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# **ANNUAL REPORT 2022**

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# Mission and Value of EASY BUY Public Company Limited

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“We, EASY BUY Public Company Limited  
carry out our business with the intention  
to contribute to society.”

1

## Consciousness & Pride

We implement our duties  
with consciousness and pride  
that our work can contribute to society

2

## Creativity & Open Mind

We are open minded  
to all new ideas and innovation  
for the betterment of our services

3

## Continuous Improvement

We are constantly seeking new ways  
to enhance our performance and standard  
to offer our customers the highest quality service

# Corporate Key Figures

(Unit: Million Baht)

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Statements of Financial Position</b>			
Loan Receives (Net)	52,543.32	52,000.55	53,367.31
<b>Total Assets</b>	<b>54,954.27</b>	<b>54,816.50</b>	<b>55,898.22</b>
Current Liabilities	13,379.67	10,684.53	11,575.65
Non-Current Liabilities	13,265.78	12,903.36	10,035.83
<b>Total Liabilities</b>	<b>26,645.44</b>	<b>23,587.89</b>	<b>21,611.49</b>
Registered Capital	6,000.00	6,000.00	6,000.00
Retained Earnings (Deficit)	22,308.82	25,228.60	28,286.73
<b>Total Shareholders' Equity</b>	<b>28,308.82</b>	<b>31,228.60</b>	<b>34,286.73</b>
<b>Statements of Comprehensive Income</b>			
<b>Total Revenues</b>	<b>15,102.11</b>	<b>14,671.77</b>	<b>14,625.30</b>
Operating and Administrative Expenses	3,825.93	3,841.78	3,828.46
Expected Credit Losses	4,542.96	4,880.56	4,892.46
Financial Cost	647.65	404.78	350.16
Profit before income tax expense	6,085.57	5,544.67	5,554.22
<b>Net Profit</b>	<b>4,797.79</b>	<b>4,351.11</b>	<b>4,326.88</b>
<b>Basic Earnings per Share (Baht)</b>	<b>8.00</b>	<b>7.25</b>	<b>7.21</b>
<b>Key Financial Ratio</b>			
Average Funding Cost (%)*	2.46	1.76	1.71
Net Profit Margin (%)	31.77	29.66	29.58
Allowance for Expected Credit Losses to Total Account Receivables (%)	9.09	9.22	8.64
Non-Performing Loan to Total Account Receivables (%)**	3.75	2.35	2.50
Return on Average Assets (%)	8.70	7.93	7.82
Return on Average Equity (%)	17.73	14.62	13.21

Remark:

\* Average Funding Cost = Finance cost / average loan borrowing from financial institution and debenture

\*\* Non-Performing Loan is based on financial statement disclosure

# Capital Structure

## History of Capital Increase

Date	Registered and Paid-up Capital (Baht)	Number of Share (Share)	Par Value (Baht)
30 September 1996	120,000,000	12,000,000	10
11 October 2002	140,000,000	14,000,000	10
9 May 2003	185,000,000	18,500,000	10
24 September 2003	200,000,000	20,000,000	10
2 June 2011	300,000,000	30,000,000	10
2 November 2012	3,900,000,000	390,000,000	10
25 September 2015	4,500,000,000	450,000,000	10
17 May 2017	6,000,000,000	600,000,000	10

*As of 31 December 2022*

## Shareholding Structure

As of 31 December 2022, the Company had registered and paid-up capital of 6,000 million baht, divided into 600 million ordinary shares with a par value of 10 baht each. The major shareholders are as follows:

Shareholders	Number of Share (Share)	Percentage of Share (%)
ACOM Co., Ltd.	425,999,760	71.0%
GCT Management (Thailand) Co., Ltd.	150,000,000	25.0%
Bangkok Bank Public Co., Ltd.	24,000,000	4.0%
Others	240	0.0%
<b>Total</b>	<b>600,000,000</b>	<b>100.0%</b>

# Board of Directors

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As of 31 December 2022

**Mr. Takeo Noda**

Chairman of the Board and  
Chief Executive Officer

**Mr. Chatchai Lertbuntanawong**

Director and  
Chief Information Officer

**Mr. Masato Takami**

Director and  
Chief Operating Officer

**Mr. Motohide Shimizu**

Director and  
Chief Financial Officer

**Mr. Masaru Kuroda**

Director

**Mr. Tatsuri Fukui**

Director

**Mr. Witit Sujjapong**

Independent Director and  
Chairman of Audit Committee

**Mr. Paitoon Taveebhol**

Independent Director and  
Member of Audit Committee

# Financial Service

EASY BUY Public Company Limited (“The Company”) obtained a License of Personal Loan Business under Supervision according to the Article 12 of the Ministry of Finance (MOF) Notification, Re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58 (Personal Loan Under Supervision), dated 9 June 2005 and the Notification of the Bank of Thailand Re: Prescription of Rules, Procedures, and Conditions for Undertaking of Personal Loan Business under Supervision for Non-financial Institution Operators.

Presently, the Company conducts the Personal Loan business under Umay+ Brand with 2 main services;

- (i) Revolving loan, serving through Umay+ branches
- (ii) Installment loan, serving through company’s allied vendor shops

## Revolving Loan Service under Umay+ Brand

Customer can withdraw any desired amount of cash within the credit line at any time via the nationwide ATM network of Umay+ and allied commercial banks. In addition, the Umay+ revolving loan service can be used in conjunction with the Umay+ installment loan service. Customer can choose to pay using installment payments with allied vendors within the credit line of the revolving loan.

Customer can simply apply for Umay+ revolving loan service by filling and submitting a loan application form together with the required documents via Umay+ branch, Apply-Channel, and online service. The Company will determine the credit line of up to 5 times of the applicant’s monthly salary, depending on qualifications of each applicant. The Credit Scoring System is in use for credit granting process to make accurate, reliable, and fast credit underwriting to the applicants.

Umay+ Card divided into 3 types including revolving loans and installment loans services, each type of card has different characteristics as follows:



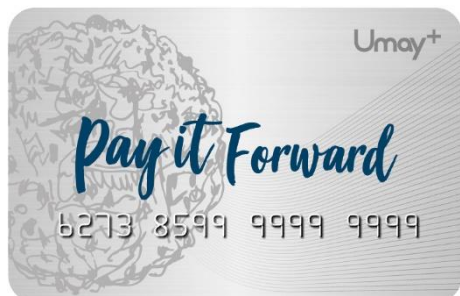
**Umay+ Card**

**1) Umay+ Card** was launched in August 2006, which is a card for applicants who have a regular monthly income of at least 7,000 Baht (data as of 31 December 2022).

2) **Umay+ Premier Card** was launched in November 2011, which is a card for applicants who have a regular monthly income of at least 20,000 Baht (data as of 31 December 2022 ).



**Umay+ Premier Card**



**Umay+ PAY IT FORWARD Card**

3) **Umay+ PAY IT FORWARD card** was launched in March 2013, which is a card for customers with sympathy to support the Company's social contribution activities. The objective is to help "Cancer research and cured project for underprivileged patients needed" and to support "Emergency Disaster Relief Funds". Since the beginning of this activity, the Company has accumulated amount of 78.36 Million Baht to the Thai Red Cross society (data as of 31 December 2022).

## Service Channels

Service Channels of Umay+ can be categorized as follows:

### Umay+ Branch

Umay+ Branch generally facilitates all customers by providing supportive functions related to its services. All Branch staffs have been well trained to ensure that a professional service is delivered to all customers. Innovative Technology is continuously applied to Umay+ Branch in order to maximize the customer satisfaction.

As of 31 December 2022 , Umay+ Branches are opened in 64 provinces nationwide, located in the department store, business center, and community. The Company has 96 branches in total, divided as follows:

1. 28 units in Bangkok and its vicinity
2. 9 units in the Northern
3. 26 units in the Central, Eastern and Western
4. 23 units in the North Eastern
5. 10 units in the Southern

Moreover, the Company established the Operation Centers in regional cities, to facilitate the efficiency of the credit granting process in nearby provinces. As of 31 December 2022, the Company has 5 Operation Centers: Bangkok Operating Center, Nakhonratchasima Operation Center, Chiangmai-Saha Sripoom Operation Center, Songkhla Operation Center, and Rayong Operation Center.



## Activity Booth

An Activity Booth is created to conduct sales activity within a particular period and only essential functions are provided, such as accepting Umay+ service applications, credit line increase requisitions, and offering service information. Customers will definitely receive quick quality service at the booth. As of 31 December 2022, Umay+ has 36 Activity Booths in total.

## Allied Vendor Shops for Installment Loan Service

Customers can apply for the Installment Loan service through allied vendors, which consist of shops, department stores, and retail stores. The Company always emphasizes the quality of collaboration with allied vendors. At the point of service, the intensive training program is provided to the assigned staffs in order to deliver the best service to customers. As of 31 December 2022, there are 136 allied vendors nationwide, which is divided into:

1. 74 vendors in Bangkok and its vicinity
2. 15 vendors in the Northern
3. 23 vendors in the North Eastern
4. 7 vendors in the Southern
5. 17 vendors in the Eastern

## Online Service

The trend of using online services is continually expanding because various online services can provide convenience to customers in many ways. Umay+ constantly develops and improves various online channels to create satisfaction, facilitate, and attract customers who have never used personal loan services. There are three main Umay+ Online service channels as follows:

(1) **www.umayplus.com:** Umay+ Official website was developed based on user-friendly concept, and easily accessible via the Internet. All service information is officially provided and easily found on this website.

(2) **Umay+ Application:** This application is developed to be user-friendly but having a high-level of security equal to the commercial banking system's standard. It can be easily used by both iOS and Android operating systems. The application also has Umay+ Virtual Card function which facilitates customer to make a transaction without plastic card. There is also e-Statement/e-NCB service that is free of charge. The Company has continuously improved and developed Umay+ Application in order to meet customers' need and be competitive in technology. As of 31 December 2022, Umay+ Application has more than 1.34 million active users.

(3) **Umay+ LINE Connect:** It was introduced in October 2017. Subscribers can promptly receive promotion and special privileges. Furthermore, customers who subscribe as registered members can receive Umay+ services anywhere and anytime. As of 31 December 2022, Umay+ Line Connect has more than 7.9 million subscribers.

Beside from the 3 main online channels, the Company also has the channels to communicate with target customers via social media such as;

1. Facebook (@umayplusofficial), which has 570,839 followers
2. Instagram (@umayplusofficial), which has 15,982 followers
3. YouTube (Umayplus), which has 97,651 subscribers
4. TikTok (@umayplusofficial), which has 47,071 followers

(as of 31 December 2022)

## Withdrawal Service

As Umay+ always concerns about the customer's convenience, therefore, the various cash withdrawal channels are provided to serve all customers as follows:

- Withdraw by a cash transfer to the registered bank account for 24 hours
  - Easy Mobile Cashing via the Umay+ Application
  - Easy LINE Cashing via Umay+ LINE Connect
  - Easy Tele Cashing via Interactive Voice Response (IVR); call 0-2695-0000
- Withdraw at Umay+ branch and 7 ATMs (As of 31 December 2022)
- Withdraw at over 50,000 ATMs of allied commercial banks such as Krungsri Bank, Bangkok Bank, Government Saving Bank, Kasikorn Bank, Krung Thai Bank, and Siam Commercial Bank
- Cardless Withdrawal by doing the transaction via Umay+ Application and then scan the QR Code at Umay+ ATM, or Kasikorn Bank ATM, or Siam Commercial Bank ATM

## Payment Service

Customers can choose to pay the minimum monthly installments through payment channels. The interest will be calculated only from the amount of credit used by the customer. The credit limit will be restored every time when repayment. Customers can use the payment service conveniently through the following channels:

- Pay via Umay+ Application - Krungsri Bank, Bangkok Bank, Kasikorn Bank, Krung Thai Bank, and Siam Commercial Bank or Payment by Barcode and QR Code
- Pay via Umay+ LINE Connect by Barcode and QR Code
- Pay by cash at Umay+'s branch and 7 ATMs (As of 31 December 2022)
- Pay via commercial bank's ATM or counters - Krungsri Bank, Bangkok Bank, Kasikorn Bank, Krung Thai Bank, Siam Commercial Bank, and Government Saving Bank
- Pay by cash at agent counters - Counter Service (7-Eleven, etc.), Lotus, CenPay, Mpay station (AIS, Telewiz), Shopee Counter, Shopee Pay Application and True money Counter
- Pay by automatic direct debit - Kasikorn Bank, Bangkok Bank, Siam Commercial Bank, Krung Thai Bank, Krungsri Bank, TMB Thanachart Bank, and Government Saving Bank

# Corporate Social Responsibility

EASY BUY Public Company Limited always conducts business with ethics and respects the rights of all stakeholders, which is an essential principles that the Company has been instilling in all employees. The Company sets a framework of corporate social responsibility which is covered Economic, Social, and Environmental aspects. The corporate social responsibility activities are conducted in accordance with the Good Corporate Governance Code in order for the sustainability growth in business operation.

## Economic Aspect

The Company prioritizes the compliance with the framework of fair-trade competition under the governed laws and business ethics, as well as financial intelligence as principles to improve people's living standard in a better and sustainable way.



- ❖ **Umay+ “MONEY FITNESS” Activity** is an activity to encourage and cultivate a financial planning idea by allowing the Thai youth to create and present the financial planning concept through a storyboard competition to be produced as a video clip and communicated public-wide through social media platforms.

## Social Aspect

The Company truly believes that the business operation with the Corporate Social Responsibilities integration is one of the most crucial factors to drive the sustainable development for community and nationwide. The Company continuously organized the activities by focusing on uplifting the educational standard of the youth, community health development, and supporting the events for sport development as deemed appropriate with the social context.

- ❖ **Umay+ “PAY IT...FORWARD” Activity** is an activity that the Company has conducted under the collaboration between EASY BUY and the Thai Red Cross Society for over 10 years with the objective is to help “Cancer research and cured project for underprivileged patients needed” and to support “Emergency Disaster Relief Funds”. Since the beginning of this activity, EASY BUY raised the donation over 78 Million Baht to the Thai Red Cross Society. In 2022, the Company continued to conduct the fundraising to support the cancer research and cure project for underprivileged patients via the Thai Red Cross Society.



- ❖ **Umay+ “makes Children’s Dream ...comes true” Activity** is an activity to support the development of education for youth in rural areas, such as the donation of educational supplies, renovation of the school environment, and luncheon to more than 63 schools in 46 provinces nationwide.



Moreover, the activity continues with the royal initiative and sufficient economy philosophy of His Majesty King Bhumibol Adulyadej the Great by preserving a path of sufficiency through concepts of “Integrated Agriculture” as well as creating knowledge for the local community in the area of sustainable integrated agriculture.

- ❖ **Marathon Activities** are the activities that support Thai community through marathon events as well as encourage Thai people to have a good health. Besides, it can help to promote a sport tourism industry and family relationship. In the year 2022, the Company had held 3 marathon activities, which are Umay+ Chiang Rai 21.1 Marathon 2022, Umay+ Bangkok Midnight Marathon 21.1 2022, and Umay+ Lamphun Half Marathon 2022.





## Environmental Aspect

Nowadays, environmental issues are a global concern. The Company realizes that our operations may have a direct or indirect impact on the environment. The Company devotes attention to environmental conservation and management by supporting environmental awareness through the Company's policies, practices or activities for environmental impacts abatement on a regular basis to encourage employees to have awareness and responsibility for the environment and to preserve the environment for a sustainable existence, for example;

- ❖ Umay+ "SAVE EARTH" is an activity that invited more than 200 staffs to join the activity at the Mangrove Forest Conservation Learning Center, Khlong Tamru Sub-district, Mueang District, Chonburi Province.

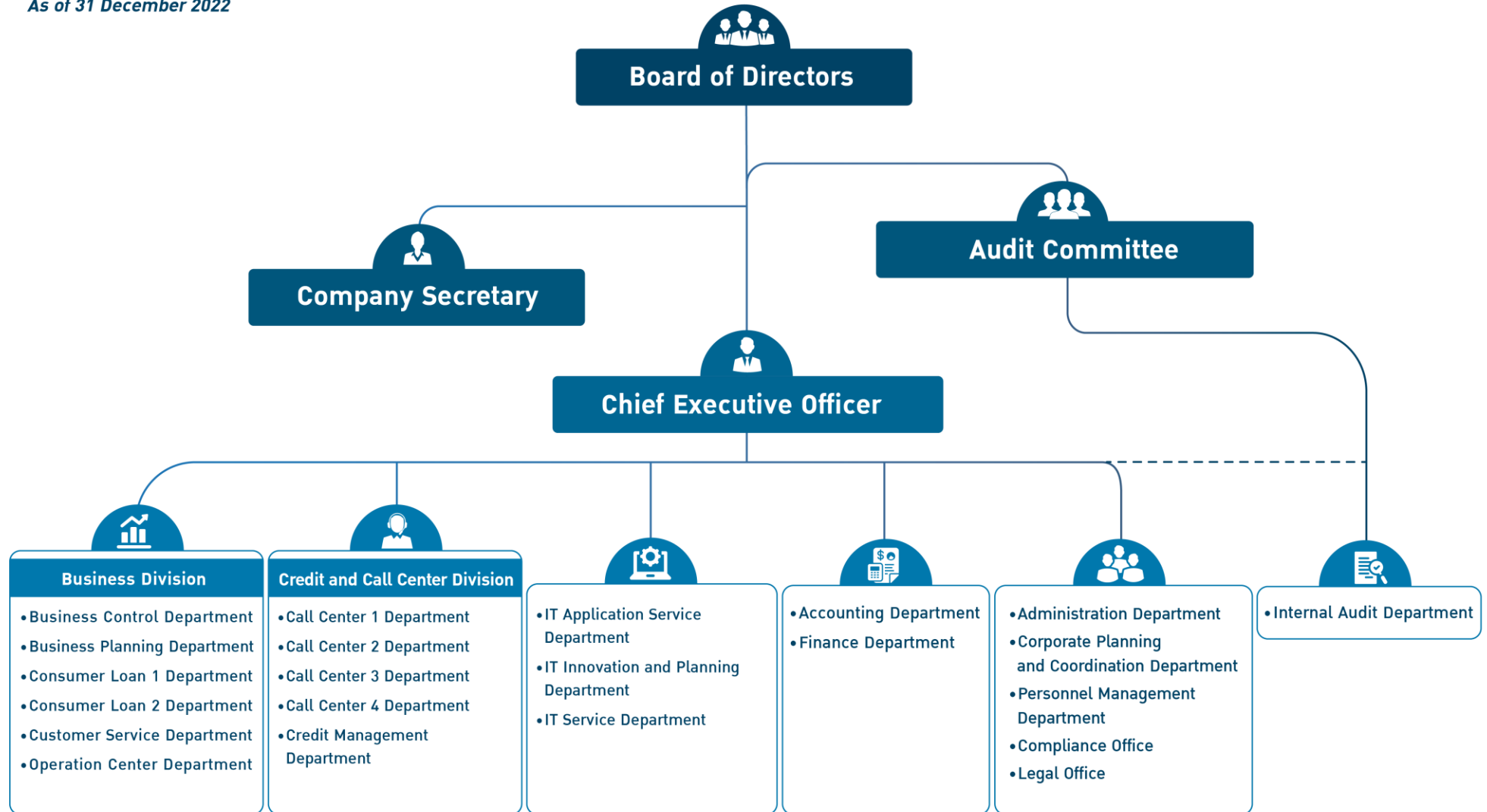


The activity aimed to promote awareness of the importance of restoring the destroyed environment, recovering green area that will absorb CO<sub>2</sub> and creating sustainability under the Sustainable Development Goals or SDGs.

- The Company also encourages customers to use the mobile application service and electronic transactions to save paper and other natural resources.
- In 2022, the Company continues to reduce paper usage throughout the organization, including to encourage the usage of digital systems for work operation.

# EASY BUY Organization Chart

As of 31 December 2022



# Management Structure

## Board of Directors

As of 31 December 2022, the Board of Directors is comprised of eight (8) directors as follows:

No.	Name - Surname	Position
1.	Mr. Takeo Noda	Chairman (Executive Director, Authorized Signatory)
2.	Mr. Chatchai Lertbuntanawong	Director (Executive Director)
3.	Mr. Masato Takami	Director (Executive Director, Authorized Signatory)
4.	Mr. Motohide Shimizu <sup>1)</sup>	Director (Executive Director, Authorized Signatory)
5.	Mr. Masaru Kuroda	Director (Non-Executive Director)
6.	Mr. Tatsuri Fukui	Director (Non-Executive Director)
7.	Mr. Witit Sujjapong	Independent Director
8.	Mr. Paitoon Taveebhol	Independent Director

*1) Appointed as a director to replace Mr. Yoshiro Yamaguchi who resigned, effective on 1 January 2022*

The Board of Directors consists of members with directorship qualifications as required by law. All of them are expert, experienced, and well-understanding on their roles and responsibilities as well as the nature of business operation, and able to delicately devote their time and energy as directors.

Mr. Sompong Anekvisudwong serves as the Company Secretary.

The directors authorized to sign on behalf of EASY BUY are; Mr. Takeo Noda who can solely sign with the Company Seal affixed; or Mr. Motohide Shimizu and Mr. Masato Takami who can jointly sign with the Company Seal affixed.

## Scope of authorities and responsibilities of the Board of Directors

1. Arrange the annual general meeting of shareholders within 4 months from the fiscal year-end date.
2. Arrange for the preparation and submission of the audited balance sheet and profit and loss statement at the end of each accounting period to shareholders' meeting for its consideration and approval.

3. Authorize any one or several directors to perform any action on behalf of the Board of Directors under the supervision of the Board of Directors, or granting the power-of-attorney to such designated director(s) to perform any action within the specified time as the Board of Directors may think fit; provided, however, that the Board of Directors has the sole discretion to revoke or modify such designated director or power-of-attorney as the Board of Directors may think fit.

For this purpose, the Board of Directors may authorize the Chief Executive Officer (CEO) to conduct any activities within the specified scope of work, duties and responsibilities of the CEO. No authorization will entitle the CEO to consider and approve the transaction which may cause a conflict of interest between the CEO, Executive Officers or any related person or interested person as the one party and the Company or its subsidiary companies as the other party. However, an exception is granted where the transaction conforms to the approved policies and rules of the Board of Directors.

4. Determine the goals, prospects, policies, business plans and budgets of the Company, and to ensure that the management work performed by the CEO and Executive Officers complies with the set policies. However, the Board of Directors needs to obtain the resolution of the shareholders' meeting before entering into these legal transactions, for instance, increase or reduction of capital, issue of bonds, sale or transfer of all or any substantial parts of the Company's businesses to any third party, purchase or acceptance of transfer of other businesses, amendment to the Memorandum of Association, and so on.

The Board of Directors is also responsible for ensuring the Company's compliance with the securities and exchange law and rules of the SET, for instance, rules concerning the entry into connected transactions and concerning purchase or sale of substantial assets, including any law governing the Company's business.

5. Review the management structure, appoint the Chief Executive Officer and any other committees as deemed appropriate, and be acknowledged the appointment of Tier 2 Executive of the Company.
6. Ensure that the Company's performance follows the business plans and budgets at all times.
7. Refrain from conducting any similar or competitive business, participating as partner in an ordinary partnership or partner with unlimited liability in a limited partnership or director in a private company or in any other firm, company or corporation operating the business similar to or in competition with the Company, regardless of whether for his/her own benefit or for others' benefit. However, an exception is granted where the director provides notice to the shareholders' meeting in advance of his/her effective appointment as director of the Company.
8. Notify the Company without delay of the event of likelihood that the director may have direct or indirect interests as a result of (i) the Company's entry into any agreement; and (ii) his/her increased or decreased holding of shares or bonds in the Company or its subsidiary companies.



## Audit Committee

As of 31 December 2022, the Audit Committee is comprised of two (2) members as follows:

No.	Name - Surname	Position
1.	Mr. Witit Sujjapong	Chairman of the Audit Committee (Independent Director)
2.	Mr. Paitoon Taveebhol	Member of the Audit Committee (Independent Director)

The Audit Committee consists of members with wealth of knowledge, experience, and comprehensive understanding of the nature of business operation and risk management, as well as truly independent from management. One of them is sufficiently knowledgeable and experienced to review the reliability of financial statements.

Mr. Sornsak Pupetch, the Head of Internal Audit Department, serves as the secretary of the Audit Committee.

## Scope of authorities and responsibilities of the Audit Committee

1. Review the financial report to ensure that the report is accurate and adequate.
2. Review the appropriateness and effectiveness of the internal control and the internal audit, consider the independence of the Internal Audit Department, and concur in the appointment, transfer and dismissal of the Internal Audit Department Head.
3. Review Company's operations that they are compliance with Securities and Exchange Acts, Stock Exchange regulations, and laws related to Company's business.
4. Consider, select, and recommend to the Board the appointment and the compensation of the independent auditors. Hold at least one meeting a year with the external auditors without the presence of management.
5. Consider the related party transactions that may involve conflict of interest to comply with laws and regulations of Stock Exchange and Securities and Exchanges Acts in order to assure that the transactions are justified and provide highest benefit to the Company.
6. Review to ensure that Company has a proper and efficiency risk management system.
7. Monitor and adequacy assessment for the Company's Anti-Corruption Policy.
8. Prepare audit committee's report for disclosure in the Company's annual report which shall be signed by the Audit Committee Chairman and consist of information as follows;
  - 8.1 Comments on accuracy, completeness, and reliability of Company's financial report.
  - 8.2 Comments on adequacy of Company's internal control system.
  - 8.3 Comments on compliance with Securities and Exchange Acts, Stock Exchange regulations, and laws related to Company's business.

- 8.4 Comments on appropriateness of the auditor.
- 8.5 Comments on related transactions that may involve conflict of interest.
- 8.6 Provide opinion regarding to adequacy of the Company's Anti-Corruption Policy.
- 8.7 Number of audit committee meetings and the participation of each Audit Committee Member.
- 8.8 Overall comments or notice that Audit Committee received from the execution of duty according to the Charter by performing self-assessment.
- 8.9 Other items that shareholders or general investors should know under the scope of duty and responsibility assigned by the Board of Directors.
- 9. Consider for the approval of risk based internal audit plan and essential resources which are presented by Internal Audit Department.
- 10. Report performance of the Audit Committee to the Board of Directors on quarterly basis.
- 11. While working under the scope, authority, and duty, Audit Committee has the power to invite related Executives, Managers, and Staffs to provide comment, participate in the meeting, or submit related or required documents.
- 12. Authorized to hire consultant or third party according to Company's regulation to provide comments or advice as appropriate.
- 13. Perform other duties as regulated or assigned by the Board of Directors as agreed by the Audit Committee.
- 14. While Audit Committee is carrying out the investigation, if the following transactions or actions which may significantly affect Company's financial position and operation results are detected or suspected, Audit Committee shall report to the Board of Directors to take the corrective action within the time the Audit Committee see as appropriate.
  - 14.1 Transactions that involve conflict of interest
  - 14.2 Fraud, abnormality, or relevant weakness in internal control
  - 14.3 Violation of Securities and Stock Exchange Act, Stock Exchange regulations, or laws related to Company's business.

If the Board of Directors or Executives do not proceed with the corrective action within the time as contained in Clause 1, one of Audit Committee may report the transactions or actions as in Clause 1 to The Securities and Exchange Commission (SEC) or The Stock Exchange of Thailand (SET).

- 15. In case the auditor found suspected actions on fraudulent behavior or violation of law by the committee, Board's member, or management and reported to Audit Committee, the Audit Committee shall preliminarily investigate and report the results to the Securities and Exchange Commission and the auditor within 30 days.

In the duties stated above, Audit Committee is directly responsible for the Board of Directors and the Board of Directors is also responsible for the operations of the Company to the third party.

## Executives

As of 31 December 2022, the Company has seven (7) Executives as follows:

No.	Name - Surname	Position
1.	Mr. Takeo Noda	Chief Executive Officer
2.	Mr. Chatchai Lertbuntanawong	Chief Information Officer
3.	Mr. Masato Takami	Chief Operating Officer
4.	Mr. Motohide Shimizu	Chief Financial Officer
5.	Mr. Shigenori Kimura	Senior Executive Officer
6.	Mr. Toshiharu Shimizu	Executive Officer
7.	Mr. Yasuhiro Otomo	Executive Officer

The Executives have extensive knowledge and capability as well as thorough understanding of their duties and responsibilities, and be able to make a good judgement for the benefits of the Company.

The Executive Officers Meeting is held at least once a month as scheduled. Chief Executive Officer, who is appointed by the Board of Directors, serves as the Chairman of the Executive Officers Meeting.

Mr. Sompong Anekvisudwong serves as the secretary of the Executive Officers Meeting.

## Scope of authorities and responsibilities of the Executives

Executives are assigned to achieve the Company’s goals in accordance with the policy, business plan, and budget set by the Board of Directors. The Executives shall provide full and accurate information and report to the Board of Directors.

# Report of the Audit Committee

To: Shareholders,

The Audit Committee, appointed by the Board of Directors, consists of two independent directors who have strong background in economics, accounting and finance. They are;

- |                          |                             |
|--------------------------|-----------------------------|
| 1. Mr. Witit Sujjapong   | Chairman of Audit Committee |
| 2. Mr. Paitoon Taveebhol | Member of Audit Committee   |

Mr. Sornsak Pupetch, Head of Internal Audit, serves as the Secretary to the Audit Committee.

The Audit Committee performed duties and responsibilities as assigned by the Board of Directors and according to the Audit Committee's Charter. This is in line with the Securities and Exchange Commission's guidelines on best practice. Neither member has any duties on any other committees. The incumbent Committee has been appointed for a term of three years which will end on March 1, 2023.

In 2022, the Audit Committee met with management and senior executives from relevant departments, the external auditors, and the internal auditors total 9 times as below table;

No.	Name-Surname	Position	Attend to the Audit Committee meeting
1.	Mr. Witit Sujjapong	Chairman of Audit Committee	9/9
2.	Mr. Paitoon Taveebhol	Member of Audit Committee	8/9

To consider and provide opinions and recommendations independently on the following matters:

## Financial Reports

To review accuracy, completeness, and reliability of the Company's interim and annual financial statements, significant accounting policies and financial reports to ascertain that they were in compliance with standards of Federation of Accounting Professions and that information disclosure was sufficient. The Audit Committee discussed with management, internal auditors and the external auditors on risks related to the preparation of the financial reports, relevant accounting standards, the changes thereof, significant accounting adjustments, accounting estimates, the appropriateness of accounting policies, the key audit matters related to scope of audits and internal control of report preparation process to ensure that they were prepared under generally accepted accounting procedures, accurate, complete, reliable, timely, and with adequate information disclosure with a sensible choice of accounting policies.

### **Internal Control System and Internal Audit System Review**

To ensure that the internal control and internal audit systems were adequate and effective, the Audit Committee considered the adequacy and effectiveness of internal control evaluation based on the internal auditor's quarterly and yearly summary report including the Company internal control evaluation results by self-assessment based on SEC guidelines questionnaire in accordance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission) Internal Control and concluded that the Company had generally adequate and effective internal control system.

The Audit Committee considered and agreed to risk-based audit approach of the Internal Audit 3 years medium-term plan, the annual internal audit plan, and the significant periodic revised audit plans, include with adequacy of internal audit resources.

In year 2022 Internal Audit Department received the 2<sup>nd</sup> time international standards quality assurance review by independent assessor team from PricewaterhouseCoopers ABAS Ltd. (PwC) to provide a quality assurance review (QAR) service the results of which confirmed overall conformance to International Professional Practice Framework (IPPF).

The Audit Committee also provided recommendations to Internal Audit Department plan to develop function goal to be serve as a trusted advisor for long-term and sustainable value. The Audit Committee considered Internal Audit Department's self-assessment result for conformance to the code of ethics, independence of internal audit activities, and the Standards of Internal Audit Professions for the year 2022 with the conformance results. Therefore, the Audit Committee has the opinion that the internal audit system is independent and appropriate.

Since the Company has been accredited by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on August 18, 2020 which valid for 3 years from the certified date, the Company had placed importance of regulatory compliance to anti-corruption and corruption practices and the Audit Committee had been regularly reported the supervision results from the Compliance Office. In year 2020 the Company prepared the self-assessment for re-certification and submitted results to the Audit Committee for reviewing in order to confirm the evaluation result and signed by the Chairman of Audit Committee and Chairman of the Board of Directors. The CAC Committee had approved to re-certified of the Company as Thailand's Private Collective Action Coalition Against Corruption on 30 September, 2020 which would be expired 3 years from the certified date.

### **Risk Management System**

The Audit Committee considered and reviewed the risk management plan and acknowledged the 2022 risk management report from management. The Audit Committee is of the opinion that the Company has suitable risk management system.

### **Regulatory and Applicable Laws Compliance**

The Audit Committee reviewed the Company's compliance with relevant laws and regulations issued by BOT, the Anti-Money Laundering Office, the Securities and Exchange Commission, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regulations, through relating to the Company's business. In addition, the Audit Committee regularly reviewed the management's compliance monitoring report. The Audit Committee is of the opinion that the Company is in compliance with relevant laws and regulations.

### Transactions with Potential Conflicts of Interest

The Audit Committee considered and commented on a regular basis all connected transactions as well as those transactions that might involve potential conflicts of interest in compliance with all laws and regulations of the Stock Exchange of Thailand (SET). The Audit Committee considered these connected transactions were part of the normal course of business with regular commercial conditions, sensible and in the interests for the Company.

### Overall View and Remarks as a Result of Performance of Duties:

The Audit Committee annually reviewed The Audit Committee Charter to ensure the update and made a self-assessment of its overall performance and duties for 2022 by Thai Institute of Directors (IOD) questionnaire guideline on November 17, 2022. The result showed overall the Committee performed its duties adequately and completely.

The Audit Committee also performed other duties within the scope of its responsibilities stated in the Audit Committee Charter as well as duties assigned by the Board of Directors by agreement of the Audit Committee and submitted summary reports to the Board of Directors regularly.

The Audit Committee had one meeting with the external auditors, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. without management being present, in order to discuss the independence of audit performance and obtain their direct feedback on the Company's operation and any issues of coordination among the concerned managements and suspicious behaviors prone to fraud or violations of the law related to the performance of directors and executives under Section 89/25 of the Securities and Exchange Act. In 2022, the auditors did not discover any material finding or receive reports of any suspicious behavior.

The Audit Committee considered and agreed to propose the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's auditor for year 2022 with an annual fee to the Board of Directors for subsequent approval by the Shareholders' Meeting.

The Audit Committee has performed its duties carefully and independently exercising its knowledge and capabilities, and adequately adhered to the principles of integrity, prudence, transparency and provided constructive comments and recommendations for the benefit of the Company and stakeholders without any limitation in obtaining information, resource and cooperation from the Company.

On behalf of the Audit Committee



(Mr. Witit Sujjapong)

Chairman of the Audit Committee

# History

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- 1996**
  - SIAM A&C was incorporated.
  - Started operating a consumer finance business by launching an Installment Loan Business.
- 1998**
  - Launched “EASY BUY” as the Company’s registered trademark.
- 2001**
  - Launched the Personal Loan Business, as an unsecured loan in the form of cash.
  - Opened the first upcountry branch in Nakorn Ratchasima province to provide consumer finance services to customers in the northeast region.
- 2002**
  - Increased registered capital from Baht 120 million to Baht 140 million for the existing shareholders.
- 2003**
  - Increased registered capital to Baht 200 million for the existing shareholders.
- 2005**
  - Transformed into a public limited company and changed its name to EASY BUY Public Company Limited.
  - Became under the supervision of the Bank of Thailand pursuant to the Notification of the Ministry of Finance.
- 2006**
  - Offered new personal loan service, the revolving loan, named “Umay+”, under slogan “Life is more manageable”.
- 2007**
  - Provided cash withdrawal channels via Commercial Bank’s ATM network to expand convenience to Umay+ customers.
- 2011**
  - Increased registered capital to Baht 300 million to the existing shareholders.
  - Launched new revolving loan service, named “Umay+ Premier”, focused on regular income earners from the middle class and upper.
- 2012**
  - Affirmed the Company’s rating of “BBB+” by TRIS Rating Co., Ltd.
  - Obtained the foreign business license to operate personal loans under the supervision of non-financial institution operators under the conditions prescribed by the Ministry of Finance.
  - Increased registered capital to Baht 3,900 million for the existing shareholders.

- 2013**
  - Achieved 1 million “Umay+” Cardholders nationwide.
- 2015**
  - Increased registered capital to Baht 4,500 million for the existing shareholders.
  - Affirmed the National Long Term Rating of the Company to AA(thai) with a Stable Outlook by Fitch Ratings (Thailand) (“Fitch Ratings”).
- 2016**
  - Upgraded the National Long Term Rating of the Company to AA+(thai) with a Negative Outlook by Fitch Ratings.
- 2017**
  - Affirmed the National Long Term Rating of the Company to AA+(thai) with Stable Outlook by Fitch Ratings.
  - Increased registered capital to Baht 6,000 million for the existing shareholders.
  - Certified to be a member of the Collective Action Coalition against Corruption (CAC).
- 2018**
  - Re-branded logo “Umay+”, under the tag line “Plus happiness to Life”.
- 2019**
  - Provided Cardless Withdrawal Service. Customers can simply initiate a withdrawal transaction via the Umay+ Application and then scan the QR Code at the transacted ATM to receive cash instantly.
- 2020**
  - Strengthen the agility of information technology and provide electronic services such as E-NCB, E-Statement, and E-NCB Yearly Letter, as well as providing Virtual Cards for customers.
- 2021**
  - Relocated Head Office to 8-11th Floor, Rasa Two, Phetchaburi Road, Makkasan, Ratchathewi, Bangkok
  - Reached a total of 1 million users of the Umay+ Application
- 2022**
  - The Company started to adopt the National Digital ID (NDID)
  - Reached a total of 1 million users of E-Statement and E-NCB



# Risk Factors 2022

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The Risk Management Committee analyzed and classified both external and internal risk factors that may occur and affect the Company's operations for effective risk management which could be summarized as follows:

## **1. Risk of Competition in the Personal Loan Market and being replaced by Substitute Products**

At present, the competition for personal loan business among commercial banks, financial institution, and non-financial service providers are extremely increasingly violent both in terms of the personal loan service that is similar and new financial services that will replace personal loan services including changing consumer behavior. It may affect strategy planning in marketing competition and the Company may lose competitive advantage and it may eventually have a significant impact on the Company's performance.

The Company has efficiently collected data to analyze the behavior and needs of consumers, leading to the determination of the Company's target groups and conducting marketing activities through a variety of promotional campaigns. In addition, there is also a follow-up on marketing movements such as market share, the movement of competitors, changes in consumer behavior and other factors that may affect the business including receiving suggestions from customers regularly. The Business Planning Department has reported such information to the management and responsible departments, and the Company continues to look for opportunities to create new products and services so that the business can continue to develop and meet the needs of consumers currently.

## **2. Risk from Relevant Laws and Regulations**

The Company is subject to the laws and regulations of various regulators such as the Ministry of Commerce, the Ministry of Finance, the Bank of Thailand, the Anti-Money Laundering Office, the Securities and Exchange Commission, and the Office of the Consumer Protection Board, etc. There may be internal processes that are inconsistent with relevant laws and regulations or employees may neglect and fail to comply with relevant laws and regulations, resulting in the Company getting punished with a fine or an order to stop operations temporarily, as well as changes in relevant laws and regulations may also directly affect business operations.

The Company has assigned the Compliance Office to follow up on violations of the laws of the financial sector in order to study and consider improving internal processes to be more efficient and follow up changes in government policies, laws and regulations related to the Company's business operations including analyzing the impact and reporting to the management team and related departments to be able to adjust business operations or internal processes to comply with relevant laws and regulations appropriately and timely including monitoring employees practices to ensure that employees comply with relevant laws and regulations and providing training on compliance with internal rules and regulations that is provided to relevant departments to ensure proper understanding.

### 3. Risk of Economic Condition in Thailand

The Company operates a consumer loan business which is considered one of the businesses that have a significant role in the micro economy. Wherewith consumption fluctuates according to economic conditions. If Thailand faces an economic recession, the consumer confidence and expenditure will fall spontaneously, and the demand for revolving loans may drop. This would negatively impact the growth of business in the financial sector and the Company.

The Company has followed up, analyzed and reviewed the economic situation and economic outlook, including, reporting to the management at least quarterly. The report includes both macro and micro economic analysis, including gross domestic product, household debt levels, inflation rates, interest rates, consumer Confidence index and the various factors affecting Thai economy etc., in order to prepare for potential economic changes. The report is also effective for the Company to adjust business activities and operations in accordance with the changing economy properly and promptly.

### 4. Risk of Brand Image and Reputation

The Company's business operation is always conducted by adhering to the government laws and regulations, especially the regulations of the Bank of Thailand. Despite strict compliance with the related laws and regulations, the Company has an awareness of the risk from negative news or reviews from employees, press, social media, and other sources, as well as inappropriate employee behaviour and inefficient complaint handling, that could damage the Company's brand image and reputation.

The Company regularly monitors events and news that may affect the Company's brand image and reputation. Moreover, the Company has internal rules, regulations, and procedure manuals to appropriately handle customer complaints and suggestions, resulting in customer complaints being handled efficiently by assigning the Customer Service Department as the center of complaints and suggestion handling. Additionally, the Company has effective monitoring systems and tools to monitor suspicious incidents and prevent fraud.

### 5. Risk of Difficulty in Recruitment and Retention of the Talent

The current situation of the finance sector has become more competitive, leading to a higher demand for personnel from financial institutions, which may affect the difficulty in recruiting quality employees. Moreover, inadequate workforce motivation and human resource development system may affect the retention of talented employees and result in higher turnover rate. These factors may lead to affect the Company's operations and achievements.

The Company recruited employees through various channels and employed specialized recruitment companies to find replacements based on business needs. In addition, there are exit interviews with employees about the reasons for their resignations to recognize and resolve any problems, and report to the relevant departments. Moreover, the Company plans career paths for employees to motivate and retain talented employees. Additionally, the Company also conducts employee engagement survey every 3 years.

## **6. Risk of Cyberattack or Major Disruption of the IT System**

Due to the Company's business operations relying mainly on computer networks and information technology systems for internal works processes and customer services, it is vulnerable to cyberattacks and leads to the leakage of confidential information, which will adversely affect the Company's reputation. In addition, a major disruption of the Company's important information technology system may affect business continuity and customer satisfaction.

The Company applies the National Institute of Standards and Technology (NIST) Cyber Security Framework and has a disaster recovery plan. The Company also emphasizes cybersecurity awareness and conducts testing for employees to keep the Company secure from cyberattacks and all critical business processes can be run smoothly.

## **7. Risk of Business Disruption**

The business operations may be disrupted by unexpected external situations such as natural disasters, man-made disasters, disease disasters, key supplier disruption, and technical disasters that damage the Company's assets and operations, resulting in a business disruption or ability to provide continuing service.

The Company has measures to mitigate the risk of damage related to business interruption by establishing a Business Continuity Management Policy as a framework for business continuity management. The Company has prepared a business continuity plan to serve as an operational guideline in crisis, ensuring that the Company can respond to any unexpected events and all critical business processes can be run continuously and proceed to recovery on time.

## **8. Risk of Decreasing of Loan Receivables Quality**

The Company is exposed to several risks such as economic recession, layoffs of employment, debt obligations of debtors with other financial institutions, and disasters, which may directly affect the customer's ability to repay their debt. In addition, internal and external fraud in the credit approval process may affect the quality of loan receivables, doubtful accounts expenses, and Non-Performing Loans (NPL).

The Company constantly monitors customer behavior and external situations that may affect the customer's ability to repay debt. Including monitoring the quality of loan receivables and regularly reviewing credit approval criteria to increase the quality of good credit and reduce the damage from decreasing quality of loan receivables. In addition, the Company is aware of the risk of internal and external fraud in the credit approval process by emphasizing the importance of Know Your Customer (KYC) procedures.

## **9. Risk of Liquidity**

The Company provides a revolving loan that allows the customers to use a card issued by the Company to withdraw cash within the approved credit-line through various service channels. Therefore, the Company may have a short-term liquidity risk if a considerable amount of cash withdrawal is higher than the Company's available balance and the long-term liquidity risk may increase due to the lack of funding. As a result, these may lead to an effect on insufficient working capital and confidence in business operations eventually.

The Company always monitors liquidity risk, as well as maintain cash level and cash equivalents to the level suitable for daily business operations on a regular basis. In addition, the Company manages a short-term credit facility from commercial banks and other institutions to support the customers' demand for cash withdrawal. As for long-term liquidity management, the following risk management methods are defined in the internal Financial Management Policy as follows:

- (i) Exploring the new funding sources
- (ii) Raising funds with a longer maturity
- (iii) Creating a proper funding structure
- (iv) Maintaining the Company credit rating in order to facilitate fund requirements

Additionally, the Company also have emergency funding source supported by ACOM Co., Ltd., ensuring that the Company has sufficient liquidity to support both normal situations and emergency situations.

## 10. Risk of Fluctuation of Interest Rate

Risk of fluctuation of interest rate cause by changes in market interest rates which directly impact the Company's operations and the cash flows due to the Company's funding generally comes from the bank loan and financial market. Therefore, if the loan interest rate increases, the financing cost will definitely increase.

However, the Company has established guidelines to manage interest rate risk by using derivatives and maintaining short-term/long-term loan balances and repayment, including the management of the ratio of floating – fixed funding rates. Furthermore, the Company has closely monitored a variety of situations, such as changes in interest rates in Thailand and the United States, the Thai bond market etc. to ensure that the Company can manage the risk of fluctuation of Interest rate.

## 11. Risk of Financial Information

Regarding the preparation of financial statements or financial reporting, the Company has to comply with Accounting Standards announced by the Federation of Accounting Professions as well as regulations and requirements prescribed by relevant regulators, such as the Securities and Exchange Commission Thailand, the Ministry of Commerce, the Revenue Department, and the Bank of Thailand. Furthermore, financial information risk might arise if the disclosed information is inaccurate or delayed, which may affect the Company's reputation and credibility to our stakeholders such as the parent company, shareholders, investors, and regulators eventually.

The Company extremely prioritizes to manage such risk by monitoring directly or indirectly news and announcements regarding financial information reporting from the regulators and External Auditors including attending training and seminars. Furthermore, the Company regularly reviews a provision of allowance for doubtful accounts to accuracy following Accounting Standards.

## 12. Risk of Improving Operational Effectiveness and Managing Fraud

The Company is aware of the risk from significant factors which may negatively affect the Company's operating costs and reputation. These factors include;

- (i) Intended to defraud, misappropriate property, and violations of laws, regulations, or internal policies and regulations
- (ii) Unintentional or negligent failure to treat the customer professionally, including inappropriate operational procedure, and deficient product or service design

- (iii) The transaction stage or management process that has failed in the relationship between the Company and counterparties and/or commercial partners

The Company continually improves internal processes to provide efficient, convenient, and speedy service for its customers. This includes establishing policies, rules and regulations to prevent internal fraud. In addition, the Company prepares procedure manuals on critical work processes and distributes them to employees through internal communication channels. The Company also closely monitors irregular case reports to reduce the potential impact on the Company's business.

### 13. Risks of Corruption

The corruption has an absolutely negative impact on the reputation of the Company which could damage large areas of operations. The Company has always realized the importance of Anti-Corruption, and the activities which would generate the corruption risk as follows:

- (i) Contacting with Government Agencies, which may occur from bribery either direct or indirect
- (ii) Tax Evasion, which may occur from illegal non-payment of tax by intention
- (iii) Charity Donation, which may occur from usage as a corruption or bribery channel

The Company has implemented the Anti-Corruption measures, establishing relevant internal policies, rules and regulations for instance; Anti-Corruption Policy, Authorization Rules, Ethics and Code of Business Conduct, Anti-Bribery Regulation, Compliance Regulation, Whistleblowing Regulation, Entertainment and Gift Regulation which are regularly reviewed.

Including, the Company always provides education to employees. In addition, the Company is a member of the "Collective Action Coalition Against Corruption (CAC Certification)" since October 2017.

### 14. Risks of Political Changes

Political changes such as government management, political stability, elections and government protests may affect consumer behaviour and the competitive advantage of the Company.

The Company assigned the Corporate Planning and Coordination Department to monitor changes in politics related to the business, and process data to analyze the impact on corporate strategies and operations. The result of the analysis is regularly reported to the managements and related departments to enable adjusting the strategies or operations timely.

# Report of the Independent Certified Public Accountants

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To the shareholders and Board of Directors  
EASY BUY Public Company Limited

## Opinion

We have audited the financial statements of EASY BUY Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2022, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EASY BUY Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

## Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Kasiti Ketsuriyonk

Certified Public Accountant (Thailand)

Registration No. 8833

**BANGKOK**

February 23, 2023

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**



EASY BUY PUBLIC COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022

Unit : Thousand Baht

	Notes	2022	2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	355,946	472,019
Loan receivables due within one year	8	53,323,443	51,959,174
Other receivables	9	135,828	151,191
Derivative assets	14 and 19	1,204	-
Total Current Assets		<u>53,816,421</u>	<u>52,582,384</u>
<b>NON-CURRENT ASSETS</b>			
Loan receivables	8	43,867	41,371
Leasehold improvements and equipment	10	147,940	192,954
Right-of-use assets	11	585,304	650,169
Intangible assets	12	13,790	23,813
Deferred tax assets	13	1,215,826	1,258,496
Other non-current assets		66,855	67,311
Long-term derivative assets	14 and 19	8,213	-
Total Non-current Assets		<u>2,081,795</u>	<u>2,234,114</u>
<b>TOTAL ASSETS</b>		<u><u>55,898,216</u></u>	<u><u>54,816,498</u></u>

Notes to the financial statements form an integral part of these statements

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2022**

Unit : Thousand Baht

	Notes	2022	2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings from financial institutions	6 and 14	4,465,111	2,998,149
Trade accounts payable		2,753	3,725
Other payables	15	498,887	510,522
Current portion of long-term borrowings from financial institutions	6 and 14	3,804,094	2,300,000
Current portion of debentures	14	1,999,251	3,999,570
Current portion of lease liabilities	16	141,793	154,440
Current income tax payable		660,377	688,346
Derivative liabilities	14 and 19	3,388	29,781
Total Current Liabilities		<u>11,575,654</u>	<u>10,684,533</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings from financial institutions	6 and 14	3,578,200	5,082,162
Debentures	14	5,696,673	6,994,003
Lease liabilities	16	468,440	510,615
Provision for employee benefits	17	207,040	227,526
Decommissioning obligations for leasehold improvement	18	57,961	57,763
Long-term derivative liabilities	14 and 19	27,359	31,098
Other non-current liabilities		159	194
Total Non-current Liabilities		<u>10,035,832</u>	<u>12,903,361</u>
<b>TOTAL LIABILITIES</b>		<u><b>21,611,486</b></u>	<u><b>23,587,894</b></u>

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2022**

Unit : Thousand Baht

	Notes	2022	2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL	20		
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		6,000,000	6,000,000
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve	21	600,000	600,000
Unappropriated		27,686,730	24,628,604
TOTAL SHAREHOLDERS' EQUITY		34,286,730	31,228,604
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>55,898,216</b>	<b>54,816,498</b>

Notes to the financial statements form an integral part of these statements

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Unit : Thousand Baht

	Notes	2022	2021
<b>REVENUES</b>			
Income from personal loans		13,192,169	13,237,370
Income from installment loans		17,015	18,721
Other income	23	1,416,114	1,415,676
Total Revenues		<u>14,625,298</u>	<u>14,671,767</u>
<b>EXPENSES</b>			
Operating expenses	24	914,646	905,494
Administrative expenses	24	2,913,814	2,936,281
Expected credit losses	8 and 24	4,892,462	4,880,556
Finance costs	6 and 26	350,161	404,770
Total Expenses		<u>9,071,083</u>	<u>9,127,101</u>
PROFIT BEFORE INCOME TAX EXPENSE		5,554,215	5,544,666
INCOME TAX EXPENSE	27	1,227,334	1,193,561
<b>NET PROFIT FOR THE YEARS</b>		<u>4,326,881</u>	<u>4,351,105</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Components of other comprehensive income that			
will not be reclassified to profit or loss			
Gain on remeasurements of defined benefit plans		41,556	3,345
Income tax relating to components of other			
comprehensive income that will not be			
reclassified to profit or loss			
		<u>(8,311)</u>	<u>(669)</u>
Other comprehensive income for the years, net of tax		<u>33,245</u>	<u>2,676</u>
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>FOR THE YEARS</b>		<u>4,360,126</u>	<u>4,353,781</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	7.21	7.25
<b>WEIGHTED AVERAGE NUMBER OF</b>			
<b>ORDINARY SHARES</b>	<b>SHARES</b>	600,000,000	600,000,000

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Thousand Baht

	Notes	Share capital Issued and paid-up	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
<b>Balance as at January 1, 2021</b>		6,000,000	600,000	21,708,823	28,308,823
Dividends paid	28.1	-	-	(1,434,000)	(1,434,000)
Total comprehensive income for the year		-	-	4,353,781	4,353,781
<b>Balance as at December 31, 2021</b>		<u>6,000,000</u>	<u>600,000</u>	<u>24,628,604</u>	<u>31,228,604</u>
<b>Balance as at January 1, 2022</b>		6,000,000	600,000	24,628,604	31,228,604
Dividends paid	28.2	-	-	(1,302,000)	(1,302,000)
Total comprehensive income for the year		-	-	4,360,126	4,360,126
<b>Balance as at December 31, 2022</b>		<u>6,000,000</u>	<u>600,000</u>	<u>27,686,730</u>	<u>34,286,730</u>

Notes to the financial statements form an integral part of these statements

EASY BUY PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Thousand Baht

	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the years		4,326,881	4,351,105
Adjustments for :			
Income tax expense		1,227,334	1,193,561
Depreciation and amortization expenses		330,766	370,291
Interest income		(13,209,184)	(13,256,091)
Finance costs		350,161	404,770
Expected credit losses		4,892,462	4,880,556
Employee benefit expense		22,363	21,557
(Gain) loss on disposal of equipment and intangible assets		(283)	1,018
Gain on lease modification		(1,425)	(117)
Gain on discount received from lease agreement		(1,257)	(5,215)
		(2,062,182)	(2,038,565)
Changes in operating assets and liabilities			
Loan receivables		(6,245,241)	(4,435,485)
Other receivables		13,320	49,016
Other non-current assets		456	(2,021)
Trade accounts payable		(972)	(1,643)
Other payables		52,789	(20,382)
Other non-current liabilities		(35)	194
Cash paid for operating activities		(8,241,865)	(6,448,886)
Cash received from interest income		13,195,197	13,353,799
Employee benefit paid		(1,293)	(280)
Interest paid		(432,072)	(517,538)
Income tax paid		(1,220,945)	(1,255,314)
Net cash provided by operating activities		3,299,022	5,131,781

**EASY BUY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Unit : Thousand Baht

	Notes	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchasing leasehold improvements and equipment	5	(42,554)	(85,894)
Proceeds from sale of equipment		524	419
Cash paid for purchasing intangible assets	5	(4,751)	(11,452)
Net cash used in investing activities		<u>(46,781)</u>	<u>(96,927)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings from financial institutions	5	41,644,663	52,318,542
Repayment of short-term borrowings from financial institutions	5	(40,174,663)	(53,968,542)
Proceeds from long-term borrowings from financial institutions	5	2,400,000	2,400,000
Repayment of long-term borrowings from financial institutions	5	(2,400,000)	(3,565,660)
Proceeds from issuing debentures	5	700,000	3,500,000
Repayment of debentures	5	(4,000,000)	(4,000,000)
Repayment of the lease liabilities	5	(236,314)	(249,630)
Dividends paid to owners of the Company	28	(1,302,000)	(1,434,000)
Net cash used in financing activities		<u>(3,368,314)</u>	<u>(4,999,290)</u>
Net increase (decrease) in cash and cash equivalents		(116,073)	35,564
Cash and cash equivalents as at January 1,		<u>472,019</u>	<u>436,455</u>
<b>Cash and cash equivalents as at December 31,</b>	<b>7</b>	<b><u>355,946</u></b>	<b><u>472,019</u></b>

Notes to the financial statements form an integral part of these statements

**EASY BUY PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. GENERAL INFORMATION AND OPERATIONS**

EASY BUY Public Company Limited (the “Company”) was incorporated in Thailand. Its registered office is located at 8th - 11th floors, Rasa Two, 1818 Phetchaburi Road, Makkasan, Ratchathewi, Bangkok.

The immediate parent of the Company is ACOM CO., LTD. which was incorporated in Japan.

The principal business of the Company is consumer finance business representing personal loans and installment loans.

The Company has conducted business under the Foreign Business Act B.E. 2542 since September 27, 2012.

**The Coronavirus disease 2019 (“COVID-19”) pandemic**

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

The Company issued relief measures to customers affected by the COVID-19 pandemic during the years 2022 and 2021 by reducing interest rate and skip payment for personal loan and installment loan customers following the Bank of Thailand’s relief measures for debtors affected by COVID-19 pandemic.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) and accounting practices generally accepted in Thailand.

The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 “Presentation of Financial Statements”, which was effective for the accounting period beginning on or after January 1, 2022 onwards, and the Notification of the Department of Business Development dated December 26, 2019 regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562”.



The financial statements have been prepared on the historical cost basis except for those described in the significant accounting policies (see Note 3).

Currently, the Company's operations relate to a single business segment which is the consumer finance business and carried out in a single geographic area which is Thailand.

## 2.2 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding Thai Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

## 2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

### Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of shareholders' equity, as appropriate.

### Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Functional and presentation currency**

The financial statements are presented in Baht, which is the Company’s functional currency. All financial information presented in Baht has been rounded in the financial statements to the nearest thousand Baht unless otherwise stated.

### **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits at banks and financial institutions and current investments with original maturities of 3 months or less.

### **3.3 Financial Instruments**

The Company recognizes financial assets and financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **3.3.1 Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### ***Classification of financial assets***

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ***Amortized cost and effective interest method***

The effective interest method is a method of calculating the amortized cost of a financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate).

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost.

### ***Impairment of financial assets***

The Company recognizes allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortized cost as well as loans to customers by applying expected credit loss model. The Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(a) Significant increase in credit risk

The Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Company considers constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Company considers that default has occurred when the past due is more than 90 days unless the Company has supportable information to demonstrate that a more lagging default criterion is reasonable.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for that financial asset because of financial difficulties

(d) Write-off policy

The Company writes off loans to customers when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For installment loan receivables, the exposure at default is represented by the asset's gross carrying amount at the reporting date.

For personal loan receivables, the exposure at default is represented by the asset's gross carrying amount at the reporting date and includes with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

### **3.3.2 Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

#### ***Financial liabilities measured subsequently at amortized cost***

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### ***Derecognition of financial instruments***

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which the risks and rewards of ownership are transferred.

A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation or the contract is cancelled or expires.

### **3.3.3 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cross currency and interest rate swap agreements, and interest rate swap agreements.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 3.4 Leasehold improvement and equipment

#### Recognition and measurement

Leasehold improvement and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling the removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvement and equipment.

Gains or losses on disposal of an item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment, and are recognized net within other income in the statement of profit or loss and other comprehensive income.

#### Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

#### Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. The estimated useful lives are as follows:

Leasehold improvements	5 years
Furniture, fixture and office equipment	3, 5 years
Vehicles	5 years

No depreciation is provided on assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.5 Intangible assets other than goodwill

#### *Other intangible assets*

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

#### *Amortization*

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software program licenses	3, 5, 10 years
Trademarks	10 years

### 3.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an assets exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

#### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of the asset's value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals of impairment*

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount loss not exceed the carrying amount has would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



### 3.7 Employee benefits

#### Defined contribution plans

A defined contribution plans is a post-employment benefit plan under which the Company pays fixed contributions into a separate company (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

#### Defined benefit plans

A defined benefit plan is a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Thai Government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method.

The actuarial gains (losses) are recognized as other comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus and compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.8 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

### Provision for demolished costs of leasehold improvements

Provision for demolished costs of leasehold improvements is based on discounting the expected future cash flows of provision for demolished costs of leasehold improvements. These costs are included as part of leasehold improvements.

### 3.9 Foreign currency transactions

Transactions denominated in currencies other than Thai Baht are translated into Thai Baht at the rates of exchange prevailing on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

### 3.10 Earnings per share

For the purpose of calculating basic earnings per share, the number of ordinary shares shall be the weighted average number of ordinary share outstanding during the period.

Using the weighted average number of ordinary shares outstanding during the period reflects the possibility that the amount of shareholders' capital varied during the period as a result of a larger or smaller number of shares being outstanding at any time. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

### 3.11 Income

For income from personal loan, interest and credit usage fee are recognized as income on an accrual basis using the effective interest rate method over the period of outstanding loan receivables (excluding accrued interest and fee), with income recognized when the payments fall due irrespective of when actual collection is made.

### 3.12 Bad debt recovery

Bad debt recovery is recognized as an income in the statement of profit or loss and other comprehensive income in the period which it is collected.

### 3.13 Lease

#### *The Company as lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a yield interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Thai Accounting Standard No. 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Thai Accounting Standard No. 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment” policy.

Variable rents that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Administrative expenses” in the statement of profit or loss and other comprehensive income.

### 3.14 Finance cost

Interest expenses and amortization expense of deferred issuance cost on debentures and borrowings are charged to the statement of profit or loss and other comprehensive income for the period in which they are incurred. The interest component of lease payments is recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

### 3.15 Income tax

Income tax expense for the year comprised current and deferred tax. Current and deferred taxes are recognized in the statement of profit or loss and other comprehensive income except to the extent that they relate to an items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used or taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable the future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.16 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, fair value measurements are categorized into Level 1, 2, and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows;

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

## 4. USE OF MANAGEMENT'S JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

### 4.1 Management's judgements in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Management's judgments in applying the Company's accounting policies are as follows:

#### 4.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (see financial assets sections of Note 3.3.1). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

#### 4.1.2 Significant increase in credit risk

As explained in Note 3.3.1, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Thai Financial Reporting Standards No. 9 "Financial Instruments" ("TFRS 9"), does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

### 4.2 Key sources of estimation uncertainty

The Company estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimate and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is outlined below

#### Calculation of allowance for expected credit loss

When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

## 5. ADDITIONAL CASH FLOW INFORMATION

5.1 Non-cash transactions of leasehold improvements and equipment for the years ended December 31, are as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Leasehold improvements and equipment</b>		
Liabilities recorded at beginning of the year	16,073	1,538
Purchase of leasehold improvements and equipment	30,875	100,429
	<u>46,948</u>	<u>101,967</u>
<u>Less</u> Cash paid for purchasing leasehold improvements and equipment	<u>(42,554)</u>	<u>(85,894)</u>
<b>Liabilities recorded at ending of the year</b>	<b><u>4,394</u></b>	<b><u>16,073</u></b>

For the years ended December 31, 2022 and 2021, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.84 million and Baht 24.01 million, respectively.

5.2 Non-cash transactions of intangible assets for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Intangible assets</b>		
Liabilities recorded at beginning of the year	-	-
Purchase of intangible assets	4,751	11,452
	<u>4,751</u>	<u>11,452</u>
<u>Less</u> Cash paid for purchase intangible assets	<u>(4,751)</u>	<u>(11,452)</u>
<b>Liabilities recorded at ending of the year</b>	<b><u>-</u></b>	<b><u>-</u></b>



### 5.3 Changes in liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at January 1, 2022	2,998,149	7,382,162	10,993,573	665,055	22,038,939
Changes in cash flow					
Cash proceeds	41,644,663	2,400,000	700,000	-	44,744,663
Cash repayment	(40,174,663)	(2,400,000)	(4,000,000)	(236,314)	(46,810,977)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	(3,038)	132	2,351	-	(555)
New lease agreement	-	-	-	185,129	185,129
Others*	-	-	-	(3,637)	(3,637)
As at December 31, 2022	<u>4,465,111</u>	<u>7,382,294</u>	<u>7,695,924</u>	<u>610,233</u>	<u>20,153,562</u>

\* Others consist of interest expense and lease agreement cancellation.

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at January 1, 2021	4,648,588	8,490,231	11,494,040	217,634	24,850,493
Changes in cash flow					
Cash proceeds	52,318,542	2,400,000	3,500,000	-	58,218,542
Cash repayment	(53,968,542)	(3,565,660)	(4,000,000)	(249,630)	(61,783,832)
Non-cash changes					
Differences on translating foreign currencies	-	59,456	-	-	59,456
Deferred issuance costs on debentures and borrowings	(439)	(1,865)	(467)	-	(2,771)
New lease agreement	-	-	-	736,119	736,119
Others*	-	-	-	(39,068)	(39,068)
As at December 31, 2021	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>665,055</u>	<u>22,038,939</u>

\* Others consist of interest expense and lease agreement cancellation.

## 6. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, a party is considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties are as follows:

Related parties	Type of business	Country of incorporation/ Nationality	Nature of relationships
ACOM CO., LTD.	Consumer Finance Business	Japan	Parent company, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policy
<b>Finance costs</b>	
Interest expense	as agreed in contract
Guarantee fee	as agreed in contract

Significant transactions with related parties for the years ended December 31, 2022 and 2021 are as follows:

	2022	Unit : Thousand Baht 2021
<b>Finance costs</b>		
<b>Related parties</b>		
Interest expense	76,829	67,406
Debenture arrangement fee	920	676
Upfront fee	-	67
<b>Administrative expenses</b>		
<b>Key management personnel</b>		
Key management personnel's compensation (Short-term benefits)	81,632	91,232
Key management personnel's compensation (Long-term benefits)	931	1,108

Balances with related parties as at December 31, 2022 and 2021 are as follows:

	2022	Unit : Thousand Baht 2021
<b>Short-term borrowings from financial institution</b>		
<b>A related party</b>		
Bank of Ayudhya Public Company Limited	160,000	665,000
<b>Total</b>	<b>160,000</b>	<b>665,000</b>

As at December 31, 2022 and 2021, short-term borrowings from financial institution - related party bear interest at rates at 1.56% per annum and 0.81% per annum, respectively.

	2022	Unit : Thousand Baht 2021
<b>Current portion of long-term borrowings from financial institution</b>		
<b>A related party</b>		
Bank of Ayudhya Public Company Limited	1,604,094	1,700,000
<b>Long-term borrowings from financial institution</b>		
<b>A related party</b>		
Bank of Ayudhya Public Company Limited	2,880,000	2,784,094
<b>Total</b>	<b>4,484,094</b>	<b>4,484,094</b>

As at December 31, 2022 and 2021, long-term borrowings from financial institutions - related party bear interest at rates ranging from 1.23% to 2.62% per annum and 0.57% to 2.62% per annum, respectively.

	2022	Unit : Thousand Baht 2021
<b>Other payables</b>		
<b>Accrued interest expense</b>		
<b>A related party</b>		
Bank of Ayudhya Public Company Limited	22,050	15,207
<b>Total</b>	<b>22,050</b>	<b>15,207</b>
<b>Deferred issuance cost (presented net from long-term borrowings and debentures)</b>		
<b>A related party</b>		
Bank of Ayudhya Public Company Limited	550	1,232
<b>Total</b>	<b>550</b>	<b>1,232</b>

## Significant agreements with related parties

### Guarantee fee agreements

The Company entered into agreements with ACOM CO., LTD., the parent company, which has guaranteed the financial institutions due performance of obligations by the Company under loan agreements with financial institutions (if any). In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of loans as stipulated in the agreements unless the Company gives prior written notice to terminate the agreements.

### Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Baht currency with volatility of floating interest rates by swapping floating interest rates to fixed interest rates as specified in the agreements (see Note 14).

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Cash on hand	8,517	117,564
Cash at banks - current accounts	175,409	210,855
Cash at banks - savings accounts	172,020	143,600
<b>Total</b>	<b>355,946</b>	<b>472,019</b>

In 2022 and 2021, above cash at banks bears interest at the rates of ranging from 0.15% to 0.35% per annum and 0.05% to 0.13% per annum, respectively.

## 8. LOAN RECEIVABLES

Unit : Thousand Baht

	As at December 31, 2022			As at December 31, 2021		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
<b>Due within one year</b>						
Loan receivables	58,231,694	145,638	58,377,332	57,091,842	156,223	57,248,065
<u>Less</u> Unearned interest income	-	(6,847)	(6,847)	-	(6,712)	(6,712)
Allowance for expected credit loss	(5,046,062)	(980)	(5,047,042)	(5,281,131)	(1,048)	(5,282,179)
<b>Net</b>	<b>53,185,632</b>	<b>137,811</b>	<b>53,323,443</b>	<b>51,810,711</b>	<b>148,463</b>	<b>51,959,174</b>
<b>Due over one year</b>						
Loan receivables	-	44,055	44,055	-	41,541	41,541
<u>Less</u> Unearned interest income	-	-	-	-	(3)	(3)
Allowance for expected credit loss	-	(188)	(188)	-	(167)	(167)
<b>Net</b>	<b>-</b>	<b>43,867</b>	<b>43,867</b>	<b>-</b>	<b>41,371</b>	<b>41,371</b>
<b>Total</b>	<b>53,185,632</b>	<b>181,678</b>	<b>53,367,310</b>	<b>51,810,711</b>	<b>189,834</b>	<b>52,000,545</b>

Expected credit losses for the years ended December 31, 2022 and 2021 comprise the following:

	Unit : Thousand Baht					
	Personal Loan Receivables	2022 Installment Loan Receivables	Total	Personal Loan Receivables	2021 Installment Loan Receivables	Total
Bad debts	5,185,838	2,117	5,187,955	4,883,738	2,169	4,885,907
Expected credit losses (reversal)	(295,443)	(50)	(295,493)	(5,313)	(38)	(5,351)
<b>Total</b>	<b>4,890,395</b>	<b>2,067</b>	<b>4,892,462</b>	<b>4,878,425</b>	<b>2,131</b>	<b>4,880,556</b>

Staging analysis for loan receivables as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht					
	As at December 31, 2022			As at December 31, 2021		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	55,372,954	188,730	55,561,684	53,690,377	196,660	53,887,037
Under-performing (Stage 2)	1,396,260	436	1,396,696	2,055,697	500	2,056,197
Non-performing (Stage 3)	1,462,480	527	1,463,007	1,345,768	604	1,346,372
	58,231,694	189,693	58,421,387	57,091,842	197,764	57,289,606
Less Unearned interest income	-	(6,847)	(6,847)	-	(6,715)	(6,715)
<b>Total</b>	<b>58,231,694</b>	<b>182,846</b>	<b>58,414,540</b>	<b>57,091,842</b>	<b>191,049</b>	<b>57,282,891</b>
Less Allowance for expected credit losses	(5,046,062)	(1,168)	(5,047,230)	(5,281,131)	(1,215)	(5,282,346)
<b>Net</b>	<b>53,185,632</b>	<b>181,678</b>	<b>53,367,310</b>	<b>51,810,711</b>	<b>189,834</b>	<b>52,000,545</b>

## Allowance for expected credit loss

The movements of the allowance for expected credit loss of loans receivables for the years ended December 31, 2022 and 2021 are as follows:

Unit : Thousand Baht

	Allowance for expected credit loss			
	12-month ECL (Stage 1)	Lifetime ECL- not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)	Total
Balance as at January 1, 2022	2,646,238	1,522,556	1,113,552	5,282,346
Changes in staging	(1,067,532)	(2,403,698)	3,471,230	-
New financial assets originated or purchased	184,022	-	-	184,022
Net remeasurement of loss allowance	1,230,187	1,881,026	718,834	3,830,047
Financial assets derecognized	(53,672)	(4,060)	(1,419)	(59,151)
Written off	(50,906)	(124,368)	(4,014,760)	(4,190,034)
<b>Balance as at December 31, 2022</b>	<b>2,888,337</b>	<b>871,456</b>	<b>1,287,437</b>	<b>5,047,230</b>

Unit : Thousand Baht

	Allowance for expected credit loss			
	12-month ECL (Stage 1)	Lifetime ECL- not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)	Total
Balance as at January 1, 2021	2,626,365	781,956	1,844,477	5,252,798
Changes in staging	(1,090,690)	(1,385,621)	2,476,311	-
New financial assets originated or purchased	161,680	-	-	161,680
Net remeasurement of loss allowance	1,053,281	2,251,247	508,826	3,813,354
Financial assets derecognized	(54,121)	(5,291)	(1,804)	(61,216)
Written off	(50,277)	(119,735)	(3,714,258)	(3,884,270)
<b>Balance as at December 31, 2021</b>	<b>2,646,238</b>	<b>1,522,556</b>	<b>1,113,552</b>	<b>5,282,346</b>



As at December 31, 2022 and 2021, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	2022	2021
Revolving loan receivables	56,076,108	54,753,608
Minimum payment loan receivables	2,155,586	2,338,234
<b>Total</b>	<b>58,231,694</b>	<b>57,091,842</b>

Revolving loans are repayable at any time subject to a minimum monthly payment of 3% of the principal as specified in the loan agreements. The Company classifies the total balance of revolving loan receivables within current assets.

Minimum payment loans are loans which the borrowers have the option to repay in full at any time or by monthly installments of not less than the minimum payment of from 3% to 8% of the total loan amount, as specified in the loan agreements. The Company classifies the total balance of minimum payment loan receivables within current assets.

Loan receivables of the Company as at December 31, 2022 and 2021 were denominated entirely in Baht currency.

#### Debt restructuring

For the years ended December 31, 2022 and 2021, the Company had recognized interest income on restructured loan receivables totaling Baht 46.10 million and Baht 70.48 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2022 and 2021 as follows:

	Unit : Thousand Baht			
	As at December 31, 2022		As at December 31, 2021	
	Number of Contracts	Amount	Number of Contracts	Amount
Restructured loan receivables	45,555	2,155,599	47,962	2,337,959
Non-restructured loan receivables	2,226,571	56,258,941	2,178,304	54,944,932
<b>Total</b>	<b>2,272,126</b>	<b>58,414,540</b>	<b>2,226,266</b>	<b>57,282,891</b>

As at December 31, 2022 and 2021, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

## 9. OTHER RECEIVABLES

Other receivables as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Receivables from collection agencies	73,673	101,844
Prepaid expenses	51,541	27,241
Others	11,600	23,215
<u>Less</u> Allowance for expected credit losses	<u>(986)</u>	<u>(1,109)</u>
<b>Total</b>	<b><u>135,828</u></b>	<b><u>151,191</u></b>
	2022	2021
Expected credit losses (reversal) for the years ended December 31,	<u>(123)</u>	<u>(173)</u>

## 10. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2022 and 2021 are as follows:

Unit : Thousand Baht					
As at December 31, 2022	Balance as at January 1, 2022	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2022
<b>Costs:</b>					
Leasehold improvements	357,481	9,692	(12,686)	-	354,487
Furniture, fixtures and office equipment	562,531	13,183	(99,154)	8,837	485,397
Total	<u>920,012</u>	<u>22,875</u>	<u>(111,840)</u>	<u>8,837</u>	<u>839,884</u>
<b>Accumulated depreciation:</b>					
Leasehold improvements	242,392	31,900	(12,492)	-	261,800
Furniture, fixtures and office equipment	484,666	44,583	(99,105)	-	430,144
Total	<u>727,058</u>	<u>76,483</u>	<u>(111,597)</u>	<u>-</u>	<u>691,944</u>
Assets under installation	-	8,837	-	(8,837)	-
<b>Leasehold improvements and equipment</b>	<b><u>192,954</u></b>				<b><u>147,940</u></b>

Unit : Thousand Baht

As at December 31, 2021

	Balance as at January 1, 2021	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2021
<b>Costs:</b>					
Leasehold improvements	370,340	45,542	(129,029)	70,628	357,481
Furniture, fixtures and office equipment	690,839	25,220	(164,166)	10,638	562,531
Total	<u>1,061,179</u>	<u>70,762</u>	<u>(293,195)</u>	<u>81,266</u>	<u>920,012</u>
<b>Accumulated depreciation:</b>					
Leasehold improvements	340,591	29,646	(127,845)	-	242,392
Furniture, fixtures and office equipment	590,536	58,043	(163,913)	-	484,666
Total	<u>931,127</u>	<u>87,689</u>	<u>(291,758)</u>	<u>-</u>	<u>727,058</u>
Assets under installation	27,586	53,680	-	(81,266)	-
<b>Leasehold improvements and equipment</b>	<u><b>157,638</b></u>				<u><b>192,954</b></u>
<b>Depreciation for the years ended December 31,</b>					
2022					<u>76,483</u>
2021					<u>87,689</u>

As at December 31, 2022 and 2021, the cost of the Company's fully depreciated leasehold improvements and equipment still in use amounting to Baht 538.99 million and Baht 562.08 million, respectively.

## 11. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, 2022 and 2021 was as follows:

Unit : Thousand Baht

As at December 31, 2022

	Balance as at January 1, 2022	Additions	Disposal	Balance as at December 31, 2022
<b>Costs:</b>				
Buildings	704,246	128,845	(138,354)	694,737
Equipment	20,618	39,741	(37,052)	23,307
Vehicles	123,393	18,599	(11,841)	130,151
Total	<u>848,257</u>	<u>187,185</u>	<u>(187,247)</u>	<u>848,195</u>
<b>Accumulated depreciation:</b>				
Buildings	143,993	171,677	(125,811)	189,859
Equipment	6,580	36,968	(37,054)	6,494
Vehicles	47,515	30,864	(11,841)	66,538
Total	<u>198,088</u>	<u>239,509</u>	<u>(174,706)</u>	<u>262,891</u>
<b>Right-of-use assets</b>	<u><b>650,169</b></u>			<u><b>585,304</b></u>

As at December 31, 2021				Unit : Thousand Baht
	Balance as at January 1, 2021	Additions	Disposal	Balance as at December 31, 2021
<b>Costs:</b>				
Buildings	258,861	672,058	(226,673)	704,246
Equipment	55,879	19,922	(55,183)	20,618
Vehicles	84,989	46,560	(8,156)	123,393
Total	<u>399,729</u>	<u>738,540</u>	<u>(290,012)</u>	<u>848,257</u>
<b>Accumulated depreciation:</b>				
Buildings	136,036	190,020	(182,063)	143,993
Equipment	25,027	36,638	(55,085)	6,580
Vehicles	23,838	31,195	(7,518)	47,515
Total	<u>184,901</u>	<u>257,853</u>	<u>(244,666)</u>	<u>198,088</u>
<b>Right-of-use assets</b>	<u><b>214,828</b></u>			<u><b>650,169</b></u>
<b>Depreciation for the year ended December 31,</b>				
2022				<u>239,509</u>
2021				<u>257,853</u>

The Company entered into several lease agreements covering buildings, equipment and vehicles for periods from one to nine years.

The maturity analysis of lease liabilities is presented (see Note 16).

	Unit : Thousand Baht	
	2022	2021
<b>Amounts recognized in profit or loss</b>		
Depreciation on right-of-use assets	239,509	257,853
Interest expense on lease liabilities	11,586	11,610
Expense relating to short-term leases	27,948	26,383
Expense relating to leases of low value assets	1,851	1,839
Expense relating to variable lease payments not included in the measurement of the lease liability	4,075	4,137
Gain from lease modification	1,425	117
Gain on discount received from lease agreement	1,257	5,215

For the years ended December 31, 2022 and 2021, the total cash outflow for leases amounting to Baht 236.31 million and Baht 249.63 million, respectively.

## 12. INTANGIBLE ASSETS

Intangible assets as at December 31, 2022 and 2021 are as follows:

Unit : Thousand Baht					
As at December 31, 2022	Balance as at January 1, 2022	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2022
<b>Costs:</b>					
Computer software	373,402	321	-	4,430	378,153
Trademark	3,710	-	-	-	3,710
Total	377,112	321	-	4,430	381,863
<b>Accumulated amortization:</b>					
Computer software	351,121	14,538	-	-	365,659
Trademark	2,178	236	-	-	2,414
Total	353,299	14,774	-	-	368,073
Computer software under installation	-	4,430	-	(4,430)	-
<b>Intangible assets</b>	<b>23,813</b>				<b>13,790</b>

Unit : Thousand Baht					
As at December 31, 2021	Balance as at January 1, 2021	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2021
<b>Costs:</b>					
Computer software	359,397	7,376	-	6,629	373,402
Trademark	3,710	-	-	-	3,710
Total	363,107	7,376	-	6,629	377,112
<b>Accumulated amortization:</b>					
Computer software	326,608	24,513	-	-	351,121
Trademark	1,942	236	-	-	2,178
Total	328,550	24,749	-	-	353,299
Computer software under installation	2,553	4,076	-	(6,629)	-
<b>Intangible assets</b>	<b>37,110</b>				<b>23,813</b>

<b>Amortization for the years ended December 31,</b>	
2022	14,774
2021	24,749

As at December 31, 2022 and 2021, the cost of the Company's fully amortized intangible assets still in use amounting to Baht 357.53 million and Baht 311.62 million, respectively.

### 13. DEFERRED TAXES

Deferred tax assets as at December 31, 2022 and 2021 consist of:

	Unit : Thousand Baht	
	2022	2021
<b>Deferred tax assets</b>		
Loan receivables (allowance for expected credit losses)	1,009,541	1,056,589
Loan receivables (bad debt written-off)	145,448	132,350
Provisions for employee benefits	41,408	45,505
Decommissioning obligation for leasehold improvements	8,400	7,405
Derivatives	4,266	12,176
Lease liabilities	4,942	2,965
Others	3,079	3,258
<b>Total</b>	<b>1,217,084</b>	<b>1,260,248</b>
<b>Deferred tax liabilities</b>		
Debentures and borrowings issuance cost	(1,258)	(1,752)
<b>Total</b>	<b>(1,258)</b>	<b>(1,752)</b>
<b>Net</b>	<b>1,215,826</b>	<b>1,258,496</b>

The movements of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 consist of tax effects from the following items:

	Unit : Thousand Baht			
	Balance as at January 1, 2022	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2022
<b>Deferred tax assets</b>				
Loan receivables (allowance for expected credit losses)	1,056,589	(47,048)	-	1,009,541
Loan receivables (bad debt written-off)	132,350	13,098	-	145,448
Provisions for employee benefits	45,505	4,214	(8,311)	41,408
Decommissioning obligation for leasehold improvements	7,405	995	-	8,400
Derivatives	12,176	(7,910)	-	4,266
Lease liabilities	2,965	1,977	-	4,942
Others	3,258	(179)	-	3,079
	<u>1,260,248</u>	<u>(34,853)</u>	<u>(8,311)</u>	<u>1,217,084</u>
<b>Deferred tax liabilities</b>				
Debentures and borrowings issuance cost	(1,752)	494	-	(1,258)
	<u>(1,752)</u>	<u>494</u>	<u>-</u>	<u>(1,258)</u>
<b>Deferred tax assets</b>	<u>1,258,496</u>	<u>(34,359)</u>	<u>(8,311)</u>	<u>1,215,826</u>

	Unit : Thousand Baht			
	Balance as at January 1, 2021	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2021
<b>Deferred tax assets</b>				
Loan receivables				
(allowance for expected credit losses)	1,050,714	5,875	-	1,056,589
Loan receivables (bad debt written-off)	148,325	(15,975)	-	132,350
Provisions for employee benefits	41,919	4,255	(669)	45,505
Decommissioning obligation for leasehold improvements	12,406	(5,001)	-	7,405
Derivatives	41,006	(28,830)	-	12,176
Lease liabilities	561	2,404	-	2,965
Others	3,361	(103)	-	3,258
	<u>1,298,292</u>	<u>(37,375)</u>	<u>(669)</u>	<u>1,260,248</u>
<b>Deferred tax liabilities</b>				
Debentures and borrowings issuance cost	(1,310)	(442)	-	(1,752)
	<u>(1,310)</u>	<u>(442)</u>	<u>-</u>	<u>(1,752)</u>
<b>Deferred tax assets</b>	<u>1,296,982</u>	<u>(37,817)</u>	<u>(669)</u>	<u>1,258,496</u>

## 14. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	As at December 31, 2022				As at December 31, 2021			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
<b>Current</b>								
Principal	4,470,000	3,804,094	2,000,000	10,274,094	3,000,000	2,300,000	4,000,000	9,300,000
<u>Less</u> Deferred issuance cost on debentures and borrowings	(4,889)	-	(749)	(5,638)	(1,851)	-	(430)	(2,281)
<b>Net</b>	<u>4,465,111</u>	<u>3,804,094</u>	<u>1,999,251</u>	<u>10,268,456</u>	<u>2,998,149</u>	<u>2,300,000</u>	<u>3,999,570</u>	<u>9,297,719</u>
<b>Non-current</b>								
Principal	-	3,580,000	5,700,000	9,280,000	-	5,084,094	7,000,000	12,084,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(1,800)	(3,327)	(5,127)	-	(1,932)	(5,997)	(7,929)
<b>Net</b>	<u>-</u>	<u>3,578,200</u>	<u>5,696,673</u>	<u>9,274,873</u>	<u>-</u>	<u>5,082,162</u>	<u>6,994,003</u>	<u>12,076,165</u>
<b>Total</b>	<u><b>4,465,111</b></u>	<u><b>7,382,294</b></u>	<u><b>7,695,924</b></u>	<u><b>19,543,329</b></u>	<u><b>2,998,149</b></u>	<u><b>7,382,162</b></u>	<u><b>10,993,573</b></u>	<u><b>21,373,884</b></u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	4,465,111	7,382,294	7,695,924	19,543,329	2,998,149	7,382,162	10,993,573	21,373,884
<b>Total</b>	<u><b>4,465,111</b></u>	<u><b>7,382,294</b></u>	<u><b>7,695,924</b></u>	<u><b>19,543,329</b></u>	<u><b>2,998,149</b></u>	<u><b>7,382,162</b></u>	<u><b>10,993,573</b></u>	<u><b>21,373,884</b></u>

\* The Company has letter of guarantees issued by the parent company for guarantee payment of the Company under the conditions of long-term borrowings.



Interest-bearing liabilities as at December 31, 2022 and 2021 classified by currencies are as follows:

	Unit : Thousand Baht	
	2022	2021
Baht Currency	19,543,329	21,373,884
<b>Total</b>	<b>19,543,329</b>	<b>21,373,884</b>

As at December 31, 2022 and 2021, above liabilities bear interest at the rates ranging from 1.08% to 3.37% per annum and 0.57% to 3.37% per annum, respectively.

### **Interest rate swap agreements**

#### *Baht Currency*

As at December 31, 2022 and 2021, the Company has interest rate swap agreements to hedge the volatility of floating interest rate by paying interest in fixed rates as specified in the agreements with a related local bank totaling Baht 2,900 million and Baht 3,400 million, respectively.

As at December 31, 2022, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 9.42 million and Baht 30.75 million, respectively.

As at December 31, 2021, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 60.88 million.

## Debenture

Debentures as at December 31, 2022 and 2021 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	2022 (Thousand Baht)	2021 (Thousand Baht)
1	September 15, 2016	September 15, 2023	2 <sup>nd</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
2	March 30, 2017	March 30, 2022	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	-	1,500,000
3	June 7, 2017	June 7, 2024	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	April 29, 2019	January 28, 2022	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	-	1,500,000
5	July 26, 2019	July 22, 2022	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	-	1,000,000
6	January 24, 2020	January 24, 2024	1 <sup>st</sup>	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
7	April 30, 2021	April 26, 2024	1 <sup>st</sup>	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
8	October 14, 2021	October 12, 2023	1 <sup>st</sup>	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	October 14, 2021	October 11, 2024	2 <sup>nd</sup>	Unsecured	500,000	Baht 1,000	500,000	500,000
10	April 8, 2022	April 4, 2025	1 <sup>st</sup>	Unsecured	700,000	Baht 1,000	700,000	-
							<hr/> 7,700,000	<hr/> 11,000,000
<u>Less</u> Debenture deferred issuance cost							(4,076)	(6,427)
							<hr/> 7,695,924	<hr/> 10,993,573
<u>Less</u> Current portion of debentures							(1,999,251)	(3,999,570)
<b>Debentures - net</b>							<hr/> <b>5,696,673</b>	<hr/> <b>6,994,003</b>

As at December 31, 2022 and 2021, debentures bear interest at rates ranging from 1.08% to 3.37% per annum.

## 15. OTHER PAYABLES

Other payables as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Interest and guarantee fees payables		
- Related parties	22,050	15,207
- Other financial institutions	53,450	84,048
Other payables	52,687	74,201
Withholding tax payable	20,713	20,557
Accrued expenses and others	349,987	316,509
<b>Total</b>	<b>498,887</b>	<b>510,522</b>

## 16. LEASE LIABILITIES

Lease liabilities as at December 31, 2022 and 2021 consisted of the following:

	Unit : Thousand Baht	
	2022	2021
<b>Maturity analysis</b>		
Year 1	153,084	167,233
Year 2	104,608	98,888
Year 3	91,350	80,234
Year 4	67,192	71,942
Onwards	229,397	292,099
	645,631	710,396
Less Deferred interest	(35,398)	(45,341)
<b>Total</b>	<b>610,233</b>	<b>665,055</b>
<b>Classification</b>		
Current	141,793	154,440
Non-Current	468,440	510,615
<b>Total</b>	<b>610,233</b>	<b>665,055</b>

## 17. PROVISIONS FOR EMPLOYEE BENEFITS

The Company has retirement benefits plan in accordance with Labour Protection Act., which is the unfunded defined benefits plan.

Expense recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Current service cost	17,961	17,789
Interest on obligation	4,402	3,768
<b>Total</b>	<b>22,363</b>	<b>21,557</b>

Movements in the present value of the obligation under defined benefits plan for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Defined benefits obligation brought forward	227,526	209,594
Current service cost	17,961	17,789
Interest on obligation	4,402	3,768
(Gain) loss on remeasurements of defined benefits plan		
- from change in financial assumption	(42,624)	(5,631)
- from experience adjustment	1,068	2,286
Paid employee benefits	(1,293)	(280)
<b>Defined benefits obligation carried forward</b>	<b>207,040</b>	<b>227,526</b>

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefits obligation as at December 31, 2022 and 2021 are as follows:

	2022	2021
Personnel turnover rate	0% - 22.92%, p.a. Subject to the range of age of employees	0% - 22.92%, p.a. Subject to the range of age of employees
Discount rate	3.70% p.a	2.00% p.a
Increase in expected rate of salary	4.00% p.a	4.00% p.a

Significant actuarial assumptions for the determination of the defined benefits obligation are expected salary incremental rate and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring, while holding all other assumptions constant which reflects increasing (decreasing) in the obligation if the assumptions change by 1% as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Salary incremental rates - 1% increase	17,335	20,858
Salary incremental rates - 1% decrease	(13,279)	(15,516)
Discount rate - 1% increase	(13,441)	(15,678)
Discount rate - 1% decrease	17,152	20,681

The sensitivity analysis presented above may not be representative of the actual change in the defined benefits obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

## 18. DECOMMISSIONING OBLIGATION FOR LEASEHOLD IMPROVEMENTS

Decommissioning obligation for leasehold improvements as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Beginning balance	57,763	63,467
Provision made	1,374	24,495
Paid for restoration cost of leasehold improvements	(1,035)	(25,453)
Provision reversed	(141)	(4,746)
<b>Ending balance</b>	<b>57,961</b>	<b>57,763</b>

## 19. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments as at December 31, 2022 and 2021 were as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Derivative assets</b>		
Interest rate swaps	9,417	-
<b>Total</b>	<b>9,417</b>	<b>-</b>
<b>Derivative liabilities</b>		
Interest rate swaps	(30,747)	(60,879)
<b>Total</b>	<b>(30,747)</b>	<b>(60,879)</b>

Further details of derivative financial instruments are provided in Note 14.

## 20. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has been granted the license to operate as a non-financial institution that provides personal loans from the Minister of Finance, of which the Company must have authorized share capital of at least Baht 50.00 million.

## 21. LEGAL RESERVE

Section 116 of the Public Companies Act B.E.2535 requires that a public company shall allocate not less than 5% of its annual net profit, less accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

As at December 31, 2022 and 2021, the Company's legal reserve has reached 10% of its registered share capital.

## 22. OPERATING SEGMENT

The Company's operations are consumer finance business representing personal loans and installment loans as integrated and complementary activities that constitute one line of business. Consequently, management considers that it has only one business segment. Moreover, the Company operates in the domestic market; consequently, management determines that it has only one geographical segment.

## 23. OTHER INCOME

Other income for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Recovery of bad debts	1,307,505	1,292,767
Others	108,609	122,909
<b>Total</b>	<b>1,416,114</b>	<b>1,415,676</b>

## 24. EXPENSES BY NATURE

Net profit for the years ended December 31, 2022 and 2021 have been derived after deducting the following significant expenses:

	Unit : Thousand Baht	
	2022	2021
Personnel expenses	1,649,630	1,693,693
Marketing expenses	186,828	168,679
Commission expenses	293,239	288,935
Depreciation and amortization expenses	330,766	370,291
Rental expenses	33,874	32,359
Special business tax and stamp duties	515,133	511,862
Expected credit losses	4,892,462	4,880,556
Others	818,990	775,956
<b>Total</b>	<b>8,720,922</b>	<b>8,722,331</b>

## 25. PROVIDENT FUND

The Company has set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. The employees are members of the Provident Fund, which is managed by BBL Asset Management Company Limited. Under the Fund's regulations, the employees contribute to the fund at the rate of 2% to 15% of their basic salary and the Company contributes to the fund at the rate of 2% to 7%.

The Company's contributions which were charged to the statement of profit or loss and other comprehensive income for the years ended December 31, 2022 and 2021 amounted to Baht 29.45 million and Baht 34.60 million, respectively.

## 26. FINANCE COSTS

Finance costs for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
Interest expense		
- Related parties	76,829	67,406
- Other financial institutions	245,836	321,894
Loss on derivatives	44,934	136,684
Gain on measuring derivatives	(39,549)	(144,153)
Others	22,111	22,939
<b>Total</b>	<b>350,161</b>	<b>404,770</b>

## 27. INCOME TAX EXPENSE

Tax expense for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Current tax expense</b>	<b>1,192,975</b>	<b>1,155,744</b>
Current year	1,192,975	1,155,744
<b>Deferred tax expense</b>		
Movements in temporary differences	34,359	37,817
	34,359	37,817
<b>Total</b>	<b>1,227,334</b>	<b>1,193,561</b>

Reconciliations of effective tax rates for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht			
	Tax Rate (%)	2022	Tax Rate (%)	2021
Accounting profit before tax expense		5,554,215		5,544,666
Tax expense at domestic tax rate	20.0	1,110,843	20.0	1,108,933
Tax effect of non-deductible expenses		82,132		46,811
Tax expense per income tax return		1,192,975		1,155,744
Adjustment for deferred tax relating to the origination and reversal of temporary differences		34,359		37,817
<b>Tax expense</b>	<b>22.1</b>	<b>1,227,334</b>	<b>21.5</b>	<b>1,193,561</b>

## 28. DIVIDEND PAID

- 28.1 At the Annual General Meeting of the Shareholders of the Company held on April 22, 2021, the shareholder approved the appropriation of dividends of Baht 2.39 per share, amounting to Baht 1,434.00 million. The dividends were paid to the shareholders on May 21, 2021.
- 28.2 At the Annual General Meeting of the Shareholders of the Company held on April 21, 2022, the shareholder approved the appropriation of dividends of Baht 2.17 per share, amounting to Baht 1,302.00 million. The dividends were paid to the shareholders on May 20, 2022.

## 29. FINANCIAL INSTRUMENTS

### Financial risk management policies

The Company's monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to fully hedge these risk exposures. The use of financial derivatives is governed by the Company's Financial Management Policy approved by the Board of Directors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain credit confidence of all stakeholders and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total equity, and also monitors the level of dividends to ordinary shareholders.

### 29.1 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and exposure to credit risk is monitored by setting up a credit approval procedure, which requires credit officers to verify information provided by applicants and vendors.

The carrying amount of the assets recorded in the statement of financial position, net of allowance expected credit loss, represents the Company's maximum exposure to credit risk.



## The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognized and unrecognized financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements. For financial assets recognized on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit loss.

As at December 31, 2022 and 2021, the maximum exposures to credit risk are as follows:

	Unit : Thousand Baht	
	2022	2021
Loan receivables	58,414,540	57,282,891
Unused credit limit	52,857,617	50,668,988
<b>Total maximum exposure to credit risk</b>	<b><u>111,272,157</u></b>	<b><u>107,951,879</u></b>

## Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit loss) and loan commitments.

Explanation of 12-month expected credit loss, lifetime expected credit loss - not credit impaired, and lifetime expected credit loss-credit impaired are included in Note 3.3.1 to the financial statements.

	Unit: Thousand Baht			
	December 31, 2022			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	
<b>Loan receivables</b>				
Not yet due	54,616,453	384,125	72,474	55,073,052
Overdue 1 - 90 days	938,385	1,012,571	25,288	1,976,244
More than 90 days	-	-	1,365,244	1,365,244
Total	55,554,838	1,396,696	1,463,006	58,414,540
<u>Less</u> Allowance for expected credit loss	<u>(2,888,337)</u>	<u>(871,456)</u>	<u>(1,287,437)</u>	<u>(5,047,230)</u>
<b>Net book value</b>	<b><u>52,666,501</u></b>	<b><u>525,240</u></b>	<b><u>175,569</u></b>	<b><u>53,367,310</u></b>

Unit: Thousand Baht

	December 31, 2021			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	
<b>Loan receivables</b>				
Not yet due	53,157,691	201,081	146,106	53,504,878
Overdue 1 - 90 days	722,635	1,855,117	13,804	2,591,556
More than 90 days	-	-	1,186,457	1,186,457
Total	53,880,326	2,056,198	1,346,367	57,282,891
<u>Less</u> Allowance for expected credit loss	<u>(2,646,238)</u>	<u>(1,522,556)</u>	<u>(1,113,552)</u>	<u>(5,282,346)</u>
<b>Net book value</b>	<b>51,234,088</b>	<b>533,642</b>	<b>232,815</b>	<b>52,000,545</b>

## 29.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching appropriately the maturity profiles of financial assets and liabilities.

As at December 31, 2022 and 2021, the Company's financial assets and liabilities are classified by remaining maturity as follows:

	2022					Unit: Thousand Baht
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	355,946	-	-	-	-	355,946
Loan receivables	-	53,323,443	43,867	-	-	53,367,310
Derivative assets	-	1,204	8,213	-	-	9,417
<b>Total financial assets</b>	<b>355,946</b>	<b>53,324,647</b>	<b>52,080</b>	<b>-</b>	<b>-</b>	<b>53,732,673</b>
<b>Financial liabilities</b>						
Short-term borrowings from financial institutions	740,000	3,725,111	-	-	-	4,465,111
Trade accounts payable	-	2,753	-	-	-	2,753
Other payables	-	498,887	-	-	-	498,887
Long-term borrowings from financial institutions	-	3,804,094	3,578,200	-	-	7,382,294
Debentures	-	1,999,251	5,696,673	-	-	7,695,924
Lease liabilities	-	141,793	468,440	-	-	610,233
Derivative liabilities	-	3,388	27,359	-	-	30,747
<b>Total financial liabilities</b>	<b>740,000</b>	<b>10,175,277</b>	<b>9,770,672</b>	<b>-</b>	<b>-</b>	<b>20,685,949</b>

	2021					Unit: Thousand Baht
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	472,019	-	-	-	-	472,019
Loan receivables	-	51,959,174	41,371	-	-	52,000,545
<b>Total financial assets</b>	<b>472,019</b>	<b>51,959,174</b>	<b>41,371</b>	<b>-</b>	<b>-</b>	<b>52,472,564</b>
<b>Financial liabilities</b>						
Short-term borrowings from financial institutions	1,500,000	1,498,149	-	-	-	2,998,149
Trade accounts payable	-	3,725	-	-	-	3,725
Other payables	-	510,522	-	-	-	510,522
Long-term borrowings from financial institutions	-	2,300,000	5,082,162	-	-	7,382,162
Debentures	-	3,999,570	6,994,003	-	-	10,993,573
Lease liabilities	-	154,440	510,615	-	-	665,055
Derivative liabilities	-	29,781	31,098	-	-	60,879
<b>Total financial liabilities</b>	<b>1,500,000</b>	<b>8,496,187</b>	<b>12,617,878</b>	<b>-</b>	<b>-</b>	<b>22,614,065</b>

### 29.3 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

#### 29.3.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company is primarily exposed to interest rate risk from its borrowing. The Company mitigates this risk by using derivative financial instruments principally interest rate swap to manage exposure to fluctuations in interest rates (see Note 14).

#### 29.3.2 Foreign currency risk

The Company is exposed to foreign currency risk relating to loans which are denominated in foreign currencies. The Company primarily utilizes cross currency swap contracts with the same maturities as the loan agreements to hedge such financial liabilities denominated in foreign currencies (see Note 14).

### 29.4 Classification of financial assets and financial liabilities

December 31, 2022	Unit : Thousand Baht				
	Financial assets		Carrying value		Total
	FVTPL - mandatorily measured	Amortized cost	FVTPL - mandatorily measured	Amortized cost	
Cash and cash equivalents	-	355,946	-	-	355,946
Loan receivables	-	53,367,310	-	-	53,367,310
Derivative assets	9,417	-	-	-	9,417
Short-term borrowings from financial institutions	-	-	-	4,465,111	4,465,111
Trade payables	-	-	-	2,753	2,753
Other payables	-	-	-	498,887	498,887
Long-term borrowings from financial institutions	-	-	-	7,382,294	7,382,294
Debentures	-	-	-	7,695,924	7,695,924
Lease liabilities	-	-	-	610,233	610,233
Derivative liabilities	-	-	30,747	-	30,747

December 31, 2021	Unit : Thousand Baht				
	Financial assets		Carrying value		Total
	FVTPL - mandatorily measured	Amortized cost	FVTPL - mandatorily measured	Amortized cost	
Cash and cash equivalents	-	472,019	-	-	472,019
Loan receivables	-	52,000,545	-	-	52,000,545
Short-term borrowings from financial institutions	-	-	-	2,998,149	2,998,149
Trade payables	-	-	-	3,725	3,725
Other payables	-	-	-	510,522	510,522
Long-term borrowings from financial institutions	-	-	-	7,382,162	7,382,162
Debentures	-	-	-	10,993,573	10,993,573
Lease liabilities	-	-	-	665,055	665,055
Derivative liabilities	-	-	60,879	-	60,879

## 29.5 Fair values

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

The fair values of short-term borrowings are considered to approximate the amount disclosed in the statement of financial position because their maturities on demand within one year.

Fair value of assets and liabilities and their fair value hierarchy level classification are summarized as follows:

							Unit : Thousand Baht
	As at December 31, 2022		Fair value hierarchy	As at December 31, 2021		Fair value hierarchy	Valuation Technique
	Carrying Amount	Fair Value		Carrying Amount	Fair Value		
<u>Financial assets</u>							
Loan receivables	53,367,310	70,348,680	3	52,000,545	76,711,754	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate. Over-the-counter quoted price
Derivative assets	9,417	9,417	2	-	-	2	
<u>Financial liabilities</u>							
Long-term borrowings from financial Institutions	7,382,294	7,372,434	3	7,382,162	7,409,493	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period. Discounting expected future cash flows by yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association or over the counter quoted price including transaction cost.
Debentures	7,695,924	7,664,212	2	10,993,573	11,106,952	2	
Derivative liabilities	30,747	30,747	2	60,879	60,879	2	Over-the-counter quoted price

### 30. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	2022	2021
<b>Non-cancellable short-term lease and service commitments</b>		
Within one year	8,362	10,932
After one year but within five years	132	277
<b>Total</b>	<b>8,494</b>	<b>11,209</b>

The Company entered into several short-term lease agreements covering office premises, vehicles, computer equipment and service agreements for periods of from one to three years. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

### 31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Board of Directors of the Company on February 23, 2023.

# Fact Sheet

As of 31 December 2022

<i>Company Name:</i>	EASY BUY Public Company Limited
<i>Business Type:</i>	Consumer Finance (Personal Loan and Installment Loan)
<i>Date of Incorporation:</i>	30 September 1996
<i>Registration No.:</i>	0107548000251
<i>Fiscal Year-End Date:</i>	31 December
<i>Registered and Paid-up Capital:</i>	Baht 6,000 million (600 million shares at Baht 10 par value)
<i>Telephone:</i>	+66(0) 2079 0999
<i>Facsimile:</i>	+66(0) 2621 4381
<i>Website:</i>	<a href="https://www.easybuy.co.th">https://www.easybuy.co.th</a>
<i>Head Office Location:</i>	RASA TWO, 8 <sup>th</sup> - 11 <sup>th</sup> Floor, 1818 Phetchaburi Road, Makkasan, Ratchathewi, Bangkok, 10400 Thailand