
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

***Three-month and six-month periods ended
June 30, 2019***

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
EASY BUY PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of EASY BUY Public Company Limited as at June 30, 2019 and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019, and the related statements of changes in shareholders' equity and cash flows for the six-month period ended June 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Kasiti Ketsuriyongk
Certified Public Accountant (Thailand)
Registration No. 8833

BANGKOK
August 7, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at June 30, 2019	As at December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		456,103	635,110
Loan receivables due within one year	6	51,841,139	50,776,737
Other receivables		340,669	387,733
Total Current Assets		<u>52,637,911</u>	<u>51,799,580</u>
NON-CURRENT ASSETS			
Loan receivables	6	31,900	36,660
Leasehold improvements and equipment	7	165,641	181,392
Intangible assets		82,607	103,883
Deferred tax assets	8	908,003	868,424
Other non-current assets		87,389	78,596
Total Non-current Assets		<u>1,275,540</u>	<u>1,268,955</u>
TOTAL ASSETS		<u><u>53,913,451</u></u>	<u><u>53,068,535</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2019

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at	As at
		June 30,	December 31,
		2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	3,828,489	3,385,848
Trade accounts payable		3,867	4,334
Other payables		454,684	776,170
Current portion of long-term borrowings from financial institutions	5 and 9	1,893,197	3,517,400
Current portion of debentures	9	4,097,805	3,959,584
Current income tax payable		687,311	628,436
Total Current Liabilities		<u>10,965,353</u>	<u>12,271,772</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	8,536,928	6,976,196
Debentures	9	10,989,342	11,620,750
Provision for employee benefits		138,687	99,406
Decommissioning obligations for leasehold improvement		64,107	64,496
Total Non-current Liabilities		<u>19,729,064</u>	<u>18,760,848</u>
TOTAL LIABILITIES		<u>30,694,417</u>	<u>31,032,620</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2019

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at June 30, 2019	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
(CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
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
RETAINED EARNINGS			
Appropriated			
Legal reserve		600,000	600,000
Unappropriated		16,619,034	15,435,915
TOTAL SHAREHOLDERS' EQUITY		23,219,034	22,035,915
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		53,913,451	53,068,535

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019
“Unaudited”

Unit : Thousand Baht

	Notes	2019	2018
REVENUES			
Income from personal loans		3,486,371	3,290,542
Income from installment loans		4,567	4,865
Other income	10	304,664	277,143
Total Revenues		<u>3,795,602</u>	<u>3,572,550</u>
EXPENSES			
Operating expenses		192,204	216,594
Administrative expenses		728,964	694,187
Bad debts and doubtful accounts expenses		1,012,586	942,833
Finance costs		205,272	236,315
Total Expenses		<u>2,139,026</u>	<u>2,089,929</u>
PROFIT BEFORE TAX EXPENSE		1,656,576	1,482,621
TAX EXPENSE	13	<u>(334,586)</u>	<u>(300,173)</u>
PROFIT FOR THE PERIOD		1,321,990	1,182,448
OTHER COMPREHENSIVE INCOME			
FOR THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIOD		<u><u>1,321,990</u></u>	<u><u>1,182,448</u></u>
BASIC EARNINGS PER SHARE	BAHT	2.20	1.97
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	600,000,000	600,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“Unaudited”

Unit : Thousand Baht

	Notes	2019	2018
REVENUES			
Income from personal loans		6,896,547	6,521,681
Income from installment loans		9,257	10,135
Other income	10	610,501	554,483
Total Revenues		<u>7,516,305</u>	<u>7,086,299</u>
EXPENSES			
Operating expenses		410,102	418,806
Administrative expenses		1,422,141	1,389,308
Bad debts and doubtful accounts expenses		2,021,398	1,882,414
Finance costs		409,984	482,993
Total Expenses		<u>4,263,625</u>	<u>4,173,521</u>
PROFIT BEFORE TAX EXPENSE		3,252,680	2,912,778
TAX EXPENSE	13	<u>(647,561)</u>	<u>(577,021)</u>
PROFIT FOR THE PERIOD		2,605,119	2,335,757
OTHER COMPREHENSIVE INCOME			
FOR THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIOD		<u><u>2,605,119</u></u>	<u><u>2,335,757</u></u>
BASIC EARNINGS PER SHARE	BAHT	4.34	3.89
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	600,000,000	600,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“Unaudited”

Unit : Thousand Baht

		Retained earnings			
		Share capital		Total	
		Issued and	Appropriated	shareholders'	
Notes		paid-up	Legal reserve	Unappropriated	
				equity	
Balance as at January 1, 2018		6,000,000	600,000	11,471,306	18,071,306
Total comprehensive					
income for the period		-	-	2,335,757	2,335,757
Dividends paid	12.1	-	-	(792,000)	(792,000)
Balance as at June 30, 2018		6,000,000	600,000	13,015,063	19,615,063
Balance as at January 1, 2019		6,000,000	600,000	15,435,915	22,035,915
Total comprehensive					
income for the period		-	-	2,605,119	2,605,119
Dividends paid	12.2	-	-	(1,422,000)	(1,422,000)
Balance as at June 30, 2019		6,000,000	600,000	16,619,034	23,219,034

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“Unaudited”

Unit : Thousand Baht

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		3,252,680	2,912,778
Adjustments for :			
Depreciation and amortization expenses		62,680	80,763
Interest income		(6,905,804)	(6,531,816)
Finance costs		409,984	482,993
Bad debts and doubtful accounts expenses		2,021,398	1,882,414
Employee benefits expense		39,281	6,037
Loss on disposal of equipment and intangible assets		147	685
		<u>(1,119,634)</u>	<u>(1,166,146)</u>
Changes in operating assets and liabilities			
Loan receivables		(3,078,751)	(2,155,973)
Other receivables		47,060	84,273
Other non-current assets		(8,793)	(459)
Trade accounts payable		(467)	(922)
Other payables		(275,859)	(87,282)
Cash paid for operating activities		<u>(4,436,444)</u>	<u>(3,326,509)</u>
Cash received from interest income		6,903,515	6,460,845
Interest paid		(447,940)	(519,736)
Income tax paid		(628,104)	(675,237)
Net cash provided by operating activities		<u>1,391,027</u>	<u>1,939,363</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“Unaudited”

		Unit : Thousand Baht	
	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment	4	(24,578)	(15,514)
Proceeds from sale of equipment		49	101
Cash paid for purchase of intangible assets	4	(1,967)	(5,107)
Net cash used in investing activities		<u>(26,496)</u>	<u>(20,520)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	29,250,052	16,430,000
Repayment of short-term borrowings from financial institutions	4	(28,807,130)	(16,787,816)
Proceeds from long-term borrowings from financial institutions	4	2,189,260	1,084,095
Repayment of long-term borrowings from financial institutions	4	(2,253,720)	(1,502,804)
Proceeds from issuing debentures	4	1,500,000	1,000,000
Repayment of debentures	4	(2,000,000)	(1,500,000)
Dividends paid to owners of the Company	12	(1,422,000)	(792,000)
Net cash used in financing activities		<u>(1,543,538)</u>	<u>(2,068,525)</u>
Net decrease in cash and cash equivalents		(179,007)	(149,682)
Cash and cash equivalents as at January 1,		635,110	677,233
Cash and cash equivalents as at June 30,		<u><u>456,103</u></u>	<u><u>527,551</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019
“Unaudited”

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.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance

The interim financial statements are prepared in Thai Baht and compliance with Thai Accounting Standard (“TAS”) No. 34 (revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

The statement of financial position as at December 31, 2018, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2019 are not necessarily indicative of the operating results anticipated for the full year.

Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.

2.2 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current period 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, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting 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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard Group of Financial Instruments and Leases 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
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Thai Financial Reporting Standards ("TFRS")

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases

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 TFRS in the preparation of the Company's financial statements when they become 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.

2.4 Functional and presentation currency

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

2.5 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the six-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the six-month periods ended June 30,	
	2019	2018
Leasehold improvements and equipment		
Liabilities recorded at beginning of period	1,769	578
Purchase of leasehold improvements and equipment	23,688	15,584
	25,457	16,162
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	(24,578)	(15,514)
Liabilities recorded at ending of period	879	648

For the six-month periods ended June 30, 2019 and 2018, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.07 million and Baht 0.99 million, respectively.

	Unit : Thousand Baht "Unaudited"	
	For the six-month periods ended June 30,	
	2019	2018
Intangible assets		
Liabilities recorded at beginning of period	-	597
Purchase of intangible assets	1,967	5,206
	1,967	5,803
<u>Less</u> Cash paid for purchase of intangible assets	(1,967)	(5,107)
Liabilities recorded at ending of period	-	696

Reconciliation of liabilities arising from financing activities for the six-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
As at January 1, 2019	3,385,848	10,493,596	15,580,334	29,459,778
Changes in cash flow				
Cash proceeds	29,250,052	2,189,260	1,500,000	32,939,312
Cash repayment	(28,807,130)	(2,253,720)	(2,000,000)	(33,060,850)
Non-cash changes				
Maturity	(250,000)	-	-	(250,000)
Renewal	250,000	-	-	250,000
Deferred issuance costs				
on debentures and borrowings	(281)	989	6,813	7,521
As at June 30, 2019	3,828,489	10,430,125	15,087,147	29,345,761

	Unit : Thousand Baht			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	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	16,430,000	1,084,095	1,000,000	18,514,095
Cash repayment	(16,787,816)	(1,502,804)	(1,500,000)	(19,790,620)
Non-cash changes				
Maturity	(1,000,000)	-	-	(1,000,000)
Renewal	1,000,000	-	-	1,000,000
Deferred issuance costs				
on debentures and borrowings	(1,797)	1,418	7,814	7,435
As at June 30, 2018	2,792,515	11,277,307	15,572,829	29,642,651

5. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these interim 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
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)

Significant transactions with related parties for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended June 30, 2019 2018	
Finance costs		
Other related parties		
Interest expense	37,259	44,687
Guarantee fee	262	264
Debenture arrangement fee	3,052	3,035
Upfront fee	430	714
Loan Facility Cancellation fee	-	19,600
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	22,533	22,844
Key management personnel’s compensation (Long-term benefits)	206	30
	Unit : Thousand Baht “Unaudited” For the six-month periods ended June 30, 2019 2018	
Finance costs		
Other related parties		
Interest expense	78,435	92,539
Guarantee fee	521	536
Debenture arrangement fee	6,054	6,023
Upfront fee	989	1,419
Loan Facility Cancellation fee	-	42,649

	Unit : Thousand Baht “Unaudited” For the six-month periods ended June 30,	
	2019	2018
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	45,372	45,492
Key management personnel’s compensation (Long-term benefits)	411	59

Balances with related parties as at June 30, 2019 and December 31, 2018 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	100,000	330,000
Total	100,000	330,000

As at June 30, 2019, short-term borrowings from financial institutions from other related parties bear interest at a rate of 2.06% per annum (as at December 31, 2018 : 1.91% - 1.99% per annum).

	Unit : Thousand Baht “Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Current portion of long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 16.50 million (as at December 31, 2018 : USD 16.50 million)	571,155	577,075
Bank of Ayudhya Public Company Limited	-	300,000
Long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
- USD 16.50 million (as at December 31, 2018 : USD 24.50 million)	570,670	847,470
Bank of Ayudhya Public Company Limited	3,884,094	3,384,094
Total	5,025,919	5,108,639

As at June 30, 2019, long-term borrowings from financial institutions from other related parties bear interest at rates ranging from 2.56% - 3.78% per annum (as at December 31, 2018 : 2.58% - 4.90% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Other payables		
Accrued interest expense		
Other related parties		
MUFG Bank, Ltd., Singapore branch	301	495
Bank of Ayudhya Public Company Limited	21,283	21,115
Total	21,584	21,610

	Unit : Thousand Baht	
	“Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Deferred issuance cost (presented net from long-term borrowings and debentures)		
Other related parties		
MUFG Bank, Ltd.	7,526	14,429
Bank of Ayudhya Public Company Limited	142	96
Total	7,668	14,525

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 agreements.

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 floating interest rate by swapping foreign currencies and floating interest rates or fixed interest rates to Baht currency in fixed interest rates as specified in the agreements (see Note 9).

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 9).

6. LOAN RECEIVABLES

	“Unaudited” As at June 30, 2019			As at December 31, 2018			Unit : Thousand Baht
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total	
Due within one year							
Loan receivables	55,039,748	145,111	55,184,859	53,951,955	138,842	54,090,797	
Less Unearned interest income	-	(10,844)	(10,844)	-	(11,600)	(11,600)	
Allowance for doubtful accounts	(3,330,768)	(2,108)	(3,332,876)	(3,299,886)	(2,574)	(3,302,460)	
Net	51,708,980	132,159	51,841,139	50,652,069	124,668	50,776,737	
Due over one year							
Loan receivables	-	32,991	32,991	-	38,040	38,040	
Less Unearned interest income	-	(662)	(662)	-	(757)	(757)	
Allowance for doubtful accounts	-	(429)	(429)	-	(623)	(623)	
Net	-	31,900	31,900	-	36,660	36,660	
Total	51,708,980	164,059	51,873,039	50,652,069	161,328	50,813,397	
				Unit : Thousand Baht			
				2018			
Bad debts and doubtful accounts							
expenses for the three-month periods							
ended June 30,							
Bad debts	1,010,737	458	1,011,195	970,164	1,399	971,563	
Doubtful accounts (reversal)	1,676	(285)	1,391	(28,157)	(965)	(29,122)	
Total	1,012,413	173	1,012,586	942,007	434	942,441	
Bad debts and doubtful accounts							
expenses for the six-month periods							
ended June 30,							
Bad debts	1,990,173	1,003	1,991,176	1,950,575	2,171	1,952,746	
Doubtful accounts (reversal)	30,882	(660)	30,222	(69,532)	(675)	(70,207)	
Total	2,021,055	343	2,021,398	1,881,043	1,496	1,882,539	

Aging analysis for loan receivables is as follows:

	“Unaudited”			As at December 31, 2018			Unit : Thousand Baht
	As at June 30, 2019			As at December 31, 2018			
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total	
Current	51,985,502	176,761	52,162,263	50,765,066	175,166	50,940,232	
Overdue payment							
Less than and equal to 3 months	1,995,917	934	1,996,851	2,061,096	1,096	2,062,192	
More than 3 months	1,058,329	407	1,058,736	1,125,793	620	1,126,413	
	55,039,748	178,102	55,217,850	53,951,955	176,882	54,128,837	
Less Unearned interest income	-	(11,506)	(11,506)	-	(12,357)	(12,357)	
Total	55,039,748	166,596	55,206,344	53,951,955	164,525	54,116,480	
Less Allowance for doubtful accounts	(3,330,768)	(2,537)	(3,333,305)	(3,299,886)	(3,197)	(3,303,083)	
Net	51,708,980	164,059	51,873,039	50,652,069	161,328	50,813,397	

As at June 30, 2019 and December 31, 2018, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Revolving loan receivables	52,989,535	52,032,817
Minimum payment loan receivables	2,050,213	1,919,138
Total	55,039,748	53,951,955

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 June 30, 2019 the Company had loan receivables which were overdue for over three payment periods of Baht 1,058.74 million (as at December 31, 2018 : Baht 1,126.41 million) on which the Company has continued to recognize the interest income. The Company recognized income on such loan receivables for the three-month and six-month periods ended June 30, 2019 amounting to Baht 49.46 million and Baht 104.10 million, respectively (2018 : Baht 46.99 million and Baht 100.23 million, respectively) of which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at June 30, 2019 and December 31, 2018 were denominated entirely in Baht currency.

7. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

During the six-month period ended June 30, 2019, the Company acquired additional leasehold improvements and equipment at the total cost of Baht 23.69 million (December 31, 2018 : Baht 28.23 million). In addition, the Company had depreciation expense of leasehold improvements and equipment for the three-month and six-month periods ended June 30, 2019 totaling Baht 18.85 million and Baht 38.49 million, respectively (2018 : Baht 26.33 million and Baht 56.19 million, respectively).

Additionally, the Company recognized decommissioning obligations for leasehold improvements as part of leasehold improvements during the current period in the amount of Baht 0.07 million and recognized depreciation expenses on leasehold improvements for decommissioning obligations for the three-month and six-month periods ended June 30, 2019 totaling Baht 0.41 million and Baht 0.82 million, respectively (2018 : Baht 0.91 million and Baht 2.17 million, respectively).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht “Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Deferred tax assets		
Loan receivables		
(allowance for doubtful accounts)	666,845	660,958
Loan receivables (bad debt written-off)	131,794	130,509
Provisions for employee benefits	27,737	19,881
Decommissioning obligation for leasehold improvements	12,213	12,126
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	71,585	48,341
Others	1,846	2,008
Total	<u>912,020</u>	<u>873,823</u>
Deferred tax liabilities		
Debentures and borrowings issuance cost	(4,017)	(5,399)
Total	<u>(4,017)</u>	<u>(5,399)</u>
Net	<u>908,003</u>	<u>868,424</u>

The movements of deferred tax assets and liabilities for the three-month periods ended June 30, 2019 and 2018 consist of tax effects from the following items:

	Unit : Thousand Baht “Unaudited”		
	Balance as at April 1, 2019	Item as recognized into profit (loss)	Balance as at June 30, 2019
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	666,792	53	666,845
Loan receivables (bad debt written-off)	133,339	(1,545)	131,794
Provisions for employee benefits	20,714	7,023	27,737
Decommissioning obligation for leasehold improvements	12,183	30	12,213
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	39,487	32,098	71,585
Others	1,807	39	1,846
	<u>874,322</u>	<u>37,698</u>	<u>912,020</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(4,742)	725	(4,017)
	<u>(4,742)</u>	<u>725</u>	<u>(4,017)</u>
Deferred tax assets	<u>869,580</u>	<u>38,423</u>	<u>908,003</u>

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at	Item as	as at
	April 1,	recognized	June 30,
	2018	into profit	2018
		(loss)	
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	650,263	(5,825)	644,438
Loan receivables (bad debt written-off)	143,682	11,445	155,127
Provisions for employee benefits	20,001	604	20,605
Decommissioning obligation for leasehold improvements	12,481	156	12,637
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	105,776	(79,394)	26,382
Others	2,265	(61)	2,204
	<u>934,468</u>	<u>(73,075)</u>	<u>861,393</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(8,203)	864	(7,339)
	<u>(8,203)</u>	<u>864</u>	<u>(7,339)</u>
Deferred tax assets	<u>926,265</u>	<u>(72,211)</u>	<u>854,054</u>

The movements of deferred tax assets and liabilities for the six-month periods ended June 30, 2019 and 2018 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at	Item as	as at
	January 1,	recognized	June 30,
	2019	into profit	2019
		(loss)	
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	660,958	5,887	666,845
Loan receivables (bad debt written-off)	130,509	1,285	131,794
Provisions for employee benefits	19,881	7,856	27,737
Decommissioning obligation for leasehold improvements	12,126	87	12,213
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	48,341	23,244	71,585
Others	2,008	(162)	1,846
	<u>873,823</u>	<u>38,197</u>	<u>912,020</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(5,399)	1,382	(4,017)
	<u>(5,399)</u>	<u>1,382</u>	<u>(4,017)</u>
Deferred tax assets	<u>868,424</u>	<u>39,579</u>	<u>908,003</u>

	Unit : Thousand Baht		
	Balance as at January 1, 2018	“Unaudited” Item as recognized into profit (loss)	Balance as at June 30, 2018
Deferred tax assets			
Loan receivables			
(allowance for doubtful accounts)	658,607	(14,169)	644,438
Loan receivables (bad debt written-off)	130,897	24,230	155,127
Provisions for employee benefits	19,397	1,208	20,605
Decommissioning obligation for leasehold improvements	12,403	234	12,637
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	67,321	(40,939)	26,382
Others	2,431	(227)	2,204
	<u>891,056</u>	<u>(29,663)</u>	<u>861,393</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(8,813)	1,474	(7,339)
	<u>(8,813)</u>	<u>1,474</u>	<u>(7,339)</u>
Deferred tax assets	<u>882,243</u>	<u>(28,189)</u>	<u>854,054</u>

9. INTEREST - BEARING LIABILITIES

	“Unaudited”					Unit : Thousand Baht		
	As at June 30, 2019					As at December 31, 2018		
	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	3,832,922	1,893,655	4,104,400	9,830,977	3,390,000	3,517,975	3,964,800	10,872,775
Less: Deferred issuance cost on debentures and borrowings	(4,433)	(458)	(6,595)	(11,486)	(4,152)	(575)	(5,216)	(9,943)
Net	<u>3,828,489</u>	<u>1,893,197</u>	<u>4,097,805</u>	<u>9,819,491</u>	<u>3,385,848</u>	<u>3,517,400</u>	<u>3,959,584</u>	<u>10,862,832</u>
Non-current								
Principal	-	8,537,964	11,000,000	19,537,964	-	6,978,104	11,639,600	18,617,704
Less: Deferred issuance cost on debentures and borrowings	-	(1,036)	(10,658)	(11,694)	-	(1,908)	(18,850)	(20,758)
Net	<u>-</u>	<u>8,536,928</u>	<u>10,989,342</u>	<u>19,526,270</u>	<u>-</u>	<u>6,976,196</u>	<u>11,620,750</u>	<u>18,596,946</u>
Total	<u>3,828,489</u>	<u>10,430,125</u>	<u>15,087,147</u>	<u>29,345,761</u>	<u>3,385,848</u>	<u>10,493,596</u>	<u>15,580,334</u>	<u>29,459,778</u>
- Secured*	-	-	2,098,304	2,098,304	-	-	2,092,310	2,092,310
- Unsecured	3,828,489	10,430,125	12,988,843	27,247,457	3,385,848	10,493,596	13,488,024	27,367,468
Total	<u>3,828,489</u>	<u>10,430,125</u>	<u>15,087,147</u>	<u>29,345,761</u>	<u>3,385,848</u>	<u>10,493,596</u>	<u>15,580,334</u>	<u>29,459,778</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 June 30, 2019 and December 31, 2018 classified by currencies are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Baht Currency	24,101,426	23,257,966
United States Dollars Currency	4,950,335	5,604,612
Yen Currency	294,000	597,200
Total	29,345,761	29,459,778

As at June 30, 2019, above liabilities bear interest at the rates ranging from 1.84% - 7.13% per annum (as at December 31, 2018 : 1.66% - 4.90% per annum).

Cross currency and interest rate swap and interest rate swap

Baht Currency

As at June 30, 2019, 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 and a local bank totaling Baht 3,400.00 million (as at December 31, 2018 : Baht 2,900.00 million).

United States Dollars Currency

As at June 30, 2019, the Company has cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of floating interest rate. The cross currency and interest rate swap agreements are as follows:

- With a related local bank and local banks totaling USD 98.00 million by swapping to Baht 3,246.23 million (as at December 31, 2018 : totaling USD 106.00 million by swapping to Baht 3,528.95 million) and swapping floating interest rates and fixed interest rates in USD monthly, quarterly and semi-annually to fixed rates as specified in the agreements.
- With a local branch of foreign banks totaling USD 51.50 million by swapping to Baht 1,711.70 million (as at December 31, 2018 : totaling USD 59.50 million by swapping to Baht 2,090.24 million) and swapping floating interest rates in USD monthly and quarterly to fixed rates as specified in the agreements.

Yen Currency

As at June 30, 2019, the Company has cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of floating interest rate with a local bank totaling JPY 1,000.00 million by swapping to Baht 294.00 million (as at December 31, 2018 : totaling JPY 2,000.00 million by swapping to Baht 597.20 million) and swapping floating interest rate in JPY quarterly to fixed rates as specified in the agreements.

Debentures

Debentures as at June 30, 2019 and December 31, 2018 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/Unsecured	Unit	Par Value	“Unaudited” As at June 30, 2019 (Thousand Baht)	As at December 31, 2018 (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, 2020	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	September 30, 2015	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
		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	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	November 24, 2017	November 24, 2021	1 st	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	1,000,000
11	October 22, 2018	October 22, 2020	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
12	April 29, 2019	January 28, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	-
							15,104,400	15,604,400
							(17,253)	(24,066)
Less Debenture deferred issuance cost							15,087,147	15,580,334
Less Current portion of debentures							(4,097,805)	(3,959,584)
Debentures - net							10,989,342	11,620,750

As at June 30, 2019, debentures bear interest at rates ranging from 1.99% - 4.10% per annum (as at December 31, 2018: 1.99% - 4.10% per annum).

10. OTHER INCOME

Other income for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended June 30,	
	2019	2018
Recovery of bad debts	275,386	249,827
Others	29,278	27,316
Total	304,664	277,143

	Unit : Thousand Baht “Unaudited” For the six-month periods ended June 30,	
	2019	2018
Recovery of bad debts	554,450	502,021
Others	56,051	52,462
Total	610,501	554,483

11. 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 a domestic market; consequently, management determines that it has only one geographical segment.

12. DEVIDEND PAID

- 12.1 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.
- 12.2 At the Annual General Meeting of the Shareholders of the Company held on April 25, 2019, the shareholder approved the appropriation of dividends of Bath 2.37 per share, amounting to Baht 1,422.00 million. The dividends were paid to the shareholders on May 8, 2019.

13. TAX EXPENSE

Tax expense for the three-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht "Unaudited" For the three-month periods ended June 30,	
	2019	2018
Current tax expense		
Current year	373,009	227,962
	<u>373,009</u>	<u>227,962</u>
Deferred tax expense		
Movements in temporary differences	(38,423)	72,211
	<u>(38,423)</u>	<u>72,211</u>
Total	<u>334,586</u>	<u>300,173</u>

Reconciliations of effective tax rates for the three-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht	
	2019	2018
	Tax Rate (%)	Tax Rate (%)
Accounting profit before tax expense	1,656,576	1,482,621
Tax expense at domestic tax rate	20.0 331,315	20.0 296,525
Tax effect of non-deductible expenses (non-taxable income)	41,694	(68,563)
Tax expense per income tax return	373,009	227,962
Adjustment for deferred tax relating to the origination and reversal of temporary differences	(38,423)	72,211
Tax expense	20.2 <u>334,586</u>	20.3 <u>300,173</u>

Tax expense for the six-month periods ended June 30, 2019 and 2018 are as follows:

	Unit : Thousand Baht "Unaudited" For the six-month periods ended June 30,	
	2019	2018
Current tax expense		
Current year	687,140	548,832
	<u>687,140</u>	<u>548,832</u>
Deferred tax expense		
Movements in temporary differences	(39,579)	28,189
	<u>(39,579)</u>	<u>28,189</u>
Total	<u>647,561</u>	<u>577,021</u>

Reconciliations of effective tax rates for the six-month periods ended June 30, 2019 and 2018 are as follows:

		2019		Unit : Thousand Baht 2018
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before tax expense		3,252,680		2,912,778
Tax expense at domestic tax rate	20.0	650,536	20.0	582,556
Tax effect of non-deductible expenses (non-taxable income)		36,604		(33,724)
Tax expense per income tax return		687,140		548,832
Adjustment for deferred tax relating to the origination and reversal of temporary differences		(39,579)		28,189
Tax expense	19.9	647,561	19.8	577,021

14. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at June 30, 2019 and December 31, 2018 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at June 30, 2019	As at December 31, 2018
Capital commitments		
Software	2,065	3,290
Furniture & fixture and equipment	5,043	1,326
Total	7,108	4,616
Non-cancellable operating lease commitments		
Within one year	203,130	185,357
After one year but within five years	94,751	82,768
Total	297,881	268,125

The Company entered into several lease agreements covering office premises, vehicles and computer equipment for periods of 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.

15. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Board of Directors of the Company on August 7, 2019.