
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

Three-month period ended March 31, 2021



บริษัท ดีลอยท์ ทูเช่ โทมatsu ไทยแลนด์
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have reviewed the statement of financial position of EASY BUY Public Company Limited as at March 31, 2021 and the related statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

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

BANGKOK
May 20, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

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

Unit : Thousand Baht

	Notes	As at March 31, 2021	As at December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		269,762	436,455
Loan receivables due within one year	6	52,874,920	52,493,906
Other receivables		156,440	202,640
Total Current Assets		53,301,122	53,133,001
NON-CURRENT ASSETS			
Loan receivables	6	63,559	49,418
Leasehold improvements and equipment		177,654	157,638
Right-of-use assets		233,696	214,828
Intangible assets		31,215	37,110
Deferred tax assets	7	1,166,265	1,296,982
Other non-current assets		73,326	65,290
Total Non-current Assets		1,745,715	1,821,266
TOTAL ASSETS		55,046,837	54,954,267

See condensed notes to the financial statements

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

Unit : Thousand Baht

	Notes	As at March 31, 2021	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 8	5,561,442	4,648,588
Trade accounts payable		2,143	5,368
Other payables		339,403	523,573
Current portion of long-term borrowings from financial institutions	5 and 8	2,400,000	3,206,137
Current portion of debentures	8	4,998,621	3,999,350
Current portion of lease liabilities		73,844	88,506
Current income tax payable		1,005,302	787,917
Current portion of decommissioning obligations for leasehold improvement		29,434	29,530
Derivative liabilities	8	30,925	90,696
Total Current Liabilities		14,441,114	13,379,665
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 8	5,981,483	5,284,094
Debentures	8	4,496,433	7,494,690
Lease liabilities		165,752	129,128
Provision for employee benefits		214,983	209,594
Decommissioning obligations for leasehold improvement		33,989	33,937
Long-term derivative liabilities	8	83,459	114,336
Total Non-current Liabilities		10,976,099	13,265,779
TOTAL LIABILITIES		25,417,213	26,645,444

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

Unit : Thousand Baht

	Notes	As at March 31, 2021	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		6,000,000	6,000,000
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve		600,000	600,000
Unappropriated		23,029,624	21,708,823
TOTAL SHAREHOLDERS' EQUITY		29,629,624	28,308,823
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		55,046,837	54,954,267

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

		Unit : Thousand Baht	
	Notes	2021	2020
REVENUES			
Income from personal loans		3,226,307	3,555,184
Income from installment loans		4,492	4,945
Other income	9	371,256	303,173
Total Revenues		<u>3,602,055</u>	<u>3,863,302</u>
EXPENSES			
Operating expenses		235,074	207,585
Administrative expenses		708,228	713,163
Expected credit losses	6	897,839	1,230,930
Finance costs		91,844	184,761
Total Expenses		<u>1,932,985</u>	<u>2,336,439</u>
PROFIT BEFORE TAX EXPENSE		1,669,070	1,526,863
INCOME TAX EXPENSE	11	348,269	300,370
PROFIT FOR THE PERIOD		<u>1,320,801</u>	<u>1,226,493</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>1,320,801</u></u>	<u><u>1,226,493</u></u>
BASIC EARNINGS PER SHARE	BAHT	2.20	2.04
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	600,000,000	600,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

Unit : Thousand Baht

	Note	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)
Total comprehensive income for the period		-	-	1,226,493	1,226,493
Balance as at March 31, 2020		<u>6,000,000</u>	<u>600,000</u>	<u>19,708,043</u>	<u>26,308,043</u>
Balance as at January 1, 2021		6,000,000	600,000	21,708,823	28,308,823
Total comprehensive income for the period		-	-	1,320,801	1,320,801
Balance as at March 31, 2021		<u>6,000,000</u>	<u>600,000</u>	<u>23,029,624</u>	<u>29,629,624</u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

Unit : Thousand Baht

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		1,320,801	1,226,493
Adjustments for:			
Income tax expense		348,269	300,370
Depreciation and amortization expenses		89,039	89,497
Interest income		(3,230,799)	(3,560,129)
Finance costs		91,844	184,761
Expected credit losses		897,839	1,230,930
Employee benefits expense		5,389	4,995
Loss (Gain) on disposal of equipment and intangible assets		21	(14)
Gain on lease modification		(16)	-
Gain on discount received from lease agreement		(545)	-
		<u>(478,158)</u>	<u>(523,097)</u>
Changes in operating assets and liabilities			
Loan receivables		(1,398,294)	(1,215,468)
Other receivables		45,412	16,333
Other non-current assets		(8,036)	2,609
Trade accounts payable		(3,225)	(1,981)
Other payables		(132,854)	(132,111)
Cash paid for operating activities		(1,975,155)	(1,853,715)
Cash received from interest income		3,336,099	3,549,266
Employee benefit paid		-	(94)
Interest paid		(176,539)	(408,573)
Income tax paid		(166)	(84)
Net cash provided by operating activities		<u>1,184,239</u>	<u>1,286,800</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

		Unit : Thousand Baht	
	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment	4	(39,097)	(948)
Proceeds from sale of equipment		6	14
Net cash used in investing activities		<u>(39,091)</u>	<u>(934)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	15,492,795	11,732,679
Repayment of short-term borrowings from financial institutions	4	(14,577,551)	(12,047,779)
Proceeds from long-term borrowings from financial institutions	4	1,800,000	400,000
Repayment of long-term borrowings from financial institutions	4	(1,965,660)	(545,963)
Proceeds from issuing of debentures	4	-	1,500,000
Repayment of debentures	4	(2,000,000)	(2,061,596)
Repayment of the lease liabilities	4	(61,425)	(66,087)
Net cash used in financing activities		<u>(1,311,841)</u>	<u>(1,088,746)</u>
Net increase (decrease) in cash and cash equivalents		(166,693)	197,120
Cash and cash equivalents as at January 1,		436,455	304,754
Cash and cash equivalents as at March 31,		<u><u>269,762</u></u>	<u><u>501,874</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
“Unaudited”

1. GENERAL INFORMATION

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

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

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

The 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 year 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 OF THE INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance

The interim financial statements are prepared in Thai Baht and compliance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.

The statement of financial position as at December 31, 2020, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month period ended March 31, 2021 are not necessarily indicative of the operating results anticipated for the full year.

Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month month period ended March 31, 2021 should be read in conjunction with the audited financial statements for the year ended December 31, 2020.

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

During the period, 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 interim financial statements.

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

The revised Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") 2021 - Phase 1 added the requirements for the temporary exception arising from interest rate benchmark reform, 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.

In addition, the Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") 2021 - Phase 2 has been announced in the Royal Gazette on May 13, 2021, which permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. A lessee shall apply this amendment for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted, including in financial statements not authorized for issue at March 31, 2021.

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.

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgments

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2020.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the three-month periods ended March 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended March 31,	
	2021	2020
Leasehold improvements and equipment		
Liabilities recorded at beginning of period	1,538	154
Purchase of leasehold improvements and equipment	38,413	1,072
	<u>39,951</u>	<u>1,226</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(39,097)</u>	<u>(948)</u>
Liabilities recorded at ending of period	<u>854</u>	<u>278</u>

For the three-month period ended March 31, 2021, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.35 million (for the three-month period ended March 31, 2020 : Nil)

Reconciliation of liabilities arising from financing activities for the three-month periods ended March 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at December 31, 2020	4,648,588	8,490,231	11,494,040	217,634	24,850,493
Changes in cash flow					
Cash proceeds	15,492,795	1,800,000	-	-	17,292,795
Cash repayment	(14,577,551)	(1,965,660)	(2,000,000)	(61,425)	(18,604,636)
Non-cash changes					
Differences on translating foreign currencies	-	59,456	-	-	59,456
Deferred issuance costs on debentures and borrowings	(2,390)	(2,544)	1,014	-	(3,920)
New lease agreement	-	-	-	86,143	86,143
Others	-	-	-	(2,756)	(2,756)
As at March 31, 2021	<u>5,561,442</u>	<u>8,381,483</u>	<u>9,495,054</u>	<u>239,596</u>	<u>23,677,575</u>

	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	11,732,679	400,000	1,500,000	-	13,632,679
Cash repayment	(12,047,779)	(545,963)	(2,061,596)	(66,087)	(14,721,425)
Non-cash changes					
Differences on translating foreign currencies	-	118,679	-	-	118,679
Deferred issuance costs on debentures and borrowings	(1,066)	280	599	-	(187)
New lease agreement	-	-	-	65,532	65,532
Others	-	-	-	4,714	4,714
As at March 31, 2020	3,847,059	9,443,014	13,489,964	295,690	27,075,727

5. TRANSACTIONS WITH RELATED PARTIES

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

Relationships with related parties are as follows:

Related Parties	Type of Business	Country of incorporation/ Nationality	Nature of relationships
ACOM CO., LTD.	Consumer Finance Business	Japan	Parent company, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

Significant transactions with related parties for the three-month periods ended March 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2021	2020
Finance costs		
Related parties		
Interest expense	18,655	28,314
Guarantee fee	-	85
Debenture arrangement fee	99	1,153
Upfront fee	67	281
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	21,258	20,297
Key management personnel’s compensation (Long-term benefits)	200	136

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Short-term borrowings from financial institutions		
Related party		
Bank of Ayudhya Public Company Limited	870,000	870,000
Total	870,000	870,000

As at March 31, 2021, short-term borrowings from financial institutions from other related parties bear interest at 0.81% - 0.89% per annum (as at December 31, 2020 : 0.81% - 0.89% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 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	1,500,000	1,000,000
Long-term borrowings from financial institutions		
Related party		
Bank of Ayudhya Public Company Limited	3,384,094	3,884,094
Total	4,884,094	5,125,748

As at March 31, 2021, long-term borrowings from financial institutions from other related parties bear interest at rates ranging from 0.60% - 2.62% per annum (as at December 31, 2020 : 0.71% - 3.72% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Other payables		
Accrued interest expense		
Related parties		
MUFG Bank, Ltd., Singapore branch	-	50
Bank of Ayudhya Public Company Limited	18,947	15,788
Total	18,947	15,838

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Deferred issuance cost (presented net from long-term borrowings and debentures)		
Related parties		
MUFG Bank, Ltd.	-	67
Bank of Ayudhya Public Company Limited	349	415
Total	349	482

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 agreement 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. However, such agreement has expired during the year 2020.

Cross currency and interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies with volatility of floating interest rate by swapping foreign currencies and floating interest rates or fixed interest rates to Baht currency in fixed interest rates as specified in the agreements (see Note 8).

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 8).

6. LOAN RECEIVABLES

Unit : Thousand Baht

	“Unaudited” As at March 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	57,179,425	157,913	57,337,338	57,619,620	135,192	57,754,812
<u>Less</u> Unearned interest income	-	(10,474)	(10,474)	-	(8,322)	(8,322)
Allowance for expected credit loss	(4,451,039)	(905)	(4,451,944)	(5,251,550)	(1,034)	(5,252,584)
Net	52,728,386	146,534	52,874,920	52,368,070	125,836	52,493,906
Due over one year						
Loan receivables	-	63,821	63,821	-	49,680	49,680
<u>Less</u> Unearned interest income	-	(28)	(28)	-	(48)	(48)
Allowance for expected credit loss	-	(234)	(234)	-	(214)	(214)
Net	-	63,559	63,559	-	49,418	49,418
Total	52,728,386	210,093	52,938,479	52,368,070	175,254	52,543,324

Expected credit losses for the three-month periods ended March 31, 2021 and 2020 comprise the following:

	“Unaudited” For the three-month period ended March 31, 2021			Unit : Thousand Baht “Unaudited” For the three-month period ended March 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debts	1,764,524	641	1,765,165	1,136,839	478	1,137,317
Expected credit losses (reversal)	<u>(867,215)</u>	<u>(111)</u>	<u>(867,326)</u>	<u>92,161</u>	<u>1,452</u>	<u>93,613</u>
Total	<u>897,309</u>	<u>530</u>	<u>897,839</u>	<u>1,229,000</u>	<u>1,930</u>	<u>1,230,930</u>

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

	“Unaudited” As at March 31, 2021			Unit : Thousand Baht As at December 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	54,605,176	220,873	54,826,049	54,052,956	183,754	54,236,710
Under-performing (Stage 2)	1,241,085	405	1,241,490	1,399,547	465	1,400,012
Non-performing (Stage 3)	1,333,164	456	1,333,620	2,167,117	653	2,167,770
	<u>57,179,425</u>	<u>221,734</u>	<u>57,401,159</u>	<u>57,619,620</u>	<u>184,872</u>	<u>57,804,492</u>
<u>Less</u> Unearned interest income	<u>-</u>	<u>(10,502)</u>	<u>(10,502)</u>	<u>-</u>	<u>(8,370)</u>	<u>(8,370)</u>
Total	<u>57,179,425</u>	<u>211,232</u>	<u>57,390,657</u>	<u>57,619,620</u>	<u>176,502</u>	<u>57,796,122</u>
<u>Less</u> Allowance for expected credit losses	<u>(4,451,039)</u>	<u>(1,139)</u>	<u>(4,452,178)</u>	<u>(5,251,550)</u>	<u>(1,248)</u>	<u>(5,252,798)</u>
Net	<u>52,728,386</u>	<u>210,093</u>	<u>52,938,479</u>	<u>52,368,070</u>	<u>175,254</u>	<u>52,543,324</u>

Allowance for expected credit loss

Allowance for expected credit loss as at March 31, 2021 and 2020 are as follows :

	“Unaudited”			Unit: Thousand Baht
	Allowance for expected credit loss			Total
	12-month ECL (Stage 1)	Lifetime ECL-not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)	
Balance as at December 31, 2020	2,626,365	781,956	1,844,477	5,252,798
Changes in staging	(67,682)	(495,265)	562,947	-
New financial assets originated or purchased	60,081	-	-	60,081
Net remeasurement of loss allowance	5,853	426,684	136,159	568,696
Financial assets derecognised	(15,930)	(1,577)	(481)	(17,988)
written off	(5,679)	(9,251)	(1,396,479)	(1,411,409)
Balance as at March 31, 2021	<u>2,603,008</u>	<u>702,547</u>	<u>1,146,623</u>	<u>4,452,178</u>

	“Unaudited” Allowance for expected credit loss			Unit: Thousand Baht Allowance for doubtful accounts	Total
	12-month ECL (Stage 1)	Lifetime ECL-not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)		
Balance as at December 31, 2019	-	-	-	3,523,304	3,523,304
Impact of adoption of TFRS 9	<u>2,440,244</u>	<u>740,491</u>	<u>1,118,823</u>	<u>(3,523,304)</u>	<u>776,254</u>
Balance as at January 1, 2020	2,440,244	740,491	1,118,823	-	4,299,558
Changes in staging	(298,318)	(548,166)	846,484	-	-
New financial assets originated or purchased	49,624	-	-	-	49,624
Net remeasurement of loss allowance	331,288	496,548	(688,815)	-	139,021
Financial assets derecognised and written off	<u>(3,583)</u>	<u>(7,024)</u>	<u>(22,865)</u>	<u>-</u>	<u>(33,472)</u>
Balance as at March 31, 2020	<u>2,519,255</u>	<u>681,849</u>	<u>1,253,627</u>	<u>-</u>	<u>4,454,731</u>

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Revolving loan receivables	54,437,567	54,782,405
Minimum payment loan receivables	2,741,858	2,837,215
Total	<u>57,179,425</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 March 31, 2021 and December 31, 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.

7. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at March 31, 2021	As at December 31, 2020
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	890,585	1,050,714
Loan receivables (bad debt written-off)	194,212	148,325
Provisions for employee benefits	42,997	41,919
Decommissioning obligation for leasehold improvements	12,401	12,406
Derivatives	22,877	41,006
Others	3,945	3,361
Lease liabilities	1,180	561
Total	<u>1,168,197</u>	<u>1,298,292</u>
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,932)	(1,310)
Total	<u>(1,932)</u>	<u>(1,310)</u>
Net	<u>1,166,265</u>	<u>1,296,982</u>

The movements of deferred tax assets and liabilities for the three-month periods ended March 31, 2021 and 2020 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance as at December 31, 2020	“Unaudited” Item as recognized into profit (loss)	Balance as at March 31, 2021
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,050,714	(160,129)	890,585
Loan receivables (bad debt written-off)	148,325	45,887	194,212
Provisions for employee benefits	41,919	1,078	42,997
Decommissioning obligation for leasehold improvements	12,406	(5)	12,401
Derivatives	41,006	(18,129)	22,877
Others	3,361	584	3,945
Lease liabilities	561	619	1,180
	<u>1,298,292</u>	<u>(130,095)</u>	<u>1,168,197</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,310)	(622)	(1,932)
	<u>(1,310)</u>	<u>(622)</u>	<u>(1,932)</u>
Deferred tax assets	<u>1,296,982</u>	<u>(130,717)</u>	<u>1,166,265</u>

Unit : Thousand Baht

	Balance as at December 31, 2019	Impact of adoption of TFRS 9 and TFRS 16	“Unaudited” Balance as at January 1, 2020	Item as recognized into profit (loss)	Balance as at March 31, 2020
Deferred tax assets					
Loan receivables (allowance for doubtful accounts/ allowance for expected credit losses)	704,842	155,251	860,093	31,001	891,094
Loan receivables (bad debt written-off)	137,020	-	137,020	10,673	147,693
Provisions for employee benefits	37,284	-	37,284	981	38,265
Decommissioning obligation for leasehold improvements	12,303	-	12,303	28	12,331
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	55,371	(55,371)	-	-	-
Derivatives	-	86,449	86,449	(55,945)	30,504
Others	3,250	-	3,250	(70)	3,180
	<u>950,070</u>	<u>186,329</u>	<u>1,136,399</u>	<u>(13,332)</u>	<u>1,123,067</u>
Deferred tax liabilities					
Lease liabilities	-	(524)	(524)	275	(249)
Debentures and borrowings issuance cost	(2,352)	-	(2,352)	(236)	(2,588)
	<u>(2,352)</u>	<u>(524)</u>	<u>(2,876)</u>	<u>39</u>	<u>(2,837)</u>
Deferred tax assets	<u>947,718</u>	<u>185,805</u>	<u>1,133,523</u>	<u>(13,293)</u>	<u>1,120,230</u>

8. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited” As at March 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	5,565,244	2,400,000	5,000,000	12,965,244	4,650,000	3,206,204	4,000,000	11,856,204
<u>Less</u> Deferred issuance cost on debentures and borrowings	(3,802)	-	(1,379)	(5,181)	(1,412)	(67)	(650)	(2,129)
Net	<u>5,561,442</u>	<u>2,400,000</u>	<u>4,998,621</u>	<u>12,960,063</u>	<u>4,648,588</u>	<u>3,206,137</u>	<u>3,999,350</u>	<u>11,854,075</u>
Non-current								
Principal	-	5,984,094	4,500,000	10,484,094	-	5,284,094	7,500,000	12,784,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(2,611)	(3,567)	(6,178)	-	-	(5,310)	(5,310)
Net	<u>-</u>	<u>5,981,483</u>	<u>4,496,433</u>	<u>10,477,916</u>	<u>-</u>	<u>5,284,094</u>	<u>7,494,690</u>	<u>12,778,784</u>
Total	<u>5,561,442</u>	<u>8,381,483</u>	<u>9,495,054</u>	<u>23,437,979</u>	<u>4,648,588</u>	<u>8,490,231</u>	<u>11,494,040</u>	<u>24,632,859</u>
- Secured	-	-	-	-	-	-	-	-
- Unsecured	5,561,442	8,381,483	9,495,054	23,437,979	4,648,588	8,490,231	11,494,040	24,632,859
Total	<u>5,561,442</u>	<u>8,381,483</u>	<u>9,495,054</u>	<u>23,437,979</u>	<u>4,648,588</u>	<u>8,490,231</u>	<u>11,494,040</u>	<u>24,632,859</u>

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Baht Currency	23,437,979	23,726,722
United States Dollars Currency	-	906,137
Total	23,437,979	24,632,859

As at March 31, 2021, above liabilities bear interest at the rates ranging from 0.60% - 5.88% per annum (as at December 31, 2020 : 0.71% - 3.72% per annum).

Cross currency and interest rate swap and interest rate swap

Baht Currency

As at March 31, 2021, the Company had 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, 2020 : Baht 4,100.00 million). As at March 31, 2021, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 114.38 million (as at December 31, 2020 : Baht 137.85 million).

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 March 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 March 31, 2021, such financial liability has been fully repaid by the Company.

Debentures

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

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	“Unaudited” As at March 31, 2021 (Thousand Baht)	As at December 31, 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	1,000,000
6	April 27, 2018	April 27, 2021	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	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
							<u>9,500,000</u>	<u>11,500,000</u>
				<u>Less</u>	Debenture deferred issuance cost		(4,946)	(5,960)
							<u>9,495,054</u>	<u>11,494,040</u>
				<u>Less</u>	Current portion of debentures		(4,998,621)	(3,999,350)
				Debentures - net			<u>4,496,433</u>	<u>7,494,690</u>

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

9. OTHER INCOME

Other income for the three-month periods ended March 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2021	2020
Recovery of bad debts	341,616	274,527
Others	29,640	28,646
Total	371,256	303,173

10. SEGMENT INFORMATION

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

11. INCOME TAX EXPENSE

Tax expense for the three-month periods ended March 31, 2021 and 2020 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2021	2020
Current tax expense		
Current year	217,552	287,077
	<u>217,552</u>	<u>287,077</u>
Deferred tax expense		
Movements in temporary differences	130,717	13,293
	<u>130,717</u>	<u>13,293</u>
Total	348,269	300,370

Reconciliations of effective tax rates for the three-month periods ended March 31, 2021 and 2020 are as follows:

		Unit : Thousand Baht	
		2021	2020
	Tax Rate (%)		Tax Rate (%)
Accounting profit before tax expense		<u>1,669,070</u>	<u>1,526,863</u>
Tax expense at domestic tax rate	20.0	333,814	305,373
Tax effect of non-deductible expenses (non-taxable income)		<u>(116,262)</u>	<u>(18,296)</u>
Tax expense per income tax return		217,552	287,077
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>130,717</u>	<u>13,293</u>
Tax expense	20.9	<u>348,269</u>	<u>300,370</u>

12. COMMITMENTS WITH NON-RELATED PARTIES

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2021	As at December 31, 2020
Capital commitments		
Software	4,798	4,798
Furniture & fixture and equipment	<u>31,863</u>	<u>59,004</u>
Total	<u>36,661</u>	<u>63,802</u>
Non-cancellable lease commitments		
Within one year	15,126	12,742
After one year but within five years	<u>125</u>	<u>544</u>
Total	<u>15,251</u>	<u>13,286</u>

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

13. EVENTS AFTER THE REPORTING PERIOD

- 13.1 On April 5, 2021, the Company changed address from 5th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok to 8th - 11th Floor, Rasa Two, 1818 Phetchaburi Road, Makkasan, Ratchathewi, Bangkok. The Company has registered the change of address with the Ministry of Commerce.
- 13.2 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 will be paid to the shareholders on May 21, 2021.

14. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Board of Directors of the Company on May 20, 2021.