



Group Lease PCL

"Digital Finance"
~Platform for Billions~

Unqualified Opinion

ข้อสรุป

ข้าพเจ้าไม่พบสิ่งที่เป็นเหตุให้เชื่อว่าข้อมูลทางการเงินระหว่างกालดังกล่าว ไม่ได้จัดทำขึ้นตามมาตรฐานการบัญชีฉบับที่ 34 เรื่อง การรายงานทางการเงินระหว่างกาล ในสาระสำคัญจากการสอบทานของข้าพเจ้า

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

Overview

- **3Q2019 Result – YoY & QoQ**
- **Countries and Products**
- **Q & A**

3Q RESULT

PROFITABLE & PROGRESSING

3Q2019 Result

(Unit : Thousand Baht)					
	Q3 18	Q2 19	Q3 19	Chg. YoY	% Chg.
Revenues	729,556	639,953	612,503	(117,053)	-16%
1.1 Hire purchase interest and installment sales income	518,998	452,493	422,853	(96,145)	-19%
1.2 Asset - backed loan interest income	39,607	29,402	26,211	(13,396)	-34%
1.3 Interest on microfinance	41,167	43,467	45,560	4,393	11%
1.4 Interest on Consumer finance	15,750	870	632	(15,118)	-96%
1.5 Revenue from sales	1,901	1,464	1,583	(318)	-17%
1.6 Interest on loan receivables	474	450	570	96	20%
1.8 Hire purchase service fee income	24,384	22,635	22,165	(2,219)	-9%
1.9 Other income related to the activities of hire purchase	50,693	61,018	62,813	12,120	24%
1.10 Other income related to the activities of microfinance	7,847	2,428	3,339	(4,508)	-57%
1.13 Other income	11,976	4,092	7,297	(4,679)	-39%
Service and administrative expenses (exclude credit cost)	(290,573)	(300,417)	(314,233)	(23,660)	8%
2.1 Payroll and staff benefits	(197,562)	(172,055)	(170,666)	26,896	-14%
2.2 Depreciation and amortization	(13,197)	(13,237)	(12,184)	1,013	-8%
2.3 Professional fee expense	(25,718)	(43,996)	(55,401)	(29,683)	115%
2.4 Rental office	(11,423)	(11,097)	(11,131)	292	-3%
2.5 Cost of Good Sold	(1,616)	(1,251)	(1,364)	252	-16%
2.6 Other OPEX	(66,170)	(60,246)	(63,445)	2,725	-4%
2.7 Special allowance	25,113	1,465	(42)	(25,155)	-100%
Operating profit before Credit cost	438,983	339,536	298,270	(140,713)	-32%
Credit cost	(216,205)	(190,187)	(183,452)	32,753	-15%
4.1 Write-Off	(95,868)	(112,288)	(180,982)	(85,114)	89%
4.2 Provision	(24,482)	(4,992)	65,500	89,982	-368%
4.3 Loss on Repossessed MC	(93,599)	(71,730)	(72,219)	21,380	-23%
4.4 Impairment Stock NC	(2,256)	(1,177)	4,249	6,505	-288%
EBIT	222,778	149,349	114,818	(107,960)	-48%

- Revenue was down 16% YoY due to reductions in all major products. Cambodia, Laos, and Indonesia saw declines of more than 30% while Thailand declined by 14%. Myanmar grew 5%
- Professional fees increased by more than 115% due to increased legal and other hired experts
- Excluding professional fees and special allowances, OPEX decreased by 8%
- Credit costs decreased by 15%, largely in line with a 14% decrease in portfolio
- EBIT declined 48% mostly due to the decline in revenue
- Cash remains above THB 3 billion even after repaying Thai bond

3Q2019 Result

	(Unit : Thousand Baht)			Q3 18	Q2 19	Q3 19	Chg. YoY	% Chg.
EBIT				222,778	149,349	114,818	(107,960)	-48%
Finance cost				(99,982)	(96,798)	(90,636)	9,346	-9%
EBT before Gain (loss) on Exchange rate				122,796	52,551	24,182	(98,614)	-80%
Gain (loss) on exchange rate				(2,569)	15,323	(15,667)	(13,098)	510%
EBT after Gain (loss) on Exchange rate				120,227	67,874	8,515	(111,712)	-93%
Share of profit from investments in associates				10,855	(30,793)	27,218	16,363	151%
EBT plus share of profit from CCF				131,082	37,081	35,733	(95,349)	-73%
Corporate income tax				(26,443)	(38,881)	(22,979)	3,464	-13%
Net profit before non-controlling interests of the subsidiaries				104,639	(1,800)	12,754	(91,885)	-88%
Non-controlling interests of the subsidiaries				(2,233)	(2,045)	(3,240)	(1,007)	45%
Net profit for the period				102,406	(3,845)	9,514	(92,892)	-91%

- Net Profit for the period was 9.5 million, however this result included more than 55 million in professional fees and 15.7 million loss on exchange rate. Assuming a “normal” amount of 13 million per quarter for professional fees and excluding the loss on exchange rate, our net profit would have been more than 67 million

Important Updates

- **Rehabilitation**
 - The Bankruptcy Court of Thailand previously dismissed the bankruptcy claim against GL as the Court found:
 - No clear amount of liabilities as the Civil claim by JTrust has yet to conclude
 - Currently GL is not insolvent as the Company has more assets than liabilities
 - Update:
 - To our knowledge, JTrust has not yet filed an appeal
- **September Repayment of Thai Bond**
 - 1,500 million fully repaid
 - Our cash position is more than 3,000 million
- **Legal Cases**
 - Civil case in Thailand progressing
 - Singapore trial finished except closing arguments. Decision expected in 1Q20

3Q2019 Result Year over Year

Revenue

2018 Q3

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

2019 Q3

-16.04%
Down

612.50
M i l l i o n T H B
(20.03 Mil USD)

HP interest income*

2018 Q3

609.83

M i l l i o n T H B

(18.83 Mil USD)

2019 Q3

-16.62%
Down**508.46**

M i l l i o n T H B

(16.63 Mil USD)

* Includes consumer finance
interest and HP fee income

ABL interest income

2018 Q3

39.61
M i l l i o n T H B
(1.22 Mil USD)

2019 Q3

-33.82% Down

26.21
M i l l i o n T H B
(0.86 Mil USD)

Group Loan interest income

2018 Q3

49.01
M i l l i o n T H B
(1.51 Mil USD)

2019 Q3

-0.32% Down
48.90
M i l l i o n T H B
(1.60 Mil USD)

* Includes other income
related to microfinance

Share of profit from investments in associates

2018 Q3

10.86
M i l l i o n T H B
(0.34 Mil USD)

2019 Q3

150.74 % UP
27.22
M i l l i o n T H B
(0.89 Mil USD)

Portfolio*

2018 Q3

7,599
M i l l i o n T H B
(234.68 Mil USD)

2019 Q3

-13.69%
Down

6,559
M i l l i o n T H B
(214.52 Mil USD)

Net Profit

2018 Q3

102.41
M i l l i o n T H B
(3.16 Mil USD)

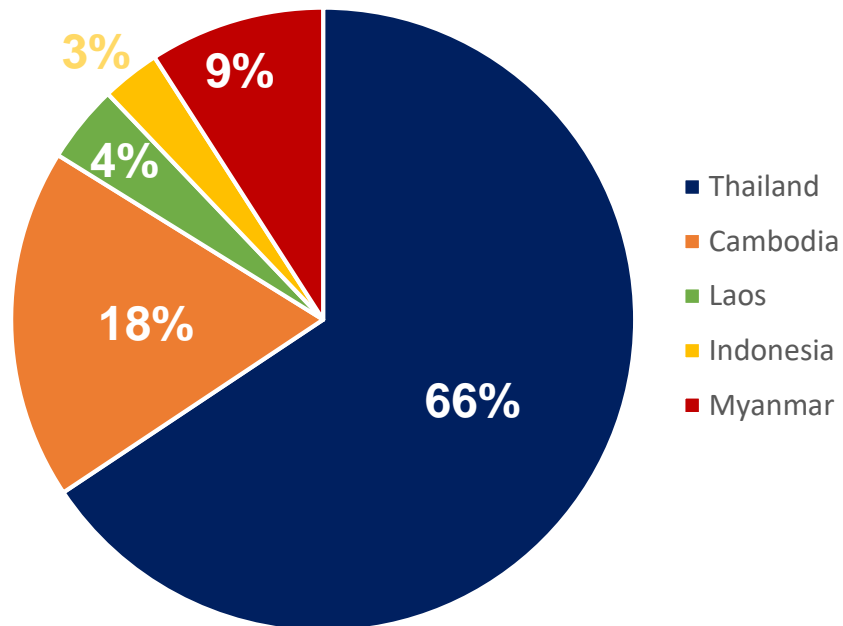
2019 Q3

-90.71 %
Down

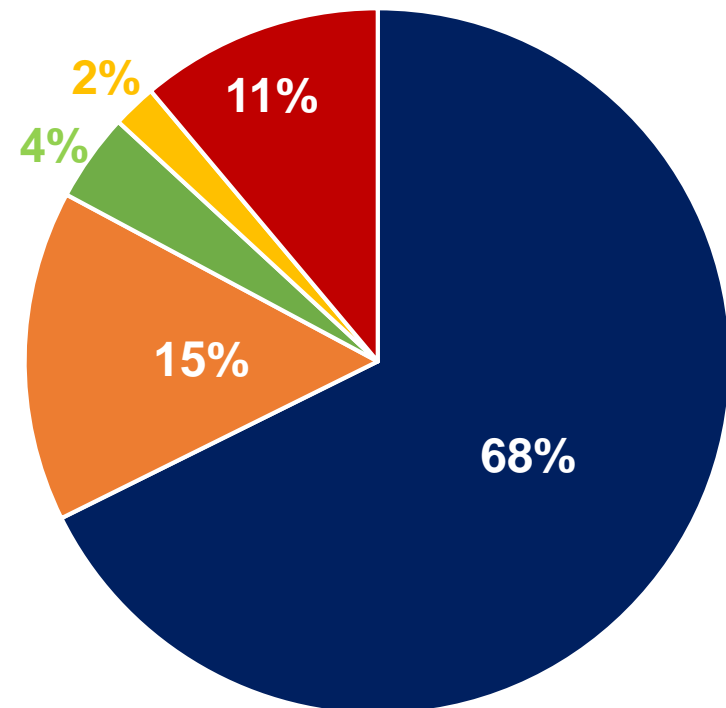
9.51
M i l l i o n T H B
(0.31 Mil USD)

Revenue by Countries

2018 Q3

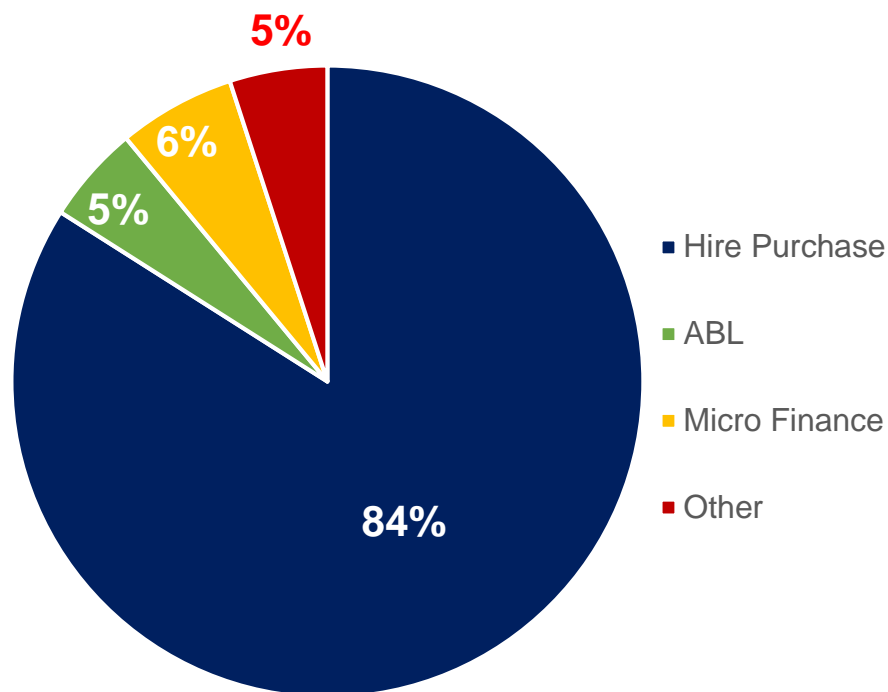


2019 Q3

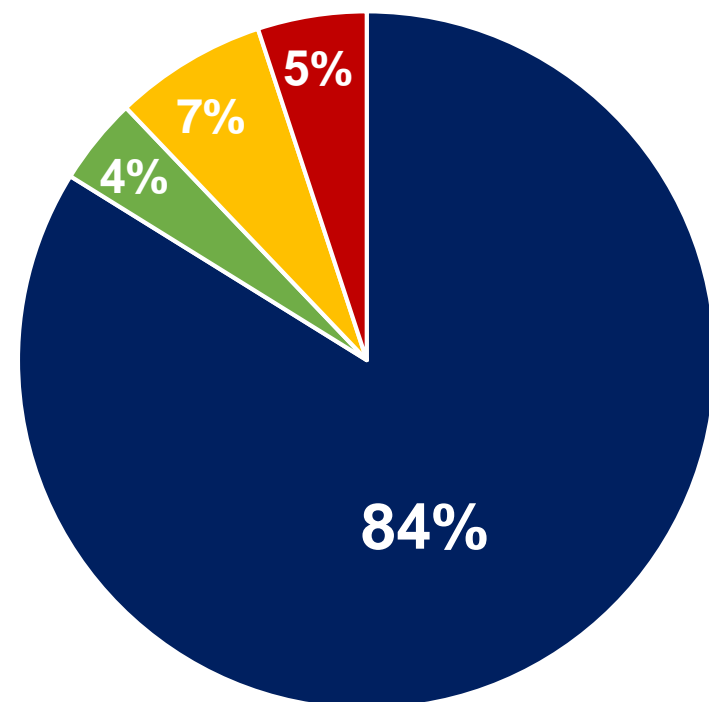


Revenue by Products

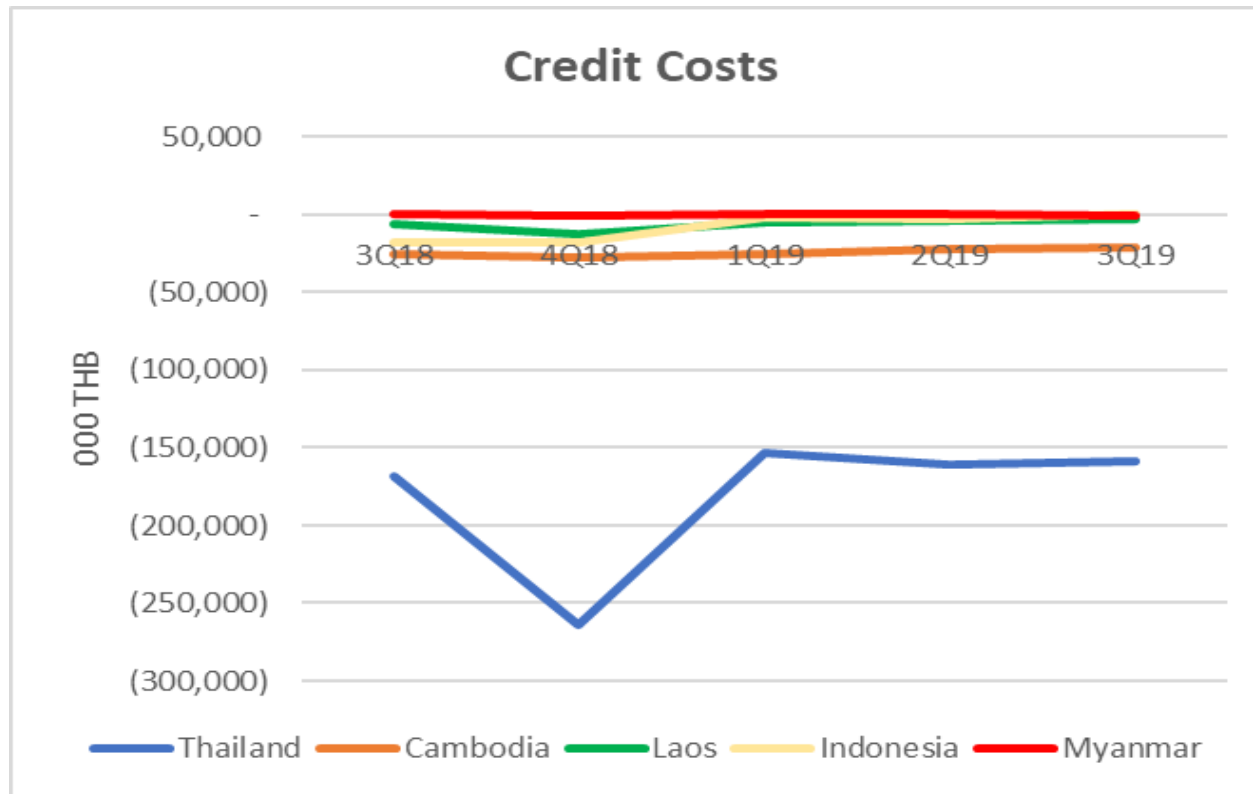
2018 Q3



2019 Q3

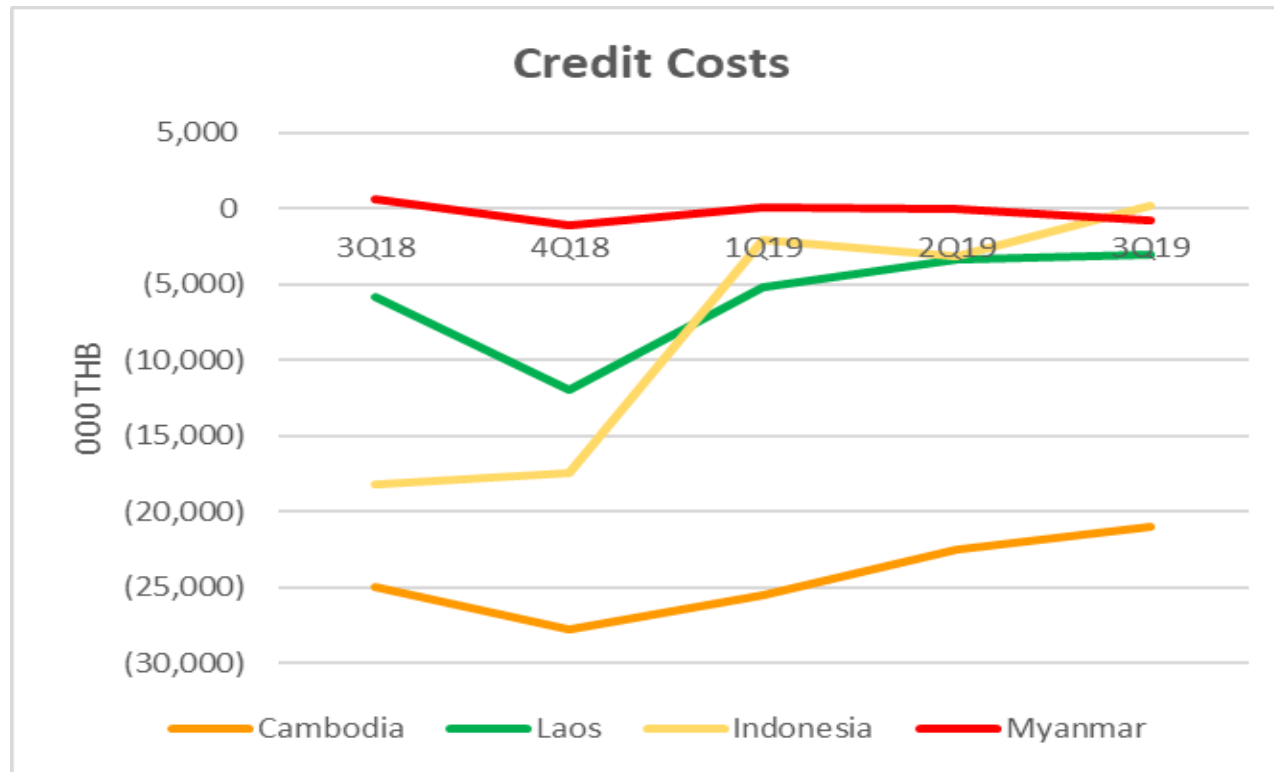


Quality Improvement



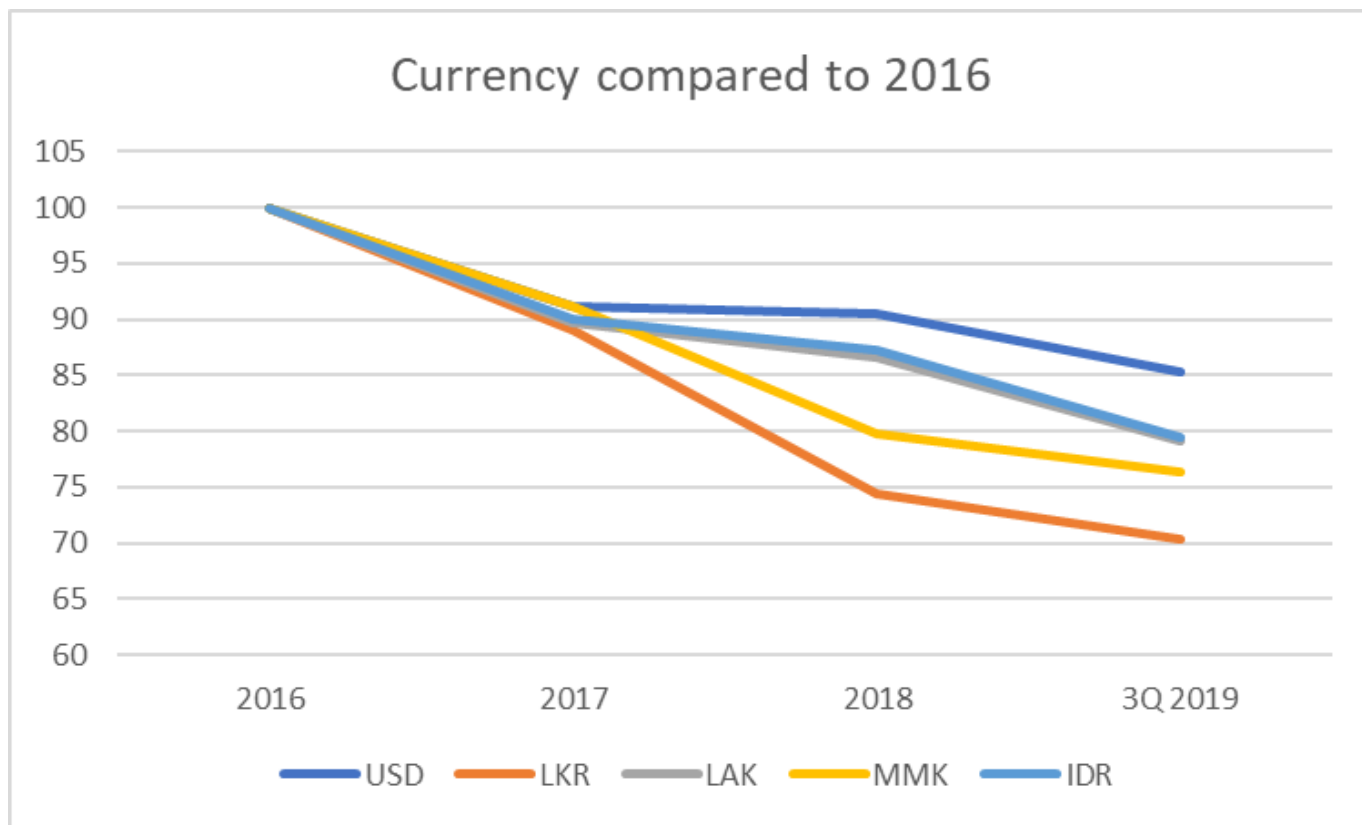
- Thailand is the main driver of credit costs as it is the majority of our business
- Credit costs have been roughly flat in Thailand (outside our allowance policy change in 4Q18) though recently have stated to see improvements

Quality Improvement



- When Thailand is excluded, we can more clearly see improvement in Cambodia, Indonesia, and Laos
- Indonesia is still restructuring and we are waiting for more performance before committing significant capital

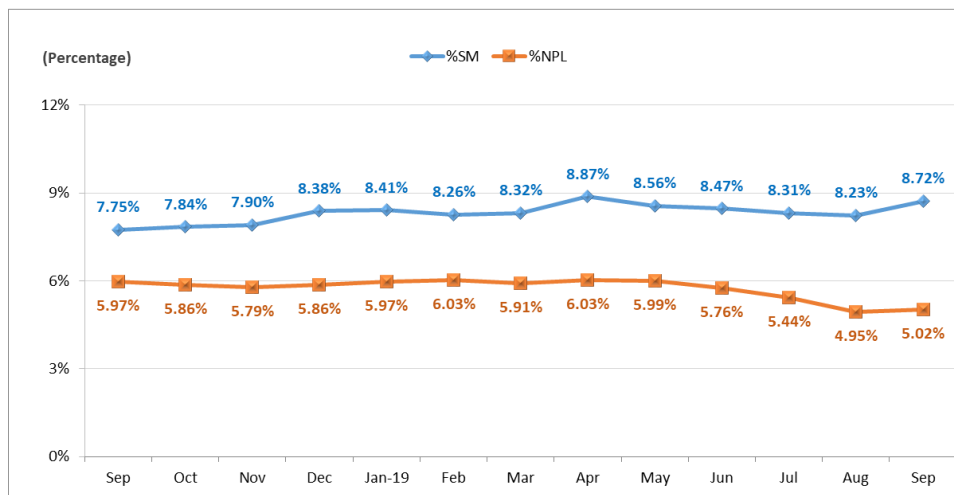
GL Non-THB Currencies



Unit	Currency	2016	2017	2018	3Q 2019	Currency	2016	2017	2018	3Q 2019
1	USD	35.820	32.659	32.417	30.575	USD	N/A	-8.8%	-0.7%	-5.7%
1	LKR	0.239	0.213	0.178	0.168	LKR	N/A	-10.9%	-16.5%	-5.5%
100	LAK	0.438	0.393	0.379	0.346	LAK	N/A	-10.3%	-3.4%	-8.7%
1	MMK	0.026	0.024	0.021	0.020	MMK	N/A	-8.8%	-12.6%	-4.3%
1000	IDR	2.539	2.286	2.215	2.015	IDR	N/A	-10.0%	-3.1%	-9.0%

Strategy- Thailand

Total TNB Delinquency SM/NPL

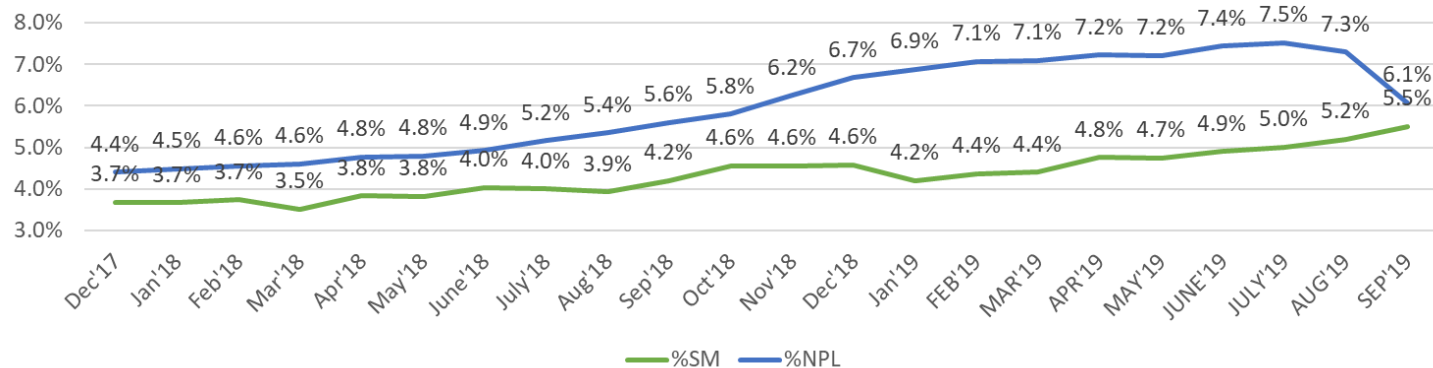


• Thailand

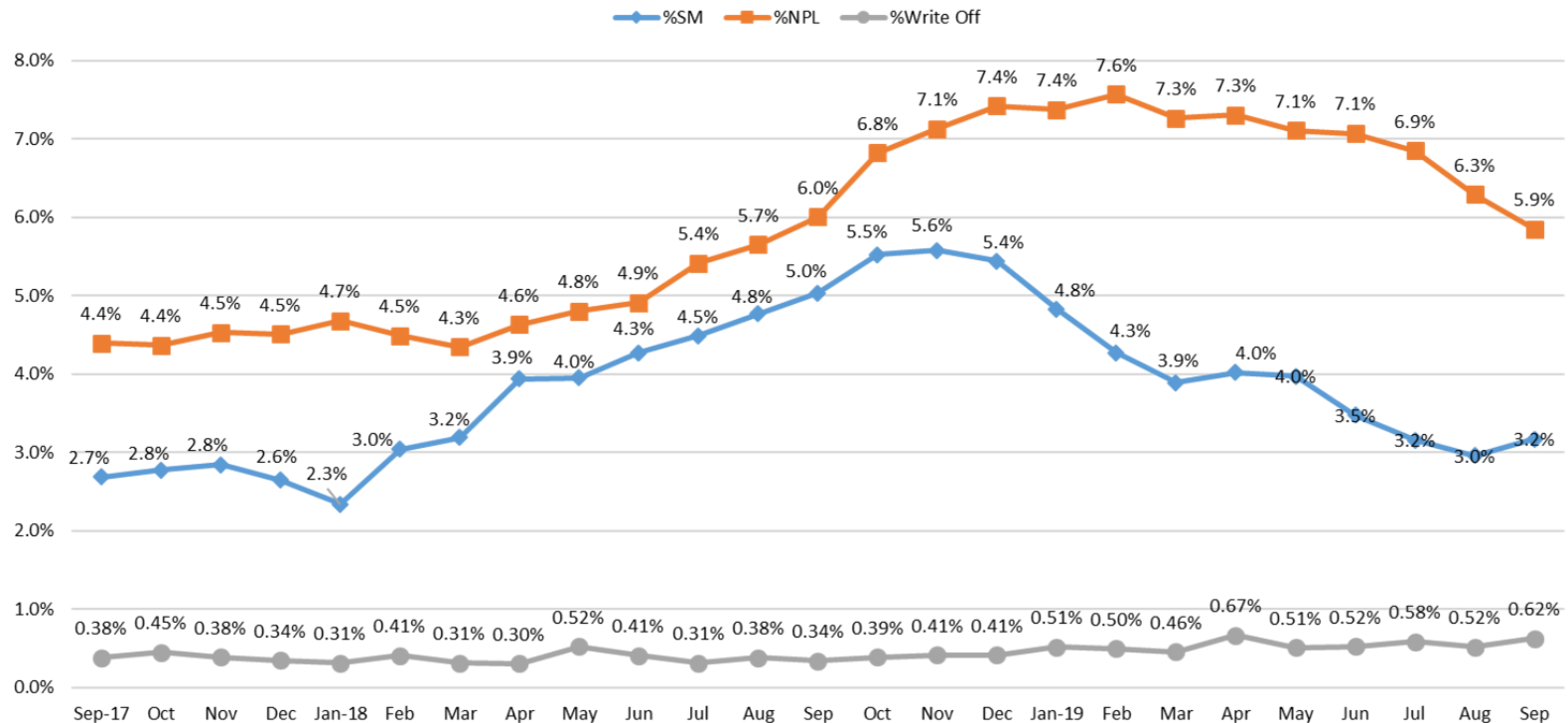
- Recent credit costs have been overall flat but we have started to see some NPL improvement
- We reduced our portfolio as we positioned us for growth, we plan to target more small dealers and grow with higher quality customers

GL HP Delinquency SM/NPL

Delinquency SM/ NPL



Strategy - Cambodia



• Cambodia

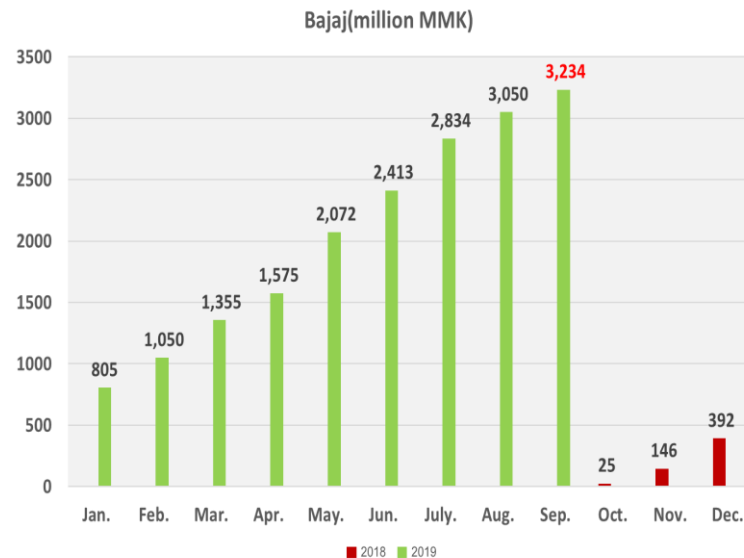
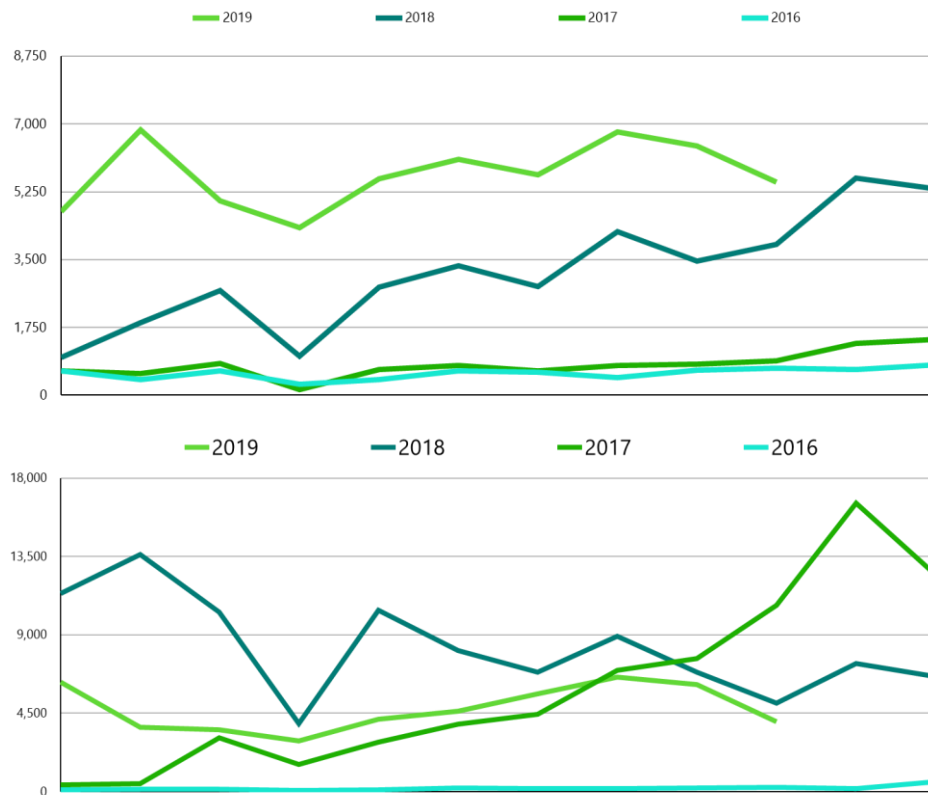
- Our new credit and collection criteria (including new phone collection strategy) have shown improvements in NPL and as a result credit costs have declined
- Bajaj has increased from roughly nothing at the start of the year 27 dealers and over 4% of portfolio

Strategy - Myanmar

Myanmar

- Bajaj portfolio now more than 23% of “GL-AMMK portfolio” after 1 year
- Microfinance: Now monthly customers moving up to the next loan level continue to outnumber the number of new customers. We prefer to focus on customers we know

New Customers Customers Moving to Next Loan



Strategy – Laos and Indonesia

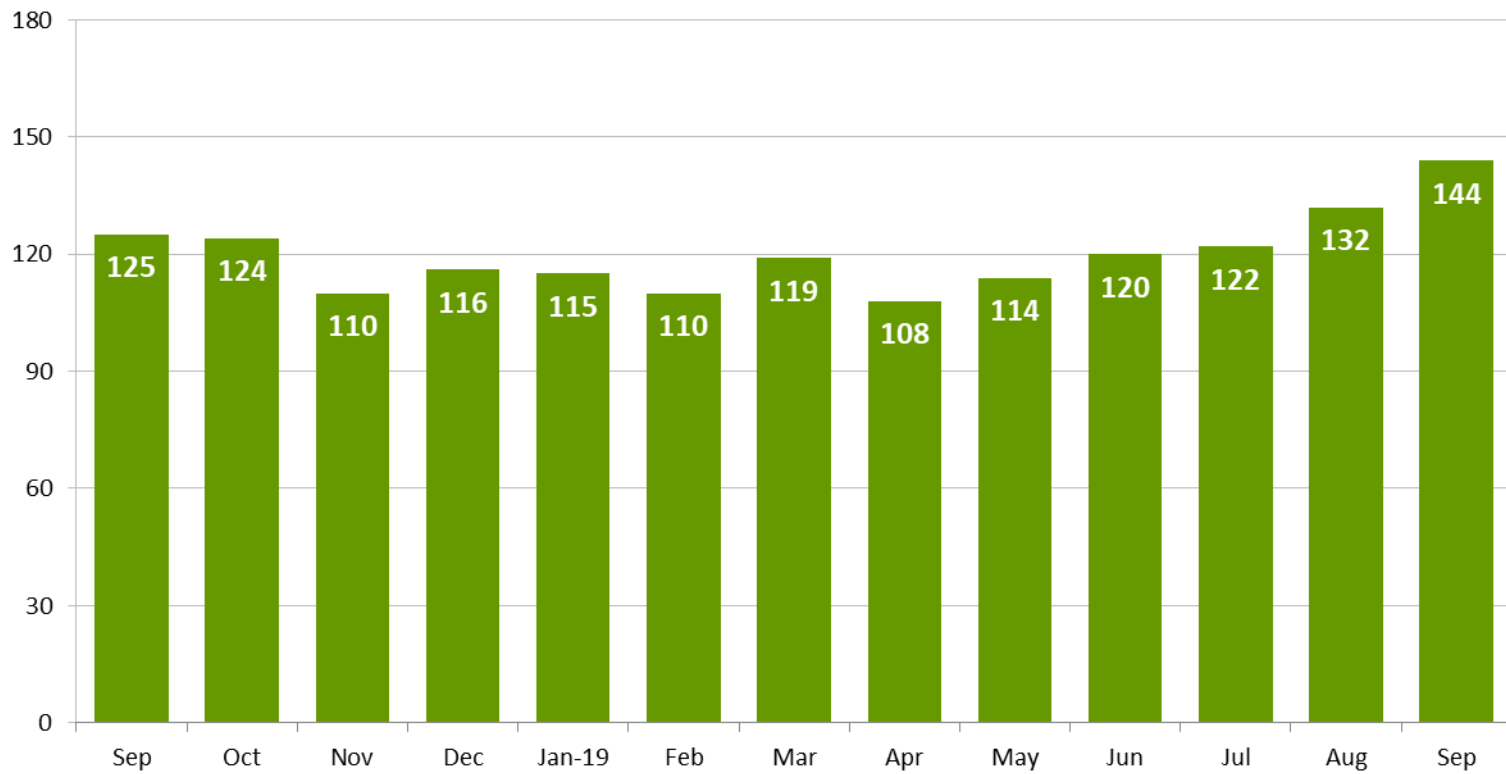
- **Laos**
 - We expect Laos to remain roughly flat but due to an improved NPL rate, credit costs declined 48% year over year.
 - We do not expect much growth but we will continue to focus on higher quality
- **Indonesia**
 - Continue to observe repayment and NPL rates and then we will start to become more aggressive in growing

THANK YOU

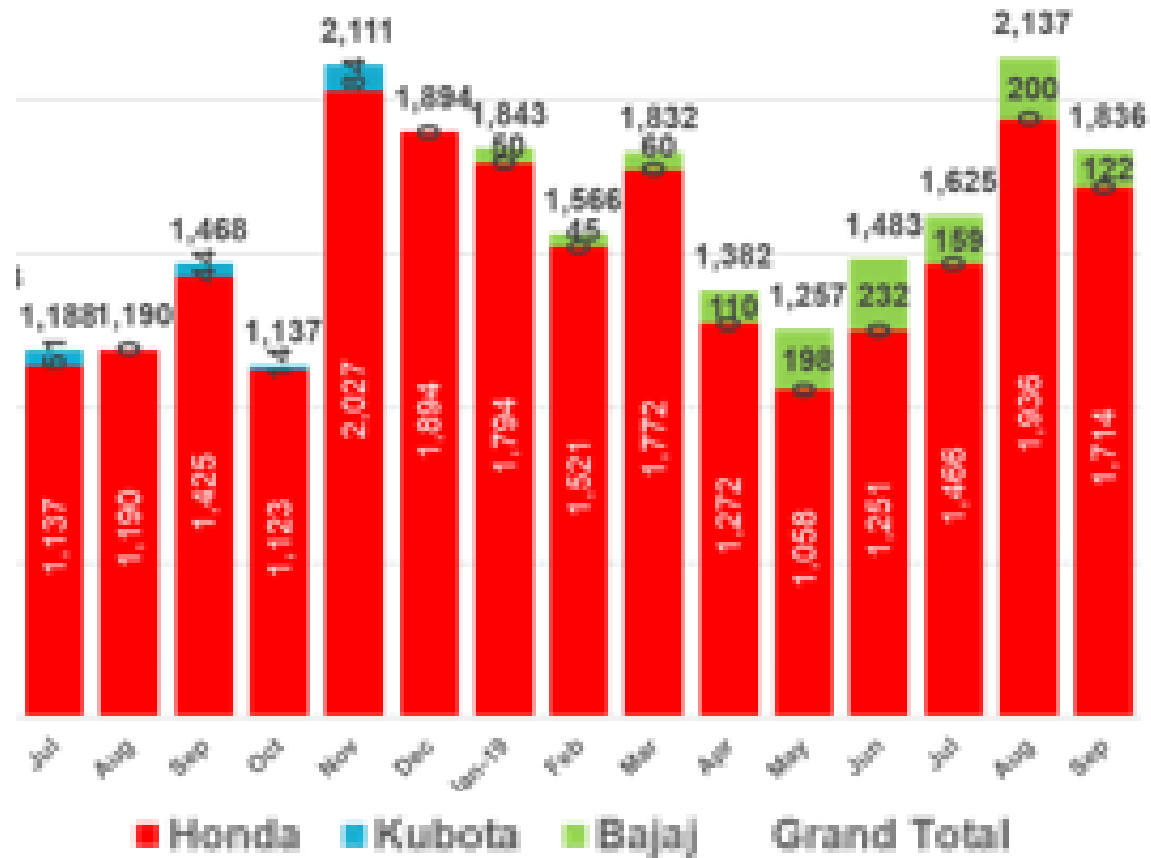
Strategy- Thailand

GL Dealers - Thailand

(Active Dealer)

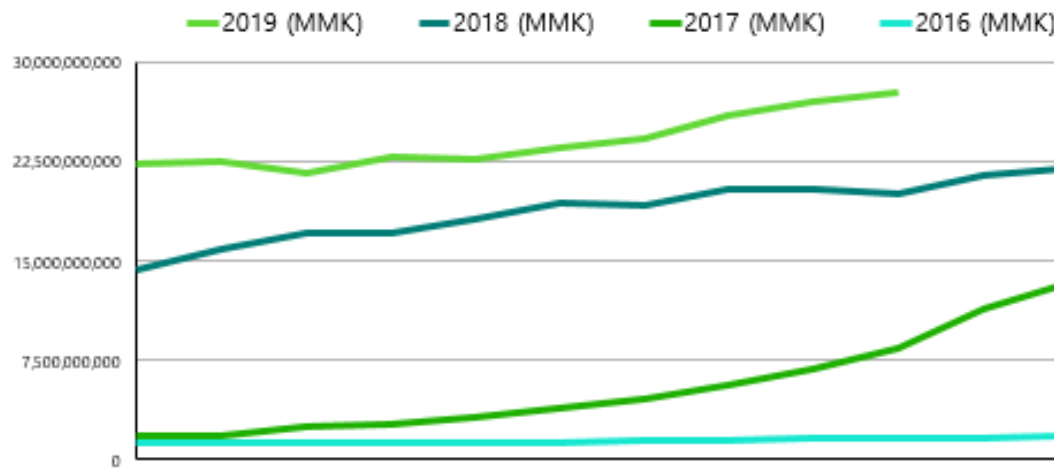


Strategy - Cambodia



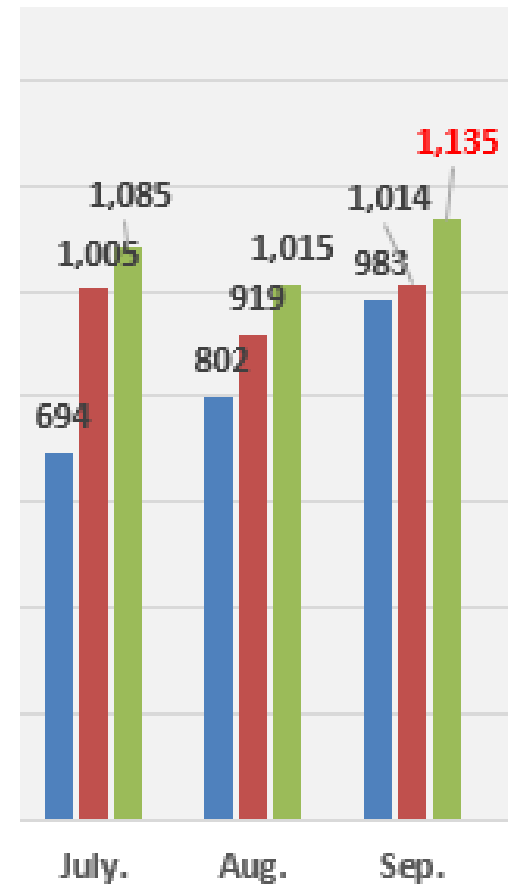
Strategy - Myanmar

BGMM Portfolio



Unit: MMK

GL-AMMK Sales



2017 2018 2019

Unit: Million MMK



3Q2019 Result

Quarter over Quarter



Revenue

2019 Q2

639.95
M i l l i o n T H B
(20.82 Mil USD)

2019 Q3

-4.29% Down
612.50
M i l l i o n T H B
(20.03 Mil USD)

HP interest income*

2019 Q2

537.02

M i l l i o n T H B

(17.47 Mil USD)

2019 Q3

-5.32%
Down**508.46**

M i l l i o n T H B

(16.63 Mil USD)

* Includes consumer finance
interest and HP fee income

ABL interest income

2019 Q2

29.40
M i l l i o n T H B
(0.96 Mil USD)

2019 Q3

-10.85% Down
26.21
M i l l i o n T H B
(0.86 Mil USD)

Group Loan interest income

2019 Q2

45.89
M i l l i o n T H B
(1.49 Mil USD)

2019 Q3

6.55%^{UP}
48.90
M i l l i o n T H B
(1.60 Mil USD)

* Includes other income
related to microfinance

Share of profit from investments in associates

2019 Q2

-30.79
M i l l i o n T H B
(-1.00 Mil USD)

2019 Q3

26.07
M i l l i o n T H B
(0.89 Mil USD)

Portfolio

2019 Q2

6,803
M i l l i o n T H B
(221.34 Mil USD)

2019 Q3

-3.59% Down
6,559
M i l l i o n T H B
(214.52 Mil USD)

Net Profit

2019 Q2

-3.85

M i l l i o n T H B
(-0.13 Mil USD)

2019 Q3

9.51

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