
EASY BUY PUBLIC COMPANY LIMITED

Financial statements

Year ended December 31, 2021



บริษัท ดีลอยท์ ทูเช่ โทมatsu ไทยแลนด์
สอบบัญชี จำกัด
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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, 2021, 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, 2021, 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.



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Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

BANGKOK
February 24, 2022

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	472,019	436,455
Loan receivables due within one year	8	51,959,174	52,493,906
Other receivables	9	151,191	202,640
Total Current Assets		<u>52,582,384</u>	<u>53,133,001</u>
NON-CURRENT ASSETS			
Loan receivables	8	41,371	49,418
Leasehold improvements and equipment	10	192,954	157,638
Right-of-use assets	11	650,169	214,828
Intangible assets	12	23,813	37,110
Deferred tax assets	13	1,258,496	1,296,982
Other non-current assets		67,311	65,290
Total Non-current Assets		<u>2,234,114</u>	<u>1,821,266</u>
TOTAL ASSETS		<u><u>54,816,498</u></u>	<u><u>54,954,267</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, 2021

Unit : Thousand Baht

	Notes	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	6 and 14	2,998,149	4,648,588
Trade accounts payable		3,725	5,368
Other payables	15	510,522	523,573
Current portion of long-term borrowings from financial institutions	6 and 14	2,300,000	3,206,137
Current portion of debentures	14	3,999,570	3,999,350
Current portion of lease liabilities	16	154,440	88,506
Current income tax payable		688,346	787,917
Current portion of decommissioning obligations for leasehold improvement	18	-	29,530
Derivative liabilities	14 and 19	29,781	90,696
Total Current Liabilities		<u>10,684,533</u>	<u>13,379,665</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	6 and 14	5,082,162	5,284,094
Debentures	14	6,994,003	7,494,690
Lease liabilities	16	510,615	129,128
Provision for employee benefits	17	227,526	209,594
Decommissioning obligations for leasehold improvement	18	57,763	33,937
Long-term derivative liabilities	14 and 19	31,098	114,336
Other non-current liabilities		194	-
Total Non-current Liabilities		<u>12,903,361</u>	<u>13,265,779</u>
TOTAL LIABILITIES		<u>23,587,894</u>	<u>26,645,444</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2021

Unit : Thousand Baht			
	Notes	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	20		
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		6,000,000	6,000,000
Issued and paid-up share capital		<u>6,000,000</u>	<u>6,000,000</u>
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve	21	600,000	600,000
Unappropriated		24,628,604	21,708,823
TOTAL SHAREHOLDERS' EQUITY		<u>31,228,604</u>	<u>28,308,823</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>54,816,498</u></u>	<u><u>54,954,267</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, 2021

		Unit : Thousand Baht	
	Notes	2021	2020
REVENUES			
Income from personal loans		13,237,370	13,650,046
Income from installment loans		18,721	16,563
Other income	23	1,415,676	1,435,501
Total Revenues		<u>14,671,767</u>	<u>15,102,110</u>
EXPENSES			
Operating expenses	24	905,494	911,274
Administrative expenses	24	2,936,281	2,914,656
Expected credit losses	8 and 24	4,880,556	4,542,957
Finance costs	6 and 26	404,770	647,653
Total Expenses		<u>9,127,101</u>	<u>9,016,540</u>
PROFIT BEFORE INCOME TAX EXPENSE		5,544,666	6,085,570
INCOME TAX EXPENSE	27	1,193,561	1,287,781
NET PROFIT FOR THE YEARS		<u>4,351,105</u>	<u>4,797,789</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		3,345	(5,645)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		(669)	1,129
Other comprehensive income (loss) for the years, net of tax		<u>2,676</u>	<u>(4,516)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		<u>4,353,781</u>	<u>4,793,273</u>
BASIC EARNINGS PER SHARE	BAHT	7.25	8.00
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	600,000,000	600,000,000

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	Share capital Issued and paid-up	Retained earnings		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2020		6,000,000	600,000	19,215,743	25,815,743
The effects of adoption of recently issued accounting standard		-	-	(734,193)	(734,193)
Dividends paid	28.1	-	-	(1,566,000)	(1,566,000)
Total comprehensive income for the year		-	-	4,793,273	4,793,273
Balance as at December 31, 2020		<u>6,000,000</u>	<u>600,000</u>	<u>21,708,823</u>	<u>28,308,823</u>
Balance as at January 1, 2021		6,000,000	600,000	21,708,823	28,308,823
Dividends paid	28.2	-	-	(1,434,000)	(1,434,000)
Total comprehensive income for the year		-	-	4,353,781	4,353,781
Balance as at December 31, 2021		<u>6,000,000</u>	<u>600,000</u>	<u>24,628,604</u>	<u>31,228,604</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, 2021

Unit : Thousand Baht

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the years		4,351,105	4,797,789
Adjustments for :			
Income tax expense		1,193,561	1,287,781
Depreciation and amortization expenses		370,291	338,572
Interest income		(13,256,091)	(13,666,609)
Finance costs		404,770	647,653
Expected credit losses		4,880,556	4,542,957
Employee benefit expense		21,557	19,605
Loss on disposal of equipment and intangible assets		1,018	115
Gain on lease modification		(117)	(88)
Gain on discount received from lease agreement		(5,215)	(2,501)
		<u>(2,038,565)</u>	<u>(2,034,726)</u>
Changes in operating assets and liabilities			
Loan receivables		(4,435,485)	(4,321,141)
Other receivables		49,016	(14,696)
Other non-current assets		(2,021)	21,036
Trade accounts payable		(1,643)	2,909
Other payables		(20,382)	(14,290)
Other non-current liabilities		194	-
Cash paid for operating activities		<u>(6,448,886)</u>	<u>(6,360,908)</u>
Cash received from interest income		13,353,799	13,725,747
Employee benefit paid		(280)	(2,079)
Interest paid		(517,538)	(711,154)
Income tax paid		<u>(1,255,314)</u>	<u>(1,361,805)</u>
Net cash provided by operating activities		<u>5,131,781</u>	<u>5,289,801</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment	5	(85,894)	(83,156)
Proceeds from sale of equipment		419	82
Cash paid for purchasing of intangible assets	5	(11,452)	(2,553)
Net cash used in investing activities		<u>(96,927)</u>	<u>(85,627)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	5	52,318,542	37,967,008
Repayment of short-term borrowings from financial institutions	5	(53,968,542)	(37,482,108)
Proceeds from long-term borrowings from financial institutions	5	2,400,000	2,200,000
Repayment of long-term borrowings from financial institutions	5	(3,565,660)	(3,317,610)
Proceeds from issuing of debentures	5	3,500,000	1,500,000
Repayment of debentures	5	(4,000,000)	(4,139,600)
Repayment of the lease liabilities	5	(249,630)	(234,163)
Dividends paid to owners of the Company	28	(1,434,000)	(1,566,000)
Net cash used in financing activities		<u>(4,999,290)</u>	<u>(5,072,473)</u>
Net increase in cash and cash equivalents		35,564	131,701
Cash and cash equivalents as at January 1,		<u>436,455</u>	<u>304,754</u>
Cash and cash equivalents as at December 31,	7	<u><u>472,019</u></u>	<u><u>436,455</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, 2021

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EASY BUY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION AND OPERATIONS

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

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

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

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

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

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

The Company issued relief measures to customers affected by the COVID-19 pandemic during the years 2021 and 2020 by reducing interest rate and skip payment for personal loan and installment loan customers following the Bank of Thailand’s relief measures for debtors affected by COVID-19 pandemic.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

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

The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 “Presentation of Financial Statements”, which was effective for the accounting period beginning on or after January 1, 2021 onwards, and the Notification of the Department of Business Development dated December 26, 2019 regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562”.

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

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

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

During the year, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

Accounting Treatment Guidance on "The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy"

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who are effected from the situations that affected Thailand's economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Rent Concessions related to COVID-19

The Company elected to adopt the practical expedient relating to COVID-19 related Rent Concessions according to the amendments to TFRS 16 "Leases". The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Company's management has adopted such aforementioned practical expedient in the preparation of the financial statements for the year ended December 31, 2021.

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follow:

- Thai Financial Reporting Standards No. 1 “First-time Adoption of Thai Financial Reporting Standards”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19”, which the objective of this accounting treatment guidance is to be used as the temporary relaxation measures for entities who providing assistance their debtors affected by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities elect to apply the temporary relaxation measures according to this accounting treatment guidance should be disclosed information as required.

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Functional and presentation currency

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

3.2 Cash and cash equivalents

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

3.3 Financial Instruments

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

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

3.3.1 Financial assets

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

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

Classification of financial assets

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

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

Amortized cost and effective interest method

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

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

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

Impairment of financial assets

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

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

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

(a) Significant increase in credit risk

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

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

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

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

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

(b) Definition of default

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

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

(c) Credit-impaired financial assets

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

- Significant financial difficulty of the customer;
- A breach of contract, such as a default or past due event;
- The lender(s) of the customer, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the customer will enter bankruptcy or reorganization.

(d) Write-off policy

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

(e) Measurement and recognition of expected credit losses

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

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

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

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

3.3.2 Financial liabilities

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

Financial liabilities measured subsequently at amortized cost

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

Derecognition of financial instruments

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

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

3.3.3 Derivative financial instruments

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

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

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

3.4 Leasehold improvement and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

No depreciation is provided on assets under installation.

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

3.5 Intangible assets other than goodwill

Other intangible assets

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

Amortization

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

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

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

3.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an assets exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Calculation of recoverable amount

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

Reversals of impairment

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

3.7 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Short-term employee benefits

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

A liability is recognized for the amount expected to be paid under short-term cash bonus 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.

3.8 Provisions

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

Provision for demolished costs of leasehold improvements

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

3.9 Foreign currency transactions

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

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

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

3.10 Earnings per share

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

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

3.11 Income

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

3.12 Bad debt recovery

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

3.13 Lease

The Company as lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.14 Finance cost

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

3.15 Income tax

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

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

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

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

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

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

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

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

3.16 Fair value measurements

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

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

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

4.1 Use of management's judgments

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

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

4.1.1 Business model assessment

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

4.1.2 Significant increase in credit risk

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

4.2 Key sources of estimation uncertainty

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

Calculation of allowance for expected credit loss

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

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

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

5. ADDITIONAL CASH FLOW INFORMATION

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

	Unit : Thousand Baht	
	2021	2020
Leasehold improvements and equipment		
Liabilities recorded at beginning of the year	1,538	154
Purchase of leasehold improvements and equipment	100,429	84,540
	<u>101,967</u>	<u>84,694</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(85,894)</u>	<u>(83,156)</u>
Liabilities recorded at ending of the year	<u>16,073</u>	<u>1,538</u>

For the years ended December 31, 2021 and 2020, the Company recorded leasehold improvements related to provision for restoration cost of Baht 24.01 million and Baht 0.46 million, respectively.

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

	Unit : Thousand Baht	
	2021	2020
Intangible assets		
Liabilities recorded at beginning of the year	-	-
Purchase of intangible assets	11,452	2,553
	<u>11,452</u>	<u>2,553</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(11,452)</u>	<u>(2,553)</u>
Liabilities recorded at ending of the year	<u>-</u>	<u>-</u>

5.3 Reconciliation of liabilities arising from financing activities

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

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

* Others consist of interest expense and lease agreement cancellation.

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at December 31, 2019	4,163,225	9,666,588	14,128,965	-	27,958,778
Impact of first adoption of TFRS 9	-	(196,570)	(78,004)	291,531	16,957
As at January 1, 2020	4,163,225	9,470,018	14,050,961	291,531	27,975,735
Changes in cash flow					
Cash proceeds	37,967,008	2,200,000	1,500,000	-	41,667,008
Cash repayment	(37,482,108)	(3,317,610)	(4,139,600)	(234,163)	(45,173,481)
Non-cash changes					
Differences on translating foreign currencies	-	137,114	78,004	-	215,118
Deferred issuance costs on debentures and borrowings	463	709	4,675	-	5,847
New lease agreement	-	-	-	178,348	178,348
Others*	-	-	-	(18,082)	(18,082)
As at December 31, 2020	4,648,588	8,490,231	11,494,040	217,634	24,850,493

* Others consist of interest expense and lease agreement cancellation.

6. 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
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

Significant transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Finance costs		
Related parties		
Interest expense	67,406	98,383
Guarantee fee	-	85
Debenture arrangement fee	676	1,611
Upfront fee	67	709
Administrative expenses		
Key management personnel		
Key management personnel's compensation (Short-term benefits)	91,232	82,255
Key management personnel's compensation (Long-term benefits)	2,210	1,081

Balances with related parties as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Short-term borrowings from financial institutions		
A related party		
Bank of Ayudhya Public Company Limited	665,000	870,000
Total	<u>665,000</u>	<u>870,000</u>

As at December 31, 2021 and 2020, short-term borrowings from financial institutions - related party bear interest at rates ranging of 0.81% per annum and 0.81% - 0.89% per annum, respectively.

	Unit : Thousand Baht	
	2021	2020
Current portion of long-term borrowings from financial institutions		
Related parties		
MUFG Bank, Ltd., Singapore branch : Nil (December 31, 2020 : USD 8.00 million)	-	241,654
Bank of Ayudhya Public Company Limited	1,700,000	1,000,000
Long-term borrowings from financial institutions		
A related party		
Bank of Ayudhya Public Company Limited	2,784,094	3,884,094
Total	<u>4,484,094</u>	<u>5,125,748</u>

As at December 31, 2021 and 2020, long-term borrowings from financial institutions - related parties bear interest at rates ranging from 0.57% - 2.62% per annum and 0.71% - 3.72% per annum, respectively.

	Unit : Thousand Baht	
	2021	2020
Other payables		
Accrued interest expense		
Related parties		
MUFG Bank, Ltd., Singapore branch	-	50
Bank of Ayudhya Public Company Limited	15,207	15,788
Total	<u>15,207</u>	<u>15,838</u>
 Deferred issuance cost (presented net from long-term borrowings and debentures)		
Related parties		
MUFG Bank, Ltd.	-	67
Bank of Ayudhya Public Company Limited	1,232	415
Total	<u>1,232</u>	<u>482</u>

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 to Baht currency in fixed interest rates as specified in the agreements (see Note 14).

Interest rate swap agreements

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

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Cash on hand	117,564	118,116
Cash at banks - current accounts	210,855	185,773
Cash at banks - savings accounts	143,600	132,566
Total	472,019	436,455

In 2021 and 2020, above cash at banks bears interest at the rates of ranging from 0.05% - 0.13% per annum.

8. LOAN RECEIVABLES

	As at December 31, 2021			As at December 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	57,091,842	156,223	57,248,065	57,619,620	135,192	57,754,812
<u>Less</u> Unearned interest income	-	(6,712)	(6,712)	-	(8,322)	(8,322)
Allowance for expected credit loss	(5,281,131)	(1,048)	(5,282,179)	(5,251,550)	(1,034)	(5,252,584)
Net	51,810,711	148,463	51,959,174	52,368,070	125,836	52,493,906
Due over one year						
Loan receivables	-	41,541	41,541	-	49,680	49,680
<u>Less</u> Unearned interest income	-	(3)	(3)	-	(48)	(48)
Allowance for expected credit loss	-	(167)	(167)	-	(214)	(214)
Net	-	41,371	41,371	-	49,418	49,418
Total	51,810,711	189,834	52,000,545	52,368,070	175,254	52,543,324

Unit : Thousand Baht

Expected credit losses for the years ended December 31, 2021 and 2020 comprise the following:

	Unit : Thousand Baht					
	2021			2020		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debts	4,883,738	2,169	4,885,907	3,666,229	1,687	3,667,916
Expected credit losses (reversal)	(5,313)	(38)	(5,351)	875,329	(288)	875,041
Total	4,878,425	2,131	4,880,556	4,541,558	1,399	4,542,957

Staging analysis for loan receivables as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht					
	As at December 31, 2021			As at December 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	53,690,377	196,660	53,887,037	54,052,956	183,754	54,236,710
Under-performing (Stage 2)	2,055,697	500	2,056,197	1,399,547	465	1,400,012
Non-performing (Stage 3)	1,345,768	604	1,346,372	2,167,117	653	2,167,770
	57,091,842	197,764	57,289,606	57,619,620	184,872	57,804,492
<u>Less</u> Unearned interest income	-	(6,715)	(6,715)	-	(8,370)	(8,370)
Total	57,091,842	191,049	57,282,891	57,619,620	176,502	57,796,122
<u>Less</u> Allowance for expected credit losses	(5,281,131)	(1,215)	(5,282,346)	(5,251,550)	(1,248)	(5,252,798)
Net	51,810,711	189,834	52,000,545	52,368,070	175,254	52,543,324

Allowance for expected credit loss

The movements of the allowance for expected credit loss of loans receivables for the years ended December 31, 2021 and 2020 are as follows:

Unit : Thousand Baht

	Allowance for expected credit loss			
	12-month ECL (Stage 1)	Lifetime ECL- not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)	Total
Balance as at December 31, 2020	2,626,365	781,956	1,844,477	5,252,798
Changes in staging	(1,090,690)	(1,385,621)	2,476,311	-
New financial assets originated or purchased	161,680	-	-	161,680
Net remeasurement of loss allowance	1,053,281	2,251,247	508,826	3,813,354
Financial assets derecognized	(54,121)	(5,291)	(1,804)	(61,216)
Written off	(50,277)	(119,735)	(3,714,258)	(3,884,270)
Balance as at December 31, 2021	2,646,238	1,522,556	1,113,552	5,282,346

Unit : Thousand Baht

	Allowance for expected credit loss				
	12-month ECL (Stage 1)	Lifetime ECL- not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	3,523,304	3,523,304
Impact of adoption of TFRS 9	2,440,244	740,491	1,118,823	(3,523,304)	776,254
Balance as at January 1, 2020	2,440,244	740,491	1,118,823	-	4,299,558
Changes in staging	(733,865)	(1,864,511)	2,598,376	-	-
New financial assets originated or purchased	227,958	-	-	-	227,958
Net remeasurement of loss allowance	780,187	1,954,673	867,131	-	3,601,991
Financial assets derecognized	(56,845)	(5,327)	(2,633)	-	(64,805)
Written off	(31,314)	(43,370)	(2,737,220)	-	(2,811,904)
Balance as at December 31, 2020	2,626,365	781,956	1,844,477	-	5,252,798

As at December 31, 2021 and 2020, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	2021	2020
Revolving loan receivables	54,753,608	54,782,405
Minimum payment loan receivables	2,338,234	2,837,215
Total	<u>57,091,842</u>	<u>57,619,620</u>

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

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

Loan receivables of the Company as at December 31, 2021 and 2020 were denominated entirely in Baht currency.

In 2020, the interest rates for the above loan receivables were within defined law set at 15% per annum and not more than 28% per annum (Effective rate) when inclusive of interest and credit usage fee.

Subsequently, on July 31, 2020, the Bank of Thailand has announced the Notification of the Bank of Thailand No. Sor.Nor.Sor. 12/2563 regarding "Regulations, Procedures and Conditions for Undertaking Business of Personal loan under supervision for non-financial institution" effective on August 1, 2020, to decrease the ceiling of interest rate, penalty fee, or any service fee that financial institution or businesses of personal loans under supervision for non-financial institution collect from customers, from 28% per annum to 25% per annum. The Company decreased the ceiling of interest rate and fee following such notification upon its effective date.

In 2021, the interest rates for the above loan receivables were within defined law set at 15% per annum and not more than 25% per annum (Effective rate) when inclusive of interest and credit usage fee.

Debt restructuring

For the years ended December 31, 2021 and 2020, the Company had recognized interest income on restructured loan receivables totaling Baht 70.48 million and Baht 66.63 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2021 and 2020 as follows:

	As at December 31, 2021		As at December 31, 2020	
	Number of Contracts	Amount	Number of Contracts	Amount
Restructured loan receivables	47,962	2,337,959	56,018	2,836,977
Non-restructured loan receivables	2,178,304	54,944,932	2,130,039	54,959,145
Total	2,226,266	57,282,891	2,186,057	57,796,122

As at December 31, 2021 and 2020, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

9. OTHER RECEIVABLES

Other receivables as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Receivables from collection agencies	101,844	138,261
Prepaid expenses	27,241	33,358
Others	23,215	32,303
<u>Less</u> Allowance for expected credit losses	(1,109)	(1,282)
Total	151,191	202,640
	2021	2020
Expected credit losses (reversal) for the years ended December 31,	(173)	(132)

10. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2021 and 2020 are as follows:

Unit : Thousand Baht					
As at December 31, 2021					
	Balance as at January 1, 2021	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2021
Costs:					
Leasehold improvements	370,340	45,542	(129,029)	70,628	357,481
Furniture, fixtures and office equipment	690,839	25,220	(164,166)	10,638	562,531
Total	1,061,179	70,762	(293,195)	81,266	920,012
Accumulated depreciation:					
Leasehold improvements	340,591	29,646	(127,845)	-	242,392
Furniture, fixtures and office equipment	590,536	58,043	(163,913)	-	484,666
Total	931,127	87,689	(291,758)	-	727,058
Assets under installation	27,586	53,680	-	(81,266)	-
Leasehold improvements and equipment	157,638				192,954
Unit : Thousand Baht					
As at December 31, 2020					
	Balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2020
Costs:					
Leasehold improvements	379,785	8,955	(18,400)	-	370,340
Furniture, fixtures and office equipment	648,378	30,034	(6,991)	19,418	690,839
Total	1,028,163	38,989	(25,391)	19,418	1,061,179
Accumulated depreciation:					
Leasehold improvements	339,900	18,916	(18,225)	-	340,591
Furniture, fixtures and office equipment	545,152	52,352	(6,968)	-	590,536
Total	885,052	71,268	(25,193)	-	931,127
Assets under installation	992	46,012	-	(19,418)	27,586
Leasehold improvements and equipment	144,103				157,638
Depreciation for the years ended December 31,					
2021					87,689
2020					71,268

As at December 31, 2021 and 2020, the cost of the Company's fully depreciated leasehold improvements and equipment still in use amounted to Baht 562.08 million and Baht 672.69 million, respectively.

11. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, 2021 and 2020 was as follows:

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

Unit : Thousand Baht					
As at December 31, 2020	Balance as at January 1, 2020	Initial Application to TFRS 16	Additions	Disposal	Balance as at December 31, 2020
Costs:					
Buildings	-	198,250	111,701	(51,090)	258,861
Equipment	-	39,013	28,855	(11,989)	55,879
Vehicles	-	56,890	32,441	(4,342)	84,989
Total	-	294,153	172,997	(67,421)	399,729
Accumulated depreciation:					
Buildings	-	-	187,126	(51,090)	136,036
Equipment	-	-	37,016	(11,989)	25,027
Vehicles	-	-	28,180	(4,342)	23,838
Total	-	-	252,322	(67,421)	184,901
Right-of-use assets	-				214,828
Depreciation for the year ended December 31,					
2021					257,853
2020					237,889

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

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

	Unit : Thousand Baht	
	2021	2020
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	257,853	237,889
Interest expense on lease liabilities	11,610	6,866
Expense relating to short-term leases	26,383	27,840
Expense relating to leases of low value assets	1,839	1,846
Expense relating to variable lease payments not included in the measurement of the lease liability	4,137	4,025
Gain from lease modification	117	88
Gain on discount received from lease agreement	5,215	2,501

For the years ended December 31, 2021 and 2020, the total cash outflow for leases amount to Baht 249.63 million and Baht 234.16 million, respectively.

12. INTANGIBLE ASSETS

Intangible assets as at December 31, 2021 and 2020 are as follows:

Unit : Thousand Baht					
As at December 31, 2021					
	Balance as at January 1, 2021	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2021
Costs:					
Computer software	359,397	7,376	-	6,629	373,402
Trademark	3,710	-	-	-	3,710
Total	363,107	7,376	-	6,629	377,112
Accumulated amortization:					
Computer software	326,608	24,513	-	-	351,121
Trademark	1,942	236	-	-	2,178
Total	328,550	24,749	-	-	353,299
Computer software under installation	2,553	4,076	-	(6,629)	-
Intangible assets	37,110				23,813
Unit : Thousand Baht					
As at December 31, 2020					
	Balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2020
Costs:					
Computer software	359,397	-	-	-	359,397
Trademark	3,710	-	-	-	3,710
Total	363,107	-	-	-	363,107
Accumulated amortization:					
Computer software	297,429	29,179	-	-	326,608
Trademark	1,706	236	-	-	1,942
Total	299,135	29,415	-	-	328,550
Computer software under installation	-	2,553	-	-	2,553
Intangible assets	63,972				37,110
Amortization for the years ended December 31,					
2021					24,749
2020					29,415

As at December 31, 2021 and 2020, the cost of the Company's fully amortized intangible assets still in use amounted to Baht 311.62 million and Baht 247.26 million, respectively.

13. DEFERRED TAXES

Deferred tax assets as at December 31, 2021 and 2020 consist of:

	Unit : Thousand Baht	
	2021	2020
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	1,056,589	1,050,714
Loan receivables (bad debt written-off)	132,350	148,325
Provisions for employee benefits	45,505	41,919
Decommissioning obligation for leasehold improvements	7,405	12,406
Derivatives	12,176	41,006
Others	3,258	3,361
Lease liabilities	2,965	561
Total	1,260,248	1,298,292
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,752)	(1,310)
Total	(1,752)	(1,310)
Net	1,258,496	1,296,982

The movements of deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 consist of tax effects from the following items:

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

	Balance as at December 31, 2019	Impact of adoption of TFRS 9 and TFRS 16	Balance as at January 1, 2020	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Unit : Thousand Baht Balance as at December 31, 2020
Deferred tax assets						
Loan receivables (allowance for doubtful accounts/ allowance for expected credit losses)	704,842	155,251	860,093	190,621	-	1,050,714
Loan receivables (bad debt written-off)	137,020	-	137,020	11,305	-	148,325
Provisions for employee benefits	37,284	-	37,284	3,506	1,129	41,919
Decommissioning obligation for leasehold improvements	12,303	-	12,303	103	-	12,406
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	55,371	(55,371)	-	-	-	-
Derivatives	-	86,449	86,449	(45,443)	-	41,006
Others	3,250	-	3,250	111	-	3,361
Lease liabilities	-	(524)	(524)	1,085	-	561
	<u>950,070</u>	<u>185,805</u>	<u>1,135,875</u>	<u>161,288</u>	<u>1,129</u>	<u>1,298,292</u>
Deferred tax liabilities						
Debentures and borrowings issuance cost	<u>(2,352)</u>	<u>-</u>	<u>(2,352)</u>	<u>1,042</u>	<u>-</u>	<u>(1,310)</u>
	<u>(2,352)</u>	<u>-</u>	<u>(2,352)</u>	<u>1,042</u>	<u>-</u>	<u>(1,310)</u>
Deferred tax assets	<u>947,718</u>	<u>185,805</u>	<u>1,133,523</u>	<u>162,330</u>	<u>1,129</u>	<u>1,296,982</u>

14. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht								
	As at December 31, 2021				As at December 31, 2020			
	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	3,000,000	2,300,000	4,000,000	9,300,000	4,650,000	3,206,204	4,000,000	11,856,204
<u>Less</u> Deferred issuance cost on debentures and borrowings	(1,851)	-	(430)	(2,281)	(1,412)	(67)	(650)	(2,129)
Net	<u>2,998,149</u>	<u>2,300,000</u>	<u>3,999,570</u>	<u>9,297,719</u>	<u>4,648,588</u>	<u>3,206,137</u>	<u>3,999,350</u>	<u>11,854,075</u>
Non-current								
Principal	-	5,084,094	7,000,000	12,084,094	-	5,284,094	7,500,000	12,784,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(1,932)	(5,997)	(7,929)	-	-	(5,310)	(5,310)
Net	<u>-</u>	<u>5,082,162</u>	<u>6,994,003</u>	<u>12,076,165</u>	<u>-</u>	<u>5,284,094</u>	<u>7,494,690</u>	<u>12,778,784</u>
Total	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>21,373,884</u>	<u>4,648,588</u>	<u>8,490,231</u>	<u>11,494,040</u>	<u>24,632,859</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	2,998,149	7,382,162	10,993,573	21,373,884	4,648,588	8,490,231	11,494,040	24,632,859
Total	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>21,373,884</u>	<u>4,648,588</u>	<u>8,490,231</u>	<u>11,494,040</u>	<u>24,632,859</u>

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

Interest-bearing liabilities as at December 31, 2021 and 2020 classified by currencies are as follows:

	Unit : Thousand Baht	
	2021	2020
Baht Currency	21,373,884	23,726,722
United States Dollars Currency	-	906,137
Total	21,373,884	24,632,859

As at December 31, 2021 and 2020, above liabilities bear interest at the rates ranging from 0.57.% - 3.37% per annum and 0.71% - 3.72% per annum, respectively.

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

Baht Currency

As at December 31, 2021, the Company has interest rate swap agreements to hedge the volatility of floating interest rate by paying interest in fixed rates as specified in the agreements with a related local bank totaling Baht 3,400.00 million. As at December 31, 2020, 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 4,100.00 million.

As at December 31, 2021 and 2020, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 60.88 million and Baht 137.85 million, respectively.

United States Dollars Currency

As at December 31, 2020, the Company had 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 local bank totaling USD 8.00 million by swapping to Baht 276.40 million and swapping fixed interest rates in USD monthly to fixed rate as specified in the agreements. As at December 31, 2020, the Company recognized such agreements as derivative liability at fair value totaling Baht 36.31 million. As at December 31, 2021, such financial liability has been fully repaid by the Company.
- With a local branch of foreign bank totaling USD 22.00 million by swapping to Baht 689.26 million and swapping floating interest rates in USD monthly to fixed rates as specified in the agreements. As at December 31, 2020, The Company recognized such agreement as derivative liability at fair value totaling Baht 30.87 million. As at December 31, 2021, such financial liability has been fully repaid by the Company.

Debenture

Debentures as at December 31, 2021 and 2020 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	2021 (Thousand Baht)	2020 (Thousand Baht)
1	February 25, 2016	February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000	-	2,000,000
2	September 15, 2016	September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
3	March 30, 2017	March 30, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
4	June 7, 2017	June 7, 2024	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
5	November 24, 2017	November 24, 2021	1 st	Unsecured	1,000,000	Baht 1,000	-	1,000,000
6	April 27, 2018	April 27, 2021	1 st	Unsecured	1,000,000	Baht 1,000	-	1,000,000
7	April 29, 2019	January 28, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
8	July 26, 2019	July 22, 2022	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	January 24, 2020	January 24, 2024	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
10	April 30, 2021	April 26, 2024	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	-
11	October 14, 2021	October 12, 2023	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	-
12	October 14, 2021	October 11, 2024	2 nd	Unsecured	500,000	Baht 1,000	500,000	-
							11,000,000	11,500,000
<u>Less</u> Debenture deferred issuance cost							(6,427)	(5,960)
							10,993,573	11,494,040
<u>Less</u> Current portion of debentures							(3,999,570)	(3,999,350)
Debentures - net							6,994,003	7,494,690

As at December 31, 2021 and 2020, debentures bear interest at rates ranging from 1.08% - 3.37% per annum and 1.79% - 3.37% per annum, respectively.

15. OTHER PAYABLES

Other payables as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Interest and guarantee fees payables		
- Related parties	15,207	15,838
- Other financial institutions	84,048	99,843
Other payables	74,201	62,548
Withholding tax payable	20,557	20,902
Accrued expenses and others	316,509	324,442
Total	510,522	523,573

16. LEASE LIABILITIES

Lease liabilities as at December 31, 2021 and 2020 consisted of the following:

	Unit : Thousand Baht	
	2021	2020
Maturity analysis:		
Year 1	167,233	119,097
Year 2	98,888	38,075
Year 3	80,234	48,238
Year 4	71,942	3,857
Onwards	292,099	25,726
	710,396	234,993
<u>Less Deferred interest</u>	<u>(45,341)</u>	<u>(17,359)</u>
Total	665,055	217,634
Analyzed as:		
Current	154,440	88,506
Non-Current	510,615	129,128
Total	665,055	217,634

17. PROVISIONS FOR EMPLOYEE BENEFITS

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

Expense recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Current service cost	17,789	16,450
Interest on obligation	3,768	3,155
Total	21,557	19,605

Movements in the present value of the obligation under defined benefits plan for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Defined benefits obligation brought forward	209,594	186,423
Current service cost	17,789	16,450
Interest on obligation	3,768	3,155
(Gain) loss on remeasurements of defined benefits plan		
- from change in financial assumption	(5,631)	(1,746)
- from experience adjustment	2,286	7,391
Paid to employee	(280)	(2,079)
Defined benefits obligation carried forward	227,526	209,594

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefits obligation as at December 31, 2021 and 2020 are as follows:

	2021	2020
Personnel turnover rate	0% - 22.92%, p.a. Subject to the range of age of employees	0% - 22.92%, p.a. Subject to the range of age of employees
Discount rate	2.00% p.a	1.80%, 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, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Salary incremental rates - 1% increase	20,858	21,118
Salary incremental rates - 1% decrease	(15,516)	(15,582)
Discount rate - 1% increase	(15,678)	(15,474)
Discount rate - 1% decrease	20,681	20,562

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

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

18. DECOMMISSIONING OBLIGATION FOR LEASEHOLD IMPROVEMENTS

Decommissioning obligation for leasehold improvements as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Beginning balance	63,467	64,107
Provision made	24,495	698
Paid or restoration cost of leasehold improvements	(25,453)	(826)
Provision reversed	(4,746)	(512)
	<u>57,763</u>	<u>63,467</u>
<u>Less</u> Current portion of Decommissioning obligations for leasehold improvement	-	(29,530)
Total	<u>57,763</u>	<u>33,937</u>

19. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments as at December 31, 2021 and 2020 were as follows :

	Unit : Thousand Baht	
	2021	2020
Derivative financial liabilities		
Foreign currency forward contracts	-	67,178
Interest rate swaps	60,879	137,854
Total	<u>60,879</u>	<u>205,032</u>

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

20. CAPITAL MANAGEMENT

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

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

21. LEGAL RESERVE

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

As at December 31, 2021 and 2020, the Company's legal reserve has reached 10% of its registered share capital.

22. 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.

23. OTHER INCOME

Other income for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Recovery of bad debts	1,292,767	1,318,379
Others	122,909	117,122
Total	<u>1,415,676</u>	<u>1,435,501</u>

24. EXPENSES BY NATURE

Net profit for the years ended December 31, 2021 and 2020 have been derived after deducting the following significant expenses:

	Unit : Thousand Baht	
	2021	2020
Personnel expenses	1,693,693	1,657,702
Marketing expenses	168,679	214,126
Commission expenses	288,935	260,199
Depreciation and amortization expenses	370,291	338,572
Rental expenses	32,359	33,711
Special business tax and stamp duties	511,862	534,965
Expected credit losses	4,880,556	4,542,957
Others	775,956	786,655
Total	<u>8,722,331</u>	<u>8,368,887</u>

25. PROVIDENT FUND

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

The Company's contributions which were charged to the statement of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020 amounted to Baht 34.60 million and Baht 34.01 million, respectively.

26. FINANCE COSTS

Finance costs for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Interest expense		
- Related parties	67,406	98,383
- Other financial institutions	321,894	460,820
Guarantee fee	-	85
Loss on exchange rate	-	15,959
Loss on derivatives	136,684	278,391
Gain on measuring derivatives	(144,153)	(227,215)
Others	22,939	21,230
Total	404,770	647,653

27. INCOME TAX EXPENSE

Tax expense for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Current tax expense	1,155,744	1,450,111
Current year	1,155,744	1,450,111
Deferred tax expense		
Movements in temporary differences	37,817	(162,330)
	37,817	(162,330)
Total	1,193,561	1,287,781

Reconciliations of effective tax rates for the years ended December 31, 2021 and 2020 are as follows:

	Tax Rate	2021	Tax Rate	2020
	(%)		(%)	
Accounting profit before tax expense		5,544,666		6,085,570
Tax expense at domestic tax rate	20.0	1,108,933	20.0	1,217,114
Tax effect of non-deductable expenses		46,811		232,997
Tax expense per income tax return		1,155,744		1,450,111
Adjustment for deferred tax relating to the origination and reversal of temporary differences		37,817		(162,330)
Tax expense	21.5	1,193,561	21.2	1,287,781

28. DIVIDEND PAID

- 28.1 At the Annual General Meeting of the Shareholders of the Company held on April 23, 2020, the shareholder approved the appropriation of dividends of Baht 2.61 per share, amounting to Baht 1,566.00 million. The dividends were paid to the shareholders on May 22, 2020.
- 28.2 At the Annual General Meeting of the Shareholders of the Company held on April 22, 2021, the shareholder approved the appropriation of dividends of Baht 2.39 per share, amounting to Baht 1,434.00 million. The dividends were paid to the shareholders on May 21, 2021.

29. FINANCIAL INSTRUMENTS

Financial risk management policies

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

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

Capital management

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

29.1 Credit risk

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

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

The maximum exposure to credit risk

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

As at December 31, 2021 and 2020, the maximum exposures to credit risk are as follows:

	Unit : Thousand Baht	
	2021	2020
Loan receivables	57,282,891	57,796,122
Unused credit limit	50,668,988	46,957,129
Total maximum exposure to credit risk	<u>107,951,879</u>	<u>104,753,251</u>

Credit quality analysis

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

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

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

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

Unit: Thousand Baht				
	December 31, 2020			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	
Loan receivables				
Not yet due	53,460,753	494,959	102,995	54,058,707
Overdue 1 - 90 days	767,589	905,051	86,482	1,759,122
More than 90 days	-	-	1,978,293	1,978,293
Total	54,228,342	1,400,010	2,167,770	57,796,122
Less Allowance for expected credit loss	(2,626,365)	(781,956)	(1,844,477)	(5,252,798)
Net book value	51,601,977	618,054	323,293	52,543,324

29.2 Liquidity risk

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

As at December 31, 2021 and 2020, the Company's financial assets and liabilities are classified by remaining maturity as follows:

Unit: Thousand Baht						
	2021					Total
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	
Financial assets						
Cash and cash equivalents	472,019	-	-	-	-	472,019
Loan receivables	-	51,959,174	41,371	-	-	52,000,545
Total financial assets	472,019	51,959,174	41,371	-	-	52,472,564
Financial liabilities						
Short-term borrowings						
from financial institutions	1,500,000	1,498,149	-	-	-	2,998,149
Long-term borrowings						
from financial institutions	-	2,300,000	5,082,162	-	-	7,382,162
Debentures	-	3,999,570	6,994,003	-	-	10,993,573
Derivatives liabilities	-	29,781	31,098	-	-	60,879
Total financial liabilities	1,500,000	7,827,500	12,107,263	-	-	21,434,763

Unit: Thousand Baht						
	2020					Total
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	
Financial assets						
Cash and cash equivalents	436,455	-	-	-	-	436,455
Loan receivables	-	52,493,906	49,418	-	-	52,543,324
Total financial assets	436,455	52,493,906	49,418	-	-	52,979,779
Financial liabilities						
Short-term borrowings						
from financial institutions	1,540,000	3,108,588	-	-	-	4,648,588
Long-term borrowings						
from financial institutions	-	3,206,137	5,284,094	-	-	8,490,231
Debentures	-	3,999,350	7,494,690	-	-	11,494,040
Derivatives liabilities	-	90,696	114,336	-	-	205,032
Total financial liabilities	1,540,000	10,404,771	12,893,120	-	-	24,837,891

29.3 Market risk

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

29.3.1 Interest rate risk

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

29.3.2 Foreign currency risk

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

29.4 Classes and categories of financial instruments

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

December 31, 2020	Unit : Thousand Baht				Total
	Financial assets		Carrying value		
	FVTPL - mandatorily measured	Amortized cost	FVTPL - mandatorily measured	Amortized cost	
Cash and cash equivalents	-	436,455	-	-	436,455
Loan receivables	-	52,543,324	-	-	52,543,324
Short-term borrowings from financial institutions	-	-	-	4,648,588	4,648,588
Trade payables	-	-	-	5,368	5,368
Other payables	-	-	-	523,573	523,573
Long-term borrowings from financial institutions	-	-	-	8,490,231	8,490,231
Debentures	-	-	-	11,494,040	11,494,040
Lease liabilities	-	-	-	217,634	217,634
Derivatives	-	-	205,032	-	205,032

29.5 Fair values

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

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

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

	As at December 31, 2021		Fair value hierarchy	As at December 31, 2020		Fair value hierarchy	Unit : Thousand Baht Valuation Technique
	Carrying Amount	Fair Value		Carrying Amount	Fair Value		
<u>Financial assets</u>							
Loan receivables	52,000,545	76,711,754	3	52,543,324	75,618,710	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate.
Derivative assets	-	-	2	-	-	2	Over-the-counter quoted price
<u>Financial liabilities</u>							
Long-term borrowings from financial Institutions	7,382,162	7,409,493	3	8,490,231	8,520,874	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period.
Debentures	10,993,573	11,106,952	2	11,494,040	11,579,601	2	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	60,879	60,879	2	205,032	205,032	2	Over-the-counter quoted price

30. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at December 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht	
	2021	2020
Capital commitments		
Software	-	4,798
Furniture & fixture and equipment	-	59,004
Total	-	63,802
Non-cancellable lease and service commitments		
Within one year	10,932	12,742
After one year but within five years	277	544
Total	11,209	13,286

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

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Board of Directors of the Company on February 24, 2022.