
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

*Three-month and nine-month periods ended
September 30, 2023*



บริษัท ดีลอยท์ ทูเช่ โทมatsu ไทยยค
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, 2023 and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2023, changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2023, 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 23, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

Unit : Thousand Baht

	Notes	As at September 30, 2023	As at December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		448,115	355,946
Loan receivables due within one year	6	54,558,683	53,323,443
Other receivables		125,648	135,828
Derivative assets	9	12,814	1,204
Total Current Assets		55,145,260	53,816,421
NON-CURRENT ASSETS			
Loan receivables	6	37,540	43,867
Leasehold improvements and equipment		115,225	147,940
Right-of-use assets	7	568,958	585,304
Intangible assets		8,622	13,790
Deferred tax assets	8	1,115,963	1,215,826
Long-term derivative assets	9	1,285	8,213
Other non-current assets		67,231	66,855
Total Non-current Assets		1,914,824	2,081,795
TOTAL ASSETS		57,060,084	55,898,216

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2023

Unit : Thousand Baht

	Notes	As at September 30, 2023	As at December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	4,902,916	4,465,111
Trade accounts payable		3,378	2,753
Other payables		483,591	498,887
Current portion of long-term borrowings from financial institutions	5 and 9	3,616,996	3,804,094
Current portion of debentures	5 and 9	5,499,174	1,999,251
Current portion of lease liabilities		157,591	141,793
Current income tax payable		324,667	660,377
Derivative liabilities	9	1,633	3,388
Total Current Liabilities		14,989,946	11,575,654
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	1,914,070	3,578,200
Debentures	5 and 9	2,697,407	5,696,673
Lease liabilities		446,138	468,440
Provision for employee benefits		224,036	207,040
Decommissioning obligations for leasehold improvement		57,936	57,961
Long-term derivative liabilities	9	5,715	27,359
Other non-current liabilities		154	159
Total Non-current Liabilities		5,345,456	10,035,832
TOTAL LIABILITIES		20,335,402	21,611,486

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2023

Unit : Thousand Baht

	Notes	As at September 30, 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		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		30,124,682	27,686,730
TOTAL SHAREHOLDERS' EQUITY		36,724,682	34,286,730
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		57,060,084	55,898,216

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 SEPTEMBER 30, 2023
“Unaudited”

Unit : Thousand Baht

	Notes	2023	2022
REVENUES			
Income from personal loans		3,404,894	3,365,654
Income from installment loans		4,036	4,281
Other income	10	330,721	351,241
Total Revenues		<u>3,739,651</u>	<u>3,721,176</u>
EXPENSES			
Operating expenses		219,145	216,055
Administrative expenses		734,370	720,933
Expected credit losses	6	1,555,341	1,302,533
Finance costs		98,537	93,898
Total Expenses		<u>2,607,393</u>	<u>2,333,419</u>
PROFIT BEFORE INCOME TAX		1,132,258	1,387,757
INCOME TAX EXPENSE	13	250,127	311,297
NET PROFIT FOR THE PERIODS		<u>882,131</u>	<u>1,076,460</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u><u>882,131</u></u>	<u><u>1,076,460</u></u>
BASIC EARNINGS PER SHARE	BAHT	1.47	1.79
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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“Unaudited”

		Unit : Thousand Baht	
	Notes	2023	2022
REVENUES			
Income from personal loans		9,987,093	9,825,279
Income from installment loans		12,638	12,851
Other income	10	1,077,016	1,067,343
Total Revenues		<u>11,076,747</u>	<u>10,905,473</u>
EXPENSES			
Operating expenses		660,808	657,524
Administrative expenses		2,170,686	2,112,653
Expected credit losses	6	3,208,232	3,475,336
Finance costs		276,933	221,979
Total Expenses		<u>6,316,659</u>	<u>6,467,492</u>
PROFIT BEFORE INCOME TAX		4,760,088	4,437,981
INCOME TAX EXPENSE	13	1,026,136	972,222
NET PROFIT FOR THE PERIODS		3,733,952	3,465,759
OTHER COMPREHENSIVE INCOME FOR			
THE PERIOD, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE PERIODS		<u><u>3,733,952</u></u>	<u><u>3,465,759</u></u>
BASIC EARNINGS PER SHARE	BAHT	6.22	5.78
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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“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, 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	12.1	-	-	(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>
Balance as at January 1, 2023		6,000,000	600,000	27,686,730	34,286,730
Total comprehensive					
income for the period		-	-	3,733,952	3,733,952
Dividends paid	12.2	-	-	(1,296,000)	(1,296,000)
Balance as at September 30, 2023		<u>6,000,000</u>	<u>600,000</u>	<u>30,124,682</u>	<u>36,724,682</u>

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

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“Unaudited”

Unit : Thousand Baht

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		3,733,952	3,465,759
Adjustments for:			
Income tax expense		1,026,136	972,222
Depreciation and amortization expenses		229,752	249,369
Interest income		(9,999,731)	(9,838,130)
Finance costs		276,933	221,979
Expected credit losses		3,208,232	3,475,336
Employee benefits expense		16,996	16,772
Gain on disposal of equipment			
and intangible assets		(158)	(206)
Gain on lease modification		(63)	(1,425)
Loss (gain) on discount received from lease agreement		256	(1,428)
		<u>(1,507,695)</u>	<u>(1,439,752)</u>
Changes in operating assets and liabilities			
Loan receivables		(4,387,615)	(4,488,490)
Other receivables		9,447	45,792
Other non-current assets		(376)	(690)
Trade accounts payable		625	(2,835)
Other payables		35,208	(13,105)
Other non-current liabilities		(5)	(29)
Cash paid for operating activities		<u>(5,850,411)</u>	<u>(5,899,109)</u>
Cash received from interest income		9,950,201	9,809,137
Interest paid		(346,831)	(328,481)
Income tax paid		<u>(1,261,983)</u>	<u>(1,220,835)</u>
Net cash provided by operating activities		<u>2,490,976</u>	<u>2,360,712</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“Unaudited”

Unit : Thousand Baht

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment	4	(16,620)	(30,938)
Proceeds from sale of equipment		309	447
Cash paid for purchasing of intangible assets	4	-	(13,267)
Net cash used in investing activities		<u>(16,311)</u>	<u>(43,758)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	42,853,009	29,675,162
Repayment of short-term borrowings from financial institutions	4	(42,418,009)	(27,735,146)
Proceeds from long-term borrowings from financial institutions	4	900,000	1,800,000
Repayment of long-term borrowings from financial institutions	4	(2,746,740)	(1,400,000)
Proceeds from issuing debentures	4	1,500,000	700,000
Repayment of debentures	4	(1,000,000)	(4,000,000)
Repayment of the lease liabilities	4	(174,756)	(176,437)
Dividends paid to owners of the Company	12	(1,296,000)	(1,302,000)
Net cash used in financing activities		<u>(2,382,496)</u>	<u>(2,438,421)</u>
Net increase (decrease) in cash and cash equivalents		92,169	(121,467)
Cash and cash equivalents as at January 1,		<u>355,946</u>	<u>472,019</u>
Cash and cash equivalents as at September 30,		<u><u>448,115</u></u>	<u><u>350,552</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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023
“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, 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 and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 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 International 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 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On August 8, 2023, the revised TFRSs have been announced in the Royal Gazette which mostly are the amendments of wordings and the references of Thai Financial Reporting Standard No.17 “Insurance Contracts” which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards. TFRSs which have been amended and are relevant to the Company are as follows:

Thai Accounting Standard No.1 “Presentation of Financial Statements”

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

Thai Accounting Standard No.12 “Income Taxes”

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions. 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).

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, 2022.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Unit : Thousand Baht "Unaudited" For the nine-month periods ended September 30, 2023 2022	
Leasehold improvements and equipment		
Liabilities recorded at beginning of periods	4,394	16,073
Purchase of leasehold improvements and equipment	13,930	15,558
	<u>18,324</u>	<u>31,631</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(16,620)</u>	<u>(30,938)</u>
Liabilities recorded at ending of periods	<u>1,704</u>	<u>693</u>

For the nine-month periods ended September 30, 2023 and 2022, the Company recorded leasehold improvements related to provision for restoration cost of Baht 1.31 million and Baht 0.69 million, respectively.

	Unit : Thousand Baht "Unaudited" For the nine-month periods ended September 30, 2023 2022	
Intangible assets		
Liabilities recorded at beginning of period	-	-
Purchase of intangible assets	-	13,267
	<u>-</u>	<u>13,267</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>-</u>	<u>(13,267)</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, 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	42,853,009	900,000	1,500,000	-	45,253,009
Cash repayment	(42,418,009)	(2,746,740)	(1,000,000)	(174,756)	(46,339,505)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	2,805	(4,488)	657	-	(1,026)
New lease agreement	-	-	-	161,277	161,277
Others*	-	-	-	6,975	6,975
As at September 30, 2023	<u>4,902,916</u>	<u>5,531,066</u>	<u>8,196,581</u>	<u>603,729</u>	<u>19,234,292</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	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	<u>4,935,244</u>	<u>7,781,991</u>	<u>7,695,113</u>	<u>621,983</u>	<u>21,034,331</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), 40.21% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.21% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended September 30, 2023 2022	
Finance costs		
A related party		
Interest expense	23,078	20,976
Debenture arrangement fee	248	193
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	16,791	20,387
Key management personnel’s compensation (Long-term benefits)	402	233

Unit : Thousand Baht
“Unaudited”
For the nine-month
periods ended September 30,
2023 2022

Finance costs		
A related party		
Interest expense	65,326	53,647
Debenture arrangement fee	781	701
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	51,579	58,998
Key management personnel’s compensation (Long-term benefits)	1,205	698

Balances with a related party as at September 30, 2023 and December 31, 2022 are as follows:

Unit : Thousand Baht
“Unaudited”
As at As at
September 30, December 31,
2023 2022

Short-term borrowings from a financial institution

A related party

Bank of Ayudhya Public Company Limited	-	160,000
Total	<u>-</u>	<u>160,000</u>

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

Unit : Thousand Baht
“Unaudited”
As at As at
September 30, December 31,
2023 2022

Current portion of long-term borrowings from a financial institution

A related party

Bank of Ayudhya Public Company Limited	2,317,354	1,604,094
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Long-term borrowings from a financial institution

A related party

Bank of Ayudhya Public Company Limited	1,120,000	2,880,000
Total	<u>3,437,354</u>	<u>4,484,094</u>

As at September 30, 2023 and December 31, 2022, long-term borrowings from a financial institution - related party bear interest at rates ranging from 2.00% to 2.87% per annum and 1.23% to 2.62% per annum, respectively.

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	September 30,	December 31,
	2023	2022
Other payables		
Accrued interest expense		
A related party		
Bank of Ayudhya Public Company Limited	23,833	22,050
Total	23,833	22,050
Deferred issuance cost (presented net from long-term borrowings and debentures)		
A related party		
Bank of Ayudhya Public Company Limited	1,146	550
Total	1,146	550

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 September 30, 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	59,053,841	134,801	59,188,642	58,231,694	145,638	58,377,332
<u>Less</u> Unearned interest income	-	(5,734)	(5,734)	-	(6,847)	(6,847)
Allowance for expected credit loss	(4,623,103)	(1,122)	(4,624,225)	(5,046,062)	(980)	(5,047,042)
Net	54,430,738	127,945	54,558,683	53,185,632	137,811	53,323,443
Due over one year						
Loan receivables	-	37,746	37,746	-	44,055	44,055
<u>Less</u> Unearned interest income	-	-	-	-	-	-
Allowance for expected credit loss	-	(206)	(206)	-	(188)	(188)
Net	-	37,540	37,540	-	43,867	43,867
Total	54,430,738	165,485	54,596,223	53,185,632	181,678	53,367,310

Expected credit losses for the three-month periods ended September 30, 2023 and 2022 comprise the following:

	Unit : Thousand Baht			Unit : Thousand Baht		
	“Unaudited”			“Unaudited”		
	For the three-month			For the three-month		
	period ended September 30, 2023			period ended September 30, 2022		
	Personal	Installment	Total	Personal	Installment	Total
	Loan	Loan		Loan	Loan	
	Receivables	Receivables		Receivables	Receivables	
Bad debts	1,181,973	535	1,182,508	1,036,385	432	1,036,817
Expected credit losses	372,795	38	372,833	265,662	54	265,716
Total	1,554,768	573	1,555,341	1,302,047	486	1,302,533

Expected credit losses for the nine-month periods ended September 30, 2023 and 2022 comprise the following:

	Unit : Thousand Baht			Unit : Thousand Baht		
	“Unaudited”			“Unaudited”		
	For the nine-month			For the nine-month		
	period ended September 30, 2023			period ended September 30, 2022		
	Personal	Installment	Total	Personal	Installment	Total
	Loan	Loan		Loan	Loan	
	Receivables	Receivables		Receivables	Receivables	
Bad debts	3,690,857	1,704	3,692,561	3,981,078	1,544	3,982,622
Expected credit losses (reversal)	(484,483)	154	(484,329)	(507,279)	(7)	(507,286)
Total	3,206,374	1,858	3,208,232	3,473,799	1,537	3,475,336

Staging analysis for loan receivables as at September 30, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht					
	“Unaudited”					
	As at September 30, 2023			As at December 31, 2022		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	56,087,815	171,204	56,259,019	55,372,954	188,730	55,561,684
Under-performing (Stage 2)	1,468,291	561	1,468,852	1,396,260	436	1,396,696
Non-performing (Stage 3)	1,497,735	782	1,498,517	1,462,480	527	1,463,007
	59,053,841	172,547	59,226,388	58,231,694	189,693	58,421,387
<u>Less</u> Unearned interest income	-	(5,734)	(5,734)	-	(6,847)	(6,847)
Total	59,053,841	166,813	59,220,654	58,231,694	182,846	58,414,540
<u>Less</u> Allowance for expected credit losses	(4,623,103)	(1,328)	(4,624,431)	(5,046,062)	(1,168)	(5,047,230)
Net	54,430,738	165,485	54,596,223	53,185,632	181,678	53,367,310

Allowance for expected credit loss

Allowance for expected credit loss as at September 30, 2023 and 2022 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, 2023	2,888,337	871,456	1,287,437	5,047,230
Changes in staging	(756,427)	(1,683,145)	2,439,572	-
New financial assets originated or purchased	153,851	-	-	153,851
Net remeasurement of loss allowance	118,553	1,837,357	494,743	2,450,653
Financial assets derecognised	(43,651)	(3,033)	(2,102)	(48,786)
Written off	(24,631)	(70,802)	(2,883,084)	(2,978,517)
Balance as at September 30, 2023	2,336,032	951,833	1,336,566	4,624,431

	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

As at September 30, 2023 and December 31, 2022, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited”	
	As at September 30, 2023	As at December 31, 2022
Revolving loan receivables	56,697,184	56,076,108
Minimum payment loan receivables	2,356,657	2,155,586
Total	59,053,841	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 September 30, 2023 and December 31, 2022 were denominated entirely in Baht currency.

7. RIGHT-OF-USE ASSETS

During the nine-month period ended September 30, 2023, the Company had additional right-of-use assets at the total cost of Baht 162.05 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 90.84 million, Baht 36.18 million and Baht 35.03 million, respectively.

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.

In addition, the Company had depreciation of right-of-use assets for the three-month and nine-month periods ended September 30, 2023 totaling Baht 58.15 million and Baht 176.78 million, respectively (2022 : Baht 59.84 million and Baht 180.46 million, respectively).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at September 30, 2023	As at December 31, 2022
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	924,979	1,009,541
Loan receivables (bad debt written off)	130,820	145,448
Provisions for employee benefits	44,807	41,408
Decommissioning obligation for leasehold improvements	8,933	8,400
Derivatives	-	4,266
Lease liabilities	6,801	4,942
Others	3,097	3,079
Total	<u>1,119,437</u>	<u>1,217,084</u>
Deferred tax liabilities		
Debentures and borrowings issuance cost	(2,124)	(1,258)
Derivatives	(1,350)	-
Total	<u>(3,474)</u>	<u>(1,258)</u>
Net	<u>1,115,963</u>	<u>1,215,826</u>

The movements of deferred tax assets and liabilities for the three-month periods ended September 30, 2023 and 2022 consist of tax effects from the following items:

	Unit : Thousand Baht		
		“Unaudited”	
	Balance as at July 1, 2023	Item as recognized into profit (loss)	Balance as at September 30, 2023
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	850,326	74,653	924,979
Loan receivables (bad debt written off)	130,146	674	130,820
Provisions for employee benefits	43,674	1,133	44,807
Decommissioning obligation for leasehold improvements	8,782	151	8,933
Lease liabilities	6,509	292	6,801
Others	3,007	90	3,097
	<u>1,042,444</u>	<u>76,993</u>	<u>1,119,437</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,412)	(712)	(2,124)
Derivatives	320	(1,670)	(1,350)
	<u>(1,092)</u>	<u>(2,382)</u>	<u>(3,474)</u>
Deferred tax assets	<u>1,041,352</u>	<u>74,611</u>	<u>1,115,963</u>

	Unit : Thousand Baht		
		“Unaudited”	
	Balance as at July 1, 2022	Item as recognized into profit (loss)	Balance as at September 30, 2022
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
Lease liabilities	4,305	312	4,617
Others	3,031	(71)	2,960
	<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>1,129,994</u>	<u>49,126</u>	<u>1,179,120</u>

The movements of deferred tax assets and liabilities for the nine-month periods ended September 30, 2023 and 2022 consist of tax effects from the following items:

	Unit : Thousand Baht		
		“Unaudited”	
	Balance as at January 1, 2023	Item as recognized into profit (loss)	Balance as at September 30, 2023
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	1,009,541	(84,562)	924,979
Loan receivables (bad debt written off)	145,448	(14,628)	130,820
Provisions for employee benefits	41,408	3,399	44,807
Decommissioning obligation for leasehold improvements	8,400	533	8,933
Lease liabilities	4,942	1,859	6,801
Others	3,079	18	3,097
	<u>1,212,818</u>	<u>(93,381)</u>	<u>1,119,437</u>
Deferred tax liabilities			
Debentures and borrowings issuance cost	(1,258)	(866)	(2,124)
Derivatives	4,266	(5,616)	(1,350)
	<u>3,008</u>	<u>(6,482)</u>	<u>(3,474)</u>
Deferred tax assets	<u>1,215,826</u>	<u>(99,863)</u>	<u>1,115,963</u>

	Unit : Thousand Baht		
		“Unaudited”	
	Balance as at January 1, 2022	Item as recognized into profit (loss)	Balance as at September 30, 2022
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
Lease liabilities	2,965	1,652	4,617
Others	3,258	(298)	2,960
	<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>1,258,496</u>	<u>(79,376)</u>	<u>1,179,120</u>

9. INTEREST - BEARING LIABILITIES

Unit : Thousand Baht								
	“Unaudited” As at September 30, 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	4,905,000	3,617,354	5,500,000	14,022,354	4,470,000	3,804,094	2,000,000	10,274,094
<u>Less</u> Deferred issuance cost on debentures and borrowings	(2,084)	(358)	(826)	(3,268)	(4,889)	-	(749)	(5,638)
Net	<u>4,902,916</u>	<u>3,616,996</u>	<u>5,499,174</u>	<u>14,019,086</u>	<u>4,465,111</u>	<u>3,804,094</u>	<u>1,999,251</u>	<u>10,268,456</u>
Non-current								
Principal	-	1,920,000	2,700,000	4,620,000	-	3,580,000	5,700,000	9,280,000
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	(5,930)	(2,593)	(8,523)	-	(1,800)	(3,327)	(5,127)
Net	<u>-</u>	<u>1,914,070</u>	<u>2,697,407</u>	<u>4,611,477</u>	<u>-</u>	<u>3,578,200</u>	<u>5,696,673</u>	<u>9,274,873</u>
Total	<u>4,902,916</u>	<u>5,531,066</u>	<u>8,196,581</u>	<u>18,630,563</u>	<u>4,465,111</u>	<u>7,382,294</u>	<u>7,695,924</u>	<u>19,543,329</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	4,902,916	5,531,066	8,196,581	18,630,563	4,465,111	7,382,294	7,695,924	19,543,329
Total	<u>4,902,916</u>	<u>5,531,066</u>	<u>8,196,581</u>	<u>18,630,563</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 September 30, 2023 and December 31, 2022 classified by currency are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	September 30,	December 31,
	2023	2022
Baht Currency	18,630,563	19,543,329
Total	18,630,563	19,543,329

As at September 30, 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 September 30, 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 2,640.00 million and Baht 2,900.00 million, respectively.

As at September 30, 2023, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 14.10 million and Baht 7.35 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 September 30, 2023 and December 31, 2022 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	“Unaudited” As at September 30, 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
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	-
							8,200,000	7,700,000
							(3,419)	(4,076)
							8,196,581	7,695,924
							(5,499,174)	(1,999,251)
							2,697,407	5,696,673

As at September 30, 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 and nine-month periods ended September 30, 2023 and 2022 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended September 30,	
	2023	2022
Recovery of bad debts	308,621	323,863
Others	22,100	27,378
Total	330,721	351,241

	Unit : Thousand Baht “Unaudited” For the nine-month periods ended September 30,	
	2023	2022
Recovery of bad debts	1,008,811	984,766
Others	68,205	82,577
Total	1,077,016	1,067,343

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 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.
- 12.2 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.

13. INCOME TAX EXPENSE

Tax expense for the three-month periods ended September 30, 2023 and 2022 are as follows:

		Unit : Thousand Baht “Unaudited” For the three-month periods ended September 30,	
		2023	2022
Current tax expense			
Current year		324,738	360,423
		<u>324,738</u>	<u>360,423</u>
Deferred tax expense			
Movements in temporary differences		(74,611)	(49,126)
		<u>(74,611)</u>	<u>(49,126)</u>
Total		<u>250,127</u>	<u>311,297</u>

Reconciliations of effective tax rates for the three-month periods ended September 30, 2023 and 2022 are as follows:

		Unit : Thousand Baht	
		2023	2022
	Tax Rate (%)		Tax Rate (%)
Accounting profit before income tax		1,132,258	1,387,757
Tax expense at domestic tax rate	20.0	226,452	277,551
Tax effect of non-taxable income		98,286	82,872
Tax expense per income tax return		324,738	360,423
Adjustment for deferred tax relating to the origination and reversal of temporary differences		(74,611)	(49,126)
Income tax expense	22.1	<u>250,127</u>	<u>311,297</u>

Tax expense for the nine-month periods ended September 30, 2023 and 2022 are as follows:

		Unit : Thousand Baht “Unaudited” For the nine-month periods ended September 30,	
		2023	2022
Current tax expense			
Current year		926,273	892,846
		<u>926,273</u>	<u>892,846</u>
Deferred tax expense			
Movements in temporary differences		99,863	79,376
		<u>99,863</u>	<u>79,376</u>
Total		<u>1,026,136</u>	<u>972,222</u>

Reconciliations of effective tax rates for the nine-month periods ended September 30, 2023 and 2022 are as follows:

		2023		Unit : Thousand Baht 2022
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before income tax		4,760,088		4,437,981
Tax expense at domestic tax rate	20.0	952,018	20.0	887,596
Tax effect of non-taxable income		(25,745)		5,250
Tax expense per income tax return		926,273		892,846
Adjustment for deferred tax relating to the origination and reversal of temporary differences		99,863		79,376
Income tax expense	21.6	1,026,136	21.9	972,222

14. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at September 30, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at September 30, 2023	As at December 31, 2022
Non-cancellable short-term lease and service commitments		
Within one year	8,042	8,362
After one year but within five years	240	132
Total	8,282	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.

15. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Board of Directors of the Company on November 23, 2023.