
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

Three-month period ended March 31, 2022



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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, 2022 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 Ketsuriyongk
Certified Public Accountant (Thailand)
Registration No. 8833

BANGKOK
May 26, 2022

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



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

Unit : Thousand Baht

	Notes	As at March 31, 2022	As at December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		323,336	472,019
Loan receivables due within one year	6	52,249,099	51,959,174
Other receivables		129,328	151,191
Derivative assets	9	13	-
Total Current Assets		<u>52,701,776</u>	<u>52,582,384</u>
NON-CURRENT ASSETS			
Loan receivables	6	43,115	41,371
Leasehold improvements and equipment		174,554	192,954
Right-of-use assets	7	633,685	650,169
Intangible assets		21,614	23,813
Deferred tax assets	8	1,212,270	1,258,496
Other non-current assets		71,303	67,311
Long-term derivative assets	9	19	-
Total Non-current Assets		<u>2,156,560</u>	<u>2,234,114</u>
TOTAL ASSETS		<u><u>54,858,336</u></u>	<u><u>54,816,498</u></u>

See condensed notes to the financial statements

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

Unit : Thousand Baht

	Notes	As at March 31, 2022	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	4,812,374	2,998,149
Trade accounts payable		2,083	3,725
Other payables		308,687	510,522
Current portion of long-term borrowings from financial institutions	5 and 9	2,986,740	2,300,000
Current portion of debentures	9	999,855	3,999,570
Current portion of lease liabilities		160,868	154,440
Current income tax payable		1,021,802	688,346
Current portion of decommissioning obligations for leasehold improvement		187	-
Derivative liabilities	9	23,228	29,781
Total Current Liabilities		10,315,824	10,684,533
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	4,095,644	5,082,162
Debentures	9	6,994,699	6,994,003
Lease liabilities		488,234	510,615
Provision for employee benefits		233,117	227,526
Decommissioning obligations for leasehold improvement		57,786	57,763
Long-term derivative liabilities	9	15,765	31,098
Other non-current liabilities		178	194
Total Non-current Liabilities		11,885,423	12,903,361
TOTAL LIABILITIES		22,201,247	23,587,894

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

Unit : Thousand Baht

	Notes	As at March 31, 2022	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		<u>6,000,000</u>	<u>6,000,000</u>
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve		600,000	600,000
Unappropriated		<u>26,057,089</u>	<u>24,628,604</u>
TOTAL SHAREHOLDERS' EQUITY		<u>32,657,089</u>	<u>31,228,604</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>54,858,336</u></u>	<u><u>54,816,498</u></u>

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, 2022
“Unaudited”

Unit : Thousand Baht

	Notes	2022	2021
REVENUES			
Income from personal loans		3,180,430	3,226,307
Income from installment loans		3,953	4,492
Other income	10	362,728	371,256
Total Revenues		<u>3,547,111</u>	<u>3,602,055</u>
EXPENSES			
Operating expenses		223,677	235,074
Administrative expenses		690,548	708,228
Expected credit losses	6	747,481	897,839
Finance costs		77,158	91,844
Total Expenses		<u>1,738,864</u>	<u>1,932,985</u>
PROFIT BEFORE INCOME TAX		1,808,247	1,669,070
INCOME TAX EXPENSE	12	379,762	348,269
NET PROFIT FOR THE PERIODS		<u>1,428,485</u>	<u>1,320,801</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u><u>1,428,485</u></u>	<u><u>1,320,801</u></u>
BASIC EARNINGS PER SHARE	BAHT	2.38	2.20
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, 2022
“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, 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>
Balance as at January 1, 2022		6,000,000	600,000	24,628,604	31,228,604
Total comprehensive income for the period		-	-	1,428,485	1,428,485
Balance as at March 31, 2022		<u>6,000,000</u>	<u>600,000</u>	<u>26,057,089</u>	<u>32,657,089</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, 2022
“Unaudited”

Unit : Thousand Baht

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the periods		1,428,485	1,320,801
Adjustments for:			
Income tax expense		379,762	348,269
Depreciation and amortization expenses		84,101	89,039
Interest income		(3,184,383)	(3,230,799)
Finance costs		77,158	91,844
Expected credit losses		747,481	897,839
Employee benefits expense		5,591	5,389
Loss (gain) on disposal of equipment and intangible assets		(10)	21
Gain on lease modification		(1,425)	(16)
Gain on discount received from lease agreement		(525)	(545)
		<u>(463,765)</u>	<u>(478,158)</u>
Changes in operating assets and liabilities			
Loan receivables		(1,020,149)	(1,398,294)
Other receivables		21,358	45,412
Other non-current assets		(3,992)	(8,036)
Trade accounts payable		(1,642)	(3,225)
Other payables		(145,330)	(132,854)
Other non-current liabilities		(16)	-
Cash paid for operating activities		(1,613,536)	(1,975,155)
Cash received from interest income		3,165,382	3,336,099
Interest paid		(139,202)	(176,539)
Income tax paid		(80)	(166)
Net cash provided by operating activities		<u>1,412,564</u>	<u>1,184,239</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“Unaudited”

		Unit : Thousand Baht	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment	4	(13,937)	(39,097)
Proceeds from sale of equipment		57	6
Cash paid for purchasing of intangible assets	4	(1,605)	-
Net cash used in investing activities		<u>(15,485)</u>	<u>(39,091)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	7,733,677	15,492,795
Repayment of short-term borrowings from financial institutions	4	(5,918,677)	(14,577,551)
Proceeds from long-term borrowings from financial institutions	4	600,000	1,800,000
Repayment of long-term borrowings from financial institutions	4	(900,000)	(1,965,660)
Repayment of debentures	4	(3,000,000)	(2,000,000)
Repayment of the lease liabilities	4	(60,762)	(61,425)
Net cash used in financing activities		<u>(1,545,762)</u>	<u>(1,311,841)</u>
Net decrease in cash and cash equivalents		(148,683)	(166,693)
Cash and cash equivalents as at January 1,		<u>472,019</u>	<u>436,455</u>
Cash and cash equivalents as at March 31,		<u><u>323,336</u></u>	<u><u>269,762</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, 2022
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“Unaudited”

1. GENERAL INFORMATION

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 Coronavirus disease 2019 (“COVID-19”) pandemic

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

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

2. BASIS FOR PREPARATION 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, 2021, 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, 2022 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 period ended March 31, 2022 should be read in conjunction with the audited financial statements for the year ended December 31, 2021.

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

2.3 Functional and presentation currency

The interim financial statements are prepared and 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.

2.4 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, 2021.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2022	2021
Leasehold improvements and equipment		
Liabilities recorded at beginning of periods	16,073	1,538
Purchase of leasehold improvements and equipment	<u>1,217</u>	<u>38,413</u>
	17,290	39,951
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(13,937)</u>	<u>(39,097)</u>
Liabilities recorded at ending of periods	<u>3,353</u>	<u>854</u>

For the three-month periods ended March 31, 2022 and 2021, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.07 million and Baht 0.35 million, respectively.

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2022	2021
Intangible assets		
Liabilities recorded at beginning of period	-	-
Purchase of intangible assets	<u>1,605</u>	<u>-</u>
	1,605	-
<u>Less</u> Cash paid for purchase of intangible assets	<u>(1,605)</u>	<u>-</u>
Liabilities recorded at ending of period	<u>-</u>	<u>-</u>

Reconciliation of liabilities arising from financing activities for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at January 1, 2022	2,998,149	7,382,162	10,993,573	665,055	22,038,939
Changes in cash flow					
Cash proceeds	7,733,677	600,000	-	-	8,333,677
Cash repayment	(5,918,677)	(900,000)	(3,000,000)	(60,762)	(9,879,439)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	(775)	222	981	-	428
New lease agreement	-	-	-	56,219	56,219
Others*	-	-	-	(11,410)	(11,410)
As at March 31, 2022	<u>4,812,374</u>	<u>7,082,384</u>	<u>7,994,554</u>	<u>649,102</u>	<u>20,538,414</u>

* Others consist of interest expense and lease agreement cancellation.

	Unit : Thousand Baht				
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at January 1, 2021	4,648,588	8,490,231	11,494,040	217,634	24,850,493
Changes in cash flow					
Cash proceeds	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>

* Others consist of interest expense and lease agreement cancellation.

5. TRANSACTIONS WITH RELATED PARTIES

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

Relationships with related parties are as follows:

Related parties	Type of business	Country of incorporation/ Nationality	Nature of relationships
ACOM CO., LTD.	Consumer Finance Business	Japan	Parent company, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.19% shareholding in parent company
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, 2022 and 2021 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31, 2022 2021	
Finance costs		
Related parties		
Interest expense	14,723	18,655
Debenture arrangement fee	221	99
Upfront fee	-	67
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	20,458	21,258
Key management personnel’s compensation (Long-term benefits)	233	200

Balances with a related party as at March 31, 2022 and December 31, 2021 are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2022	2021
Short-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	700,000	665,000
Total	<u>700,000</u>	<u>665,000</u>

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2022	2021
Current portion of long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	1,986,740	1,700,000
Long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	2,497,354	2,784,094
Total	<u>4,484,094</u>	<u>4,484,094</u>

As at March 31, 2022 and December 31, 2021, long-term borrowings from a financial institution - related party bear interest at rates ranging from 0.92% - 2.62% per annum and 0.57% - 2.62% per annum, respectively.

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2022	2021
Other payables		
Accrued interest expense		
A related party		
Bank of Ayudhya Public Company Limited	15,294	15,207
Total	<u>15,294</u>	<u>15,207</u>

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2022	As at December 31, 2021
Deferred issuance cost (presented net from long-term borrowings and debentures)		
A related party		
Bank of Ayudhya Public Company Limited	1,034	1,232
Total	<u>1,034</u>	<u>1,232</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.

Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Baht currency with volatility of floating interest rates by swapping floating interest rates to fixed interest rates as specified in the agreements (see Note 9).

6. LOAN RECEIVABLES

Unit : Thousand Baht

	“Unaudited” As at March 31, 2022			As at December 31, 2021		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	57,139,412	155,850	57,295,262	57,091,842	156,223	57,248,065
<u>Less</u> Unearned interest income	-	(6,983)	(6,983)	-	(6,712)	(6,712)
Allowance for expected credit loss	(5,038,219)	(961)	(5,039,180)	(5,281,131)	(1,048)	(5,282,179)
Net	52,101,193	147,906	52,249,099	51,810,711	148,463	51,959,174
Due over one year						
Loan receivables	-	43,267	43,267	-	41,541	41,541
<u>Less</u> Unearned interest income	-	(1)	(1)	-	(3)	(3)
Allowance for expected credit loss	-	(151)	(151)	-	(167)	(167)
Net	-	43,115	43,115	-	41,371	41,371
Total	52,101,193	191,021	52,292,214	51,810,711	189,834	52,000,545

Expected credit losses for the three-month periods ended March 31, 2022 and 2021 comprise the following:

	Unit : Thousand Baht					
	“Unaudited”			“Unaudited”		
	For the three-month			For the three-month		
	period ended March 31, 2022			period ended March 31, 2021		
	Personal	Installment	Total	Personal	Installment	Total
	Loan	Loan		Loan	Loan	
	Receivables	Receivables		Receivables	Receivables	
Bad debts	1,063,682	615	1,064,297	1,764,524	641	1,765,165
Expected credit losses (reversal)	(316,710)	(106)	(316,816)	(867,215)	(111)	(867,326)
Total	746,972	509	747,481	897,309	530	897,839

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

	Unit : Thousand Baht					
	“Unaudited					
	As at March 31, 2022			As at December 31, 2021		
	Personal	Installment	Total	Personal	Installment	Total
	Loan	Loan		Loan	Loan	
	Receivables	Receivables		Receivables	Receivables	
Performing (Stage 1)	53,959,397	198,169	54,157,566	53,690,377	196,660	53,887,037
Under-performing (Stage 2)	1,024,622	434	1,025,056	2,055,697	500	2,056,197
Non-performing (Stage 3)	2,155,393	514	2,155,907	1,345,768	604	1,346,372
	57,139,412	199,117	57,338,529	57,091,842	197,764	57,289,606
Less Unearned interest income	-	(6,984)	(6,984)	-	(6,715)	(6,715)
Total	57,139,412	192,133	57,331,545	57,091,842	191,049	57,282,891
Less Allowance for expected credit losses	(5,038,219)	(1,112)	(5,039,331)	(5,281,131)	(1,215)	(5,282,346)
Net	52,101,193	191,021	52,292,214	51,810,711	189,834	52,000,545

Allowance for expected credit loss

Allowance for expected credit loss as at March 31, 2022 and 2021 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, 2021	2,646,238	1,522,556	1,113,552	5,282,346
Changes in staging	(148,198)	(1,128,231)	1,276,429	-
New financial assets originated or purchased	38,486	-	-	38,486
Net remeasurement of loss allowance	51,837	231,187	251,964	534,988
Financial assets derecognised	(13,848)	(1,442)	(713)	(16,003)
written off	(9,368)	(21,785)	(769,333)	(800,486)
Balance as at March 31, 2022	2,565,147	602,285	1,871,899	5,039,331

	“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	2,603,008	702,547	1,146,623	4,452,178

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

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2022	As at December 31, 2021
Revolving loan receivables	55,198,259	54,753,608
Minimum payment loan receivables	1,941,153	2,338,234
Total	57,139,412	57,091,842

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, 2022 and December 31, 2021 were denominated entirely in Baht currency.

7. RIGHT-OF-USE ASSETS

During the three-month period ended March 31, 2022, the Company had additional right-of-use assets at the total cost of Baht 56.71 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 21.38 million, Baht 20.55 million and Baht 14.78 million, respectively.

During the three-month period ended March 31, 2021, the Company had additional right-of-use assets at the total cost of Baht 86.93 million comprise of buildings, equipment and vehicles amounting to Baht 50.09 million, Baht 0.70 million and Baht 36.14 million, respectively.

In addition, the Company had depreciation of right-of-use assets for the three-month periods ended March 31, 2022 totaling Baht 60.65 million (2021: Baht 64.43 million).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at March 31, 2022	As at December 31, 2021
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	1,007,972	1,056,589
Loan receivables (bad debt written-off)	137,796	132,350
Provisions for employee benefits	46,623	45,505
Decommissioning obligation for leasehold improvements	7,713	7,405
Derivatives	7,792	12,176
Others	3,121	3,258
Lease liabilities	3,057	2,965
Total	1,214,074	1,260,248
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,804)	(1,752)
Total	(1,804)	(1,752)
Net	1,212,270	1,258,496

The movements of deferred tax assets and liabilities for the three-month periods ended March 31, 2022 and 2021 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at December 31, 2021	Item as recognized into profit (loss)	as at March 31, 2022
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,056,589	(48,617)	1,007,972
Loan receivables (bad debt written-off)	132,350	5,446	137,796
Provisions for employee benefits	45,505	1,118	46,623
Decommissioning obligation for leasehold improvements	7,405	308	7,713
Derivatives	12,176	(4,384)	7,792
Others	3,258	(137)	3,121
Lease liabilities	2,965	92	3,057
	<u>1,260,248</u>	<u>(46,174)</u>	<u>1,214,074</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,752)	(52)	(1,804)
	<u>(1,752)</u>	<u>(52)</u>	<u>(1,804)</u>
Deferred tax assets	<u>1,258,496</u>	<u>(46,226)</u>	<u>1,212,270</u>

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at December 31, 2020	Item as recognized into profit (loss)	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>

9. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited” As at March 31, 2022				As at December 31, 2021			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
Current								
Principal	4,815,000	2,986,740	1,000,000	8,801,740	3,000,000	2,300,000	4,000,000	9,300,000
<u>Less</u> Deferred issuance cost on debentures and borrowings	(2,626)	-	(145)	(2,771)	(1,851)	-	(430)	(2,281)
Net	<u>4,812,374</u>	<u>2,986,740</u>	<u>999,855</u>	<u>8,798,969</u>	<u>2,998,149</u>	<u>2,300,000</u>	<u>3,999,570</u>	<u>9,297,719</u>
Non-current								
Principal	-	4,097,354	7,000,000	11,097,354	-	5,084,094	7,000,000	12,084,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(1,710)	(5,301)	(7,011)	-	(1,932)	(5,997)	(7,929)
Net	<u>-</u>	<u>4,095,644</u>	<u>6,994,699</u>	<u>11,090,343</u>	<u>-</u>	<u>5,082,162</u>	<u>6,994,003</u>	<u>12,076,165</u>
Total	<u>4,812,374</u>	<u>7,082,384</u>	<u>7,994,554</u>	<u>19,889,312</u>	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>21,373,884</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	4,812,374	7,082,384	7,994,554	19,889,312	2,998,149	7,382,162	10,993,573	21,373,884
Total	<u>4,812,374</u>	<u>7,082,384</u>	<u>7,994,554</u>	<u>19,889,312</u>	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>21,373,884</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 March 31, 2022 and December 31, 2021 classified by currency are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2022	2021
Baht Currency	19,889,312	21,373,884
Total	19,889,312	21,373,884

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

Interest rate swap agreement

Baht Currency

As at March 31, 2022, 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 totaling Baht 2,800.00 million (as at December 31, 2021 : Baht 3,400.00 million). As at March 31, 2022, the Company recognized such agreements as derivative asset and derivative liabilities at fair value totaling Baht 0.03 million and Baht 38.99 million, respectively. As at December 31, 2021, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 60.88 million.

Debenture

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

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	“Unaudited” As at March 31, 2022 (Thousand Baht)	As at December 31, 2021 (Thousand Baht)
1	September 15, 2016	September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
2	March 30, 2017	March 30, 2022	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
3	June 7, 2017	June 7, 2024	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
4	April 29, 2019	January 28, 2022	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
5	July 26, 2019	July 22, 2022	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
6	January 24, 2020	January 24, 2024	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
7	April 30, 2021	April 26, 2024	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
8	October 14, 2021	October 12, 2023	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	October 14, 2021	October 11, 2024	2 nd	Unsecured	500,000	Baht 1,000	500,000	500,000
							<u>8,000,000</u>	<u>11,000,000</u>
				<u>Less</u>	Debenture deferred issuance cost		<u>(5,446)</u>	<u>(6,427)</u>
							7,994,554	10,993,573
				<u>Less</u>	Current portion of debentures		<u>(999,855)</u>	<u>(3,999,570)</u>
				Debentures - net			<u>6,994,699</u>	<u>6,994,003</u>

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

10. OTHER INCOME

Other income for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2022	2021
Recovery of bad debts	334,697	341,616
Others	28,031	29,640
Total	362,728	371,256

11. SEGMENT INFORMATION

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

12. INCOME TAX EXPENSE

Tax expense for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2022	2021
Current tax expense		
Current year	333,536	217,552
	333,536	217,552
Deferred tax expense		
Movements in temporary differences	46,226	130,717
	46,226	130,717
Total	379,762	348,269

Reconciliations of effective tax rates for the three-month periods ended March 31, 2022 and 2021 are as follows:

		2022		Unit : Thousand Baht 2021
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before income tax		1,808,247		1,669,070
Tax expense at domestic tax rate	20.0	361,649	20.0	333,814
Tax effect of non-taxable income		(28,113)		(116,262)
Tax expense per income tax return		333,536		217,552
Adjustment for deferred tax relating to the origination and reversal of temporary differences		46,226		130,717
Tax expense	21.0	379,762	20.9	348,269

13. COMMITMENTS WITH NON-RELATED PARTIES

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

	Unit : Thousand Baht "Unaudited"	
	As at March 31, 2022	As at December 31, 2021
Capital commitments		
Computer software	1,605	-
Total	1,605	-
Non-cancellable lease and service commitments		
Within one year	10,639	10,932
After one year but within five years	112	277
Total	10,751	11,209

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

14. EVENT AFTER THE REPORTING PERIOD

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

15. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Board of Directors of the Company on May 26, 2022.