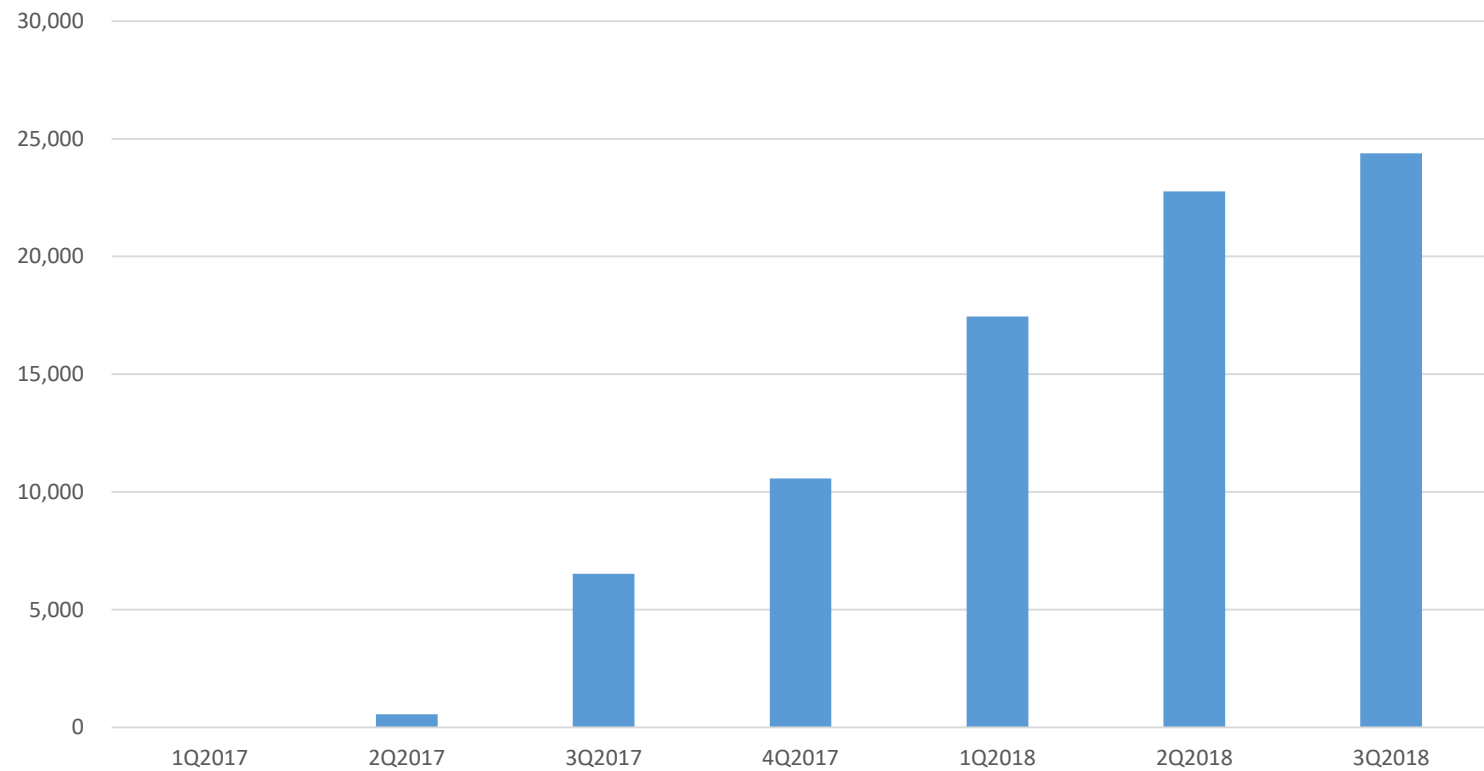


# Honda Leasing (GL-AMMK)



# Growth in Honda Leasing

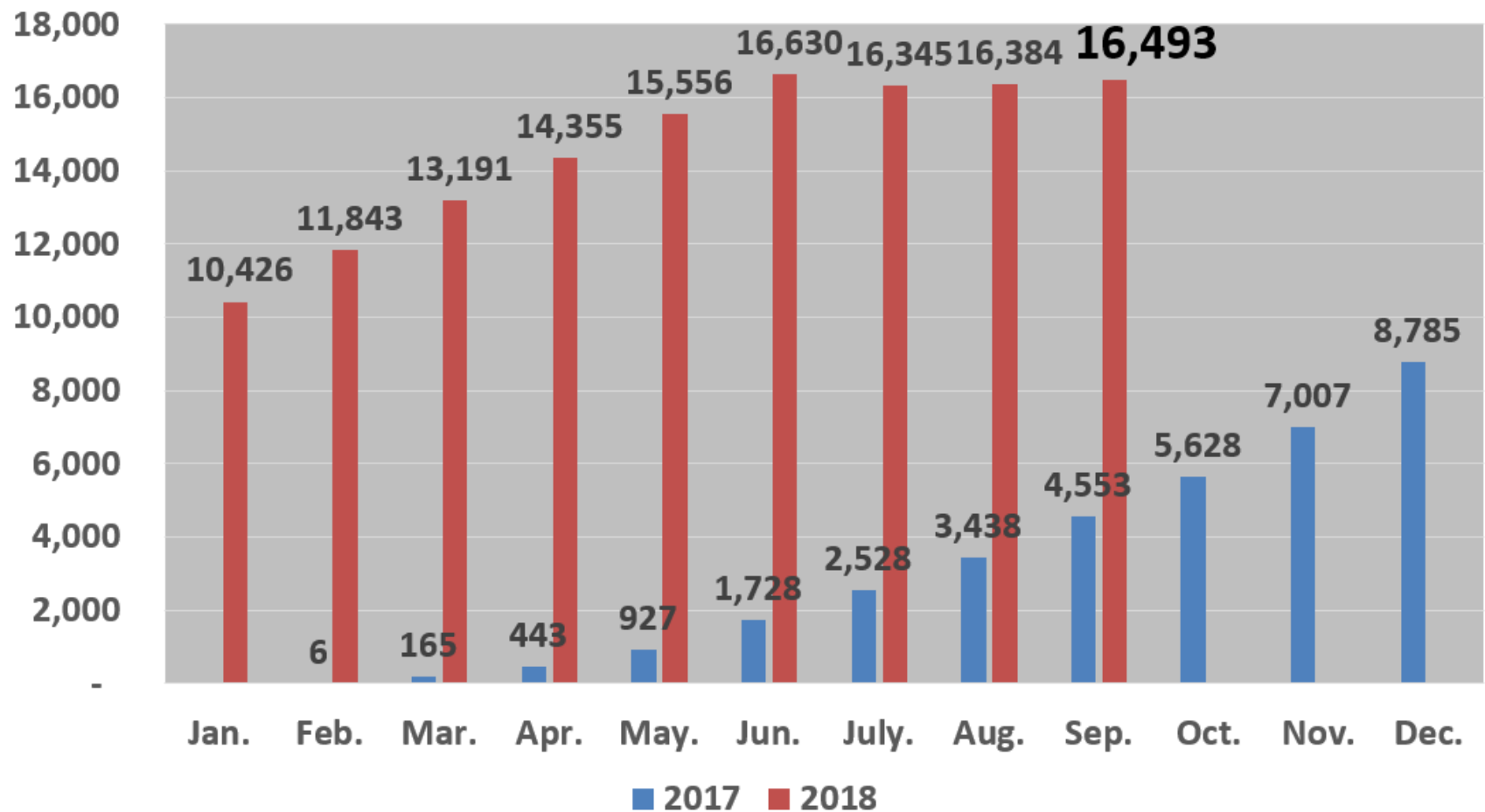
Other Income from HP (000 THB)





# Growth in Honda Leasing

## Honda Active Customers



## Honda Leasing Income

2017 Q3

**6.52**

**M i l l i o n   T H B**  
(0.20 Mil USD)

2018 Q3

**274.28%**  
**UP**

**24.34**

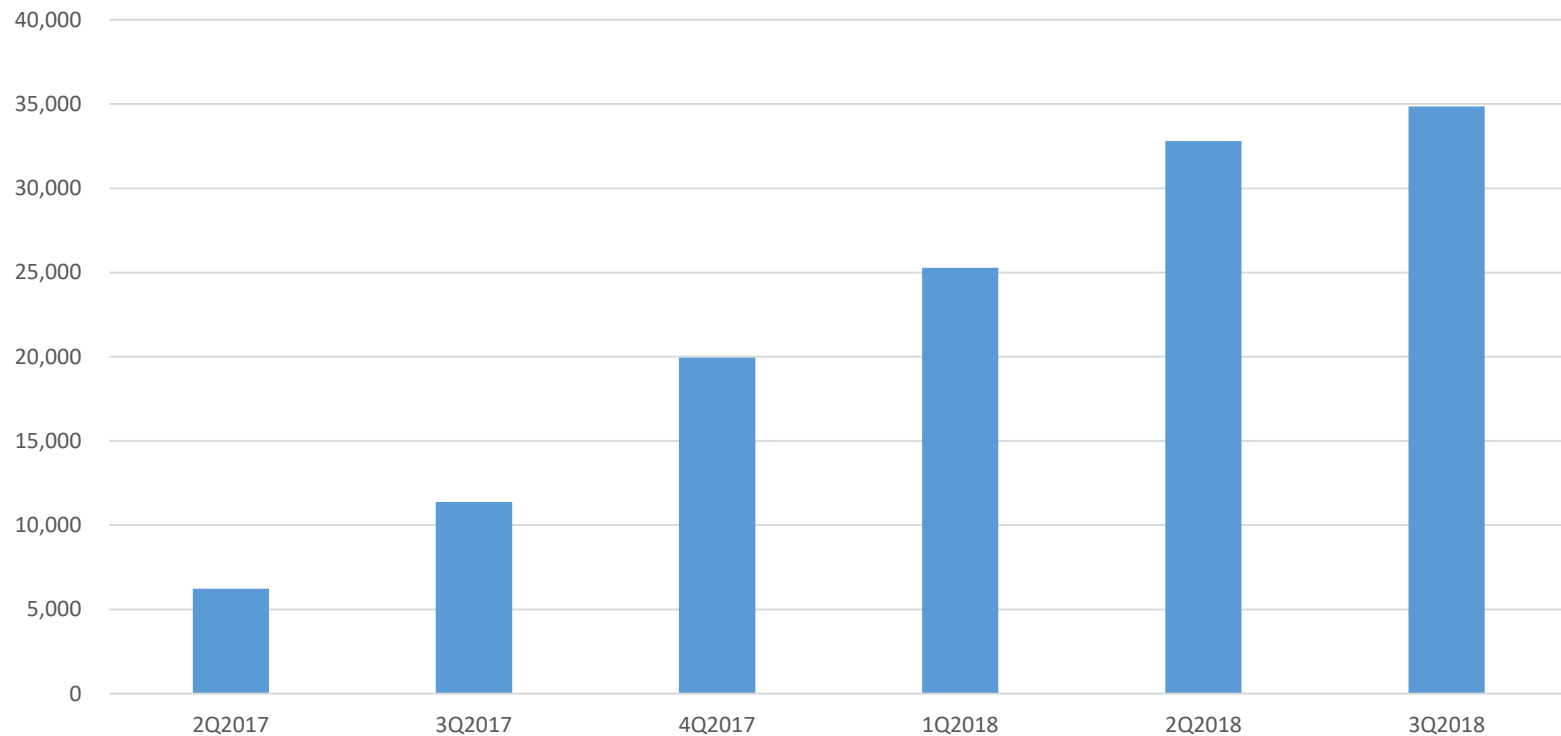
**M i l l i o n   T H B**  
(0.75 Mil USD)

## Group Loans (BGMM)

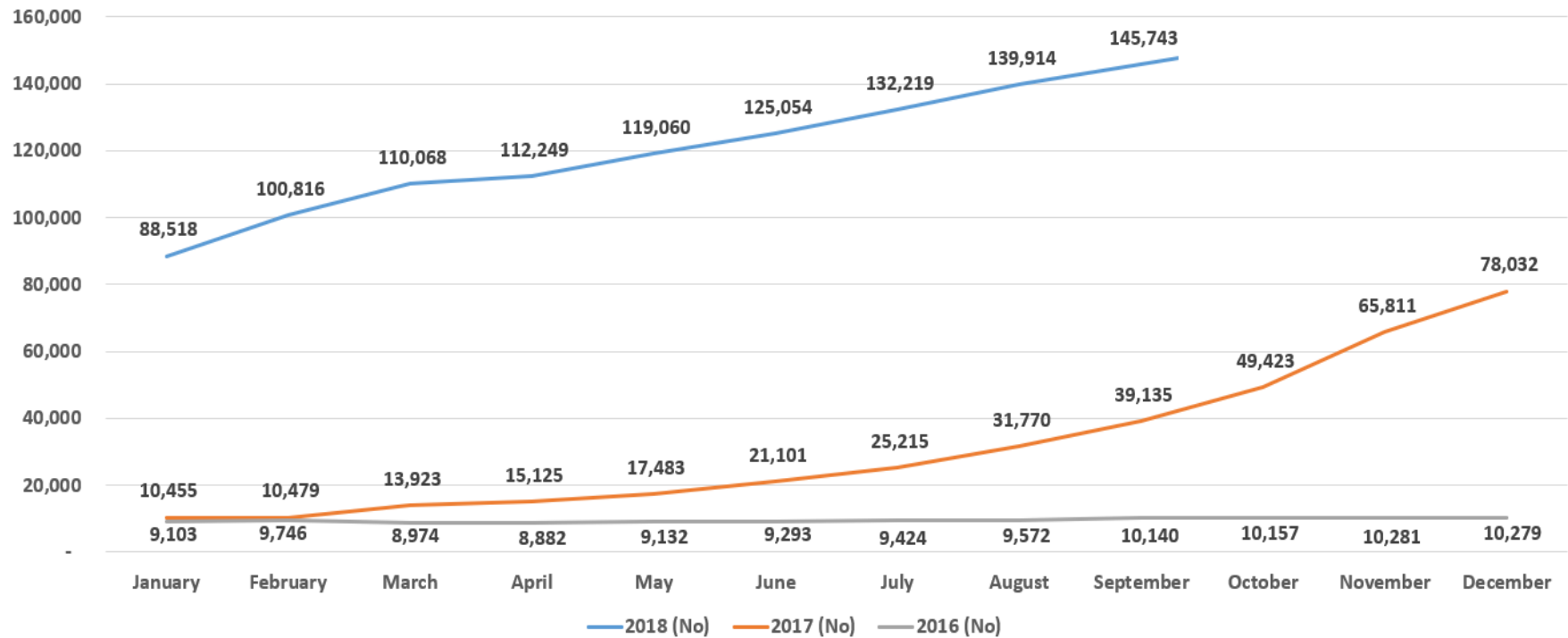


# Growth in Group Loans

Microfinance Income (000 THB)



# Group Loans Active Customers



## Group Loan Income

2017 Q3

**11.38**

**M i l l i o n   T H B**  
(0.34 Mil USD)

2018 Q3

**215.67%**  
**UP**

**34.82**

**M i l l i o n   T H B**  
(1.08 Mil USD)

## New Bajaj Opportunity



- In October 2018, GL and Bajaj's exclusive Myanmar distributor signed a MOU creating GL as the exclusive third-party financing agent for Bajaj three-wheelers in Myanmar
- Bajaj is the world's largest producer of three-wheelers, producing roughly 1 million per year. They entered Myanmar last year and already have sales of 1,000+ per month
- While just a start, GL has financed more than 30 contracts from one POS in less than a month (Oct 8 MOU and Oct 26 start). We have dealer agreements done with 10 more dealers already

# 3Q Result

in '000 THB

	3Q 2017	2Q 2018	3Q 2018	Chg. QoQ	%Chg.	Chg. YoY	%Chg.
<b>Revenues</b>	<b>732,693</b>	<b>729,012</b>	<b>729,556</b>	<b>545</b>	<b>0.1%</b>	<b>(3,137)</b>	<b>-0.4%</b>
1.1 Hire purchase interest and installment sales income	516,329	524,568	515,985	(8,583)	-2%	(344)	0%
1.2 Asset - backed loan interest income	43,650	40,281	39,607	(673)	-2%	(4,043)	-9%
1.3 Interest on microfinance	14,302	43,637	42,031	(1,606)	-4%	27,729	194%
1.4 Interest on Consumer finance	16,294	18,565	17,898	(667)	-4%	1,604	10%
1.5 Sales	0	1,989	1,900	(88)	-4%	1,900	0%
1.6 Interest on loan receivables	56,843	466	474	8	2%	(56,368)	-99%
1.7 Professional fee income	6,630	0	0	0	0%	(6,630)	-100%
1.8 Other income related to the activities of hire purchase	62,986	76,800	80,108	3,308	4%	17,122	27%
1.9 Other income related to the activities of microfinance	1,215	2,754	2,817	63	2%	1,601	132%
1.11 Interest income	10,732	14,649	16,759	2,110	14%	6,027	56%
1.12 Other income	3,711	5,304	11,976	6,672	126%	8,265	223%
<b>Service and administrative expenses (exclude credit cost)</b>	<b>(307,799)</b>	<b>(315,315)</b>	<b>(315,685)</b>	<b>(370)</b>	<b>0.1%</b>	<b>(7,886)</b>	<b>3%</b>
2.1 Payroll and staff benefits	(184,759)	(205,706)	(197,564)	8,142	-4%	(12,806)	7%
2.2 Depreciation and amortization	(14,023)	(13,758)	(13,196)	563	-4%	827	-6%
2.3 Professional fee expense	(10,955)	(12,548)	(25,718)	(13,170)	105%	(14,763)	135%
2.4 Rental office	(10,109)	(13,370)	(11,422)	1,947	-15%	(1,313)	13%
2.5 Cost of Good Sold	0	(1,766)	(1,617)	149	-8%	(1,617)	0%
2.6 Other OPEX	(87,954)	(68,167)	(66,167)	2,000	-3%	21,786	-25%
Operating profit before Credit cost	424,894	413,697	413,871	174	0%	(11,022)	-3%
<b>Credit cost</b>	<b>(120,537)</b>	<b>(179,926)</b>	<b>(216,205)</b>	<b>(36,279)</b>	<b>20%</b>	<b>(95,668)</b>	<b>79%</b>
4.1 Write-Off	(83,314)	(79,325)	(95,867)	(16,542)	21%	(12,553)	15%
4.2 Provision	28,645	(33,403)	(24,483)	8,920	-27%	(53,128)	-185%
4.3 Loss on Repossessed MC	(63,141)	(68,093)	(93,599)	(25,506)	37%	(30,458)	48%
4.4 Impairment Stock NC	(2,727)	895	(2,255)	(3,151)	-352%	472	-17%
<b>EBIT</b>	<b>304,357</b>	<b>233,771</b>	<b>197,667</b>	<b>(36,104)</b>	<b>-15%</b>	<b>(106,690)</b>	<b>-35%</b>
Finance cost	(112,021)	(99,105)	(99,982)	(877)	1%	12,038	-11%
<b>EBT before Gain (loss) on Exchange rate</b>	<b>192,336</b>	<b>134,666</b>	<b>97,684</b>	<b>(36,982)</b>	<b>-27%</b>	<b>(94,652)</b>	<b>-49%</b>
Realized gain (loss) on exchange rate	11,986	26	5,552	5,526	21241%	(6,434)	-54%
<b>EBT after realized gain (loss) on Exchange rate</b>	<b>204,322</b>	<b>134,692</b>	<b>103,236</b>	<b>(31,456)</b>	<b>-23%</b>	<b>(101,086)</b>	<b>-49%</b>
Share of profit from investments in associate (CCF)	28,882	35,863	10,855	(25,007)	-70%	(18,027)	-62%
<b>EBT plus share of net profit from CCF</b>	<b>233,204</b>	<b>170,555</b>	<b>114,092</b>	<b>(56,463)</b>	<b>-33%</b>	<b>(119,112)</b>	<b>-51%</b>

- Revenue increased 0.5 million or 0% compared to 2Q2018. Declines in high purchase and microfinance were offset by gains in other incomes

- SG&A decreased 0.4 million or 0% even though professional fee expense increased 13 million. Without the increased professional fees, SG&A declined 4%

- Credit cost increased 36 million or 20% due to an increase of 22 million in Thailand new HP and 16 million in GL Indonesia write-off

- EBT after realized exchange rate decreased 31 million or 23%

- CCF profit decreased 25 million or 70%

- EBT including CCF decreased 54 million or 33%



# 3Q Result

in '000 THB

	3Q 2017	2Q 2018	3Q 2018	Chg. QoQ	%Chg.	Chg. YoY	%Chg.
<b>Exceptional items</b>	<b>(2,450,614)</b>	<b>(15,396)</b>	<b>16,990</b>	<b>32,386</b>	<b>-210%</b>	<b>2,467,604</b>	<b>-101%</b>
Dividend income	0	0	0	0	0%	0	0%
Expense allowance on other current assets	(1,559,816)	0	(0)	(0)	0%	1,559,816	-100%
Expense allowance on other receivables	(202,348)	0	19,478	19,478	0%	221,826	-110%
Expense allowance on loan and interest receivables	(38,825)	0	5,635	5,635	0%	44,460	-115%
Expense allowance on exclusive right	0	0	0	0	0%	0	0%
Expense allowance on investment loss in subsidiary	(582,085)	0	0	0	0%	582,085	-100%
Expense allowance on investment loss in associate	(55,937)	0	0	0	0%	55,937	-100%
Unrealized gain (loss) on exchange rate	(11,603)	(15,396)	(8,123)	7,273	-47%	3,480	-30%
<b>Profit (loss) after exceptional items</b>	<b>(2,217,410)</b>	<b>155,159</b>	<b>131,082</b>	<b>(24,077)</b>	<b>-16%</b>	<b>2,348,492</b>	<b>N/A</b>
Corporate income tax	(50,015)	(29,175)	(26,443)	2,732	-9%	23,572	-47%
<b>Profit (loss) after Corporate income tax</b>	<b>(2,267,425)</b>	<b>125,983</b>	<b>104,639</b>	<b>(21,344)</b>	<b>-17%</b>	<b>2,372,064</b>	<b>N/A</b>

- **GL recorded a gain of 17 million in from exceptional items in 3Q2018 due to a 25 million gain on the reversal of some allowances related to receivables and an unrealized loss on exchange rate of 8 million**
- **Profit after tax was 105 million, a decrease of 21 million or 17% compared to the previous quarter**



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# **LEGAL UPDATE**

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# Legal Update

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- **Thailand: Cases JTA brought against GL**
  - **Central Bankruptcy Court:** On 19 March 2018, the Court dismissed the bankruptcy case in favor of GL. JTA has since appealed the ruling and GL awaiting feedback from the court
  - **Civil Cases:** JTA filed against GL about alleged misrepresentation of financials and the preliminary hearing is scheduled for 7 December 2018. JTA filed another civil case against GL claiming reputational damages
  - **Criminal Case:** JTA filed against GL claiming GL posted inaccurate statements on its website. Preliminary hearing set for 12 December 2018
- **Thailand: Cases GL brought against JTA**
  - **Civil Case:** GL filed a civil case against JTA in the amount of THB 880 million related to the wrongful petition of bankruptcy by JTA against GL. Next hearing set for 17 December 2018
  - **Criminal Case:** GL filed a criminal case against JTA due to the wrongful petition of bankruptcy by JTA against GL. Next hearing set for 16 January 2019
- **Singapore: Cases JTA brought against GL**
  - **Case and Injunction:** JTA filed and the court granted an injunction against GL in Singapore, however on 23 February 2018 the injunction was dismissed in favor of GL. JTA appealed the ruling on the injunction and the court reinstated the injunction. Trial expected in 3Q2019
- **Indonesia: JTA brought against GL**
  - **Civil Case:** JTA's Indonesia subsidiary is claiming roughly THB 230 million in damages for alleged breach of contract