

EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

Three-month period ended March 31, 2023



บริษัท ดีลอยท์ ทูเช โทมatsu จำกัด
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 March 31, 2023 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 25, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

Unit : Thousand Baht

	Notes	As at March 31, 2023	As at December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		380,537	355,946
Loan receivables due within one year	6	53,483,267	53,323,443
Other receivables		117,535	135,828
Derivative assets	9	1,627	1,204
Total Current Assets		<u>53,982,966</u>	<u>53,816,421</u>
NON-CURRENT ASSETS			
Loan receivables	6	45,032	43,867
Leasehold improvements and equipment		134,188	147,940
Right-of-use assets	7	596,176	585,304
Intangible assets		12,032	13,790
Deferred tax assets	8	1,180,290	1,215,826
Other non-current assets		66,213	66,855
Long-term derivative assets	9	7,684	8,213
Total Non-current Assets		<u>2,041,615</u>	<u>2,081,795</u>
TOTAL ASSETS		<u><u>56,024,581</u></u>	<u><u>55,898,216</u></u>

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2023

Unit : Thousand Baht

	Notes	As at March 31, 2023	As at December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	3,379,589	4,465,111
Trade accounts payable		1,423	2,753
Other payables		340,166	498,887
Current portion of long-term borrowings from financial institutions	5 and 9	2,816,544	3,804,094
Current portion of debentures	5 and 9	3,499,087	1,999,251
Current portion of lease liabilities		163,879	141,793
Current income tax payable		945,584	660,377
Current portion of decommissioning obligations for leasehold improvement		310	-
Derivative liabilities	9	3,670	3,388
Total Current Liabilities		<u>11,150,252</u>	<u>11,575,654</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	2,979,305	3,578,200
Debentures	5 and 9	5,695,542	5,696,673
Lease liabilities		458,923	468,440
Provision for employee benefits		212,707	207,040
Decommissioning obligations for leasehold improvement		57,540	57,961
Long-term derivative liabilities	9	22,868	27,359
Other non-current liabilities		161	159
Total Non-current Liabilities		<u>9,427,046</u>	<u>10,035,832</u>
TOTAL LIABILITIES		<u><u>20,577,298</u></u>	<u><u>21,611,486</u></u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2023

Unit : Thousand Baht			
	Notes	As at March 31, 2023	As at December 31, 2022
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>28,847,283</u>	<u>27,686,730</u>
TOTAL SHAREHOLDERS' EQUITY		<u>35,447,283</u>	<u>34,286,730</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>56,024,581</u>	<u>55,898,216</u>

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“Unaudited”

		Unit : Thousand Baht	
	Notes	2023	2022
REVENUES			
Income from personal loans		3,234,108	3,180,430
Income from installment loans		4,266	3,953
Other income	10	350,296	362,728
Total Revenues		<u>3,588,670</u>	<u>3,547,111</u>
EXPENSES			
Operating expenses		220,503	223,677
Administrative expenses		712,426	690,548
Expected credit losses	6	1,081,642	747,481
Finance costs		92,713	77,158
Total Expenses		<u>2,107,284</u>	<u>1,738,864</u>
PROFIT BEFORE INCOME TAX		1,481,386	1,808,247
INCOME TAX EXPENSE	12	320,833	379,762
NET PROFIT FOR THE PERIODS		1,160,553	1,428,485
OTHER COMPREHENSIVE INCOME FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u><u>1,160,553</u></u>	<u><u>1,428,485</u></u>
BASIC EARNINGS PER SHARE	BAHT	1.93	2.38
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	600,000,000	600,000,000

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“Unaudited”

Unit : Thousand Baht

		Retained earnings		
	Share capital			Total
	Issued and	Appropriated		shareholders'
	paid-up	Legal reserve	Unappropriated	equity
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	6,000,000	600,000	26,057,089	32,657,089
Balance as at January 1, 2023	6,000,000	600,000	27,686,730	34,286,730
Total comprehensive				
income for the period	-	-	1,160,553	1,160,553
Balance as at March 31, 2023	6,000,000	600,000	28,847,283	35,447,283

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“Unaudited”

Unit : Thousand Baht

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the periods		1,160,553	1,428,485
Adjustments for:			
Income tax expense		320,833	379,762
Depreciation and amortization expenses		77,656	84,101
Interest income		(3,238,374)	(3,184,383)
Finance costs		92,713	77,158
Expected credit losses		1,081,642	747,481
Employee benefit expenses		5,667	5,591
Gain on disposal of equipment and intangible assets		(211)	(10)
Gain on lease modification		-	(1,425)
Loss (gain) on discount received from lease agreement		162	(525)
		(499,359)	(463,765)
Changes in operating assets and liabilities			
Loan receivables		(1,262,986)	(1,020,149)
Other receivables		17,899	21,358
Other non-current assets		640	(3,992)
Trade accounts payable		(1,330)	(1,642)
Other payables		(135,225)	(145,330)
Other non-current liabilities		2	(16)
Cash paid for operating activities		(1,880,359)	(1,613,536)
Cash received from interest income		3,258,729	3,165,382
Interest paid		(115,475)	(139,202)
Income tax paid		(90)	(80)
Net cash provided by operating activities		1,262,805	1,412,564

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“Unaudited”

		Unit : Thousand Baht	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of leasehold improvements and equipment	4	(6,354)	(13,937)
Proceeds from sale of equipment		242	57
Cash paid for purchasing of intangible assets	4	-	(1,605)
Net cash used in investing activities		<u>(6,112)</u>	<u>(15,485)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	10,648,503	7,733,677
Repayment of short-term borrowings from financial institutions	4	(11,733,503)	(5,918,677)
Proceeds from long-term borrowings from financial institutions	4	-	600,000
Repayment of long-term borrowings from financial institutions	4	(1,586,740)	(900,000)
Proceeds from issuing debentures	4	1,500,000	-
Repayment of debentures	4	-	(3,000,000)
Repayment of the lease liabilities	4	(60,362)	(60,762)
Net cash used in financing activities		<u>(1,232,102)</u>	<u>(1,545,762)</u>
Net increase (decrease) in cash and cash equivalents		24,591	(148,683)
Cash and cash equivalents as at January 1,		<u>355,946</u>	<u>472,019</u>
Cash and cash equivalents as at March 31,		<u><u>380,537</u></u>	<u><u>323,336</u></u>

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

EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023
“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.

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, 2022, 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, 2023 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, 2023 should be read in conjunction with the audited financial statements for the year ended December 31, 2022.

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, 2023. These financial reporting standards were aimed at alignment with the corresponding Thai Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. 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, 2022.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the three-month periods ended March 31, 2023 and 2022 are as follows:

	Unit : Thousand Baht "Unaudited" For the three-month periods ended March 31,	
	2023	2022
Leasehold improvements and equipment		
Liabilities recorded at beginning of periods	4,394	16,073
Purchase of leasehold improvements and equipment	2,562	1,217
	<u>6,956</u>	<u>17,290</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(6,354)</u>	<u>(13,937)</u>
Liabilities recorded at ending of periods	<u>602</u>	<u>3,353</u>

For the three-month periods ended March 31, 2023 and 2022, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.15 million and Baht 0.07 million, respectively.

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended March 31,	
	2023	2022
Intangible assets		
Liabilities recorded at beginning of period	-	-
Purchase of intangible assets	-	1,605
	-	1,605
<u>Less</u> Cash paid for purchase of intangible assets	-	(1,605)
Liabilities recorded at ending of period	-	-

Reconciliation of liabilities arising from financing activities for the three-month periods ended March 31, 2023 and 2022 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, 2023	4,465,111	7,382,294	7,695,924	610,233	20,153,562
Changes in cash flow					
Cash proceeds	10,648,503	-	1,500,000	-	12,148,503
Cash repayment	(11,733,503)	(1,586,740)	-	(60,362)	(13,380,605)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	(522)	295	(1,295)	-	(1,522)
New lease agreement	-	-	-	69,947	69,947
Others*	-	-	-	2,984	2,984
As at March 31, 2023	<u>3,379,589</u>	<u>5,795,849</u>	<u>9,194,629</u>	<u>622,802</u>	<u>18,992,869</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, 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.

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), 40.22% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.22% 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, 2023 and 2022 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended March 31,	
	2023	2022
Finance costs		
Related parties		
Interest expense	21,880	14,723
Debenture arrangement fee	166	221
Administrative expenses		
Key management personnel		
Key management personnel's compensation (Short-term benefits)	17,249	20,458
Key management personnel's compensation (Long-term benefits)	402	233

Balances with a related party as at March 31, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Short-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	50,000	160,000
Total	<u>50,000</u>	<u>160,000</u>

As at March 31, 2023 and December 31, 2022, short-term borrowings from a financial institution - related party bear interest at 2.06% per annum and 1.56% per annum, respectively.

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Current portion of long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	1,017,354	1,604,094
Long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	2,680,000	2,880,000
Total	<u>3,697,354</u>	<u>4,484,094</u>

As at March 31, 2023 and December 31, 2022, long-term borrowings from a financial institution - related party bear interest at rates ranging from 1.61% to 2.58% per annum and 1.23% to 2.62% per annum, respectively.

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Other payables		
Accrued interest expense		
A related party		
Bank of Ayudhya Public Company Limited	19,795	22,050
Total	<u>19,795</u>	<u>22,050</u>

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2023	2022
Deferred issuance cost (presented net from long-term borrowings and debentures)		
A related party		
Bank of Ayudhya Public Company Limited	1,614	550
Total	<u>1,614</u>	<u>550</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” As at March 31, 2023			As at December 31, 2022		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	58,284,445	149,050	58,433,495	58,231,694	145,638	58,377,332
<u>Less</u> Unearned interest income	-	(6,999)	(6,999)	-	(6,847)	(6,847)
Allowance for expected credit loss	(4,942,201)	(1,028)	(4,943,229)	(5,046,062)	(980)	(5,047,042)
Net	<u>53,342,244</u>	<u>141,023</u>	<u>53,483,267</u>	<u>53,185,632</u>	<u>137,811</u>	<u>53,323,443</u>
Due over one year						
Loan receivables	-	45,245	45,245	-	44,055	44,055
<u>Less</u> Unearned interest income	-	-	-	-	-	-
Allowance for expected credit loss	-	(213)	(213)	-	(188)	(188)
Net	<u>-</u>	<u>45,032</u>	<u>45,032</u>	<u>-</u>	<u>43,867</u>	<u>43,867</u>
Total	<u>53,342,244</u>	<u>186,055</u>	<u>53,528,299</u>	<u>53,185,632</u>	<u>181,678</u>	<u>53,367,310</u>

Unit : Thousand Baht

Expected credit losses for the three-month periods ended March 31, 2023 and 2022 comprise the following:

	“Unaudited” For the three-month period ended March 31, 2023			Unit : Thousand Baht “Unaudited” For the three-month period ended March 31, 2022		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debts	1,248,508	523	1,249,031	1,063,682	615	1,064,297
Expected credit losses (reversal)	(167,460)	71	(167,389)	(316,710)	(106)	(316,816)
Total	1,081,048	594	1,081,642	746,972	509	747,481

Staging analysis for loan receivables as at March 31, 2023 and December 31, 2022 are as follows:

	“Unaudited” As at March 31, 2023			Unit : Thousand Baht As at December 31, 2022		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	55,602,180	193,366	55,795,546	55,372,954	188,730	55,561,684
Under-performing (Stage 2)	1,200,927	391	1,201,318	1,396,260	436	1,396,696
Non-performing (Stage 3)	1,481,338	538	1,481,876	1,462,480	527	1,463,007
	58,284,445	194,295	58,478,740	58,231,694	189,693	58,421,387
<u>Less</u> Unearned interest income	-	(6,999)	(6,999)	-	(6,847)	(6,847)
Total	58,284,445	187,296	58,471,741	58,231,694	182,846	58,414,540
<u>Less</u> Allowance for expected credit losses	(4,942,201)	(1,241)	(4,943,442)	(5,046,062)	(1,168)	(5,047,230)
Net	53,342,244	186,055	53,528,299	53,185,632	181,678	53,367,310

Allowance for expected credit loss

Allowance for expected credit loss as at March 31, 2023 and 2022 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 January 1, 2023	2,888,337	871,456	1,287,437	5,047,230
Changes in staging	(208,447)	(611,650)	820,097	-
New financial assets originated or purchased	55,021	-	-	55,021
Net remeasurement of loss allowance	168,359	524,428	162,403	855,190
Financial assets derecognised	(15,858)	(972)	(869)	(17,699)
Written off	(8,661)	(22,351)	(965,288)	(996,300)
Balance as at March 31, 2023	2,878,751	760,911	1,303,780	4,943,442

	“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 January 1, 2022	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

As at March 31, 2023 and December 31, 2022, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Revolving loan receivables	56,040,106	56,076,108
Minimum payment loan receivables	2,244,339	2,155,586
Total	58,284,445	58,231,694

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, 2023 and December 31, 2022 were denominated entirely in Baht currency.

7. RIGHT-OF-USE ASSETS

During the three-month period ended March 31, 2023, the Company had additional right-of-use assets at the total cost of Baht 70.34 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 46.66 million, Baht 20.79 million and Baht 2.89 million, respectively.

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.

In addition, the Company had depreciation of right-of-use assets for the three-month periods ended March 31, 2023 totaling Baht 59.47 million (2022: Baht 60.65 million).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at March 31, 2023	As at December 31, 2022
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	988,783	1,009,541
Loan receivables (bad debt written-off)	130,270	145,448
Provisions for employee benefits	42,541	41,408
Decommissioning obligation for leasehold improvements	8,611	8,400
Derivatives	3,445	4,266
Lease liabilities	5,267	4,942
Others	3,148	3,079
Total	1,182,065	1,217,084
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,775)	(1,258)
Total	(1,775)	(1,258)
Net	1,180,290	1,215,826

The movements of deferred tax assets and liabilities for the three-month periods ended March 31, 2023 and 2022 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at January 1,	Item as	as at March 31,
	2023	recognized	2023
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,009,541	(20,758)	988,783
Loan receivables (bad debt written-off)	145,448	(15,178)	130,270
Provisions for employee benefits	41,408	1,133	42,541
Decommissioning obligation for leasehold improvements	8,400	211	8,611
Derivatives	4,266	(821)	3,445
Lease liabilities	4,942	325	5,267
Others	3,079	69	3,148
	<u>1,217,084</u>	<u>(35,019)</u>	<u>1,182,065</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,258)	(517)	(1,775)
	<u>(1,258)</u>	<u>(517)</u>	<u>(1,775)</u>
Deferred tax assets	<u>1,215,826</u>	<u>(35,536)</u>	<u>1,180,290</u>

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at January 1,	Item as	as at March 31,
	2022	recognized	2022
		into profit (loss)	
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
Lease liabilities	2,965	92	3,057
Others	3,258	(137)	3,121
	<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>

9. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht

	“Unaudited” As at March 31, 2023				As at December 31, 2022			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
Current								
Principal	3,385,000	2,817,354	3,500,000	9,702,354	4,470,000	3,804,094	2,000,000	10,274,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	(5,411)	(810)	(913)	(7,134)	(4,889)	-	(749)	(5,638)
Net	<u>3,379,589</u>	<u>2,816,544</u>	<u>3,499,087</u>	<u>9,695,220</u>	<u>4,465,111</u>	<u>3,804,094</u>	<u>1,999,251</u>	<u>10,268,456</u>
Non-current								
Principal	-	2,980,000	5,700,000	8,680,000	-	3,580,000	5,700,000	9,280,000
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(695)	(4,458)	(5,153)	-	(1,800)	(3,327)	(5,127)
Net	<u>-</u>	<u>2,979,305</u>	<u>5,695,542</u>	<u>8,674,847</u>	<u>-</u>	<u>3,578,200</u>	<u>5,696,673</u>	<u>9,274,873</u>
Total	<u>3,379,589</u>	<u>5,795,849</u>	<u>9,194,629</u>	<u>18,370,067</u>	<u>4,465,111</u>	<u>7,382,294</u>	<u>7,695,924</u>	<u>19,543,329</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	<u>3,379,589</u>	<u>5,795,849</u>	<u>9,194,629</u>	<u>18,370,067</u>	<u>4,465,111</u>	<u>7,382,294</u>	<u>7,695,924</u>	<u>19,543,329</u>
Total	<u>3,379,589</u>	<u>5,795,849</u>	<u>9,194,629</u>	<u>18,370,067</u>	<u>4,465,111</u>	<u>7,382,294</u>	<u>7,695,924</u>	<u>19,543,329</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, 2023 and December 31, 2022 classified by currency are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Baht Currency	18,370,067	19,543,329
Total	18,370,067	19,543,329

As at March 31, 2023 and December 31, 2022, above liabilities bear interest at the rates ranging from 1.08% to 3.37% per annum.

Interest rate swap agreement

Baht Currency

As at March 31, 2023 and December 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 million and Baht 2,900 million, respectively.

As at March 31, 2023, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 9.31 million and Baht 26.54 million, respectively.

As at December 31, 2022, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 9.42 million and Baht 30.75 million, respectively.

Debenture

Debentures as at March 31, 2023 and December 31, 2022 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	“Unaudited” As at March 31, 2023 (Thousand Baht)	As at December 31, 2022 (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	June 7, 2017	June 7, 2024	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
3	January 24, 2020	January 24, 2024	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
4	April 30, 2021	April 26, 2024	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
5	October 14, 2021	October 12, 2023	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
6	October 14, 2021	October 11, 2024	2 nd	Unsecured	500,000	Baht 1,000	500,000	500,000
7	April 8, 2022	April 4, 2025	1 st	Unsecured	700,000	Baht 1,000	700,000	700,000
8	March 29, 2023	March 27, 2026	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	-
							9,200,000	7,700,000
				<u>Less</u>	Debt discount		(5,371)	(4,076)
							9,194,629	7,695,924
				<u>Less</u>	Current portion of debentures		(3,499,087)	(1,999,251)
				Debentures - net			5,695,542	5,696,673

As at March 31, 2023 and December 31, 2022, debentures bear interest at rates ranging from 1.08% to 3.37% per annum.

10. OTHER INCOME

Other income for the three-month periods ended March 31, 2023 and 2022 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2023	2022
Recovery of bad debts	326,713	334,697
Others	23,583	28,031
Total	350,296	362,728

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, 2023 and 2022 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2023	2022
Current tax expense		
Current year	285,297	333,536
	<u>285,297</u>	<u>333,536</u>
Deferred tax expense		
Movements in temporary differences	35,536	46,226
	<u>35,536</u>	<u>46,226</u>
Total	320,833	379,762

Reconciliations of effective tax rates for the three-month periods ended March 31, 2023 and 2022 are as follows:

		2023		Unit : Thousand Baht 2022
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before income tax		1,481,386		1,808,247
Tax expense at domestic tax rate	20.0	296,277	20.0	361,649
Tax effect of non-taxable income		(10,980)		(28,113)
Tax expense per income tax return		285,297		333,536
Adjustment for deferred tax relating to the origination and reversal of temporary differences		35,536		46,226
Income tax expense	21.7	320,833	21.0	379,762

13. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at March 31, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at March 31, 2023	As at December 31, 2022
Non-cancellable short-term lease and service commitments		
Within one year	11,747	8,362
After one year but within five years	197	132
Total	11,944	8,494

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 and service fees 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 20, 2023, the shareholder approved the appropriation of dividends of Baht 2.16 per share, amounting to Baht 1,296.00 million. The dividends were paid to the shareholders on May 19, 2023.

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 25, 2023.