

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
KRUNGTHAI CARD PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Krungthai Card Public Company Limited and its subsidiaries (the “Group”) and the separate statement of financial position of Krungthai Card Public Company Limited (the “Company”) as at September 30, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020, and the related consolidated and separate statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2020, and the condensed notes to the financial statements. The Company’s management is responsible for the preparation and 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 is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

Emphasis of Matter

We draw attention to Note 3 to the interim financial statements that Krungthai Card Public Company Limited and its subsidiaries have adopted new accounting policies in accordance with group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” which become effective for fiscal year beginning on or after January 1, 2020. Our conclusion is not modified in respect of this matter.

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

November 13, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		“UNAUDITED”		“UNAUDITED”		
		As at	As at	As at	As at	
September 30, 2020		December 31, 2019	September 30, 2020	December 31, 2019		
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents		3,204,717	1,348,368	3,204,089	1,347,818	
Loans to customers and accrued interest receivables, net and other current receivables						
Loans to customers and accrued interest receivables, net	5	77,315,796	80,755,552	77,311,566	80,753,953	
Other receivables		235,189	580,394	235,960	580,753	
Other current financial assets	6	-	4,017	-	4,017	
Total Current Assets		80,755,702	82,688,331	80,751,615	82,686,541	
NON-CURRENT ASSETS						
Other non-current financial assets	6	4,982	4,980	4,982	4,980	
Investments in subsidiaries	7	-	-	82,555	82,555	
Leasehold improvements and equipment		394,558	495,090	394,558	495,090	
Right-of-use assets		406,450	-	406,450	-	
Intangible assets		411,871	480,738	410,559	479,184	
Deferred tax assets	8	1,633,063	1,658,501	1,633,027	1,658,501	
Other non-current assets		80,557	81,622	80,438	81,380	
Total Non-current Assets		2,931,481	2,720,931	3,012,569	2,801,690	
TOTAL ASSETS		83,687,183	85,409,262	83,764,184	85,488,231	

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2020

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	"UNAUDITED"		"UNAUDITED"		
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions					
and related parties					
- Related financial institutions	9.1 and 14.1	4,679,672	3,839,625	4,679,672	3,839,625
- Other financial institutions	9.1	5,748,637	7,535,861	5,748,637	7,535,861
- Related parties	9.2 and 14.1	-	-	101,660	107,489
Trade and other current payables					
Trade payables					
- Related financial institutions and related parties	14.1	385,327	910,863	385,327	910,863
- Other companies		92,230	855,933	92,187	854,868
Accrued interest expenses		344,852	348,615	344,854	348,623
Current income tax payable		319,006	597,877	319,021	597,819
Accrued expenses		910,148	1,197,669	909,710	1,197,283
Other payables		961,288	1,432,770	961,299	1,432,766
Current portion of lease liabilities		186,618	-	186,618	-
Current portion of long-term debentures	10	10,150,000	6,185,000	10,150,000	6,185,000
Deferred income for reward points		2,369,485	2,277,230	2,369,485	2,277,230
Total Current Liabilities		26,147,263	25,181,443	26,248,470	25,287,427
NON-CURRENT LIABILITIES					
Lease liabilities		222,216	-	222,216	-
Long-term debentures	10	35,330,000	39,980,000	35,330,000	39,980,000
Provisions for employee benefits		510,917	512,775	510,917	512,775
Total Non-current Liabilities		36,063,133	40,492,775	36,063,133	40,492,775
TOTAL LIABILITIES		62,210,396	65,674,218	62,311,603	65,780,202

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2020

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“UNAUDITED”	“UNAUDITED”	“UNAUDITED”	“UNAUDITED”
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
Authorized share capital				
2,578,334,070 ordinary shares of Baht 1.00 each	2,578,334	2,578,334	2,578,334	2,578,334
Issued and paid share capital				
2,578,334,070 ordinary shares of Baht 1.00 each, fully paid	2,578,334	2,578,334	2,578,334	2,578,334
SHARE PREMIUM				
Share premium on ordinary shares	1,891,809	1,891,809	1,891,809	1,891,809
RETAINED EARNINGS				
Appropriated				
Legal reserve	257,833	257,833	257,833	257,833
Unappropriated	16,722,174	14,979,730	16,724,605	14,980,053
EQUITY ATTRIBUTABLE TO OWNERS				
OF THE PARENT	21,450,150	19,707,706	21,452,581	19,708,029
NON-CONTROLLING INTERESTS	26,637	27,338	-	-
TOTAL SHAREHOLDERS' EQUITY	21,476,787	19,735,044	21,452,581	19,708,029
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	83,687,183	85,409,262	83,764,184	85,488,231

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
"UNAUDITED"

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Interest income	2,644,059	2,379,763	2,643,615	2,379,763
Fee and service income	1,946,482	2,262,231	1,946,463	2,262,231
Bad debt recovered	770,237	831,880	770,235	831,880
Gain on exchange rate - net	4,694	31,762	4,694	31,762
Other income	46,933	91,238	47,259	91,238
Total Revenues	5,412,405	5,596,874	5,412,266	5,596,874
Administrative expenses	1,724,790	1,886,601	1,723,657	1,886,276
Management remuneration	14.3	68,258	45,404	68,258
Expected credit loss		1,702,874	1,654,611	1,702,470
Total Expenses		3,495,922	3,586,616	3,494,385
PROFIT BEFORE FINANCE COSTS				
AND INCOME TAX		1,916,483	2,010,258	1,917,881
FINANCE COSTS		385,632	395,801	385,894
PROFIT BEFORE INCOME TAX		1,530,851	1,614,457	1,531,987
INCOME TAX EXPENSES	12	310,065	322,250	310,037
NET PROFIT FOR THE PERIODS		1,220,786	1,292,207	1,221,950
OTHER COMPREHENSIVE INCOME				
FOR THE PERIODS, NET OF TAX				
TOTAL COMPREHENSIVE INCOME				
FOR THE PERIODS		1,220,786	1,292,207	1,221,950
PROFIT (LOSS) ATTRIBUTABLE TO				
Owners of the parent		1,221,076	1,292,195	1,221,950
Non-controlling interests		(290)	12	-
TOTAL COMPREHENSIVE INCOME (LOSS)		1,220,786	1,292,207	1,221,950
ATTRIBUTABLE TO				
Owners of the parent		1,221,076	1,292,195	1,221,950
Non-controlling interests		(290)	12	-
BASIC EARNINGS PER SHARE	BAHT	0.47	0.50	0.47
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES	THOUSAND SHARES	2,578,334	2,578,334	2,578,334

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
"UNAUDITED"

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Interest income		7,709,055	6,965,972	7,707,877	6,965,972
Fee and service income		6,280,633	6,719,046	6,280,597	6,719,046
Bad debt recovered		2,283,245	2,598,119	2,283,243	2,598,119
Gain on exchange rate - net		37,812	111,455	37,812	111,455
Other income		179,713	303,908	180,622	303,908
Total Revenues		16,490,458	16,698,500	16,490,151	16,698,500
Administrative expenses		5,063,200	5,526,942	5,060,135	5,526,547
Management remuneration	14.3	159,714	157,588	159,714	157,588
Expected credit loss	5.2	5,094,724	4,592,107	5,093,752	4,592,107
Total Expenses		10,317,638	10,276,637	10,313,601	10,276,242
PROFIT BEFORE FINANCE COSTS					
AND INCOME TAX		6,172,820	6,421,863	6,176,550	6,422,258
FINANCE COSTS		1,158,766	1,167,043	1,159,652	1,167,603
PROFIT BEFORE INCOME TAX		5,014,054	5,254,820	5,016,898	5,254,655
INCOME TAX EXPENSES	12	1,003,384	1,049,909	1,003,419	1,049,856
NET PROFIT FOR THE PERIODS		4,010,670	4,204,911	4,013,479	4,204,799
OTHER COMPREHENSIVE INCOME					
FOR THE PERIODS, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME					
FOR THE PERIODS		4,010,670	4,204,911	4,013,479	4,204,799
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		4,011,371	4,204,883	4,013,479	4,204,799
Non-controlling interests		(701)	28	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		4,010,670	4,204,911	4,013,479	4,204,799
ATTRIBUTABLE TO					
Owners of the parent		4,011,371	4,204,883	4,013,479	4,204,799
Non-controlling interests		(701)	28	-	-
BASIC EARNINGS PER SHARE		BAHT	1.56	1.63	1.56
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES		THOUSAND SHARES	2,578,334	2,578,334	2,578,334

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
"UNAUDITED"

UNIT : THOUSAND BAHT

Note	CONSOLIDATED FINANCIAL STATEMENTS						Non-controlling interests	Total shareholders' equity		
	Owners of the parent				Total owners of the parent					
	Issued and paid share capital	Shares premium on ordinary shares	Retained earnings Appropriated Legal reserve	Unappropriated						
Beginning balance as at January 1, 2019	2,578,334	1,891,809	257,833	11,623,635	16,351,611	-	-	16,351,611		
Dividend paid	11	-	-	-	(2,114,230)	(2,114,230)	-	(2,114,230)		
Share capital received from non-controlling interests in subsidiaries		-	-	-	-	-	27,445	27,445		
Total comprehensive income		-	-	4,204,883	4,204,883	28	-	4,204,911		
ENDING BALANCE AS AT SEPTEMBER 30, 2019	2,578,334	1,891,809	257,833	13,714,288	18,442,264	27,473	-	18,469,737		
Beginning balance as at January 1, 2020	2,578,334	1,891,809	257,833	14,979,730	19,707,706	27,338	-	19,735,044		
Dividend paid	11	-	-	-	(2,268,927)	(2,268,927)	-	(2,268,927)		
Total comprehensive income (loss)		-	-	4,011,371	4,011,371	(701)	-	4,010,670		
ENDING BALANCE AS AT SEPTEMBER 30, 2020	2,578,334	1,891,809	257,833	16,722,174	21,450,150	26,637	-	21,476,787		

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
"UNAUDITED"

UNIT : THOUSAND BAHT

	Note	SEPARATE FINANCIAL STATEMENTS				
		Issued and paid share capital	Shares premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Beginning balance as at January 1, 2019		2,578,334	1,891,809	257,833	11,623,635	16,351,611
Dividend paid	11	-	-	-	(2,114,230)	(2,114,230)
Total comprehensive income		-	-	-	4,204,799	4,204,799
ENDING BALANCE AS AT SEPTEMBER 30, 2019		2,578,334	1,891,809	257,833	13,714,204	18,442,180
Beginning balance as at January 1, 2020		2,578,334	1,891,809	257,833	14,980,053	19,708,029
Dividend paid	11	-	-	-	(2,268,927)	(2,268,927)
Total comprehensive income		-	-	-	4,013,479	4,013,479
ENDING BALANCE AS AT SEPTEMBER 30, 2020		2,578,334	1,891,809	257,833	16,724,605	21,452,581

See the condensed notes to the financial statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		5,014,054	5,254,820	5,016,898	5,254,655
Adjustments for:					
Amortization of premium on investments in debt securities		15	24	15	24
Amortization of deferred interest expenses					
on bills of exchange	4.2	138	7,191	138	7,191
Employee benefits expenses		36,663	33,272	36,663	33,272
Depreciation and amortization		359,722	239,290	359,479	239,290
(Gain) Loss from disposal and written-off of leasehold					
improvements and equipment - net		2,470	(4,640)	2,470	(4,640)
Expected credit loss		5,094,724	4,592,107	5,093,752	4,592,107
Interest expenses		1,143,948	1,152,089	1,144,835	1,152,649
		11,651,734	11,274,153	11,654,250	11,274,548
Loans to customers and accrued interest receivables, net					
increase		(1,654,968)	(6,022,694) *	(1,651,365)	(6,022,694) *
Other receivables decrease		345,205	447,981 *	344,793	448,084 *
Other non-current assets decrease		1,065	8,059	942	8,283
Trade payables - related financial institutions					
and related parties decrease		(525,536)	(1,130,830)	(525,536)	(1,130,830)
Trade payables - others companies decrease		(741,339)	(109,806)	(740,317)	(109,850)
Accrued interest expenses increase (decrease)		2,824	(8,032)	2,824	(8,027)
Accrued expenses decrease		(287,522)	(24,860)	(287,573)	(25,088)
Other payables decrease		(471,483)	(752,204)	(471,467)	(752,214)
Deferred income for reward points increase (decrease)		92,255	(45,113)	92,255	(45,113)
Cash received from operations		8,412,235	3,636,654	8,418,806	3,637,099
Interest expenses paid		(1,143,569)	(1,195,316)	(1,144,463)	(1,195,876)
Employee benefits paid		(38,520)	(6,273)	(38,520)	(6,273)
Income tax paid		(1,256,817)	(1,326,405)	(1,256,743)	(1,326,400)
Net cash provided by operating activities		5,973,329	1,108,660	5,979,080	1,108,550

* The Company made changes on the presentation of 2019 for comparison in accordance with the current year presentation.

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from sale of long-term investment		4,000	-	4,000	-
Cash paid for investments in subsidiaries		-	-	-	-82,555
Cash paid for purchase of leasehold improvements and equipment	4.1	-59,920	-156,908	-59,920	-156,908
Cash paid for purchase of computer software	4.1	-48,642	-152,043	-48,642	-152,043
Proceeds from sale of leasehold improvements and equipment		13	16,410	13	16,410
Net cash used in investing activities		<u>-104,549</u>	<u>-292,541</u>	<u>-104,549</u>	<u>-375,096</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for short-term borrowings					
from financial institutions and related parties (net)	4.2	-947,314	1,004,782	-953,143	1,114,282
Proceeds from issuance of long-term debentures	4.2	3,500,000	4,000,000	3,500,000	4,000,000
Cash paid for redemption of long-term debentures	4.2	-4,185,000	-5,285,000	-4,185,000	-5,285,000
Cash paid for lease liabilities	4.2	-111,190	-	-111,190	-
Dividend paid	11	-2,268,927	-2,114,230	-2,268,927	-2,114,230
Proceeds from ordinary shares issued of subsidiaries		-	27,445	-	-
Net cash used in financing activities		<u>-4,012,431</u>	<u>-2,367,003</u>	<u>-4,018,260</u>	<u>-2,284,948</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
EQUIVALENTS		1,856,349	-1,550,884	1,856,271	-1,551,494
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,		<u>1,348,368</u>	<u>2,722,145</u>	<u>1,347,818</u>	<u>2,722,145</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,		<u>3,204,717</u>	<u>1,171,261</u>	<u>3,204,089</u>	<u>1,170,651</u>

See the condensed notes to the financial statements

**KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
“UNAUDITED”**

1. GENERAL INFORMATION

Krungthai Card Public Company Limited (the “Company”) is fully engaged in credit card, personal loan and other related businesses. The Company was registered as a listed company on The Stock Exchange of Thailand on October 28, 2002.

The Company is located at 14th Floor UBC II Building, 591 Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110.

The Company has subsidiaries which are under its control in finance and operations as mentioned in Note 2.5 and Note 7.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

Currently, the Group’s operations relate to a single business segment which is the consumer finance business and are carried out in a single geographic area which is Thailand.

2.2 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, has been derived from the consolidated and separate financial statements for the year then ended, which had been previously audited.

2.3 The unaudited results of operations presented for the nine-month period ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain information which is normally included in annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRS”), but which is not required for interim financial statements purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

2.5 The consolidated financial statements are prepared by including the financial statements of Krungthai Card Public Company Limited and its subsidiaries as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				As at	As at
				September 30, 2020	December 31, 2019
Direct subsidiaries					
	KTC Pico (Bangkok) Co., Ltd.	Pico Finance	Thailand	May 24, 2019	75.05
	KTC Nano Co., Ltd.	Nano Finance	Thailand	May 24, 2019	75.05
Indirect subsidiaries					
	KTC Pico (Chonburi) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05
	KTC Pico (Samut Sakhon) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05
	KTC Pico (Pathum Thani) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05
	KTC Pico (Samut Prakan) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05

⁽¹⁾ The Company holds shares indirectly through KTC Pico (Bangkok) Co., Ltd.

The Company included financial statements of its subsidiaries in preparing the consolidated financial statements since the date on which the Company obtains control until the date when such control ceases.

2.6 Material intercompany transactions between the Company and its subsidiaries have been eliminated from these consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2020 have included the subsidiaries' financial information for the three-month and nine-month periods ended September 30, 2020 which were reviewed.

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. 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 provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any material impact on the Group's financial statements, except the following financial reporting standards;

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the current year, the Group has applied Thai Financial Reporting Standards No. 9 “Financial instruments” (“TFRS 9”) and the related consequential amendments to other TFRS Standards that are effective for an annual period that begins on or after January 1, 2020. The transition provisions of TFRS 9 allow an entity not to restate comparatives.

Additionally, the Group adopted consequential amendments to Thai Financial Reporting Standards No. 7 “Financial instruments: Disclosures” that were applied to the disclosures for 2020.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

Accounting policies resulting from application of TFRS 9 are disclosed in Note 3.1.

The table below sets out the impact of adopting TFRS 9 on the Group's statement of financial position at the date of initial application on January 1, 2020.

Unit : Thousand Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Previous Presentation	Previous Category	Carrying amount as at December 31, 2019	Reclassification TFRS 9	Carrying amount as at January 1, 2020	Current Category
ASSETS						
Cash and cash equivalents	Cash and cash equivalents	Cost Method	1,348,368	-	1,348,368	Amortized Cost
Loans to customers and accrued interest receivables, net	Trade receivables	Cost less allowance for doubtful account	80,183,498	572,054	80,755,552	Amortized Cost
Other receivables	Other receivables	Cost less allowance for doubtful account	1,152,448	(572,054)	580,394	Amortized Cost
Other current financial assets	Long-term investment with maturity within one year	Amortized Cost	4,017	-	4,017	Amortized Cost
Other non-current financial assets	Long-term investment	Amortized Cost	4,980	-	4,980	Amortized Cost

Unit : Thousand Baht						
SEPARATE FINANCIAL STATEMENTS						
	Previous Presentation	Previous Category	Carrying amount as at December 31, 2019	Reclassification TFRS 9	Carrying amount as at January 1, 2020	Current Category
ASSETS						
Cash and cash equivalents	Cash and cash equivalents	Cost Method	1,347,818	-	1,347,818	Amortized Cost
Loans to customers and accrued interest receivables, net	Trade receivables	Cost less allowance for doubtful account	80,181,913	572,040	80,753,953	Amortized Cost
Other receivables	Other receivables	Cost less allowance for doubtful account	1,152,793	(572,040)	580,753	Amortized Cost
Other current financial assets	Long-term investment with maturity within one year	Amortized Cost	4,017	-	4,017	Amortized Cost
Other non-current financial assets	Long-term investment	Amortized Cost	4,980	-	4,980	Amortized Cost

The Group's financial liabilities are presented and measured at amortized cost, which do not differ from previous presentation.

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which does not restate the comparatives and recognized the cumulative effect of initially applying TFRS 16 at January 1, 2020.

Accounting policies resulting from application of TFRS 16 are disclosed in Note 3.2.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on lease liabilities recognized as at January 1, 2020:

	Unit : Thousand Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Operating lease commitments disclosed as at December 31, 2019	290,834	288,374
<u>Less</u> Short-term leases recognized on a straight-line basis as expenses	(84,420)	(81,960)
<u>Less</u> Contracts reassessed as service agreements	<u>(648)</u>	<u>(648)</u>
	205,766	205,766
<u>Less</u> Deferred interest expenses	(7,218)	(7,218)
Additional lease liabilities from TFRS 16 adoption	198,548	198,548
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	<u>198,548</u>	<u>198,548</u>
Of which are:		
Current portion of lease liabilities	91,418	91,418
Lease liabilities (Non-current liabilities)	<u>107,130</u>	<u>107,130</u>
	<u>198,548</u>	<u>198,548</u>

The recognized right-of-use assets relate to the following types of assets:

	Unit : Thousand Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
As at January 1, 2020		
Building	161,963	161,963
Vehicles	<u>36,585</u>	<u>36,585</u>
Total right-of-use assets	<u>198,548</u>	<u>198,548</u>

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

For the three-month period ended September 30, 2020, the Group adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy” regarding the classification. As for debt that has credit impairment but still has the potential on repayment, the Group would classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made payment for 3 consecutive months or 3 payment periods, whichever is longer.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in the statement of profit or loss and other comprehensive income.

2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

2.9 In the preparation of financial statements in conformity with TFRS, the Group's management is required to make judgments on estimates and various assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and related assumptions are based on historical experience and other factors that are considered to be relevant. 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, 2019 except accounting policies to be applied from January 1, 2020, as the following significant accounting policies:

3.1 Financial instruments

The Group recognizes financial assets and financial liabilities in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Purchases or sales of financial assets are recognized and derecognized on a trade date basis.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate).

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost.

Impairment of financial assets

The Group recognizes allowance for expected credit losses (ECL) on debt financial assets that are measured at amortized cost as well as loans to customers by applying expected credit loss model. The Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(a) Significant increase in credit risk

The Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition;

- An actual or expected significant deterioration in internal credit rating;
- An actual or expected significant deterioration in the ability on repayment of the debtor;
- An actual or expected significant adverse change in the business, financial, regulatory, economic, or technological environmental of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Apart from the above assessment, the Group considers contractual payments which are more than 30 days past due as significant increase in credit risk.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- (1) The financial instrument has a low risk of default;
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Group considers constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group considers that default has occurred when the past due is more than 90 days unless the Group has supportable information to demonstrate that a more lagging default criterion is reasonable.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

(d) Write-off policy

The Group writes off loans to customers when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the statement of profit or loss and other comprehensive income.

For the three-month period ended September 30, 2020 the Management determined the days past due over six months as the recovery after such period is not material.

(e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Financial liabilities

All the Group's financial liabilities consisting of short-term borrowings, debentures and lease liabilities financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured at amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which the risks and rewards of ownership are transferred.

A financial liability is derecognized from the statement of financial position when the Group has discharged its obligation or the contract is cancelled or expires.

3.2 Leases

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the nine-month periods ended September 30, 2020 and 2019 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
	2020	2019	
	Thousand Baht	Thousand Baht	
Payable for purchase of leasehold improvements and equipment brought forward	38,195	93,748	
<u>Add</u> Purchase of leasehold improvements and equipment	37,604	117,614	
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	<u>(59,920)</u>	<u>(156,908)</u>	
Payable for purchase of leasehold improvements and equipment carried forward (presented as a part of trade payables - other companies)	<u>15,879</u>	<u>54,454</u>	
Payable for purchase of computer software brought forward	19,045	147,663	
<u>Add</u> Purchase of computer software	48,650	94,628	
<u>Less</u> Cash paid for purchase of computer software	<u>(48,642)</u>	<u>(152,043)</u>	
Payable for purchase of computer software carried forward (presented as a part of trade payables - other companies)	<u>19,053</u>	<u>90,248</u>	

4.2 Change in liabilities from financing activities for the nine-month periods ended September 30, 2020 and 2019 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”					
Beginning balance as at January 1, 2020	Cash flow from financing activities	Non-cash changes	Balance as at September 30, 2020		
Beginning balance as at January 1, 2020	Cash received	Cash paid	Beginning balance as at January 1, 2020	Cash received	Cash paid
Short-term borrowings from financial institutions and related parties	11,375,486	102,383,686	(103,331,000)	138	10,428,310
Current portion of long-term debentures	6,185,000	-	(4,185,000)	8,150,000	10,150,000
Long-term debentures	39,980,000	3,500,000	-	(8,150,000)	35,330,000
Lease Liabilities	<u>198,548</u>	<u>-</u>	<u>(111,190)</u>	<u>321,476</u>	<u>408,834</u>
Total	<u>57,739,034</u>	<u>105,883,686</u>	<u>(107,627,190)</u>	<u>321,614</u>	<u>56,317,144</u>

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”					
Beginning balance as at January 1, 2019	Cash flow from financing activities	Non-cash changes	Balance as at September 30, 2019		
Beginning balance as at January 1, 2019	Cash received	Cash paid	Beginning balance as at January 1, 2019	Cash received	Cash paid
Short-term borrowings from financial institutions and related parties	8,787,298	100,156,432	(99,151,650)	7,191	9,799,271
Current portion of long-term debentures	5,285,000	-	(5,285,000)	4,185,000	4,185,000
Long-term debentures	<u>40,050,000</u>	<u>4,000,000</u>	<u>-</u>	<u>(4,185,000)</u>	<u>39,865,000</u>
Total	<u>54,122,298</u>	<u>104,156,432</u>	<u>(104,436,650)</u>	<u>7,191</u>	<u>53,849,271</u>

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”					
Beginning balance as at January 1, 2020	Cash flow from financing activities		Non-cash changes	Balance as at September 30, 2020	
	Thousand Baht	Thousand Baht		Thousand Baht	Thousand Baht
Short-term borrowings from financial institutions and related parties					
Current portion of long-term debentures	11,482,975	102,792,307	(103,745,450)	138	10,529,970
Long-term debentures	6,185,000	-	(4,185,000)	8,150,000	10,150,000
Lease Liabilities	39,980,000	3,500,000	-	(8,150,000)	35,330,000
Total	198,548	-	(111,190)	321,476	408,834
	<u>57,846,523</u>	<u>106,292,307</u>	<u>(108,041,640)</u>	<u>321,614</u>	<u>56,418,804</u>
SEPARATE FINANCIAL STATEMENTS “UNAUDITED”					
Beginning balance as at January 1, 2019	Cash flow from financing activities		Non-cash changes	Balance as at September 30, 2019	
	Thousand Baht	Thousand Baht		Thousand Baht	Thousand Baht
Short-term borrowings from financial institutions and related parties					
Current portion of long-term debentures	8,787,298	100,265,932	(99,151,650)	7,191	9,908,771
Long-term debentures	5,285,000	-	(5,285,000)	4,185,000	4,185,000
Total	40,050,000	4,000,000	-	(4,185,000)	39,865,000
	<u>54,122,298</u>	<u>104,265,932</u>	<u>(104,436,650)</u>	<u>7,191</u>	<u>53,958,771</u>

5. LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET

5.1 Outstanding balances of loan to customers and accrued interest receivables classified by type of business and stage are as follows:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
As at September 30, 2020			
Credit card	Personal loan	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Stage 1	47,747,750	23,632,054	71,379,804
Stage 2	5,939,013	4,974,996	10,914,009
Stage 3	777,521	777,833	1,555,354
Total loans to customers	<u>54,464,284</u>	<u>29,384,883</u>	<u>83,849,167</u>
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>219,622</u>	<u>277,864</u>	<u>497,486</u>
Total loan to customers and accrued interest receivables	<u>54,683,906</u>	<u>29,662,747</u>	<u>84,346,653</u>
<u>Less</u> Allowance for expected credit loss	<u>(4,051,439)</u>	<u>(2,979,418)</u>	<u>(7,030,857)</u>
Total loans to customers and accrued interest receivables, net	<u>50,632,467</u>	<u>26,683,329</u>	<u>77,315,796</u>

**CONSOLIDATED FINANCIAL STATEMENTS
“UNAUDITED”**

As at January 1, 2020

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Stage 1	47,674,959	22,382,844	70,057,803
Stage 2	7,908,738	5,971,796	13,880,534
Stage 3	1,068,837	826,643	1,895,480
Total loans to customers			
<u>Add</u> Accrued interest receivables and undue interest receivables	261,204	330,482	591,686
Total loan to customers and accrued interest receivables			
<u>Less</u> Allowance for expected credit loss	56,913,738	29,511,765	86,425,503
Total loans to customers and accrued interest receivables, net	(3,386,763)	(2,283,188)	(5,669,951)
	53,526,975	27,228,577	80,755,552

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Not over 90 days	56,123,427	28,799,178	84,922,605
91 - 180 days	134,032	92,455	226,487
181 days and over	395,075	289,650	684,725
Total loans to customers			
<u>Add</u> Accrued interest receivables	56,652,534	29,181,283	85,833,817
Total loan to customers and accrued interest receivables	261,204	330,482	591,686
<u>Less</u> Allowance for doubtful accounts	56,913,738	29,511,765	86,425,503
Total loans to customers and accrued interest receivables, net	(3,406,365)	(2,263,586)	(5,669,951)
	53,507,373	27,248,179	80,755,552

SEPARATE FINANCIAL STATEMENTS

“UNAUDITED”

As at September 30, 2020

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Stage 1	47,747,750	23,627,932	71,375,682
Stage 2	5,939,013	4,974,759	10,913,772
Stage 3	777,521	777,833	1,555,354
Total loans to customers			
<u>Add</u> Accrued interest receivables and undue interest receivables	54,464,284	29,380,524	83,844,808
Total loan to customers and accrued interest receivables	219,622	277,767	497,389
<u>Less</u> Allowance for expected credit loss	54,683,906	29,658,291	84,342,197
Total loans to customers and accrued interest receivables, net	(4,051,439)	(2,979,192)	(7,030,631)
	50,632,467	26,679,099	77,311,566

**SEPARATE FINANCIAL STATEMENTS
“UNAUDITED”**

As at January 1, 2020

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Stage 1	47,674,959	22,381,234	70,056,193
Stage 2	7,908,738	5,971,796	13,880,534
Stage 3	1,068,837	826,643	1,895,480
Total loans to customers	56,652,534	29,179,673	85,832,207
<u>Add</u> Accrued interest receivables and undue interest receivables	261,204	330,468	591,672
Total loan to customers and accrued interest receivables	56,913,738	29,510,141	86,423,879
<u>Less</u> Allowance for expected credit loss	(3,386,763)	(2,283,163)	(5,669,926)
Total loans to customers and accrued interest receivables, net	53,526,975	27,226,978	80,753,953

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Not over 90 days	56,123,427	28,797,568	84,920,995
91 - 180 days	134,032	92,455	226,487
181 days and over	395,075	289,650	684,725
Total loans to customers	56,652,534	29,179,673	85,832,207
<u>Add</u> Accrued interest receivables	261,204	330,468	591,672
Total loan to customers and accrued interest receivables	56,913,738	29,510,141	86,423,879
<u>Less</u> Allowance for doubtful accounts	(3,406,365)	(2,263,561)	(5,669,926)
Total loans to customers and accrued interest receivables, net	53,507,373	27,246,580	80,753,953

As at December 31, 2019, receivables in default for more than 3 periods which their accrued interest income are still recognized are Baht 226.50 million.

5.2 Allowance for expected credit loss

Allowance for expected credit loss for the nine-month period ended September 30, 2020 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			Unit : Thousand Baht	
	Allowance for expected credit loss			Allowance for doubtful accounts	Total
	12-month ECL (Stage 1)	Lifetime ECL-not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)		
Balance as at December 31, 2019	-	-	-	5,669,951	5,669,951
Impact of adoption of TFRS 9	2,419,432	1,998,407	1,252,112	(5,669,951)	-
Balance as at January 1, 2020	2,419,432	1,998,407	1,252,112	-	5,669,951
Changes in staging	800,307 *	(502,300) *	(298,007) *	-	-
Changes in risk parameters	36,097	1,281,885	4,487,608	-	5,805,590
New financial assets originated or purchased	488,563	-	-	-	488,563
Financial assets derecognized	(101,043)	(411,297)	(687,089)	-	(1,199,429)
Written off	-	-	(3,733,818) **	-	(3,733,818)
Balance as at September 30, 2020	3,643,356	2,366,695	1,020,806	-	7,030,857

* The Group adheres to Accounting Treatment Guidance for staging classification (see Note 2.7).

** The Group uses six-month write off policy as at September 30, 2020 (see Note 3.1 (d)).

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS "UNAUDITED"			Allowance for doubtful accounts	Total		
	Allowance for expected credit loss						
	12-month ECL (Stage 1)	Lifetime ECL-not credit impaired (Stage 2)	Lifetime ECL- credit impaired (Stage 3)				
Balance as at December 31, 2019	-	-	-	5,669,926	5,669,926		
Impact of adoption of TFRS 9	2,419,407	1,998,407	1,252,112	(5,669,926)	-		
Balance as at January 1, 2020	2,419,407	1,998,407	1,252,112	-	5,669,926		
Changes in staging	801,191 *	(502,413) *	(298,778) *	-	-		
Changes in risk parameters	36,097	1,281,885	4,487,608	-	5,805,590		
New financial assets originated or purchased	487,591	-	-	-	487,591		
Financial assets derecognized	(101,043)	(411,297)	(687,089)	-	(1,199,429)		
Written off	-	-	(3,733,047) **	-	(3,733,047)		
Balance as at September 30, 2020	3,643,243	2,366,582	1,020,806	-	7,030,631		

* The Group adheres to Accounting Treatment Guidance for staging classification (see Note 2.7).

** The Group uses six-month write off policy as at September 30, 2020 (see Note 3.1 (d)).

Bad debt and doubtful accounts for the three-month period ended September 30, 2019 is as follows;

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "UNAUDITED"	Thousand Baht
Bad debts	1,633,866	
Doubtful accounts	19,965	
Total bad debts and doubtful accounts	<u>1,653,831</u>	

Bad debt and doubtful accounts for the nine-month period ended September 30, 2019 is as follows;

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "UNAUDITED"	Thousand Baht
Bad debts	4,642,097	
Doubtful accounts (reversal)	(29,989)	
Total bad debts and doubtful accounts	<u>4,612,108</u>	

6. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets as at September 30, 2020 and December 31, 2019 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "UNAUDITED"			
	September 30, 2020		December 31, 2019	
	Amortized cost Thousand Baht	Fair value Thousand Baht	Amortized cost Thousand Baht	Fair value Thousand Baht
Other financial assets				
Investments in debt securities				
- Government securities	4,982	5,231	8,997	9,184
<u>Less</u> Other current financial assets				
(portion of the maturity within one year)	<u>-</u>	<u>-</u>	<u>(4,017)</u>	<u>(4,027)</u>
Total other non-current financial assets	<u>4,982</u>	<u>5,231</u>	<u>4,980</u>	<u>5,157</u>

As at September 30, 2020 and December 31, 2019, the Company pledged government bonds totaling Baht 0.6 million with Krung Thai Bank Public Company Limited for issue letter of guarantees to other companies for the Company's business.

7. INVESTMENTS IN SUBSIDIARIES

As at September 30, 2020 and December 31, 2019, the Company had investments in subsidiaries which are accounted for using cost method in separate financial statements as follows:

SEPARATE FINANCIAL STATEMENTS						
Paid share capital	Percentage of shareholding	Cost method				
“UNAUDITED”	“UNAUDITED”	“UNAUDITED”				
September 30, December 31, September 30, December 31, September 30, December 31,						
2020	2019	2020	2019	2020	2019	
Thousand Baht	Thousand Baht	%	%	Thousand Baht	Thousand Baht	
Investments in subsidiaries						
KTC Pico (Bangkok) Co., Ltd.	60,000	60,000	75.05	75.05	45,030	45,030
KTC Nano Co., Ltd.	50,000	50,000	75.05	75.05	37,525	37,525
Total investments in subsidiaries					82,555	82,555

On May 24, 2019, the Company and Krung Thai Bank Public Company Limited established 2 new subsidiaries which are KTC Pico (Bangkok) Co., Ltd. for Pico Finance which will offer personal loan to natural person at domicile or residence in province that the company head office was settled, with registered capital of Baht 20.00 million (2,000,000 ordinary shares with par value of Baht 10 per each) and KTC Nano Co., Ltd. for Nano Finance which will offer personal loan to natural person in order to use for career, with registered capital of Baht 50.00 million (5,000,000 ordinary shares with par value of Baht 10 per each).

Subsequently, on September 26, 2019, the Company invested in increased ordinary share capital of KTC Pico (Bangkok) Co., Ltd. in the amount of Baht 30.02 million (3,002,000 ordinary shares with par value of Baht 10 per each), and the proportion of shareholding by the Company remained the same at 75.05 percent.

8. DEFERRED TAX ASSETS

Deferred tax assets as at September 30, 2020 and December 31, 2019 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
“UNAUDITED”	As at September 30, 2020	As at December 31, 2019	
	Thousand Baht	Thousand Baht	
Deferred tax assets	1,633,063	1,658,501	

**SEPARATE
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As at September 30, 2020	As at December 31, 2019
Thousand Baht	Thousand Baht

Deferred tax assets	<u>1,633,027</u>	<u>1,658,501</u>
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Deferred tax assets for the three-month periods ended September 30, 2020 and 2019 consist of tax effects from the following items:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
Beginning balance as at July 1, 2020	Items as recognized into profit or loss	Balance as at September 30, 2020	
Thousand Baht	Thousand Baht	Thousand Baht	
Allowance for expected credit loss	1,737,239	(331,067)	1,406,172
Deferred income for reward points	472,213	1,684	473,897
Difference from depreciation rate	(57,665)	1,424	(56,241)
Provision for employee benefits	100,200	1,983	102,183
Others	<u>(636,147)</u>	<u>343,199</u>	<u>(292,948)</u>
Deferred tax assets	<u>1,615,840</u>	<u>17,223</u>	<u>1,633,063</u>

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
Beginning balance as at July 1, 2019	Items as recognized into profit or loss	Balance as at September 30, 2019	
Thousand Baht	Thousand Baht	Thousand Baht	
Allowance for doubtful accounts	1,091,693	19,561	1,111,254
Allowance for impairment of assets	77,259	-	77,259
Deferred income for reward points	455,803	2,309	458,112
Difference from depreciation rate	(55,967)	(1,221)	(57,188)
Provision for employee benefits	85,080	2,139	87,219
Others	<u>10,109</u>	<u>319</u>	<u>10,428</u>
Deferred tax assets	<u>1,663,977</u>	<u>23,107</u>	<u>1,687,084</u>

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
Beginning balance as at July 1, 2020	Items as recognized into profit or loss	Balance as at September 30, 2020	
Thousand Baht	Thousand Baht	Thousand Baht	
Allowance for expected credit loss	1,737,120	(330,994)	1,406,126
Deferred income for reward points	472,213	1,684	473,897
Difference from depreciation rate	(57,657)	1,426	(56,231)
Provision for employee benefits	100,200	1,983	102,183
Others	(636,147)	343,199	(292,948)
Deferred tax assets	<u>1,615,729</u>	<u>17,298</u>	<u>1,633,027</u>

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
Beginning balance as at July 1, 2019	Items as recognized into profit or loss	Balance as at September 30, 2019	
Thousand Baht	Thousand Baht	Thousand Baht	
Allowance for doubtful accounts	1,091,693	19,561	1,111,254
Allowance for impairment of assets	77,259	-	77,259
Deferred income for reward points	455,803	2,309	458,112
Difference from depreciation rate	(55,967)	(1,221)	(57,188)
Provision for employee benefits	85,080	2,139	87,219
Others	10,109	319	10,428
Deferred tax assets	<u>1,663,977</u>	<u>23,107</u>	<u>1,687,084</u>

Deferred tax assets for the nine-month periods ended September 30, 2020 and 2019 consist of tax effects from the following items:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
Beginning balance as at January 1, 2020	Items as recognized into profit or loss	Balance as at September 30, 2020	
Thousand Baht	Thousand Baht	Thousand Baht	
Allowance for expected credit loss	1,149,625	256,547	1,406,172
Deferred income for reward points	455,446	18,451	473,897
Difference from depreciation rate	(60,508)	4,267	(56,241)
Provision for employee benefits	102,555	(372)	102,183
Others	11,383	(304,331)	(292,948)
Deferred tax assets	<u>1,658,501</u>	<u>(25,438)</u>	<u>1,633,063</u>

CONSOLIDATED FINANCIAL STATEMENTS

“UNAUDITED”

Beginning balance as at January 1, 2019	Items as recognized into profit or loss	Balance as at September 30, 2019
Thousand Baht	Thousand Baht	Thousand Baht
Allowance for doubtful accounts	1,110,323	931
Allowance for impairment of assets	77,259	-
Deferred income for reward points	467,135	(9,023)
Difference from depreciation rate	(54,810)	(2,378)
Provision for employee benefit	81,820	5,399
Others	9,962	466
Deferred tax assets	<u>1,691,689</u>	<u>(4,605)</u>
		<u>1,687,084</u>

SEPARATE FINANCIAL STATEMENTS

“UNAUDITED”

Beginning balance as at January 1, 2020	Items as recognized into profit or loss	Balance as at September 30, 2020
Thousand Baht	Thousand Baht	Thousand Baht
Allowance for expected credit loss	1,149,625	256,501
Deferred income for reward points	455,446	18,451
Difference from depreciation rate	(60,508)	4,277
Provision for employee benefits	102,555	(372)
Others	11,383	(304,331)
Deferred tax assets	<u>1,658,501</u>	<u>(25,474)</u>
		<u>1,633,027</u>

SEPARATE FINANCIAL STATEMENTS

“UNAUDITED”

Beginning balance as at January 1, 2019	Items as recognized into profit or loss	Balance as at September 30, 2019
Thousand Baht	Thousand Baht	Thousand Baht
Allowance for doubtful accounts	1,110,323	931
Allowance for impairment of assets	77,259	-
Deferred income for reward points	467,135	(9,023)
Difference from depreciation rate	(54,810)	(2,378)
Provision for employee benefit	81,820	5,399
Others	9,962	466
Deferred tax assets	<u>1,691,689</u>	<u>(4,605)</u>
		<u>1,687,084</u>

9. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS AND RELATED PARTIES

9.1 Short-term borrowings from financial institutions

As at September 30, 2020, promissory notes and bills of exchange have interest rates at Money Market Rate (MMR), which are in between 0.95 - 1.00% per annum with maturity on demand to one year and are unsecured (As at December 31, 2019 : 1.45 - 1.64% per annum).

9.2 Short-term borrowings from related parties

As at September 30, 2020, borrowings have interest rates at Money Market Rate (MMR), which is 1.00% per annum with maturity on demand to one year and are unsecured (As at December 31, 2019 : 1.50% per annum).

10. LONG-TERM DEBENTURES

Long-term debentures as at September 30, 2020 and December 31, 2019 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
	As at September 30, 2020	As at December 31, 2019	
	Thousand Baht	Thousand Baht	
Debentures	45,480,000	46,165,000	
<u>Less</u> Current portion of long-term debentures	(10,150,000)	(6,185,000)	
Total long-term debentures	<u>35,330,000</u>	<u>39,980,000</u>	

Details of debentures can be summarized as follows:

Type	Date of issuance	Amount (Million Baht)	Maturity date	Interest rate (% p.a.)	Interest payable period	"UNAUDITED"	
						Balance as at September 30, 2020 (Million Baht)	Balance as at December 31, 2019 (Million Baht)
Senior unsecured debentures	16 Sep 2015	1,000	16 Sep 2025	4.00	Semi-annually	1,000	1,000
Senior unsecured debentures	1 Oct 2015	2,000	1 Oct 2020	3.14	Semi-annually	2,000	2,000
Senior unsecured debentures	11 Nov 2015	700	11 Nov 2022	3.68	Semi-annually	700	700
Senior unsecured debentures	20 Nov 2015	1,000	20 Nov 2025	3.90	Semi-annually	1,000	1,000
Senior unsecured debentures	17 Feb 2016	200	17 Feb 2026	3.85	Semi-annually	200	200
Senior unsecured debentures	17 Feb 2016	300	17 Feb 2026	3.85	Semi-annually	300	300
Senior unsecured debentures	26 Feb 2016	800	26 Feb 2021	2.64	Semi-annually	800	800
Senior unsecured debentures	9 May 2016	1,500	11 May 2021	2.12	Semi-annually	1,500	1,500
Senior unsecured debentures	6 Jul 2016	100	5 Jul 2024	3.00	Semi-annually	100	100
Senior unsecured debentures	22 Jul 2016	3,000	22 Jul 2021	2.54	Semi-annually	3,000	3,000
Senior unsecured debentures	11 Aug 2016	600	11 Aug 2020	2.50	Quarterly	-	600
Senior unsecured debentures	22 Sep 2016	200	22 Sep 2026	3.50	Semi-annually	200	200
Senior unsecured debentures	30 Nov 2016	630	30 Nov 2021	2.86	Semi-annually	630	630
Senior unsecured debentures	30 Nov 2016	1,140	30 Nov 2023	3.50	Semi-annually	1,140	1,140
Senior unsecured debentures	30 Nov 2016	3,030	27 Nov 2026	4.00	Semi-annually	3,030	3,030
Senior unsecured debentures	29 Dec 2016	600	29 Dec 2023	3.50	Semi-annually	600	600
Senior unsecured debentures	29 Dec 2016	2,500	29 Dec 2026	4.00	Semi-annually	2,500	2,500
Senior unsecured debentures	5 Apr 2017	1,500	5 Apr 2022	3.03	Semi-annually	1,500	1,500
Senior unsecured debentures	1 Jun 2017	2,500	1 Jun 2022	3.00 - 3.50	Quarterly	2,500	2,500
Senior unsecured debentures	3 Aug 2017	1,500	3 Aug 2027	3.80	Semi-annually	1,500	1,500
Senior unsecured debentures	25 Aug 2017	1,000	25 Aug 2027	3.65	Semi-annually	1,000	1,000
Senior unsecured debentures	19 Oct 2017	2,000	19 Oct 2022	2.46	Semi-annually	2,000	2,000
Senior unsecured debentures	19 Oct 2017	1,000	19 Oct 2027	3.50	Semi-annually	1,000	1,000
Senior unsecured debentures	16 Nov 2017	2,000	16 Nov 2027	3.50	Quarterly	2,000	2,000
Senior unsecured debentures	16 Feb 2018	1,000	16 Feb 2023	2.35	Semi-annually	1,000	1,000
Senior unsecured debentures	16 Feb 2018	1,250	16 Feb 2028	3.43	Semi-annually	1,250	1,250
Senior unsecured debentures	16 Aug 2018	3,585	14 Aug 2020	2.20	Semi-annually	-	3,585
Senior unsecured debentures	16 Aug 2018	1,350	11 Aug 2021	2.48	Semi-annually	1,350	1,350
Senior unsecured debentures	16 Aug 2018	2,065	16 Aug 2028	3.83	Semi-annually	2,065	2,065
Senior unsecured debentures	11 Mar 2019	1,500	11 Mar 2021	2.40	Semi-annually	1,500	1,500
Senior unsecured debentures	11 Mar 2019	1,000	11 Mar 2022	2.65	Semi-annually	1,000	1,000
Senior unsecured debentures	25 Jul 2019	1,500	25 Jul 2029	3.20	Semi-annually	1,500	1,500
Senior unsecured debentures	31 Oct 2019	1,700	31 Oct 2029	2.80	Semi-annually	1,700	1,700
Senior unsecured debentures	8 Nov 2019	415	8 Nov 2024	2.60	Quarterly	415	415
Senior unsecured debentures	4 Feb 2020	1,000	31 Jan 2030	2.65	Semi-annually	1,000	-
Senior unsecured debentures	15 Sep 2020	1,800	15 Sep 2022	1.93	Semi-annually	1,800	-
Senior unsecured debentures	15 Sep 2020	700	15 Sep 2023	2.23	Semi-annually	700	-
Total debentures						45,480	46,165

11. DIVIDEND

On March 30, 2020, the Board of Directors' meeting No. 4/2020 passed a resolution to pay interim dividend payment for the year 2019 at Baht 0.88 per share, totaling Baht 2,268.93 million. The Company has already paid dividend to shareholders on April 30, 2020. On July 3, 2020, the Annual General Meeting of Shareholders acknowledged the aforementioned interim dividend payment.

On April 5, 2019, the Annual General Meeting of Shareholders passed a resolution to pay dividend for the year 2018 at Baht 0.82 per share, totaling Baht 2,114.23 million. The Company already paid dividend on April 30, 2019.

12. INCOME TAX EXPENSE

Income tax expenses for the three-month periods ended September 30, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”	
	2020 Thousand Baht	2019 Thousand Baht
Income tax expenses per income tax return	327,288	345,357
Adjustment for deferred tax relating to the origination and reversal of temporary differences	(17,223)	(23,107)
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>310,065</u>	<u>322,250</u>

	SEPARATE FINANCIAL STATEMENTS “UNAUDITED”	
	2020 Thousand Baht	2019 Thousand Baht
Income tax expenses per income tax return	327,335	345,319
Adjustment for deferred tax relating to the origination and reversal of temporary differences	(17,298)	(23,107)
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>310,037</u>	<u>322,212</u>

The reconciliation between income tax expenses and accounting profit for the three-month periods ended September 30, 2020 and 2019 is as follows:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
	2020 Thousands Baht	2019 Thousands Baht	
Profit before income tax	<u>1,530,851</u>	<u>1,614,457</u>	
Income tax expenses at domestic tax rate			
- Tax rate at 20%	306,170	322,891	
Tax effect of non-taxable revenues and expenses	<u>3,895</u>	<u>(641)</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>310,065</u>	<u>322,250</u>	

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
	2020 Thousands Baht	2019 Thousands Baht	
Profit before income tax	<u>1,531,987</u>	<u>1,614,370</u>	
Income tax expenses at domestic tax rate			
- Tax rate at 20%	306,397	322,874	
Tax effect of non-taxable revenues and expenses	<u>3,640</u>	<u>(662)</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>310,037</u>	<u>322,212</u>	

Income tax expenses for the nine-month periods ended September 30, 2020 and 2019 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
	2020 Thousands Baht	2019 Thousands Baht	
Income tax expenses per income tax return	977,946	1,045,304	
Adjustment for deferred tax relating to the origination and reversal of temporary differences	<u>25,438</u>	<u>4,605</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>1,003,384</u>	<u>1,049,909</u>	

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
	2020	2019	
	Thousand Baht	Thousand Baht	
Income tax expenses per income tax return	977,945	1,045,251	
Adjustment for deferred tax relating to the origination and reversal of temporary differences	<u>25,474</u>	<u>4,605</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>1,003,419</u>	<u>1,049,856</u>	

The reconciliation between income tax expenses and accounting profit for the nine-month periods ended September 30, 2020 and 2019 is as follows:

CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”			
	2020	2019	
	Thousand Baht	Thousand Baht	
Profit before income tax	<u>5,014,054</u>	<u>5,254,820</u>	
Income tax expenses at domestic tax rate - Tax rate at 20%	<u>1,002,811</u>	<u>1,050,964</u>	
Tax effect of non-taxable revenues and expenses	<u>573</u>	<u>(1,055)</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>1,003,384</u>	<u>1,049,909</u>	
Effective tax rate (%)	20.0	20.0	

SEPARATE FINANCIAL STATEMENTS “UNAUDITED”			
	2020	2019	
	Thousand Baht	Thousand Baht	
Profit before income tax	<u>5,016,898</u>	<u>5,254,655</u>	
Income tax expenses at domestic tax rate - Tax rate at 20%	<u>1,003,380</u>	<u>1,050,931</u>	
Tax effect of non-taxable revenues and expenses	<u>39</u>	<u>(1,075)</u>	
Income tax expenses per the statements of profit or loss and other comprehensive income	<u>1,003,419</u>	<u>1,049,856</u>	
Effective tax rate (%)	20.0	20.0	

The Group used tax rates of 20% for the corporate income tax calculation for the nine-month periods ended September 30, 2020 and 2019.

13. LONG-TERM AGREEMENTS

The Group and the Company have long-term agreements under operating lease as at December 31, 2019 as follows:

The Group and the Company have various lease agreements for office premises and other facilities and various EDC machine agreements with total rental and service fees under operating lease as follows:

As at December 31, 2019

	CONSOLIDATED FINANCIAL STATEMENTS Thousand Baht	SEPARATE FINANCIAL STATEMENTS Thousand Baht
Within 1 year	179,372	178,400
Over 1 year to 5 years	111,462	109,974
	<u>290,834</u>	<u>288,374</u>

From January 1, 2020, the Group has recognized right-of-use assets for these leases, except for short-term and low-value leases, see Note 2.7 for further information.

14. TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiaries have transactions with related parties. Certain portions of the Group's and the Company's assets, liabilities, revenues and administrative expenses represent transactions occurred with such related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with related parties as included in the consolidated and separate financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreements.

14.1 The significant balances with related parties

The significant balances with related parties as at September 30, 2020 and December 31, 2019 are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”		
		As at		
		September 30, 2020 Thousand Baht	December 31, 2019 Thousand Baht	
Krung Thai Bank Public Company Limited	Major Shareholder			
- Deposits at a financial institution (a part of cash and cash equivalents)		2,981,797	881,553	
- Other receivables		830	723	
- Short-term borrowings		4,230,000	3,490,000	
- Trade payables		377,452	901,518	
- Accrued interest expenses		116	287	
- Other current liabilities		1,693	1,693	
KTB Computer Services Company Limited	Same Ultimate Holding Company			
- Trade payables		-	208	
KTB General Services and Security Company Limited	Same Ultimate Holding Company			
- Trade payables		7,503	8,729	
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company			
- Other receivables		255	4,844	
- Trade payables		59	78	
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company			
- Other receivables		964	1,325	
KT Zmico Securities Company Limited	Same Ultimate Holding Company			
- Short-term borrowings		449,672	349,625	
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company			
- Other receivables		200	2,100	
- Trade payables		6	12	
Krungthai Thai IBJ Leasing Company Limited	Same Ultimate Holding Company			
- Trade payables		107	318	
KTB Law Company Limited	Same Ultimate Holding Company			
- Trade payables		200	-	

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS "UNAUDITED"	
		As at September 30, 2020	As at December 31, 2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Deposits at a financial institution (a part of cash and cash equivalents)		2,981,169	881,007
- Other receivables		830	723
- Short-term borrowings		4,230,000	3,490,000
- Trade payables		377,452	901,518
- Accrued interest expenses		116	287
- Other current liabilities		1,693	1,693
KTB Computer Services Company Limited	Same Ultimate Holding Company	-	208
- Trade payables			
KTB General Services and Security Company Limited	Same Ultimate Holding Company	7,503	8,729
- Trade payables			
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Other receivables		255	4,844
- Trade payables		59	78
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		964	1,325
- Trade payables			
KT Zmico Securities Company Limited	Same Ultimate Holding Company	449,672	349,625
- Short-term borrowings			
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		200	2,100
- Trade payables		6	12
Krungthai Thai IBJ Leasing Company Limited	Same Ultimate Holding Company	107	318
- Trade payables			
KTB Law Company Limited	Same Ultimate Holding Company	200	-
- Trade payables			
KTC Pico (Bangkok) Co., Ltd.	Subsidiary		
- Other receivables		3	169
- Short-term borrowings		51,390	17,929
- Accrued interest expenses		1	1
- Other current liabilities		22	22
KTC Nano Co., Ltd.	Subsidiary		
- Other receivables		280	109
- Short-term borrowings		50,270	50,110
- Accrued interest expenses		-	4
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
- Other receivables		177	11
- Short-term borrowings		-	9,900
- Accrued interest expenses		-	1
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
- Other receivables		-	11
- Short-term borrowings		-	9,800
- Accrued interest expenses		-	1
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
- Other receivables		174	52
- Short-term borrowings		-	9,900
- Accrued interest expenses		-	1
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
- Other receivables		181	9
- Short-term borrowings		-	9,850
- Accrued interest expenses		-	1

14.2 The significant transactions with related parties

The significant transactions with related parties for the three-month periods ended September 30, 2020 and 2019 are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		427	433
- Other income		1,681	1,957
- Administrative expenses		48,744	77,014
- Finance cost		11,400	9,773
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Administrative expenses		-	594
KTB General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		11,459	11,880
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		316	1,130
- Administrative expenses		20	20
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		3,319	3,993
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Finance cost		311	135
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		24,558	25,669
- Other income		200	1,004
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		1,222	801
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		24	-

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS "UNAUDITED"	
		2020	2019
		Thousand Baht	Thousand Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		427	433
- Other income		1,681	1,957
- Administrative expenses		48,707	77,012
- Finance cost		11,400	9,773
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Administrative expenses		-	594
KTB General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		11,459	11,880
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		316	1,130
- Administrative expenses		20	20
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		3,319	3,993
KT Zmico Securities Company Limited Public Company Limited	Same Ultimate Holding Company		
- Finance cost		311	135
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		24,558	25,669
- Other income		200	1,004
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		1,222	801
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		24	-
KTC PICO (Bangkok) Co., Ltd.	Subsidiary		
- Other income		70	-
- Finance cost		133	99
KTC NANO Co., Ltd.	Subsidiary		
- Other income		70	-
- Finance cost		129	249
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
- Other income		71	-
- Finance cost		-	16
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
- Finance cost		-	16
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
- Other income		43	-
- Finance cost		-	16
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
- Other income		72	-
- Finance cost		-	16

The significant transactions with related parties for the nine-month periods ended September 30, 2020 and 2019 are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		1,341	1,268
- Other income		5,741	5,398
- Administrative expenses		187,838	203,573
- Finance cost		24,747	29,713
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Other income		-	60
- Administrative expenses		-	1,849
KTB General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		34,168	37,619
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		1,844	1,854
- Administrative expenses		56	59
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		11,162	12,463
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Finance cost		1,021	767
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		79,331	111,819
- Other income		-	1,182
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		3,396	2,145
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		545	-

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS “UNAUDITED”	
		2020	2019
		Thousand Baht	Thousand Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		1,341	1,268
- Other income		5,740	5,398
- Administrative expenses		187,749	203,571
- Finance cost		24,747	29,713
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Other income		-	60
- Administrative expenses		-	1,849
Krungthai General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		34,168	37,619
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		1,844	1,854
- Administrative expenses		56	59
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		11,162	12,463
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Finance cost		1,021	767
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		79,331	111,819
- Other income		-	1,182
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		3,396	2,145
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		545	-
KTC PICO (Bangkok) Co., Ltd.	Subsidiary		
- Other income		214	-
- Finance cost		311	141
KTC NANO Co., Ltd.	Subsidiary		
- Other income		210	-
- Finance cost		431	355
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
- Other income		176	-
- Finance cost		36	16
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
- Finance cost		35	16
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
- Other income		130	-
- Finance cost		36	16
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
- Other income		181	-
- Finance cost		36	16

The above revenues and expenses are determined according to the following agreement:

- Business cooperation agreement

The Company and KTB (“Counterparties”) entered into a business cooperation agreement dated March 30, 2018 to provide cooperation and support each other in existing and potential matters in the future. The counterparties will enter into a specific agreement, memorandum of agreement or other service request separately to determine details and conditions of cooperation, support or provide service in compliance with normal business operations of the counterparties.

The term of the business cooperation agreement is 5 years commencing on April 1, 2018. The expiration of this agreement will not impact the existence of agreement, memorandum of agreement or other service request under this agreement which are normal business activities of the counterparties.

14.3 Management remuneration

Management remuneration for the three-month periods ended September 30, 2020 and 2019 consists of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “UNAUDITED”	
	2020	2019
	Thousand Baht	Thousand Baht
Short-term management remuneration	67,222	44,354
Long-term management remuneration	1,036	1,050
Total	<u>68,258</u>	<u>45,404</u>

Management remuneration for the nine-month periods ended September 30, 2020 and 2019 consists of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “UNAUDITED”	
	2020	2019
	Thousand Baht	Thousand Baht
Short-term management remuneration	156,605	154,437
Long-term management remuneration	3,109	3,151
Total	<u>159,714</u>	<u>157,588</u>

15. CORONAVIRUS DISEASE 2019 PANDEMIC (COVID-19)

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries including employees, customers, business partners and business operations.

The Company provides supports to customers as the relief measures for loans to customers affected from the impact of COVID-19, following to the Bank of Thailand's the relief measures to help debtors from the Coronavirus disease 2019 pandemic situation, by reducing minimum payment rates for credit card and personal loan.

In addition, the Company provides supports to customers as the relief measures for loans to customers affected from the impact of COVID-19, following to the Bank of Thailand's the relief measures to help debtors from the Coronavirus disease 2019 pandemic situation in the second phase, by reducing its interest rate ceiling as well as increasing its credit limits for credit card and personal loan, which will be effective on August 1, 2020.

As the impact consideration of COVID-19 pandemic to the financial statements cannot be clearly assessed due to the uncertainties of COVID-19, the Company closely monitors the pandemic situation and reasonably estimate the potential impact on the Company. The Company's management believes that the Company will be able to continue as a going concern and meet their obligations as these fall due.

16. EVENT AFTER THE REPORTING PERIOD

- 16.1 On October 28, 2020, the Company and Krung Thai Bank Public Company Limited established a new subsidiary which is KTC Prepaid Company Limited for conducting an electronics money services, with registered capital of Baht 100.00 million (10,000,000 ordinary shares with par value of Baht 10 per each), and the Company had the proportion of shareholding in such subsidiary of 75.05 percent.
- 16.2 On November 6, 2020, the Company purchased the additional ordinary shares of Krungthai Advisory Company Limited ("KTBA"), which is a subsidiary of Krung Thai Bank Public Company Limited and has intention of business conducting as Holding Business, in the amount of Baht 72.00 million (7,200,000 ordinary shares with par value of Baht 10 per each), and the Company had the proportion of shareholding in the such company of 24.00 percent, resulting to KTBA become an associate of the Company.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized directors of the Company on November 13, 2020.