
EASY BUY PUBLIC COMPANY LIMITED

Interim Financial Statements

Three-month period ended March 31, 2024



บริษัท ดีลอยท์ ทูเช่ โทมัทสு 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 March 31, 2024 and the related statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

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

BANGKOK
May 23, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

Unit : Thousand Baht

		“Unaudited”	
	Notes	As at	As at
		March 31,	December 31,
		2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		471,101	485,771
Loan receivables due within one year	6	54,318,531	54,989,738
Other receivables		155,147	174,278
Derivative assets	9	6,010	8,213
Total Current Assets		54,950,789	55,658,000
NON-CURRENT ASSETS			
Loan receivables	6	46,545	46,696
Leasehold improvements and equipment		99,847	106,617
Right-of-use assets	7	537,351	538,220
Intangible assets		11,340	12,744
Deferred tax assets	8	1,151,197	1,152,951
Other non-current assets		65,252	64,927
Total Non-current Assets		1,911,532	1,922,155
TOTAL ASSETS		56,862,321	57,580,155

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, 2024

Unit : Thousand Baht

	Notes	“Unaudited” As at March 31, 2024	As at December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	5 and 9	3,958,817	4,533,924
Trade accounts payable		2,732	4,739
Other payables		325,955	489,695
Current portion of long-term borrowings from financial institutions	5 and 9	2,690,000	2,789,869
Current portion of debentures	5 and 9	3,499,769	4,999,406
Current portion of lease liabilities		174,540	151,187
Current income tax payable		921,557	624,219
Current portion of decommissioning obligations for leasehold improvement		535	-
Derivative liabilities	9	4,690	2,104
Total Current Liabilities		<u>11,578,595</u>	<u>13,595,143</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	5 and 9	3,735,122	3,484,599
Debentures	5 and 9	2,198,208	2,197,934
Lease liabilities		400,183	422,948
Provision for employee benefits		242,907	236,716
Decommissioning obligations for leasehold improvement		57,830	58,362
Long-term derivative liabilities	9	58,525	44,600
Other non-current liabilities		148	151
Total Non-current Liabilities		<u>6,692,923</u>	<u>6,445,310</u>
TOTAL LIABILITIES		<u>18,271,518</u>	<u>20,040,453</u>

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2024

Unit : Thousand Baht

	Notes	“Unaudited” As at March 31, 2024	As at December 31, 2023
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		31,990,803	30,939,702
TOTAL SHAREHOLDERS’ EQUITY		38,590,803	37,539,702
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		56,862,321	57,580,155

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, 2024
“Unaudited”

Unit : Thousand Baht

	Notes	2024	2023
REVENUES			
Income from personal loans		3,291,059	3,234,108
Income from installment loans		3,924	4,266
Other income	10	329,929	350,296
Total Revenues		<u>3,624,912</u>	<u>3,588,670</u>
EXPENSES			
Operating expenses		214,909	220,503
Administrative expenses		696,606	712,426
Expected credit losses	6	1,237,369	1,081,642
Finance costs		125,751	92,713
Total Expenses		<u>2,274,635</u>	<u>2,107,284</u>
PROFIT BEFORE INCOME TAX EXPENSE		1,350,277	1,481,386
TAX EXPENSE	12	<u>299,176</u>	<u>320,833</u>
NET PROFIT FOR THE PERIODS		1,051,101	1,160,553
OTHER COMPREHENSIVE INCOME FOR THE PERIODS, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u><u>1,051,101</u></u>	<u><u>1,160,553</u></u>
BASIC EARNINGS PER SHARE	BAHT	1.75	1.93
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, 2024
“Unaudited”

Unit : Thousand Baht

		Retained earnings		
	Share capital			Total
	Issued and	Appropriated		shareholders'
	paid-up	Legal reserve	Unappropriated	equity
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
Balance as at January 1, 2024	6,000,000	600,000	30,939,702	37,539,702
Total comprehensive income for the period	-	-	1,051,101	1,051,101
Balance as at March 31, 2024	6,000,000	600,000	31,990,803	38,590,803

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, 2024
“Unaudited”

Unit : Thousand Baht

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the periods		1,051,101	1,160,553
Adjustments for:			
Income tax expense		299,176	320,833
Depreciation and amortization expenses		71,258	77,656
Interest income		(3,294,983)	(3,238,374)
Finance costs		125,751	92,713
Expected credit losses		1,237,369	1,081,642
Employee benefit expenses		6,191	5,667
Gain on disposal of leasehold improvements and equipment		(16)	(211)
		(504,153)	(499,521)
Changes in operating assets and liabilities			
Loan receivables		(596,618)	(1,262,986)
Other receivables		18,640	17,899
Other non-current assets		(325)	640
Trade accounts payable		(2,007)	(1,330)
Other payables		(141,949)	(135,225)
Other non-current liabilities		(3)	2
Cash paid for operating activities		(1,226,415)	(1,880,521)
Cash received from interest income		3,325,590	3,258,729
Interest paid		(118,868)	(115,475)
Income tax paid		(83)	(90)
Net cash provided by operating activities		1,980,224	1,262,643

EASY BUY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024
“Unaudited”

		Unit : Thousand Baht	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment	4	(7,175)	(6,354)
Proceeds from sale of equipment		25	242
Net cash used in investing activities		<u>(7,150)</u>	<u>(6,112)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings from financial institutions	4	16,174,283	10,648,503
Repayment of short-term borrowings from financial institutions	4	(16,754,283)	(11,733,503)
Proceeds from long-term borrowings from financial institutions	4	900,000	-
Repayment of long-term borrowings from financial institutions	4	(750,000)	(1,586,740)
Proceeds from issuing debentures	4	-	1,500,000
Repayment of debentures	4	(1,500,000)	-
Repayment of the lease liabilities	4	(57,744)	(60,200)
Net cash used in financing activities		<u>(1,987,744)</u>	<u>(1,231,940)</u>
Net increase (decrease) in cash and cash equivalents		(14,670)	24,591
Cash and cash equivalents as at January 1,		485,771	355,946
Cash and cash equivalents as at March 31,		<u><u>471,101</u></u>	<u><u>380,537</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, 2024
“Unaudited”

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EASY BUY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024
“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 B.E. 2566” dated October 27, 2023.

The statement of financial position as at December 31, 2023, 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, 2024 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, 2024 should be read in conjunction with the audited financial statements for the year ended December 31, 2023.

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, 2024. 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 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. MATERIAL 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, 2023.

4. ADDITIONAL CASH FLOW INFORMATION

Significant non-cash items in the interim financial statements for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Unit : Thousand Baht "Unaudited"	
	For the three-month periods ended March 31,	
	2024	2023
Leasehold improvements and equipment		
Liabilities recorded at beginning of periods	1,082	4,394
Purchase of leasehold improvements and equipment	6,093	2,562
	<u>7,175</u>	<u>6,956</u>
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(7,175)</u>	<u>(6,354)</u>
Liabilities recorded at ending of periods	<u>-</u>	<u>602</u>

For the three-month periods ended March 31, 2024 and 2023, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.07 million and Baht 0.15 million, respectively.

Reconciliation of liabilities arising from financing activities for the three-month periods ended March 31, 2024 and 2023 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, 2024	4,533,924	6,274,468	7,197,340	574,135	18,579,867
Changes in cash flow					
Cash proceeds	16,174,283	900,000	-	-	17,074,283
Cash repayment	(16,754,283)	(750,000)	(1,500,000)	(57,744)	(19,062,027)
Non-cash changes					
Deferred issuance costs on debentures and borrowings	4,893	654	637	-	6,184
New lease agreement	-	-	-	55,583	55,583
Others*	-	-	-	2,749	2,749
As at March 31, 2024	3,958,817	6,425,122	5,697,977	574,723	16,656,639

* 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, 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)	-	(60,200) (13,380,443)
Non-cash changes				
Deferred issuance costs on debentures and borrowings	(522)	295	(1,295)	- (1,522)
New lease agreement	-	-	-	69,947 69,947
Others*	-	-	-	2,822 2,822
As at March 31, 2023	3,379,589	5,795,849	9,194,629	622,802 18,992,869

* 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, 2024 and 2023 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31, 2024 2023	
Finance costs		
Related parties		
Interest expense	34,060	21,880
Debenture arrangement fee	134	166
Administrative expenses		
Key management personnel		
Key management personnel’s compensation (Short-term benefits)	19,312	17,249
Key management personnel’s compensation (Long-term benefits)	425	402

Balances with a related party as at March 31, 2024 and December 31, 2023 are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2024	As at December 31, 2023
Current portion of long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	2,020,000	1,820,000
Long-term borrowings from a financial institution		
A related party		
Bank of Ayudhya Public Company Limited	2,860,000	2,360,000
Total	4,880,000	4,180,000

As at March 31, 2024 and December 31, 2023, long-term borrowings from a financial institution - related party bear interest at rates ranging from 2.00% to 3.35% per annum and 2.00% to 3.34% per annum, respectively.

	Unit : Thousand Baht	
	“Unaudited”	
	As at March 31, 2024	As at December 31, 2023
Other payables		
Accrued interest expense		
A related party		
Bank of Ayudhya Public Company Limited	38,720	26,418
Total	38,720	26,418
Deferred issuance cost (presented net from long-term borrowings and debentures)		
A related party		
Bank of Ayudhya Public Company Limited	866	999
Total	866	999

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 December 31, 2023		
	As at March 31, 2024		Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year					
Loan receivables	58,782,460	132,966	59,558,156	136,153	59,694,309
Less Unearned interest income	-	(6,921)	-	(6,859)	(6,859)
Allowance for expected credit loss	(4,589,128)	(846)	(4,696,756)	(956)	(4,697,712)
Net	54,193,332	125,199	54,861,400	128,338	54,989,738
Due over one year					
Loan receivables	-	46,762	-	46,897	46,897
Less Unearned interest income	-	-	-	-	-
Allowance for expected credit loss	-	(217)	-	(201)	(201)
Net	-	46,545	-	46,696	46,696
Total	54,193,332	171,744	54,861,400	175,034	55,036,434

Expected credit losses for the three-month periods ended March 31, 2024 and 2023 comprise the following:

	Unit : Thousand Baht			
	“Unaudited”		“Unaudited”	
	For the three-month period ended March 31, 2024		For the three-month period ended March 31, 2023	
	Personal Loan Receivables	Total	Personal Loan Receivables	Total
Bad debts	1,416,057	1,416,664	1,248,508	1,249,031
Expected credit losses (reversal)	(179,199)	(96)	(167,460)	(167,389)
Total	1,236,858	1,237,369	1,081,048	1,081,642

Staging analysis for loan receivables as at March 31, 2024 and December 31, 2023 are as follows:

	Unit : Thousand Baht			
	“Unaudited”		“Unaudited”	
	As at March 31, 2024		As at December 31, 2023	
	Personal Loan Receivables	Total	Personal Loan Receivables	Total
Performing (Stage 1)	55,771,577	55,950,392	56,416,598	56,598,636
Under-performing (Stage 2)	1,399,269	1,399,734	1,512,419	1,512,845
Non-performing (Stage 3)	1,611,614	1,612,062	1,629,139	1,629,725
Less Unearned interest income	58,782,460	58,962,188	59,558,156	59,741,206
Total	-	(6,921)	(6,859)	(6,859)
Less Allowance for expected credit losses	58,782,460	58,955,267	59,558,156	59,734,347
	(4,589,128)	(1,063)	(4,696,756)	(1,157)
Net	54,193,332	54,365,076	54,861,400	55,036,434

Allowance for expected credit loss

Allowance for expected credit loss as at March 31, 2024 and 2023 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, 2024	2,291,338	963,252	1,443,323	4,697,913
Changes in staging	(191,814)	(730,924)	922,738	-
New financial assets originated or purchased	36,733	-	-	36,733
Net remeasurement of loss allowance	150,707	681,037	184,192	1,015,936
Financial assets derecognised	(13,222)	(915)	(307)	(14,444)
Written off	(8,533)	(19,671)	(1,117,743)	(1,145,947)
Balance as at March 31, 2024	2,265,209	892,779	1,432,203	4,590,191

	“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

As at March 31, 2024 and December 31, 2023, personal loan receivables comprise the following:

	Unit : Thousand Baht	
	“Unaudited” As at March 31, 2024	As at December 31, 2023
Revolving loan receivables	56,260,961	57,079,369
Minimum payment loan receivables	2,521,499	2,478,787
Total	58,782,460	59,558,156

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, 2024 and December 31, 2023 were denominated entirely in Baht currency.

7. RIGHT-OF-USE ASSETS

During the three-month period ended March 31, 2024, the Company had additional right-of-use assets at the total cost of Baht 56.06 million from several lease agreements comprise of buildings, equipment and vehicles amounting to Baht 37.57 million, Baht 16.04 million and Baht 2.45 million, respectively.

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.

In addition, the Company had depreciation of right-of-use assets for the three-month periods ended March 31, 2024 totaling Baht 56.93 million (2023: Baht 59.47 million).

8. DEFERRED TAXES

Deferred tax assets consist of:

	Unit : Thousand Baht	
	“Unaudited” As at March 31, 2024	As at December 31, 2023
Deferred tax assets		
Loan receivables (allowance for expected credit losses)	918,129	939,674
Loan receivables (bad debt written-off)	154,124	140,336
Provisions for employee benefits	48,581	47,343
Decommissioning obligation for leasehold improvements	11,785	11,785
Derivatives	11,441	7,698
Lease liabilities	114,945	114,827
Others	3,413	3,287
Total	1,262,418	1,264,950
Deferred tax liabilities		
Leasehold improvements	(2,291)	(2,551)
Right-of-use assets	(107,545)	(107,735)
Debentures and borrowings issuance cost	(1,385)	(1,713)
Total	(111,221)	(111,999)
Net	1,151,197	1,152,951

The movements of deferred tax assets and liabilities for the three-month periods ended March 31, 2024 and 2023 consist of tax effects from the following items:

	Unit : Thousand Baht		
	Balance	“Unaudited”	Balance
	as at January 1,	Item as	as at March 31,
	2024	recognized	2024
		into profit (loss)	
Deferred tax assets			
Loan receivables			
(allowance for expected credit losses)	939,674	(21,545)	918,129
Loan receivables (bad debt written-off)	140,336	13,788	154,124
Provisions for employee benefits	47,343	1,238	48,581
Decommissioning obligation for leasehold improvements	11,785	-	11,785
Derivatives	7,698	3,743	11,441
Lease liabilities	114,827	118	114,945
Others	3,287	126	3,413
	<u>1,264,950</u>	<u>(2,532)</u>	<u>1,262,418</u>
Deferred tax liabilities			
Leasehold improvements	(2,551)	260	(2,291)
Right-of-use assets	(107,735)	190	(107,545)
Debentures and borrowings issuance cost	(1,713)	328	(1,385)
	<u>(111,999)</u>	<u>778</u>	<u>(111,221)</u>
Deferred tax assets	<u>1,152,951</u>	<u>(1,754)</u>	<u>1,151,197</u>

	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	11,705	(23)	11,682
Derivatives	4,266	(821)	3,445
Lease liabilities	122,047	2,514	124,561
Others	3,079	69	3,148
	<u>1,337,494</u>	<u>(33,064)</u>	<u>1,304,430</u>
Deferred tax liabilities			
Leasehold improvements	(3,305)	234	(3,071)
Right-of-use assets	(117,105)	(2,189)	(119,294)
Debentures and borrowings issuance cost	(1,258)	(517)	(1,775)
	<u>(121,668)</u>	<u>(2,472)</u>	<u>(124,140)</u>
Deferred tax assets	<u>1,215,826</u>	<u>(35,536)</u>	<u>1,180,290</u>

9. INTEREST - BEARING LIABILITIES

	“Unaudited”					Unit : Thousand Baht		
	As at March 31, 2024					As at December 31, 2023		
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debt	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debt	Total
Current								
Principal	3,960,000	2,690,000	3,500,000	10,150,000	4,540,000	2,790,000	5,000,000	12,330,000
Less: Deferred issuance cost on debentures and borrowings	(1,183)	-	(231)	(1,414)	(6,076)	(131)	(594)	(6,801)
Net	<u>3,958,817</u>	<u>2,690,000</u>	<u>3,499,769</u>	<u>10,148,586</u>	<u>4,533,924</u>	<u>2,789,869</u>	<u>4,999,406</u>	<u>12,323,199</u>
Non-current								
Principal	-	3,740,000	2,200,000	5,940,000	-	3,490,000	2,200,000	5,690,000
Less: Deferred issuance cost on debentures and borrowings	-	(4,878)	(1,792)	(6,670)	-	(5,401)	(2,066)	(7,467)
Net	<u>-</u>	<u>3,735,122</u>	<u>2,198,208</u>	<u>5,933,330</u>	<u>-</u>	<u>3,484,599</u>	<u>2,197,934</u>	<u>5,682,533</u>
Total	<u>3,958,817</u>	<u>6,425,122</u>	<u>5,697,977</u>	<u>16,081,916</u>	<u>4,533,924</u>	<u>6,274,468</u>	<u>7,197,340</u>	<u>18,005,732</u>
- Secured*	-	-	-	-	-	-	-	-
- Unsecured	3,958,817	6,425,122	5,697,977	16,081,916	4,533,924	6,274,468	7,197,340	18,005,732
Total	<u>3,958,817</u>	<u>6,425,122</u>	<u>5,697,977</u>	<u>16,081,916</u>	<u>4,533,924</u>	<u>6,274,468</u>	<u>7,197,340</u>	<u>18,005,732</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, 2024 and December 31, 2023 classified by currency are as follows:

	Unit : Thousand Baht	
	“Unaudited”	
	As at	As at
	March 31,	December 31,
	2024	2023
Baht Currency	16,081,916	18,005,732
Total	16,081,916	18,005,732

As at March 31, 2024 and December 31, 2023, above liabilities bear interest at the rates 1.16% to 3.57% per annum,

Interest rate swap agreement

Baht Currency

As at March 31, 2024 and December 31, 2023, 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 4,680.00 million and Baht 3,880.00 million, respectively.

As at March 31, 2024, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 6.01 million and Baht 63.22 million, respectively.

As at December 31, 2023, the Company recognized such agreements as derivative assets and derivative liabilities at fair value totaling Baht 8.21 million and Baht 46.70 million, respectively.

Debenture

Debentures as at March 31, 2024 and December 31, 2023 are as follows:

						“Unaudited”	
						As at	As at
						March 31, 2024	December 31, 2023
						(Thousand Baht)	(Thousand Baht)
	Issuance Date	Maturity Date	Tranche Number	Secured/ Unsecured	Unit	Par Value	
1	June 7, 2017	June 7, 2024	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000
2	January 24, 2020	January 24, 2024	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000
3	April 30, 2021	April 26, 2024	1 st	Unsecured	2,000,000	Baht 1,000	2,000,000
4	October 14, 2021	October 11, 2024	2 nd	Unsecured	500,000	Baht 1,000	500,000
5	April 8, 2022	April 4, 2025	1 st	Unsecured	700,000	Baht 1,000	700,000
6	March 29, 2023	March 27, 2026	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000
						5,700,000	7,200,000
						(2,023)	(2,660)
						5,697,977	7,197,340
						(3,499,769)	(4,999,406)
						2,198,208	2,197,934
						Less Debenture deferred issuance cost	
						Less Current portion of debentures	
						Debentures - net	

As at March 31, 2024 and December 31, 2023, debentures bear interest at rates ranging from 1.16% to 3.37% per annum.

10. OTHER INCOME

Other income for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2024	2023
Recovery of bad debts	309,316	326,713
Others	20,613	23,583
Total	329,929	350,296

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. TAX EXPENSE

Tax expense for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Unit : Thousand Baht “Unaudited” For the three-month periods ended March 31,	
	2024	2023
Current tax expense		
Current year	297,422	285,297
	297,422	285,297
Deferred tax expense		
Movements in temporary differences	1,754	35,536
	1,754	35,536
Total	299,176	320,833

Reconciliations of effective tax rates for the three-month periods ended March 31, 2024 and 2023 are as follows:

	2024		Unit : Thousand Baht 2023	
	Tax Rate (%)		Tax Rate (%)	
Accounting profit before income tax		1,350,277		1,481,386
Tax expense at domestic tax rate	20.0	270,055	20.0	296,277
Tax effect of non-deductible expenses (non-taxable income)		27,367		(10,980)
Tax expense per income tax return		297,422		285,297
Adjustment for deferred tax relating to the origination and reversal of temporary differences		1,754		35,536
Tax expense	22.2	299,176	21.7	320,833

13. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at March 31, 2024 and December 31, 2023 are as follows:

	Unit : Thousand Baht “Unaudited”	
	As at March 31, 2024	As at December 31, 2023
Capital commitments		
Software	10,157	10,157
Furniture & fixture and equipment	-	395
Total	10,157	10,552
Non-cancellable short-term lease and service commitments		
Within one year	11,149	10,185
After one year but within five years	198	137
Total	11,347	10,322

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 25, 2024, the shareholder approved the appropriation of dividends of Baht 1.39 per share, amounting to Baht 834.00 million. The dividends will be paid to the shareholders on May 24, 2024.

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 23, 2024.