
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

***Three-month and nine-month periods ended
September 30, 2022***



บริษัท ดีลอยท์ ทูเช่ โรหมัตสึ ไชยยศ
สอบบัญชี จำกัด
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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 September 30, 2022 and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2022, changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2022, 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
November 24, 2022

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

Unit : Thousand Baht

	Notes	As at September 30, 2022	As at December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		350,552	472,019
Loan receivables due within one year	6	53,006,658	51,959,174
Other receivables		104,189	151,191
Derivative assets	9	1,954	-
Total Current Assets		53,463,353	52,582,384
NON-CURRENT ASSETS			
Loan receivables	6	36,034	41,371
Leasehold improvements and equipment		151,114	192,954
Right-of-use assets	7	598,291	650,169
Intangible assets		26,016	23,813
Deferred tax assets	8	1,179,120	1,258,496
Other non-current assets		68,001	67,311
Long-term derivative assets	9	13,295	-
Total Non-current Assets		2,071,871	2,234,114
TOTAL ASSETS		55,535,224	54,816,498

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2022

Unit : Thousand Baht

	Notes	As at September 30, 2022	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	4,935,244	2,998,149
Trade accounts payable		890	3,725
Other payables		434,097	510,522
Current portion of long-term borrowings from financial institutions	5 and 9	3,686,740	2,300,000
Current portion of debentures	9	999,703	3,999,570
Current portion of lease liabilities		149,902	154,440
Current income tax payable		360,358	688,346
Current portion of decommissioning obligations for leasehold improvement		404	-
Derivative liabilities	9	10,358	29,781
Total Current Liabilities		10,577,696	10,684,533
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	4,095,251	5,082,162
Debentures	9	6,695,410	6,994,003
Lease liabilities		472,081	510,615
Provision for employee benefits		244,298	227,526
Decommissioning obligations for leasehold improvement		57,683	57,763
Long-term derivative liabilities	9	277	31,098
Other non-current liabilities		165	194
Total Non-current Liabilities		11,565,165	12,903,361
TOTAL LIABILITIES		22,142,861	23,587,894

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2022

Unit : Thousand Baht

	Notes	As at September 30, 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		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		26,792,363	24,628,604
TOTAL SHAREHOLDERS' EQUITY		33,392,363	31,228,604
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		55,535,224	54,816,498

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 SEPTEMBER 30, 2022
“Unaudited”

		Unit : Thousand Baht	
	Notes	2022	2021
REVENUES			
Income from personal loans		3,365,654	3,354,235
Income from installment loans		4,281	4,739
Other income	10	351,241	302,665
Total Revenues		<u>3,721,176</u>	<u>3,661,639</u>
EXPENSES			
Operating expenses		216,055	206,490
Administrative expenses		720,933	702,242
Expected credit losses	6	1,302,533	2,042,921
Finance costs		93,898	110,149
Total Expenses		<u>2,333,419</u>	<u>3,061,802</u>
PROFIT BEFORE TAX EXPENSE		1,387,757	599,837
INCOME TAX EXPENSE	13	311,297	129,283
PROFIT FOR THE PERIOD		<u>1,076,460</u>	<u>470,554</u>
OTHER COMPREHENSIVE INCOME			
FOR THE PERIOD, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIOD		<u><u>1,076,460</u></u>	<u><u>470,554</u></u>
BASIC EARNINGS PER SHARE			
	BAHT	1.79	0.78
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	600,000,000	600,000,000

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
“Unaudited”

		Unit : Thousand Baht	
	Notes	2022	2021
REVENUES			
Income from personal loans		9,825,279	9,915,661
Income from installment loans		12,851	14,390
Other income	10	1,067,343	1,019,272
Total Revenues		<u>10,905,473</u>	<u>10,949,323</u>
EXPENSES			
Operating expenses		657,524	665,096
Administrative expenses		2,112,653	2,145,496
Expected credit losses	6	3,475,336	4,100,843
Finance costs		221,979	312,797
Total Expenses		<u>6,467,492</u>	<u>7,224,232</u>
PROFIT BEFORE TAX EXPENSE		4,437,981	3,725,091
INCOME TAX EXPENSE	13	972,222	779,692
PROFIT FOR THE PERIOD		<u>3,465,759</u>	<u>2,945,399</u>
OTHER COMPREHENSIVE INCOME			
FOR THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIOD		<u><u>3,465,759</u></u>	<u><u>2,945,399</u></u>
BASIC EARNINGS PER SHARE	BAHT	5.78	4.91
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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
“Unaudited”

Unit : Thousand Baht

	Notes	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	21,708,822	28,308,822
Total comprehensive income for the period		-	-	2,945,399	2,945,399
Dividends paid	12.1	-	-	(1,434,000)	(1,434,000)
Balance as at September 30, 2021		<u>6,000,000</u>	<u>600,000</u>	<u>23,220,221</u>	<u>29,820,221</u>
Balance as at January 1, 2022		6,000,000	600,000	24,628,604	31,228,604
Total comprehensive income for the period		-	-	3,465,759	3,465,759
Dividends paid	12.2	-	-	(1,302,000)	(1,302,000)
Balance as at September 30, 2022		<u>6,000,000</u>	<u>600,000</u>	<u>26,792,363</u>	<u>33,392,363</u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
“Unaudited”

	Unit : Thousand Baht		
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		3,465,759	2,945,399
Adjustments for:			
Income tax expense		972,222	779,692
Depreciation and amortization expenses		249,369	282,834
Interest income		(9,838,130)	(9,930,051)
Finance costs		221,979	312,797
Expected credit losses		3,475,336	4,100,843
Employee benefits expense		16,772	16,167
Loss (gain) on disposal of equipment and intangible assets		(206)	749
Loss (gain) on lease modification		(1,425)	536
Gain on discount received from lease agreement		(1,428)	(3,510)
		(1,439,752)	(1,494,544)
Changes in operating assets and liabilities			
Loan receivables		(4,488,490)	(3,185,169)
Other receivables		45,792	67,592
Other non-current assets		(690)	(3,109)
Trade accounts payable		(2,835)	(4,280)
Other payables		(13,105)	(43,081)
Other non-current liabilities		(29)	-
Cash paid for operating activities		(5,899,109)	(4,662,591)
Cash received from interest income		9,809,137	9,946,242
Interest paid		(328,481)	(415,678)
Income tax paid		(1,220,835)	(1,255,201)
Net cash provided by operating activities		2,360,712	3,612,772

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
“Unaudited”

		Unit : Thousand Baht	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment	4	(30,938)	(82,177)
Proceeds from sale of equipment		447	346
Cash paid for purchasing of intangible assets	4	(13,267)	(9,213)
Net cash used in investing activities		<u>(43,758)</u>	<u>(91,044)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	29,675,162	42,608,913
Repayment of short-term borrowings from financial institutions	4	(27,735,146)	(43,438,913)
Proceeds from long-term borrowings from financial institutions	4	1,800,000	2,400,000
Repayment of long-term borrowings from financial institutions	4	(1,400,000)	(2,565,660)
Proceeds from issuing debentures	4	700,000	2,000,000
Repayment of debentures	4	(4,000,000)	(3,000,000)
Repayment of the lease liabilities	4	(176,437)	(191,875)
Dividends paid to owners of the Company	12	(1,302,000)	(1,434,000)
Net cash used in financing activities		<u>(2,438,421)</u>	<u>(3,621,535)</u>
Net decrease in cash and cash equivalents		(121,467)	(99,807)
Cash and cash equivalents as at January 1,		472,019	436,455
Cash and cash equivalents as at September 30,		<u><u>350,552</u></u>	<u><u>336,648</u></u>

See condensed notes to the financial statements

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 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 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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 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.

2.5 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, 2021.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2022	2021
Leasehold improvements and equipment		
Liabilities recorded at beginning of period	16,073	1,538
Purchase of leasehold improvements and equipment	15,558	83,974
	<u>31,631</u>	<u>85,512</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(30,938)</u>	<u>(82,177)</u>
Liabilities recorded at ending of period	<u>693</u>	<u>3,335</u>

For the nine-month periods ended September 30, 2022 and 2021, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.69 million and Baht 23.28 million, respectively.

	Unit : Thousand Baht "Unaudited"	
	For the nine-month periods ended September 30,	
	2022	2021
Intangible assets		
Liabilities recorded at beginning of period	-	-
Purchase of intangible assets	13,267	9,213
	<u>13,267</u>	<u>9,213</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(13,267)</u>	<u>(9,213)</u>
Liabilities recorded at ending of period	<u>-</u>	<u>-</u>

Reconciliation of liabilities arising from financing activities for the nine-month periods ended September 30, 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	29,675,162	1,800,000	700,000	-	32,175,162
Cash repayment	(27,735,146)	(1,400,000)	(4,000,000)	(176,437)	(33,311,583)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	(2,921)	(171)	1,540	-	(1,552)
New lease agreement	-	-	-	139,948	139,948
Others*	-	-	-	(6,583)	(6,583)
As at September 30, 2022	4,935,244	7,781,991	7,695,113	621,983	21,034,331

* 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	24,850,493
Changes in cash flow				
Cash proceeds	42,608,913	2,400,000	2,000,000	47,008,913
Cash repayment	(43,438,913)	(2,565,660)	(3,000,000)	(49,196,448)
Non-cash changes				
Differences on translating foreign currencies	-	59,456	-	59,456
Deferred issuance costs on debentures and borrowings	312	(2,093)	459	(1,322)
New lease agreement	-	-	-	710,556
Others*	-	-	-	(39,858)
As at September 30, 2021	3,818,900	8,381,934	10,494,499	23,391,790

* 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 and nine-month periods ended September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended September 30,	
	2022	2021
Finance costs		
Related parties		
Interest expense	20,976	16,293
Debenture arrangement fee	193	110
Administrative expenses		
Key management personnel		
Key management personnel's compensation (Short-term benefits)	20,387	22,364
Key management personnel's compensation (Long-term benefits)	233	200

Unit : Thousand Baht
“Unaudited”
For the nine-month
periods ended September 30,
2022 2021

Finance costs		
Related parties		
Interest expense	53,647	51,129
Debenture arrangement fee	701	398
Upfront fee	-	67
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	58,998	63,997
Key management personnel’s compensation (Long-term benefits)	698	600

Balances with a related party as at September 30, 2022 and December 31, 2021 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at September 30, 2022	As at December 31, 2021
Short-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	260,000	665,000
Total	<u>260,000</u>	<u>665,000</u>

As at September 30, 2022, short-term borrowings from a financial institution - related party bear interest at 1.31% per annum (as at December 31, 2021 : 0.81% per annum).

	Unit : Thousand Baht “Unaudited”	
	As at September 30, 2022	As at December 31, 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	2,897,354	2,784,094
Total	<u>4,884,094</u>	<u>4,484,094</u>

As at September 30, 2022, long-term borrowings from a financial institution - related party bear interest at rates ranging from 1.03% to 2.62% per annum (as at December 31, 2021 : 0.57% to 2.62% per annum).

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 2022	As at December 31, 2021
Other payables		
Accrued interest expense		
A related party		
Bank of Ayudhya Public Company Limited	19,156	15,207
Total	<u>19,156</u>	<u>15,207</u>

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 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	684	1,232
Total	<u>684</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

	“Unaudited”					Unit : Thousand Baht		
	As at September 30, 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	57,697,599	142,125	57,839,724	57,091,842	156,223	57,248,065		
Less: Unearned interest income	-	(5,734)	(5,734)	-	(6,712)	(6,712)		
Allowance for expected credit loss	(4,826,261)	(1,071)	(4,827,332)	(5,281,131)	(1,048)	(5,282,179)		
Net	52,871,338	135,320	53,006,658	51,810,711	148,463	51,959,174		
Due over one year								
Loan receivables	-	36,173	36,173	-	41,541	41,541		
Less: Unearned interest income	-	-	-	-	(3)	(3)		
Allowance for expected credit loss	-	(139)	(139)	-	(167)	(167)		
Net	-	36,034	36,034	-	41,371	41,371		
Total	52,871,338	171,354	53,042,692	51,810,711	189,834	52,000,545		

Expected credit losses for the three-month periods ended September 30, 2022 and 2021 comprise the following:

	Unit : Thousand Baht				
	“Unaudited”		“Unaudited”		
	For the three-month		For the three-month		
	period ended September 30, 2022		period ended September 30, 2021		
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debits	1,036,385	432	1,036,817	376	1,004,797
Expected credit losses	265,662	54	1,037,903	221	1,038,124
Total	1,302,047	486	1,302,533	597	2,042,921

Expected credit losses for the nine-month periods ended September 30, 2022 and 2021 comprise the following:

	Unit : Thousand Baht				
	“Unaudited”		“Unaudited”		
	For the nine-month		For the nine-month		
	period ended September 30, 2022		period ended September 30, 2021		
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debits	3,981,078	1,544	3,982,622	1,472	3,792,123
Expected credit losses (reversal)	(507,279)	(7)	308,654	66	308,720
Total	3,473,799	1,537	4,099,305	1,538	4,100,843

Staging analysis for loan receivables as at September 30, 2022 and December 31, 2021 are as follows:

	“Unaudited”					Unit : Thousand Baht		
	As at September 30, 2022		As at December 31, 2021		Total	Total		
	Personal Loan Receivables	Installment Loan Receivables	Personal Loan Receivables	Installment Loan Receivables		Personal Loan Receivables	Installment Loan Receivables	
Performing (Stage 1)	55,048,094	177,290	55,225,384	53,690,377	196,660	53,887,037		
Under-performing (Stage 2)	1,281,084	429	1,281,513	2,055,697	500	2,056,197		
Non-performing (Stage 3)	1,368,421	579	1,369,000	1,345,768	604	1,346,372		
	57,697,599	178,298	57,875,897	57,091,842	197,764	57,289,606		
Less Unearned interest income	-	(5,734)	(5,734)	-	(6,715)	(6,715)		
Total	57,697,599	172,564	57,870,163	57,091,842	191,049	57,282,891		
Less Allowance for expected credit losses	(4,826,261)	(1,210)	(4,827,471)	(5,281,131)	(1,215)	(5,282,346)		
Net	52,871,338	171,354	53,042,692	51,810,711	189,834	52,000,545		

Allowance for expected credit loss

Allowance for expected credit loss as at September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht			
	“Unaudited”			
	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 January 1, 2022	2,646,238	1,522,556	1,113,552	5,282,346
Changes in staging	(734,325)	(1,898,533)	2,632,858	-
New financial assets originated or purchased	129,353	-	-	129,353
Net remeasurement of loss allowance	876,133	1,269,872	543,604	2,689,609
Financial assets derecognised	(39,236)	(3,021)	(1,115)	(43,372)
Written off	(39,115)	(98,884)	(3,092,466)	(3,230,465)
Balance as at September 30, 2022	2,839,048	791,990	1,196,433	4,827,471

	Unit : Thousand Baht			
	“Unaudited”			
	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 January 1, 2021	2,626,365	781,956	1,844,477	5,252,798
Changes in staging	(742,358)	(1,005,625)	1,747,983	-
New financial assets originated or purchased	124,612	-	-	124,612
Net remeasurement of loss allowance	1,176,557	1,740,501	389,826	3,306,884
Financial assets derecognised	(40,088)	(4,091)	(1,501)	(45,680)
Written off	(19,294)	(27,981)	(2,978,716)	(3,025,991)
Balance as at September 30, 2021	3,125,794	1,484,760	1,002,069	5,612,623

As at September 30, 2022 and December 31, 2021, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 2022	As at December 31, 2021
Revolving loan receivables	55,675,444	54,753,608
Minimum payment loan receivables	2,022,155	2,338,234
Total	57,697,599	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 September 30, 2022 and December 31, 2021 were denominated entirely in Baht currency.

7. RIGHT-OF-USE ASSETS

During the nine-month period ended September 30, 2022, the Company had additional right-of-use assets at the total cost of Baht 141.12 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 90.70 million, Baht 35.64 million and Baht 14.78 million, respectively.

During the nine-month period ended September 30, 2021, the Company had additional right-of-use assets at the total cost of Baht 711.74 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 646.34 million, Baht 18.87 million and Baht 46.53 million, respectively.

In addition, the Company had depreciation of right-of-use assets for the three-month and nine-month periods ended September 30, 2022 totaling Baht 59.84 million and Baht 180.46 million, respectively (2021 : Baht 52.72 million and Baht 198.86 million, respectively).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at September 30, 2022	As at December 31, 2021
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	965,592	1,056,589
Loan receivables (bad debt written-off)	151,401	132,350
Provisions for employee benefits	48,860	45,505
Decommissioning obligation for leasehold improvements	8,177	7,405
Derivatives	-	12,176
Others	2,960	3,258
Lease liabilities	4,617	2,965
Total	1,181,607	1,260,248
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,564)	(1,752)
Derivatives	(923)	-
Total	(2,487)	(1,752)
Net	1,179,120	1,258,496

The movements of deferred tax assets and liabilities for the three-month periods ended September 30, 2022 and 2021 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	"Unaudited"	Balance
	as at July 1,	Item as	as at September 30,
	2022	recognized	2022
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	917,158	48,434	965,592
Loan receivables (bad debt written-off)	153,059	(1,658)	151,401
Provisions for employee benefits	47,742	1,118	48,860
Decommissioning obligation for leasehold improvements	7,924	253	8,177
Others	3,031	(71)	2,960
Lease liabilities	4,305	312	4,617
	<u>1,133,219</u>	<u>48,388</u>	<u>1,181,607</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,712)	148	(1,564)
Derivatives	(1,513)	590	(923)
	<u>(3,225)</u>	<u>738</u>	<u>(2,487)</u>
Deferred tax assets	<u><u>1,129,994</u></u>	<u><u>49,126</u></u>	<u><u>1,179,120</u></u>

	Unit : Thousand Baht		
	Balance	"Unaudited"	Balance
	as at July 1,	Item as	as at September 30,
	2021	recognized	2021
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	914,829	207,836	1,122,665
Loan receivables (bad debt written-off)	123,595	8,837	132,432
Provisions for employee benefits	44,075	1,077	45,152
Decommissioning obligation for leasehold improvements	6,792	320	7,112
Derivatives	19,273	(386)	18,887
Others	3,610	(481)	3,129
Lease liabilities	3,749	(1,060)	2,689
	<u>1,115,923</u>	<u>216,143</u>	<u>1,332,066</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(2,087)	361	(1,726)
	<u>(2,087)</u>	<u>361</u>	<u>(1,726)</u>
Deferred tax assets	<u><u>1,113,836</u></u>	<u><u>216,504</u></u>	<u><u>1,330,340</u></u>

The movements of deferred tax assets and liabilities for the nine-month periods ended September 30, 2022 and 2021 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	"Unaudited"	Balance
	as at January 1,	Item as	as at September 30,
	2022	recognized	2022
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,056,589	(90,997)	965,592
Loan receivables (bad debt written-off)	132,350	19,051	151,401
Provisions for employee benefits	45,505	3,355	48,860
Decommissioning obligation for leasehold improvements	7,405	772	8,177
Others	3,258	(298)	2,960
Lease liabilities	2,965	1,652	4,617
	<u>1,248,072</u>	<u>(66,465)</u>	<u>1,181,607</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,752)	188	(1,564)
Derivatives	12,176	(13,099)	(923)
	<u>10,424</u>	<u>(12,911)</u>	<u>(2,487)</u>
Deferred tax assets	<u><u>1,258,496</u></u>	<u><u>(79,376)</u></u>	<u><u>1,179,120</u></u>

	Unit : Thousand Baht		
	Balance	"Unaudited"	Balance
	as at January 1,	Item as	as at September 30,
	2021	recognized	2021
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,050,714	71,951	1,122,665
Loan receivables (bad debt written-off)	148,325	(15,893)	132,432
Provisions for employee benefits	41,919	3,233	45,152
Decommissioning obligation for leasehold improvements	12,406	(5,294)	7,112
Derivatives	41,006	(22,119)	18,887
Others	3,361	(232)	3,129
Lease liabilities	561	2,128	2,689
	<u>1,298,292</u>	<u>33,774</u>	<u>1,332,066</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,310)	(416)	(1,726)
	<u>(1,310)</u>	<u>(416)</u>	<u>(1,726)</u>
Deferred tax assets	<u><u>1,296,982</u></u>	<u><u>33,358</u></u>	<u><u>1,330,340</u></u>

9. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited”					As at December 31, 2021		
	As at September 30, 2022		Long-term borrowings from financial institutions		Debtentures	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Total
Current								
Principal	4,940,016	3,686,740	1,000,000	9,626,756	3,000,000	2,300,000	4,000,000	9,300,000
Less Deferred issuance cost on debtentures and borrowings	(4,772)	-	(297)	(5,069)	(1,851)	-	(430)	(2,281)
Net	<u>4,935,244</u>	<u>3,686,740</u>	<u>999,703</u>	<u>9,621,687</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	6,700,000	10,797,354	-	5,084,094	7,000,000	12,084,094
Less Deferred issuance cost on debtentures and borrowings	-	(2,103)	(4,590)	(6,693)	-	(1,932)	(5,997)	(7,929)
Net	<u>-</u>	<u>4,095,251</u>	<u>6,695,410</u>	<u>10,790,661</u>	<u>-</u>	<u>5,082,162</u>	<u>6,994,003</u>	<u>12,076,165</u>
Total	<u>4,935,244</u>	<u>7,781,991</u>	<u>7,695,113</u>	<u>20,412,348</u>	<u>2,998,149</u>	<u>7,382,162</u>	<u>10,993,573</u>	<u>21,373,884</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	4,935,244	7,781,991	7,695,113	20,412,348	2,998,149	7,382,162	10,993,573	21,373,884
Total	<u>4,935,244</u>	<u>7,781,991</u>	<u>7,695,113</u>	<u>20,412,348</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 September 30, 2022 and December 31, 2021 classified by currency are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	September 30,	December 31,
	2022	2021
Baht Currency	20,412,348	21,373,884
Total	20,412,348	21,373,884

As at September 30, 2022, above liabilities bear interest at the rates ranging from 0.59% to 3.37% per annum (as at December 31, 2021 : 0.57% to 3.37% per annum).

Interest rate swap agreement

Baht Currency

As at September 30, 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 3,300.00 million (as at December 31, 2021 : Baht 3,400.00 million.) As at September 30, 2022, the Company recognized such agreements as derivative asset and derivative liabilities at fair value totaling Baht 15.25 million and Baht 10.64 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 September 30, 2022 and December 31, 2021 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	Unit : Thousand Baht	
							“Unaudited” As at September 30, 2022	As at December 31, 2021
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
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
10	April 8, 2022	April 4, 2025	1 st	Unsecured	700,000	Baht 1,000	700,000	-
							<u>7,700,000</u>	<u>11,000,000</u>
Less Debenture deferred issuance cost							<u>(4,887)</u>	<u>(6,427)</u>
							<u>7,695,113</u>	<u>10,993,573</u>
Less Current portion of debentures							<u>(999,703)</u>	<u>(3,999,570)</u>
Debentures - net							<u>6,695,410</u>	<u>6,994,003</u>

As at September 30, 2022 and December 31, 2021, debentures bear interest at rates ranging from 1.08% to 3.37% per annum.

10. OTHER INCOME

Other income for the three-month and nine-month periods ended September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended September 30,	
	2022	2021
Recovery of bad debts	323,863	272,368
Others	27,378	30,297
Total	351,241	302,665

	Unit : Thousand Baht “Unaudited” For the nine-month periods ended September 30,	
	2022	2021
Recovery of bad debts	984,766	927,012
Others	82,577	92,260
Total	1,067,343	1,019,272

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. DIVIDEND PAID

- 12.1 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.
- 12.2 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.

13. INCOME TAX EXPENSE

Tax expense for the three-month periods ended September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht "Unaudited" For the three-month periods ended September 30,	
	2022	2021
Current tax expense		
Current year	360,423	345,787
	<u>360,423</u>	<u>345,787</u>
Deferred tax expense		
Movements in temporary differences	(49,126)	(216,504)
	<u>(49,126)</u>	<u>(216,504)</u>
Total	<u>311,297</u>	<u>129,283</u>

Reconciliations of effective tax rates for the three-month periods ended September 30, 2022 and 2021 are as follows:

	Tax Rate (%)	2022	Tax Rate (%)	2021
Accounting profit before income tax		<u>1,387,757</u>		<u>599,837</u>
Tax expense at domestic tax rate	20.0	277,551	20.0	119,967
Tax effect of non-deductible expenses		<u>82,872</u>		<u>225,820</u>
Tax expense per income tax return		360,423		345,787
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>(49,126)</u>		<u>(216,504)</u>
Tax expense	22.4	<u>311,297</u>	21.6	<u>129,283</u>

Tax expense for the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Unit : Thousand Baht "Unaudited" For the nine-month periods ended September 30,	
	2022	2021
Current tax expense		
Current year	892,846	813,050
	<u>892,846</u>	<u>813,050</u>
Deferred tax expense		
Movements in temporary differences	79,376	(33,358)
	<u>79,376</u>	<u>(33,358)</u>
Total	<u>972,222</u>	<u>779,692</u>

Reconciliations of effective tax rates for the nine-month periods ended September 30, 2022 and 2021 are as follows:

		Unit : Thousand Baht	
	Tax Rate (%)	2022	Tax Rate (%) 2021
Accounting profit before income tax		<u>4,437,981</u>	<u>3,725,091</u>
Tax expense at domestic tax rate	20.0	887,596	745,018
Tax effect of non-deductible expenses		<u>5,250</u>	<u>68,032</u>
Tax expense per income tax return		892,846	813,050
Adjustment for deferred tax relating to the origination and reversal of temporary differences		<u>79,376</u>	<u>(33,358)</u>
Tax expense	21.9	<u>972,222</u>	<u>779,692</u>

14. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2022 and December 31, 2021 are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 2022	As at December 31, 2021
Capital commitments		
Computer software	<u>642</u>	<u>-</u>
Total	<u>642</u>	<u>-</u>
Non-cancellable short-term lease and service commitments		
Within one year	9,864	10,932
After one year but within five years	<u>120</u>	<u>277</u>
Total	<u>9,984</u>	<u>11,209</u>

The Company entered into several short-term lease agreements covering office premises, vehicles, computer equipment and service agreements 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.

15. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

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