
EASY BUY PUBLIC COMPANY LIMITED

Financial statements

Year ended December 31, 2018



บริษัท ดีลอยท์ ทูเช่ โรดส์ จำกัด
สอบบัญชี จำกัด
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
11/1 ถนนสาทรใต้
แขวงยานนาวา เขตสาทร
กรุงเทพฯ 10120
โทร +66 (0) 2034 0000
แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos
Audit Co., Ltd.
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120, Thailand
Tel: +66 (0) 2034 0000
Fax: +66 (0) 2034 0100
www.deloitte.com

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 2018, 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, 2018, 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 Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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 those charged with governance and the management of the Company.

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.

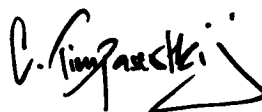
Auditor's Responsibilities for the Audit of the Financial Statements

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 management 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.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK

February 14, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

Unit : Thousand Baht

	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	635,110	677,233
Loan receivables due within one year	7	50,776,737	48,100,449
Other receivables	8	387,733	333,584
Total Current Assets		<u>51,799,580</u>	<u>49,111,266</u>
NON-CURRENT ASSETS			
Loan receivables	7	36,660	34,555
Leasehold improvements and equipment	9	181,392	260,000
Intangible assets	10	103,883	144,323
Deferred tax assets	11	868,424	882,243
Other non-current assets		78,596	78,659
Total Non-current Assets		<u>1,268,955</u>	<u>1,399,780</u>
TOTAL ASSETS		<u><u>53,068,535</u></u>	<u><u>50,511,046</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, 2018

Unit : Thousand Baht

	Notes	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 12	3,385,848	3,152,128
Trade accounts payable		4,334	3,009
Other payables	13	776,170	685,182
Current portion of long-term borrowings from financial institutions	5 and 12	3,517,400	2,803,289
Current portion of debentures	12	3,959,584	2,998,951
Current income tax payable		628,436	673,953
Total Current Liabilities		<u>12,271,772</u>	<u>10,316,512</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 12	6,976,196	8,891,309
Debentures	12	11,620,750	13,066,064
Provision for employee benefits	14	99,406	96,988
Decommissioning obligations for leasehold improvement	15	64,496	68,867
Total Non-current Liabilities		<u>18,760,848</u>	<u>22,123,228</u>
TOTAL LIABILITIES		<u>31,032,620</u>	<u>32,439,740</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

Unit : Thousand Baht

	Notes	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	16 and 24		
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		<u>6,000,000</u>	<u>6,000,000</u>
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve	17	600,000	600,000
Unappropriated		<u>15,435,915</u>	<u>11,471,306</u>
TOTAL SHAREHOLDERS' EQUITY		<u>22,035,915</u>	<u>18,071,306</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>53,068,535</u></u>	<u><u>50,511,046</u></u>

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, 2018

Unit : Thousand Baht

	Notes	2018	2017
REVENUES			
Income from personal loans		13,388,865	12,433,577
Income from installment loans		18,931	22,653
Other income	19	1,143,204	1,074,911
Total Revenues		<u>14,551,000</u>	<u>13,531,141</u>
EXPENSES			
Operating expenses	20	877,872	842,672
Administrative expenses	20	2,895,504	2,830,542
Bad debts and doubtful accounts expenses	7, 8 and 20	3,918,041	3,930,139
Finance costs	5 and 22	914,458	955,525
Total Expenses		<u>8,605,875</u>	<u>8,558,878</u>
PROFIT BEFORE INCOME TAX EXPENSE		5,945,125	4,972,263
INCOME TAX EXPENSE	23	1,192,311	992,949
NET PROFIT FOR THE YEARS		<u>4,752,814</u>	<u>3,979,314</u>
OTHER COMPREHENSIVE INCOME (LOSS)			
Components of other comprehensive income that			
will not be reclassified to profit or loss			
Gain (loss) on remeasurements of defined benefit plans		4,744	(2,310)
Income tax relating to components of other			
comprehensive income that will not be			
reclassified to profit or loss		(949)	462
Other comprehensive income (loss) for the years, net of tax		<u>3,795</u>	<u>(1,848)</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEARS		<u>4,756,609</u>	<u>3,977,466</u>
BASIC EARNINGS PER SHARE	BAHT	7.93	7.31
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES (Note 24)	SHARES	600,000,000	544,109,589

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, 2018

Unit : Thousand Baht

	Notes	Share capital Issued and paid-up	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2017		4,500,000	450,000	9,656,840	14,606,840
Stock dividend	25.1	1,500,000	-	(1,500,000)	-
Dividends paid	25.1	-	-	(513,000)	(513,000)
Legal reserve	17	-	150,000	(150,000)	-
Total comprehensive income for the year		-	-	3,977,466	3,977,466
Balance as at December 31, 2017		<u>6,000,000</u>	<u>600,000</u>	<u>11,471,306</u>	<u>18,071,306</u>
Balance as at January 1, 2018		6,000,000	600,000	11,471,306	18,071,306
Dividends paid	25.2	-	-	(792,000)	(792,000)
Total comprehensive income for the year		-	-	4,756,609	4,756,609
Balance as at December 31, 2018		<u>6,000,000</u>	<u>600,000</u>	<u>15,435,915</u>	<u>22,035,915</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, 2018

Unit : Thousand Baht

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		5,945,125	4,972,263
Adjustments for :			
Depreciation and amortization expenses		152,832	178,225
Discount on restoration cost		429	1,399
Interest income		(13,407,796)	(12,456,230)
Finance costs		914,458	955,525
Bad debts and doubtful accounts expenses		3,918,041	3,930,139
Employee benefit expense		9,319	2,310
Loss (gain) on disposal of equipment and intangible assets		1,657	(286)
		<u>(2,465,935)</u>	<u>(2,416,655)</u>
Changes in operating assets and liabilities			
Loan receivables		(6,462,012)	(8,561,095)
Other receivables		(54,098)	(66,219)
Other non-current assets		898	(1,495)
Trade accounts payable		1,325	(510)
Other payables		173,563	115,682
Provision for employee benefit		2,756	8,124
Decommission obligations for leasehold improvement		(1,592)	-
Cash paid for operating activities		<u>(8,805,095)</u>	<u>(10,922,168)</u>
Cash received from interest income		13,273,374	12,310,665
Employee benefit paid		(4,913)	-
Interest paid		(987,193)	(1,013,084)
Income tax paid		<u>(1,224,660)</u>	<u>(1,065,357)</u>
Net cash provided by (used in) operating activities		<u>2,251,513</u>	<u>(689,944)</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Thousand Baht

	Notes	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment		(26,070)	(59,516)
Proceeds from sale of equipment		380	1,635
Cash paid for purchasing of intangible assets		(9,461)	(39,482)
Net cash used in investing activities		<u>(35,151)</u>	<u>(97,363)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans from financial institutions		42,014,988	29,844,864
Repayment of short-term loans from financial institutions		(41,777,804)	(30,282,048)
Proceeds from long-term loans from financial institutions		2,684,095	3,793,740
Repayment of long-term loans from financial institutions		(3,887,764)	(5,629,922)
Proceeds from issuing of debentures		2,500,000	3,500,000
Repayment of debentures		(3,000,000)	-
Dividends paid to owners of the Company		(792,000)	(513,000)
Net cash provided by (used in) financing activities		<u>(2,258,485)</u>	<u>713,634</u>
Net decrease in cash and cash equivalents		(42,123)	(73,673)
Cash and cash equivalents as at January 1,		<u>677,233</u>	<u>750,906</u>
Cash and cash equivalents as at December 31,	6	<u><u>635,110</u></u>	<u><u>677,233</u></u>

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, 2018

Notes	Contents
1.	General information
2.	Basis for preparation and presentation of the financial statements
3.	Significant accounting policies
4.	Additional cash flow information
5.	Transactions with related parties
6.	Cash and cash equivalents
7.	Loan receivables
8.	Other receivables
9.	Leasehold improvements and equipment
10.	Intangible assets
11.	Deferred taxes
12.	Interest-bearing liabilities
13.	Other payables
14.	Provisions for employee benefits
15.	Decommissioning obligation for leasehold improvements
16.	Capital management
17.	Legal reserve
18.	Segment information
19.	Other income
20.	Expenses by nature
21.	Provident fund
22.	Finance costs
23.	Tax expense
24.	Share capital
25.	Dividend paid
26.	Financial instruments
27.	Commitments with non-related parties
28.	Approval of financial statements

EASY BUY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

EASY BUY Public Company Limited (the “Company”) was incorporated in Thailand. Its registered office is at 5th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, 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.

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 (Revised 2017) “Presentation of Financial Statements”, which was effective for the accounting period beginning on or after January 1, 2018 onwards, applicable rules and regulations of the Securities and Exchange Commission, and the Notification of the Department of Business Development dated October 11, 2016 regarding “The Brief Particulars in the Financial Statement (No.2) B.E. 2559”.

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

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

2.2 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. 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

2.3.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

Thai Financial Reporting Standards ("TFRS")

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 22	Foreign Currency Transactions and Advance Consideration
----------	---------------------------------------------------------

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards (“TAS”)

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

2.3.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Thai Financial Reporting Standards (“TFRS”)

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The accounting policies set out below have been applied consistently to all period presented in these financial statements.

3.1 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.

3.2 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.

3.3 Loan receivables

Personal loan receivables are stated at cost including accrued interest income and accrued credit usage fee net of allowance for doubtful accounts.

Installment loan receivables are stated at cost net of unearned interest income and allowance for doubtful accounts.

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. The Company provides allowance for doubtful accounts based on certain percentages of outstanding accounts receivable balances including accrued interest income and accrued credit usage fee net of unearned interest income. Allowance for doubtful accounts is made in full for receivables that are overdue more than three months.

Receivables that are overdue for more than six-months are written off. Any recovery is recognized as other income in the statement of profit or loss and other comprehensive income.

3.5 Debt restructuring

For the debt restructuring by the modification of term of repayment to the debtor, the Company determines the loss arising from the revaluation of the book value of the debtor on the basis of the present value of the future cash flows to be received under the new conditions, using the compromised interest rate in discounting. Amount by which the newly determined book value is lower than the previous book value, including interest receivable, is recorded as a loss from restructuring in the statement of profit or loss and other comprehensive income.

Losses from debt restructuring arising from reductions of principal and interest are recognized as expense included in the statement of profit or loss and other comprehensive income in the statement of profit or loss and other comprehensive income.

3.6 Leasehold improvement and equipment

Recognition and measurement

Owned assets

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	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.

3.7 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	5, 10 years
Trademarks	10 years

3.8 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 profit or loss.

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.

3.9 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss and other comprehensive income over the period of the borrowing on an effective interest basis.

3.10 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate arising from financing activities.

Foreign currency liabilities hedged by cross currency swap contracts are translated to Thai Baht at such contracted exchange rates.

Interest differentials under swap arrangements are accrued and recorded as adjustments to the hedged loans.

3.11 Employee benefits

Defined contribution plans

A defined contribution plans is a post-employment benefit plan under which an entity pay fixed contributions into a separate entity (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.

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 or 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.

3.12 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.

3.13 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.

3.14 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.

3.15 Income

Interest income and credit usage fee on personal loans are recognized as income on an accrual basis using the effective rate method, except in cases where customers' principal and interest are in arrears for more than six-months, in which case income is recognized on a cash basis.

Interest income on installment loans is recognized as income on an accrual basis over the installment period using the effective rate method, except in cases where customers' principal and interest are in arrears for more than six-months, in which case income is recognized on a cash basis.

Late charge and collection fees income are recognized as income on an accrual basis.

3.16 Bad debt recovery

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

3.17 Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease.

3.18 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 finance lease payments is recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

3.19 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, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

3.20 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, or 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.

3.21 Use of estimates and judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (“TFRSs”) also requires the Company’s management to exercise 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 end of the reporting period and the reported amounts of revenue and expense during the year. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

The significant judgement in applying accounting policies is as follows:

Allowance for doubtful accounts and bad debts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Company’s collection experience. The management reviews these estimates and assumptions on a regular basis.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the financial statements for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Leasehold improvements and equipment		
Liabilities recorded at beginning of the year	578	1,506
Purchase of leasehold improvements and equipment	27,261	58,588
	<u>27,839</u>	<u>60,094</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(26,070)</u>	<u>(59,516)</u>
Liabilities recorded at ending of the year	<u>1,769</u>	<u>578</u>

For the years ended December 31, 2018 and 2017, the Company recorded leasehold improvements related to provision for restoration cost of Baht 1.67 million and Baht 2.83 million, respectively.

	Unit : Thousand Baht	
	2018	2017
Intangible assets		
Liabilities recorded at beginning of the year	597	655
Purchase of intangible assets	8,864	39,424
	<u>9,461</u>	<u>40,079</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(9,461)</u>	<u>(39,482)</u>
Liabilities recorded at ending of the year	<u>-</u>	<u>597</u>

For the year ended December 31, 2017 the Company had non-cash items related to increase in authorized share capital for the stock dividend payment of Baht 1,500.00 million (see Notes 24 and 25).

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Unit : Thousand Baht Debentures	Total
As at January 1, 2018	3,152,128	11,694,598	16,065,015	30,911,741
Changes in cash flow				
Cash proceeds	42,014,988	2,684,095	2,500,000	47,199,083
Cash repayment	(41,777,804)	(3,887,764)	(3,000,000)	(48,665,568)
Non-cash changes				
Maturity	(455,000)	-	-	(455,000)
Renewal	455,000	-	-	455,000
Deferred issuance costs				
on debentures and borrowings	(3,464)	2,667	15,319	14,522
As at December 31, 2018	3,385,848	10,493,596	15,580,334	29,459,778

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Unit : Thousand Baht Debentures	Total
As at January 1, 2017	3,588,616	13,528,866	12,552,143	29,669,625
Changes in cash flow				
Cash proceeds	29,844,864	3,793,740	3,500,000	37,138,604
Cash repayment	(30,282,048)	(5,629,922)	-	(35,911,970)
Non-cash changes				
Maturity	(600,000)	-	-	(600,000)
Renewal	600,000	-	-	600,000
Deferred issuance costs				
on debentures and borrowings	696	1,914	12,872	15,482
As at December 31, 2017	3,152,128	11,694,598	16,065,015	30,911,741

5. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, parties are 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
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Leasing Business	Thailand	Related party 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
Finance costs	
Interest expense	as agreed in contract
Guarantee fee	as agreed in contract

The Bank of Tokyo - Mitsubishi UFJ (“BTMU”) has changed its legal name to “MUFG Bank, Ltd.” effective on April 1, 2018.

Mitsubishi UFJ Trust and Banking Corporation (“MUTB”) and MUFG Bank, Ltd. are wholly-owned subsidiaries of Mitsubishi UFJ Financial Group (“MUFG”). On April 16, 2018, some businesses of MUTB have been transferred to MUFG Bank, Ltd. On the same date, all transactions under the agreements between the Company and MUTB have been transferred to MUFG Bank, Ltd.

Significant transactions with related parties for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Finance costs		
Parent company		
Guarantee fee	-	2,364
Other related parties		
Interest expense	175,238	186,224
Guarantee fee	1,069	1,144
Debt arrangement fee	12,163	12,065
Upfront fee	2,668	3,272
Termination fee on cross currency and interest rate swap agreement	42,649	-
Administrative expenses		
Key management personnel		
Key management personnel's compensation (Short-term benefits)	97,740	90,758
Key management personnel's compensation (Long-term benefits)	6,333	10,864

Balances with related parties as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	330,000	50,000
MUFG Bank, Ltd., Singapore branch		
- Nil (December 31, 2017 : USD 16.00 million)	-	532,816
Total	330,000	582,816

As at December 31, 2018 and 2017, short-term borrowings from financial institutions from other related parties bear interest at rates ranging from 1.91% - 1.99% per annum and 2.06% - 2.40% per annum, respectively.

	Unit : Thousand Baht	
	2018	2017
Current portion of long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 16.50 million (December 31, 2017 : USD 8.00 million)	577,075	284,960
Bank of Ayudhya Public Company Limited	300,000	500,000
Bangkok Mitsubishi UFJ Lease Co., Ltd.	-	300,000
Long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 24.50 million (December 31, 2017 : USD 41.00 million)	847,470	1,424,545
Bank of Ayudhya Public Company Limited	3,384,094	1,600,000
Bank of Ayudhya Public Company Limited		
- Nil (December 31, 2017 : USD 30.80 million)	-	1,084,094
Total	5,108,639	5,193,599

As at December 31, 2018 and 2017, long-term borrowings from financial institutions from other related parties bear interest at rates ranging from 2.58% - 4.90% per annum and 2.87% - 5.33% per annum, respectively.

	Unit : Thousand Baht	
	2018	2017
Other payables		
Accrued interest expense		
Other related parties		
Bank of Ayudhya Public Company Limited	21,115	25,554
MUFG Bank, Ltd., Singapore branch	495	4,552
Bangkok Mitsubishi UFJ Lease Co., Ltd	-	2,665
Total	21,610	32,771
Accrued guarantee fee		
Parent company		
ACOM CO., LTD.	-	34
Total	-	34
Deferred issuance cost (presented net from long-term borrowings and debentures)		
Other related parties		
MUFG Bank, Ltd.	14,429	29,114
Bank of Ayudhya Public Company Limited	96	63
Total	14,525	29,177

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.

The Company entered into agreements with MUFG Bank, Ltd., a financial institution in the group of Mitsubishi UFJ Financial Group, which has guaranteed the debentures due performance of obligations by the Company under conditions of debentures. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of debentures as stipulated in the agreement.

Cross currency and interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies with volatility of interest rate by swapping foreign currencies and interest rates as specified in the agreements (see Note 12).

Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Thai Baht currency with floating interest rates by paying interest in Baht in fixed rates as specified in the agreements (see Note 12).

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Cash on hand	278,484	308,099
Cash at banks - current accounts	172,504	267,010
Cash at banks - savings accounts	184,122	102,124
Total	635,110	677,233

In 2018 and 2017, above cash at banks bears interest at the rates of ranging from 0.10% - 0.60% per annum and 0.10% - 0.60% per annum, respectively.

7. LOAN RECEIVABLES

	As at December 31, 2018			As at December 31, 2017		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	53,951,955	138,842	54,090,797	51,272,454	132,870	51,405,324
<u>Less</u> Unearned interest income	-	(11,600)	(11,600)	-	(13,166)	(13,166)
Allowance for doubtful accounts	(3,299,886)	(2,574)	(3,302,460)	(3,288,936)	(2,773)	(3,291,709)
Net	50,652,069	124,668	50,776,737	47,983,518	116,931	48,100,449
Due over one year						
Loan receivables	-	38,040	38,040	-	37,659	37,659
<u>Less</u> Unearned interest income	-	(757)	(757)	-	(2,415)	(2,415)
Allowance for doubtful accounts	-	(623)	(623)	-	(689)	(689)
Net	-	36,660	36,660	-	34,555	34,555
Total	50,652,069	161,328	50,813,397	47,983,518	151,486	48,135,004

	2018			2017		
Bad debts and doubtful accounts expenses for the years ended December 31,						
Bad debts	3,903,524	3,832	3,907,356	3,667,421	5,362	3,672,783
Doubtful accounts (reversal)	10,950	(265)	10,685	262,485	(564)	261,921
Total	3,914,474	3,567	3,918,041	3,929,906	4,798	3,934,704

Aging analysis for loan receivables is as follows:

Unit : Thousand Baht						
	As at December 31, 2018			As at December 31, 2017		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Current	50,765,066	175,166	50,940,232	48,399,002	167,432	48,566,434
Overdue payment						
Less than and equal to 3 months	2,061,096	1,096	2,062,192	1,750,828	2,181	1,753,009
More than 3 months	1,125,793	620	1,126,413	1,122,624	916	1,123,540
	53,951,955	176,882	54,128,837	51,272,454	170,529	51,442,983
<u>Less</u> Unearned interest income	-	(12,357)	(12,357)	-	(15,581)	(15,581)
Total	53,951,955	164,525	54,116,480	51,272,454	154,948	51,427,402
<u>Less</u> Allowance for doubtful accounts	(3,299,886)	(3,197)	(3,303,083)	(3,288,936)	(3,462)	(3,292,398)
Net	50,652,069	161,328	50,813,397	47,983,518	151,486	48,135,004

As at December 31, 2018 and 2017, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	2018	2017
Revolving loan receivables	52,032,817	49,404,675
Minimum payment loan receivables	1,919,138	1,867,779
Total	53,951,955	51,272,454

Revolving loans are repayable at any time subject to a minimum monthly payment of 3% of the outstanding balances, 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.

As at December 31, 2018 and 2017, the Company had loan receivables which were overdue for over three payment periods of Baht 1,126.41 million and Baht 1,123.54 million, respectively, on which the Company has continued to recognize the interest income. The Company recognized interest income on such loan receivables for the years ended December 31, 2018 and 2017, amounting to Baht 210.36 million and Baht 201.59 million, respectively, of which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at December 31, 2018 and 2017 were denominated entirely in Baht currency.

In 2018 and 2017, the interest rates for the above loan receivables were within defined law set at 15.00% per annum and not more than 28.00% per annum (Effective rate) when inclusive of interest and credit usage fee.

Debt restructuring

For the years ended December 31, 2018 and 2017, the Company had recognized interest income on restructured loan receivables totaling Baht 185.47 million and Baht 174.98 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2018 and 2017 as follows:

	As at December 31, 2018		Unit : Thousand Baht	
	Number of Contracts	Amount	As at December 31, 2017	Amount
Restructured loan receivables	40,527	1,731,081	39,792	1,689,346
Non-restructured loan receivables	1,870,098	50,765,367	1,738,489	48,252,445
Total	1,910,625	52,496,448	1,778,281	49,941,791

As at December 31, 2018 and 2017, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

8. OTHER RECEIVABLES

Other receivables as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Receivables from collection agencies	336,784	284,814
Prepaid expenses	47,023	41,559
Others	6,325	7,847
<u>Less</u> Allowance for doubtful accounts	<u>(2,399)</u>	<u>(636)</u>
Total	<u>387,733</u>	<u>333,584</u>
	2018	2017
Doubtful accounts expenses (reversal) for the years ended December 31,	<u>(1,763)</u>	<u>(4,565)</u>

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2018 and 2017 are as follows:

Unit : Thousand Baht					
As at December 31, 2018					
	Balance as at January 1, 2018	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2018
Costs:					
Leasehold improvements	400,617	14,383	(27,483)	-	387,517
Furniture, fixtures and office equipment	683,902	13,844	(38,354)	142	659,534
Total	<u>1,084,519</u>	<u>28,227</u>	<u>(65,837)</u>	<u>142</u>	<u>1,047,051</u>
Accumulated depreciation:					
Leasehold improvements	327,962	29,356	(24,553)	-	332,765
Furniture, fixtures and office equipment	496,557	75,010	(38,105)	-	533,462
Total	<u>824,519</u>	<u>104,366</u>	<u>(62,658)</u>	<u>-</u>	<u>866,227</u>
Assets under installation	-	710	-	(142)	568
Leasehold improvements and equipment	<u>260,000</u>				<u>181,392</u>

Unit : Thousand Baht

As at December 31, 2017

	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2017
Costs:					
Leasehold improvements	398,672	21,915	(21,158)	1,188	400,617
Furniture, fixtures and office equipment	913,506	38,314	(267,918)	-	683,902
Total	1,312,178	60,229	(289,076)	1,188	1,084,519
Accumulated depreciation:					
Leasehold improvements	293,723	55,122	(20,883)	-	327,962
Furniture, fixtures and office equipment	682,944	80,457	(266,844)	-	496,557
Total	976,667	135,579	(287,727)	-	824,519
Assets under installation	-	1,188	-	(1,188)	-
Leasehold improvements and equipment	335,511				260,000
Depreciation for the years ended December 31,					
2018					104,366
2017					135,579

As at December 31, 2018 and 2017, the cost of the Company's fully depreciated leasehold improvements and equipment still in use amounted to Baht 579.38 million and Baht 412.81 million, respectively.

10. INTANGIBLE ASSETS

Intangible assets as at December 31, 2018 and 2017 are as follows:

Unit : Thousand Baht

As at December 31, 2018

	Balance as at January 1, 2018	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2018
Costs:					
Computer software	348,860	353	-	2,862	352,075
Trademark	1,350	1,664	-	696	3,710
Total	350,210	2,017	-	3,558	355,785
Accumulated amortization:					
Computer software	205,376	48,345	-	-	253,721
Trademark	1,349	121	-	-	1,470
Total	206,725	48,466	-	-	255,191
Computer software under installation	838	6,847	(838)	(3,558)	3,289
Intangible assets	144,323				103,883

Unit : Thousand Baht

As at December 31, 2017

	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2017
Costs:					
Computer software	310,274	37,960	-	626	348,860
Trademark	1,350	-	-	-	1,350
Total	311,624	37,960	-	626	350,210
Accumulated amortization:					
Computer software	162,730	42,646	-	-	205,376
Trademark	1,349	-	-	-	1,349
Total	164,079	42,646	-	-	206,725
Computer software under installation	4,038	1,464	(4,038)	(626)	838
Intangible assets	151,583				144,323

Amortization for the years ended December 31,

2018	48,466
2017	42,646

As at December 31, 2018 and 2017, the cost of the Company's fully amortized intangible assets still in use amounted to Baht 123.29 million and Baht 104.26 million, respectively.

11. DEFERRED TAX

Deferred tax assets as at December 31, 2018 and 2017 consist of:

	Unit : Thousand Baht	
	2018	2017
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	660,958	658,607
Loan receivables (bad debt written-off)	130,509	130,897
Provisions for employee benefits	19,881	19,397
Decommissioning obligation for leasehold improvements	12,126	12,403
Long-term borrowings from financial institutions		
(including cross currency and interest rate swap)	48,341	67,321
Others	2,008	2,431
Total	873,823	891,056
Deferred tax liabilities		
Debentures and borrowings issuance cost	(5,399)	(8,813)
Total	(5,399)	(8,813)
Net	868,424	882,243

The movements of deferred tax assets and liabilities for the years ended December 31, 2018 and 2017 consist of tax effects from the following items:

	Unit : Thousand Baht			
	Balance as at January 1, 2018	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2018
Deferred tax assets				
Loan receivables				
(allowance for doubtful accounts)	658,607	2,351	-	660,958
Loan receivables (bad debt written-off)	130,897	(388)	-	130,509
Provisions for employee benefits	19,397	1,433	(949)	19,881
Decommissioning obligation for leasehold improvements	12,403	(277)	-	12,126
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	67,321	(18,980)	-	48,341
Others	2,431	(423)	-	2,008
	<u>891,056</u>	<u>(16,284)</u>	<u>(949)</u>	<u>873,823</u>
Deferred tax liabilities				
Debentures and borrowings issuance cost	(8,813)	3,414	-	(5,399)
	<u>(8,813)</u>	<u>3,414</u>	<u>-</u>	<u>(5,399)</u>
Deferred tax assets	<u>882,243</u>	<u>(12,870)</u>	<u>(949)</u>	<u>868,424</u>

	Unit : Thousand Baht			
	Balance as at January 1, 2017	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2017
Deferred tax assets				
Loan receivables				
(allowance for doubtful accounts)	607,136	51,471	-	658,607
Loan receivables (bad debt written-off)	94,322	36,575	-	130,897
Provisions for employee benefits	16,849	2,086	462	19,397
Decommissioning obligation for leasehold improvements	10,881	1,522	-	12,403
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	(116,717)	184,038	-	67,321
Others	2,818	(387)	-	2,431
	<u>615,289</u>	<u>275,305</u>	<u>462</u>	<u>891,056</u>
Deferred tax liabilities				
Debentures and borrowings issuance cost	(11,767)	2,954	-	(8,813)
	<u>(11,767)</u>	<u>2,954</u>	<u>-</u>	<u>(8,813)</u>
Deferred tax assets	<u>603,522</u>	<u>278,259</u>	<u>462</u>	<u>882,243</u>

12. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht								
	As at December 31, 2018				As at December 31, 2017			
	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
Current								
Principal	3,390,000	3,517,975	3,964,800	10,872,775	3,152,816	2,803,669	3,000,000	8,956,485
<u>Less</u> Deferred issuance cost on debentures and borrowings	(4,152)	(575)	(5,216)	(9,943)	(688)	(380)	(1,049)	(2,117)
Net	<u>3,385,848</u>	<u>3,517,400</u>	<u>3,959,584</u>	<u>10,862,832</u>	<u>3,152,128</u>	<u>2,803,289</u>	<u>2,998,951</u>	<u>8,954,368</u>
Non-current								
Principal	-	6,978,104	11,639,600	18,617,704	-	8,896,079	13,104,400	22,000,479
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(1,908)	(18,850)	(20,758)	-	(4,770)	(38,336)	(43,106)
Net	<u>-</u>	<u>6,976,196</u>	<u>11,620,750</u>	<u>18,596,946</u>	<u>-</u>	<u>8,891,309</u>	<u>13,066,064</u>	<u>21,957,373</u>
Total	<u>3,385,848</u>	<u>10,493,596</u>	<u>15,580,334</u>	<u>29,459,778</u>	<u>3,152,128</u>	<u>11,694,598</u>	<u>16,065,015</u>	<u>30,911,741</u>
- Secured*	-	-	2,092,310	2,092,310	-	-	2,080,132	2,080,132
- Unsecured	3,385,848	10,493,596	13,488,024	27,367,468	3,152,128	11,694,598	13,984,883	28,831,609
Total	<u>3,385,848</u>	<u>10,493,596</u>	<u>15,580,334</u>	<u>29,459,778</u>	<u>3,152,128</u>	<u>11,694,598</u>	<u>16,065,015</u>	<u>30,911,741</u>

* The Company has letter of guarantees issued by the parent company and a related foreign financial institution for guarantee payment of the Company under the conditions of long-term borrowings and debentures, respectively.

Interest-bearing liabilities as at December 31, 2018 and 2017 classified by currencies are as follows:

	Unit : Thousand Baht	
	2018	2017
Baht Currency	23,257,966	22,403,887
United States Dollars Currency	5,604,612	7,910,654
Yen Currency	597,200	597,200
Total	29,459,778	30,911,741

In 2018 and 2017, above liabilities bear interest at the rates ranging from 1.66% - 4.90% per annum and 1.53% - 5.33% per annum, respectively.

Cross currency and interest rate swap, interest rate swap and forward foreign exchange agreements

Baht Currency

As at December 31, 2018, the Company has interest rate swap agreements with a related local bank and a local bank totaling Baht 2,900.00 million (as at December 31, 2017 : Baht 1,900.00 million) to hedge the volatility of interest rate by paying interest in fixed rates as specified in the agreements.

United States Dollars Currency

As at December 31, 2018, the Company has cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest in Baht in fixed rates as specified in the agreements in exchange for interest payable in USD monthly, quarterly and semi-annually. The cross currency and interest rate swap agreements are as follows:

- With a related local bank and local banks totaling USD 106.00 million by swapping to Baht 3,528.95 million (as at December 31, 2017 : totaling USD 144.80 million by swapping to Baht 4,898.00 million).
- With a local branch of foreign banks totaling USD 59.50 million by swapping to Baht 2,090.24 million (as at December 31, 2017 : totaling USD 71.83 million by swapping to Baht 2,508.95 million).

As at December 31, 2017, the Company had a forward foreign exchange agreement with a local bank totaling USD 16.00 million or equivalent to Baht 532.82 million to hedge financial liabilities denominated in foreign currencies. As at December 31, 2018, such financial liabilities had been fully repaid by the Company.

Yen Currency

As at December 31, 2018, the Company has cross currency and interest rate swap agreements with a related local bank and a local bank totaling JPY 2,000.00 million by swapping to Baht 597.20 million (as at December 31, 2017 : totaling JPY 2,000.00 million by swapping to Baht 597.20 million) to hedge financial liabilities denominated in foreign currencies and the volatility of interest rate by paying interest in Baht in fixed rates as specified in the agreements in exchange for interest payable in JPY quarterly and semi-annually.

Debentures

Debentures as at December 31, 2018 and 2017 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	2018 (Thousand Baht)	2017 (Thousand Baht)
1	September 26, 2014	September 26, 2019	1 st	Secured	30	USD 1,000,000	964,800	964,800
2	February 24, 2015	February 24, 2020	1 st	Secured	35	USD 1,000,000	1,139,600	1,139,600
3	March 12, 2015	March 12, 2018	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
		March 12, 2020	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	September 30, 2015	September 30, 2018	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
		September 30, 2020	2 nd	Unsecured	500,000	Baht 1,000	500,000	500,000
5	February 25, 2016	February 25, 2019	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
		February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
6	September 15, 2016	September 15, 2019	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
		September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
7	March 30, 2017	March 30, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
8	June 7, 2017	June 7, 2024	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	November 24, 2017	November 24, 2021	3 rd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
10	April 27, 2018	April 27, 2021	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	-
11	October 22, 2018	October 22, 2020	2 nd	Unsecured	1,500,000	Baht 1,000	1,500,000	-
							15,604,400	16,104,400
						<u>Less</u> Debenture deferred issuance cost	(24,066)	(39,385)
							15,580,334	16,065,015
						<u>Less</u> Current portion of debentures	(3,959,584)	(2,998,951)
						Debentures - net	11,620,750	13,066,064

As at December 31, 2018 and 2017, debentures bear interest at rates ranging from 1.99% - 4.10.% per annum and 2.07% - 4.10% per annum, respectively.

13. OTHER PAYABLES

Other payables as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Interest and guarantee fees payables		
- Related parties	21,610	32,805
- Other financial institutions	150,865	177,502
Other payables	101,045	76,936
Withholding tax payable	19,912	19,950
Accrued expenses and others	482,738	377,989
Total	776,170	685,182

14. 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, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Current service cost	9,319	8,241
Interest on obligation	2,756	2,193
Total	12,075	10,434

Movements in the present value of the obligation under defined benefits plan for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Defined benefits obligation brought forward	96,988	84,244
Current service cost	9,319	8,241
Interest on obligation	2,756	2,193
(Gain) loss on remeasurements of defined benefits plan		
- from changes in demographic assumption	-	1,188
- from change in financial assumption	(7,214)	(3,408)
- from experience adjustment	2,470	4,530
Paid to employee	(4,913)	-
Defined benefits obligation carried forward	99,406	96,988

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefits obligation as at December 31, 2018 and 2017 are as follows:

	2018	2017
Personnel turnover rate	0% - 22.92%, p.a. Subject to the range of age of employees	0% - 22.90%, p.a. Subject to the range of age of employees
Discount rate	3.50%, p.a	3.00%, 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, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Salary incremental rates - 1% increase	10,913	10,982
Salary incremental rates - 1% decrease	(8,002)	(7,937)
Discount rate - 1% increase	(8,097)	(8,014)
Discount rate - 1% decrease	10,803	10,896

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.

15. DECOMMISSIONING OBLIGATION FOR LEASEHOLD IMPROVEMENTS

Decommissioning obligation for leasehold improvements as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Beginning balance	68,867	66,964
Provision made	2,101	4,228
Paid for restoration cost of leasehold improvements	(2,624)	(1,430)
Provision reversed	(3,848)	(895)
Ending balance	64,496	68,867

As at December 31, 2018, the Company had no current portion of decommissioning obligation for leasehold improvements. As at December 31, 2017, the Company had current portion of decommissioning obligation for leasehold improvements of Baht 1.41 million.

16. 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.

Monitoring the capital level of the Company is conducted in accordance with the covenant on financial ratio stipulated in loan agreements.

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 million.

17. 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 any accumulated losses brought forward, 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, 2018 and 2017, the Company's legal reserve have reached 10% of its registered share capital

18. SEGMENT INFORMATION

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.

19. OTHER INCOME

Other income for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Recovery of bad debts	1,029,475	972,236
Others	113,729	102,675
Total	1,143,204	1,074,911

20. EXPENSES BY NATURE

Net profit for the years ended December 31, 2018 and 2017 have been derived after deducting the following significant expenses:

	Unit : Thousand Baht	
	2018	2017
Personnel expenses	1,609,940	1,576,965
Marketing expenses	263,847	308,234
Commission expenses	210,859	155,558
Depreciation and amortization expenses	152,832	178,225
Rental expenses	306,434	322,402
Special business tax and stamp duties	519,033	485,309
Bad debts and doubtful accounts expenses	3,918,041	3,930,139
Others	710,431	646,521
Total	7,691,417	7,603,353

21. PROVIDENT FUND

The Company has set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by BBL Asset Management Company Limited. Under the Fund's regulations, employees contribute to the fund at the rate of 2% to 7% 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, 2018 and 2017 amounted to Baht 32.76 million and Baht 32.07 million, respectively.

22. FINANCE COSTS

Finance costs for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Interest expense		
- Related parties	175,238	186,224
- Other financial institutions	669,208	741,272
Guarantee fee	1,068	3,509
Others	68,944	24,520
Total	914,458	955,525

23. TAX EXPENSE

Tax expense for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Current tax expense	1,179,441	1,271,208
Current year	<u>1,179,441</u>	<u>1,271,208</u>
Deferred tax expense		
Movements in temporary differences	12,870	(278,259)
	<u>12,870</u>	<u>(278,259)</u>
Total	<u>1,192,311</u>	<u>992,949</u>

Reconciliations of effective tax rates for the years ended December 31, 2018 and 2017 are as follows:

	Tax Rate (%)	2018	Unit : Thousand Baht Tax Rate (%)	2017
Accounting profit before tax expense		5,945,125		4,972,263
Tax expense at domestic tax rate	20.0	<u>1,189,025</u>	20.0	<u>994,453</u>
Tax effect of non-deductable expenses (non-taxable income)		(9,584)		276,755
Tax expense per income tax return		1,179,441		1,271,208
Adjustment for deferred tax relating to the origination and reversal of temporary differences		12,870		(278,259)
Tax expense	20.1	<u>1,192,311</u>	20.0	<u>992,949</u>

24. SHARE CAPITAL

At the Annual General Meeting of Shareholders on April 20, 2017, the shareholders approved to increase Company's authorized share capital from the existing authorized share capital of Baht 4,500.00 million to the authorized share capital of Baht 6,000.00 million for the stock dividend payment of Baht 1,500.00 million to the Company's shareholders. The Company has registered such increase of its authorized share capital with the Ministry of Commerce on April 27, 2017 and the Company paid stock dividend to shareholders on May 17, 2017 (see note 25.1).

For the years ended December 31, 2018 and 2017 the Company calculated weighted average number of ordinary shares as follows:

	2018	Unit: Shares 2017
Beginning balance	600,000,000	450,000,000
Increase during the year	-	94,109,589
Weighted average number of ordinary shares	<u>600,000,000</u>	<u>544,109,589</u>

25. DIVIDEND PAID

- 25.1 At the Annual General Meeting of the Shareholders of the Company held on April 20, 2017, the shareholders approved the appropriation of cash dividend payment of Baht 1.14 per share, amounting to Baht 513.00 million and approved stock dividend payment of 150.00 million shares, with par value of Baht 10.00 per share, to the shareholders of the Company at the ratio of 15 existing shares for 5 dividend stocks totaling Baht 1,500.00 million. The Company paid the cash dividend to the shareholders on May 9, 2017 and paid stock dividend to the shareholders on May 17, 2017 (see Note 24).
- 25.2 At the Annual General Meeting of the Shareholders of the Company held on April 19, 2018, the shareholder approved the appropriation of dividends of Baht 1.32 per share, amounting to Baht 792.00 million. The dividends were paid to the shareholders on May 9, 2018.

26. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence 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.

26.1 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 12).

26.2 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 12).

26.3 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 maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

26.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

26.5 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:

	As at December 31, 2018		Fair value hierarchy	As at December 31, 2017		Fair value hierarchy	Unit : Thousand Baht Valuation Technique
	Carrying Amount	Fair Value		Carrying Amount	Fair Value		
Financial assets							
Loan receivables	50,813,397	72,468,073	3	48,135,004	67,839,431	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate.
Derivative assets	-	-	3	-	-	3	Over-the-counter quoted price
Financial liabilities							
Long-term borrowings from financial Institutions	10,493,596	10,347,910	3	11,694,598	11,364,966	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period
Debentures	15,580,334	15,605,085	3	16,065,015	16,309,152	3	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
Derivative liabilities	-	389,016	3	-	628,279	3	Over-the-counter quoted price

27. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at December 31, 2018 and 2017 are as follows:

	Unit : Thousand Baht	
	2018	2017
Capital commitments		
Software	3,290	1,956
Furniture & fixture and equipment	1,326	-
Total	4,616	1,956
Non-cancellable operating lease commitments		
Within one year	185,357	233,792
After one year but within five years	82,768	179,334
Total	268,125	413,126

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

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Board of Directors of the Company on February 14, 2019.