

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

<i>(Unit : Baht)</i>			
	<i>Note</i>	September 30, 2020 <i>(Unaudited but reviewed only)</i>	December 31, 2019 <i>(Audited)</i>
<b>ASSETS</b>			
Cash and cash equivalents	5	50,064,945.19	53,022,357.90
Premium due and uncollected	6	13,763,657.52	30,325,742.29
Accrued investment income		2,648,263.40	2,892,958.31
Reinsurance assets	7	33,203,777.55	36,760,390.42
Reinsurance receivables	8	7,419,134.09	26,400,176.00
Invested assets			
Investments in securities	9	611,663,095.25	668,653,258.22
Loans and interest receivables	10	6,064,667.30	7,281,766.56
Property, plant and equipment	11	42,538,658.61	42,872,766.09
Other Intangible assets	12	5.00	12,449.48
Deferred tax assets	13	23,388,826.23	18,669,962.34
Other assets	14	9,167,604.97	13,458,522.12
<b>TOTAL ASSETS</b>		<b>799,922,635.11</b>	<b>900,350,349.73</b>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

		<i>(Unit : Baht)</i>	
	<i>Note</i>	September 30, 2020 <i>(Unaudited but reviewed only)</i>	December 31, 2019 <i>(Audited)</i>
LIABILITIES AND OWNERS' EQUITY			
Insurance contract liabilities	15	209,484,367.02	275,357,807.42
Due to reinsurers	16	19,489,293.65	21,673,513.91
Income tax payables		2,041,555.43	-
Employee benefit obligations	17	12,813,048.50	13,294,767.00
Deferred tax liabilities	13	5,178,879.17	9,294,522.24
Others liabilities			
Unearned revenue		6,622,650.94	12,625,471.50
Others	18	20,351,808.84	39,542,342.46
TOTAL LIABILITIES		275,981,603.55	371,788,424.53

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

	<i>(Unit : Baht)</i>	
	September 30, 2020	December 31, 2019
	<i>(Unaudited but reviewed only)</i>	<i>(Audited)</i>
LIABILITIES AND OWNERS' EQUITY		
Owners' equity		
Share capital		
Registered capital		
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00
Issued and paid-up share capital		
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00
Premium on share capital	258,000,000.00	258,000,000.00
Retained earnings		
Appropriated		
Statutory reserve	12,000,000.00	12,000,000.00
Unappropriated	124,682,053.86	101,383,836.22
Other components of Owners' equity	9,258,977.70	37,178,088.98
TOTAL OWNERS' EQUITY	523,941,031.56	528,561,925.20
TOTAL LIABILITIES AND OWNERS' EQUITY	799,922,635.11	900,350,349.73

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(UNAUDITED / REVIEWED ONLY)

		(Unit : Baht)			
		FOR THE THREE-MONTH		FOR THE NINE-MONTH	
		PERIOD ENDED SEPTEMBER 30,		PERIOD ENDED SEPTEMBER 30,	
	Note	2020	2019	2020	2019
Revenues					
Premium written		31,858,915.53	104,935,044.82	174,103,864.24	321,989,261.60
Less: Premium ceded		(8,726,103.27)	(25,791,378.28)	(27,208,788.46)	(48,196,139.58)
Net Premium written		23,132,812.26	79,143,666.54	146,895,075.78	273,793,122.02
Add/Less: Unearned premium reserves from prior period		40,967,036.46	(4,387,423.62)	79,155,268.56	(85,869,906.53)
Net Premiums earned	30	64,099,848.72	74,756,242.92	226,050,344.34	187,923,215.49
Fee and commission income	30	2,889,238.01	4,392,499.72	8,112,082.52	10,591,660.58
Income on investments - net	23, 30	4,514,278.96	5,650,259.50	14,673,655.88	16,089,562.05
Gain on investment	30	-	3,760,000.00	-	17,104,980.00
Other income		173,810.26	3,748,747.33	920,077.47	13,267,102.58
Total revenues		71,677,175.95	92,307,749.47	249,756,160.21	244,976,520.70
Expenses					
Gross benefits and claims		31,934,120.64	50,609,762.13	109,153,786.99	93,539,810.84
Less: claims recovered from reinsurers		(1,957,008.84)	(7,398,366.02)	(20,308,088.50)	(12,290,640.51)
Insurance claims and loss adjustment expenses	30	29,977,111.80	43,211,396.11	88,845,698.49	81,249,170.33
Commissions and brokerages	30	5,553,685.64	12,123,322.11	25,877,281.37	41,646,906.89
Other underwriting expenses	30	4,881,848.20	33,253,068.54	49,540,075.22	123,980,961.69
Operating expenses	19, 30	9,553,057.64	10,703,405.06	28,183,515.80	34,604,547.95
(Reversal) Net impairment losses on financial assets	20	(741,433.12)	-	22,035,983.27	-
Total expenses		49,224,270.16	99,291,191.82	214,482,554.15	281,481,586.86
Profit (Loss) before corporate income tax		22,452,905.79	(6,983,442.35)	35,273,606.06	(36,505,066.16)
Tax income	13.2	(4,167,712.92)	1,838,560.55	(5,975,388.42)	8,611,783.58
Profit (Loss) for the period		18,285,192.87	(5,144,881.80)	29,298,217.64	(27,893,282.58)

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF COMPREHENSIVE INCOME (CONT.)  
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020  
(UNAUDITED / REVIEWED ONLY)

		(Unit : Baht)			
		FOR THE THREE-MONTH		FOR THE NINE-MONTH	
	Note	PERIOD ENDED SEPTEMBER 30,		PERIOD ENDED SEPTEMBER 30,	
		2020	2019	2020	2019
Other comprehensive income (expenses)					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Change in value of investments measured at					
fair value through other comprehensive income		(20,825,737.33)	(15,139,709.78)	(50,514,855.10)	(5,412,659.82)
Income tax relating to component of other comprehensive income	13.3	4,165,147.46	3,027,941.95	10,102,971.01	1,082,531.96
Change in value of investments measured at					
fair value through other comprehensive income, net of tax		(16,660,589.87)	(12,111,767.83)	(40,411,884.09)	(4,330,127.86)
Other comprehensive income (expenses) for the period, net of tax		(16,660,589.87)	(12,111,767.83)	(40,411,884.09)	(4,330,127.86)
Total comprehensive income (expenses) for the period		1,624,603.00	(17,256,649.63)	(11,113,666.45)	(32,223,410.44)
Earnings per share					
Basic earning (loss) per share		1.52	(0.43)	2.44	(2.32)
Number of ordinary shares		12,000,000	12,000,000	12,000,000	12,000,000

Notes to the financial statements are an integral part of these financial statements.

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(UNAUDITED / REVIEWED ONLY)

	<i>(Unit : Baht)</i>	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net direct premium written	182,178,210.31	317,725,671.10
Cash paid for reinsurance	(22,712,762.84)	(29,786,633.53)
Interest income	9,704,618.45	10,119,645.15
Dividend income	5,397,663.87	6,458,851.72
Other income	920,077.47	13,267,102.58
Losses incurred of direct insurance	(56,669,024.14)	(51,735,066.27)
Commissions and brokerages	(18,645,541.03)	(31,217,790.39)
Other underwriting expenses	(49,540,075.22)	(123,980,961.69)
Operating expenses	(44,504,919.35)	(34,278,849.28)
Corporate income tax	(5,774,156.10)	(1,808,133.58)
Investments in securities	2,485,250.00	(40,892.00)
Collateralized loans	344,485.12	929,001.55
NET CASH PROVIDED BY (USE IN) OPERATING ACTIVITIES	<u>3,183,826.54</u>	<u>75,651,945.36</u>
CASH FLOWS FROM (USE IN) INVESTING ACTIVITIES		
Equipment	(141,239.25)	(97,161.24)
NET CASH PROVIDED BY (USE IN) INVESTING ACTIVITIES	<u>(141,239.25)</u>	<u>(97,161.24)</u>
NET CASH USED IN FINANCING ACTIVITIES		
Dividend paid	(6,000,000.00)	(6,000,000.00)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,957,412.71)	69,554,784.12
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	53,022,357.90	11,875,195.93
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	<u><u>50,064,945.19</u></u>	<u><u>81,429,980.05</u></u>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN OWNERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020  
(UNAUDITED / REVIEWED ONLY)

*(Unit : Baht)*

	<i>Note</i>			Retained earnings		Other component of	Total
				Appropriated	Unappropriated	owners' equitys	
		Share capital	Premium on	Statutory		Fair value	
		Issued and fully paid	share capital	reserve		changes on investments	
Balance as at December 31, 2019		120,000,000.00	258,000,000.00	12,000,000.00	138,768,891.38	47,738,138.45	576,507,029.83
Loss for the period		-	-	-	(27,893,282.58)	-	(27,893,282.58)
Dividend paid	31	-	-	-	(6,000,000.00)	-	(6,000,000.00)
Other comprehensive income for the period, net of tax		-	-	-	-	(4,330,127.86)	(4,330,127.86)
Balance as at September 30, 2020		120,000,000.00	258,000,000.00	12,000,000.00	104,875,608.80	43,408,010.59	538,283,619.39
Balance as at December 31, 2019		120,000,000.00	258,000,000.00	12,000,000.00	101,383,836.22	37,178,088.98	528,561,925.20
Cumulative effect of change in accounting policy	3	-	-	-	-	12,492,772.81	12,492,772.81
Balance as at January 1, 2020 - as restated		120,000,000.00	258,000,000.00	12,000,000.00	101,383,836.22	49,670,861.79	541,054,698.01
Profit for the period		-	-	-	29,298,217.64	-	29,298,217.64
Dividend paid	31	-	-	-	(6,000,000.00)	-	(6,000,000.00)
Other comprehensive expenses for the period, net of tax		-	-	-	-	(40,411,884.09)	(40,411,884.09)
Balance as at September 30, 2020		120,000,000.00	258,000,000.00	12,000,000.00	124,682,053.86	9,258,977.70	523,941,031.56

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020

(UNAUDITED / REVIEWED ONLY)

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1. GENERAL INFORMATION

1.1. Corporate Information

CHARAN INSURANCE PUBLIC COMPANY LIMITED (“the Company”) was incorporated as a public limited company on March 15, 1994, Registration No. BorMorJor. 0107537000807. The Company has its registered head office at 408/1 Ratchadapisak Road, Samsennok, Huaykwang, Bangkok. The Company’s principal activity is the provision of non - life insurance.

1.2. Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the statements of financial position, income, comprehensive income, changes in equity and cash flows in the same format as that used for annual financial statements, and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated April 4, 2019. Which become effective on January 1, 2020 onwards.



## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.1 Basis of preparation (Cont.)

The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019.

An English version of the interim financial statements has been prepared from the interim financial statements that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statement shall prevail.

### 2.2 New financial reporting standards

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal year 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 clarifying accounting treatment and providing accounting guidance for users of the standards. The new standard involves changes to key principles, which are summarized below:

#### A. Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

##### Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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##### Accounting standard

TAS 32	Financial Instruments: Presentation
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##### Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.2 New financial reporting standards (Cont.)

#### **A. Financial reporting standards related to financial instruments (Cont.)**

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

#### **B. Accounting Guidance related to financial instruments and disclosures applicable to insurance business**

Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2019) Insurance contracts, which allows insurers who meet certain criteria stipulated in this TFRS to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, and to adopt the Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead the adoption of TFRS 9 and TFRS 7 for the financial reporting period beginning before January 1, 2022 or before the effective date of TFRS 17 Insurance Contracts.

According to the Company's statements of financial position as at December 31, 2017, the Company had liabilities in connection with insurance services under the scope of TFRS 4 Insurance Contracts comprise more than 80% of the carrying value of total liabilities, which meets criteria stipulated in TFRS 4, and there was no change in the Company's core activities in the following accounting periods. As a result, the Company is eligible to adopt the Accounting Guidance related to financial instruments and disclosures applicable to insurance business. The Company's management believe that adoption of the Accounting Guidance is appropriate in the current circumstances and the Company has, therefore, elected to adopt such Accounting Guidance.

There will be impact in the following matters to the Company's interim financial information from the adoption of this Accounting Guidance.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 New financial reporting standards (Cont.)

**B. Accounting Guidance related to financial instruments and disclosures applicable to insurance business (Cont.)**

Classification and measurement of financial assets

The Company shall classify financial assets as trading securities, available for sale securities, held to maturity securities, and receivables and loans by not taking into consideration of its business model and the characteristics of the contractual cash flows.

- Classification and measurement of investments in available for sale securities that are listed equity instruments and investments in debt instruments which measured at fair value through other comprehensive income, the Company considers and decides to continue classifying them as investments in available for sale securities measured at fair value through other comprehensive income. Gain or loss on derecognition are to be recognized in profit or loss.
- Classification and measurement of investments in non-listed equity instruments, the Company is to measured fair value of investments in non-listed equity instruments and the Company decides to classify them as investments in available for sale securities which measured at fair value through other comprehensive income. Gain or loss on derecognition are to be recognized in profit or loss.
- Loans, which the Company holds to collect contractual cash flow (both principal and interest), the Company classifies and presents them as loans and measured at amortized cost.

Classification and measurement of financial assets

The adoption of this Accounting Guidance does not have any impact to classification of financial liabilities. The Company continues to classify them as financial liabilities and measures at amortized cost.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 New financial reporting standards (Cont.)

**B. Accounting Guidance related to financial instruments and disclosures applicable to insurance business (Cont.)**

Impairment of financial assets

This Accounting Guidance requires the Company to move from incurred loss provisioning, under former accounting policy, to expected loss provisioning by recognizing an allowance for expected credit loss on its financial assets and it is no longer necessary for a credit-impaired event to have occurred. The Company considers to adopt the general approach and the simplified approach to determine expected credit loss on financial assets, depending on type of financial assets.

Transition

The Company initially adopted this Accounting Guidance using the modified retrospective method whereby the adjustment of the cumulative effect was made against retained earnings or other components of equity as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3 to the interim financial statements.

**C. TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

This financial reporting standard has no material impact to financial statements.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.2 New financial reporting standards (Cont.)

#### **D. Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are 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.

On April 22, 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider the Covid-19 situation as an indication that an asset may be impaired in accordance with TAS 36 Impairment of Assets.
- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in non-listed equity instruments using the fair value as at January 1, 2020.

### 2.3 Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2021

The federation of Accounting Professions issued a number of revised financial reporting standards and interpretation, which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards that included in amendments to reference to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material and Reform referenced interest rate.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.3 Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2021 (Cont.)

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### 2.4 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

#### (1) Classification and measurement

The Company shall classify financial assets as trading securities, available for sale securities, held to maturity securities, and receivables and loans by not taking into consideration of its business model and the characteristics of the contractual cash flows.

Financial liabilities are measured at amortized cost.

#### (2) Investment in securities

Investments in available-for-sale securities are stated at fair value. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

Investments in debt instruments, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt instruments is amortized by the effective rate method with the amortized/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity instruments (non-listed company) are stated at fair value and are classified as investments in available-for-sale securities. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.4 Significant accounting policies (Cont.)

The fair value of marketable security is based on the latest bid price of the last working day of the period. The fair value of debt instruments is determined based on yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value. The fair value of non-marketable equity instruments is determined using generally accepted pricing model or approximated to their net book value if the fair value cannot be reliably estimated.

The weighted average method is used for computation of the cost of investments.

At end of reporting period, investments in held to maturity debt instruments are stated at amortized cost net of an allowance for expected credit loss (if any).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in profit or loss.

In addition, as at September 30, 2020, the Company elects to measure the fair value of investments in non-listed equity instruments using the fair value as at January 1, 2020 in accordance with the Accounting Guidance.

### (3) Impairment of financial assets

The Company recognizes expected credit loss on its financial assets measured at amortized cost and financial assets that are debt instruments which classified as available-for-sale securities, without requiring a credit-impaired event to have occurred. The Company accounts for changes in expected credit loss in stages, with differing methods of determining allowance for credit loss and the effective interest rate applied at each stage. An exception from this approach is that for other receivables or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit loss.

Loss on impairment of investments in equity instruments and unit trusts which are classified as available-for-sale securities is recognized immediately in profit or loss when there is objective evidence of impairment, determined on the basis of evidence that indicates the cost of investments may not be recovered and there is a significant or prolonged decline in fair value of investments to below its costs.

Loss on impairment (if any) is recorded as expenses in profit or loss.

3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 2.2 to the interim financial statements, during the current period, the Company has adopted Accounting Guidance related to financial instruments and disclosures applicable to insurance business. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings or other comprehensive income of 2020 from changes in accounting policies due to the adoption of these Accounting Guidance and standard are presented as follows:

(Unit: Baht)

	December 31, 2019	The impacts of Accounting Guidance related to financial instruments	January 1, 2020
<b>Statements of financial position</b>			
<b>Assets</b>			
Investments in securities	668,653,258.22	15,615,966.01	684,269,224.23
<b>Liabilities</b>			
Deferred tax assets	9,294,522.24	3,123,193.20	12,417,715.44
<b>Owners' equity</b>			
Other components of equity	37,178,088.98	12,492,772.81	49,670,861.79



#### 4. FAIR VALUE MEASUREMENT

The Company use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available. The Company used an appropriate measurement such as the present value determination of cash flows etc.

##### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavour to use relevant observable inputs as much as possible. The different levels have been defined as follows:

- Level 1            quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2            inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.
- Level 3            unobservable inputs for assets or liabilities.

As at September 30, 2020, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit : Baht)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through other comprehensive income				
Government and state enterprise securities				
Equity securities	19,525,650.00	-	-	19,525,650.00
Private enterprise debt securities Equity securities	142,256,443.12	-	15,957,026.01	158,213,469.13
<b>Total assets</b>	<b>161,782,093.12</b>	<b>-</b>	<b>15,957,026.01</b>	<b>177,739,119.13</b>

As at December 31, 2019, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit : Baht)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment in securities - Available-for-sale				
Government and state enterprise securities				
Equity securities	22,325,450.00	-	-	22,325,450.00
Private enterprise debt securities Equity securities	188,456,748.22	-	-	188,456,748.22
<b>Total assets</b>	<b>210,782,198.22</b>	<b>-</b>	<b>-</b>	<b>210,782,198.22</b>

During the current period, there were no transfers within the fair value hierarchy.

## 5. CASH AND CASH EQUIVALENTS

	(Unit : Baht)	
	September 30, 2020	December 31, 2019
Cash	718,196.06	859,473.58
Deposits at banks with no fixed maturity date	29,346,749.13	32,162,884.32
Deposits at banks with fixed maturity date	20,000,000.00	20,000,000.00
Cash and cash equivalents	50,064,945.19	53,022,357.90

## 6. PREMIUM DUE AND UNCOLLECTED

As at September 30, 2020 and December 31, 2019, the Company has balances of premium due and uncollected which classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit : Baht)					
	September 30, 2020			December 31, 2019		
	Due from insured	Due from agents and brokers	Total	Due from insured	Due from agents and brokers	Total
Not yet due	99,399.71	10,665,438.65	10,764,838.36	1,741,035.77	23,712,498.92	25,453,534.69
Not over 30 days	349,434.14	726,341.23	1,075,775.37	5,893.03	3,299,329.62	3,305,222.65
Over 31 days to 60 days	-	826,287.49	826,287.49	-	1,113,565.12	1,113,565.12
Over 61 days to 90 days	1,889.00	694,416.51	696,305.51	(919.13)	454,338.96	453,419.83
Over 90 days	(115.56)	1,287,570.12	1,287,454.56	-	967,221.39	967,221.39
Total premium receivables	450,607.29	14,200,054.00	14,650,661.29	1,746,009.67	29,546,954.01	31,292,963.68
Less: Allowance for doubtful accounts	-	(887,003.77)	(887,003.77)	-	(967,221.39)	(967,221.39)
Total premium due and uncollected, net	450,607.29	13,313,050.23	13,763,657.52	1,746,009.67	28,579,732.62	30,325,742.29

## 7. REINSURANCE ASSETS

As at September 30, 2020 and December 31, 2019, the Company has reinsurance assets as below:

	(Unit : Baht)	
	September 30, 2020	December 31, 2019
<u>Insurance recovered from reinsurers</u>		
Loss reserves	15,338,614.34	10,356,939.23
Unearned premium reserves (UPR)	17,865,163.21	26,403,451.19
Total	33,203,777.55	36,760,390.42

8. REINSURANCE RECEIVABLES

As at September 30, 2020 and December 31, 2019, the Company has reinsurance receivables as below:

	(Unit : Baht)	
	September 30, 2020	December 31, 2019
Amounts due from reinsurers	7,419,134.09	26,400,176.00
Total	7,419,134.09	26,400,176.00

As at September 30, 2020 and December 31, 2019, balances of amounts due from reinsurers are classified by aging as follows:

	(Unit : Baht)	
	September 30, 2020	December 31, 2019
Within credit terms	7,419,134.09	26,248,816.18
Not over 12 months	-	151,359.82
Total	7,419,134.09	26,400,176.00

9. INVESTMENT IN SECURITIES - NET

9.1. Classified by type of investments As at September 30, 2020 and December 31, 2019, the Company has investments in securities as follows:

	(Unit: Baht)			
	September 30, 2020		December 31, 2019	
	Cost / Amortized cost	Fair value	Cost / Amortized cost	Fair value
<b>Investments measured at fair value</b>				
<b>through other comprehensive income /</b>				
<b>Available-for-sale investments</b>				
Government and state enterprise securities				
Equity securities	8,704,990.00	19,525,650.00	8,573,740.00	22,325,450.00
Private enterprise debt securities				
Equity securities	157,119,347.00	142,256,443.12	155,735,847.00	188,456,748.22
Non-listed equity instruments	341,060.00	15,957,026.01	-	-
Total	166,165,397.00	177,739,119.13	164,309,587.00	210,782,198.22
Add (Less) Unrealized gain (loss)	11,573,722.13	-	46,472,611.22	-
<b>Total investments measured at fair value</b>				
<b>through other comprehensive income /</b>				
<b>Available-for-sale investments</b>	<b>177,739,119.13</b>	<b>177,739,119.13</b>	<b>210,782,198.22</b>	<b>210,782,198.22</b>
<b>Investment measured at amortized cost /</b>				
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	6,600,000.00		16,600,000.00	
Private sector debt securities	312,000,000.00		306,000,000.00	
Deposits at banks	134,930,000.00		134,930,000.00	
Total	453,530,000.00		457,530,000.00	
(Less) Allowance for expected credit losses	(19,606,023.88)		-	
<b>Total investment measured at amortized cost</b>				
<b>/ Held-to-maturity investments</b>	<b>433,923,976.12</b>		<b>457,530,000.00</b>	
<b>General investments</b>				
Non-listed equity instruments	-		341,060.00	
<b>General investments</b>	<b>-</b>		<b>341,060.00</b>	
<b>Investments in securities - net</b>	<b>611,663,095.25</b>		<b>668,653,258.22</b>	

9. INVESTMENT IN SECURITIES (Cont.)

9.2 Debt securities that are measured at amortized cost

	September 30, 2020		
	Gross	Expected	Carrying
	carrying value	credit loss	
	Baht	Baht	value
Investments in debt securities which credit risk has not significantly increased (Stage 1)	418,530,000.00	(1,161,023.88)	417,368,976.12
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	35,000,000.00	(18,445,000.00)	16,555,000.00
<b>Total</b>	<b>453,530,000.00</b>	<b>(19,606,023.88)</b>	<b>433,923,976.12</b>

As at September 30, 2020 and December 31, 2019, the Company pledged bank deposit Baht 64.93 million and Bath 89.93 million respectively as collateral as stated in note 29.

10. LOANS AND INTEREST RECEIVABLES

As at September 30, 2020 and December 31, 2019, loans and accrued interest aged by principal and accrued interest are as follows:

(Unit : Baht)			
Classification	September 30, 2020		
	LOANS		Total
	Mortgage loans	Other	
Loans which credit risk has not significantly increased (Stage 1)	4,515,953.91	348,713.39	4,864,667.30
Loans which credit risk has significantly increased (Stage 2)	2,075,988.91	-	2,075,988.91
Credit-impaired loans (Stage 3)	-	-	-
Total	6,591,942.82	348,713.39	6,940,656.21
Less: Allowance for expected credit losses	(875,988.91)	-	(875,988.91)
<b>Total - Loans and interest receivables</b>	5,715,953.91	348,713.39	6,064,667.30

10. LOANS AND INTEREST RECEIVABLES (Cont.)

(Unit : Baht)

Classification	December 31, 2019		
	LOANS		
	Mortgage loans	Other	Total
Loans which credit risk has not significantly increased (Stage 1)	7,026,491.11	255,275.45	7,281,766.56
Loans which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired loans (Stage 3)	-	-	-
<b>Total - Loans and interest receivables</b>	<b>7,026,491.11</b>	<b>255,275.45</b>	<b>7,281,766.56</b>

10.1 The collateralized loans are loan facilities provided to employees as part of the credit welfare project for house with interest rate MLR – 1.5% to MOR - 2.0% per annum.

10.2 The collateralized loans are personal loans provided to employees as part of the benefit program with interest rate at MLR - 1.5% per annum to MOR per annum.

10.3 The collateralized loans are loan facilities provided to other person at interest rate MOR-1.5% per annum.

11. PROPERTY, PLANT AND EQUIPMENT

Changing of property, plant and equipment for the nine-month periods ended September 30, 2020 are presented as follows:

	(Unit : Baht)				
	Land	Building	Vehicle	Fixture and office equipment	Total
Net book value					
As at December 31, 2019	41,549,000.00	403,134.29	151,148.58	769,483.22	42,872,766.09
Cost increasing during the period	-	-	-	141,239.25	141,239.25
Net book value disposal during the period	-	-	-	(8,259.81)	(8,259.81)
Depreciation	-	(58,906.73)	(134,080.06)	(274,100.13)	(467,086.92)
As at September 30, 2020	<u>41,549,000.00</u>	<u>344,227.56</u>	<u>17,068.52</u>	<u>628,362.53</u>	<u>42,538,658.61</u>

## 12. INTANGIBLE ASSETS

Changing of intangible assets for the nine-month period ended September 30, 2020 are presented as follows:

	(Unit : Baht)
	Computer program
Net book value as at December 31, 2019	12,449.48
Amortized for the period	(12,444.48)
Net book value as at September 30, 2020	5.00

## 13. DEFERED TAX

13.1 As at September 30, 2020 and December 31, 2019, the component of deferred tax assets and liabilities consist of following items.

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
<b>Deferred tax assets</b>		
Premium reserve	-	2,815,075.28
Loss reserves and outstanding claims	12,135,934.22	9,520,027.38
Loss reserves incurred but not reported (IBNR)	3,888,992.50	3,482,462.01
Allowance for expected credit losses / Allowance for doubtful accounts	4,584,597.41	193,444.27
Employee benefit obligation	2,779,302.10	2,658,953.40
Total	23,388,826.23	18,669,962.34
<b>Deferred tax liabilities</b>		
Premium reserve	2,864,134.74	-
Unrealized gain from investment valuation – Available for sale	2,314,744.43	9,294,522.24
Total	5,178,879.17	9,294,522.24
Deferred tax assets (liabilities) - net	18,209,947.06	9,375,440.10

### 13. DEFERED TAX

13.2 The income tax expenses for the three-month and nine-month periods ended September 30, 2020 and 2019, comprise as follows:-

(Unit : Baht)				
	For the three-month period ended		For the nine-month period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Current income tax:</b>				
Current income tax charge for the period	2,194,331.17	(93,477.76)	7,830,117.57	2,814,079.00
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	1,973,381.75	(1,745,082.79)	(1,854,729.15)	(11,425,862.58)
<b>Income tax expenses reported in statements of comprehensive income</b>	<b>4,167,712.92</b>	<b>(1,838,560.55)</b>	<b>5,975,388.42</b>	<b>(8,611,783.58)</b>

13.3 As at September 30, 2020 and 2019, the amount of income tax relating to the each component of comprehensive income for the three-month and nine-month periods are presented as follows:

(Unit : Baht)				
	For the three-month period ended		For the nine-month period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Deferred tax relating to:				
Change in value of investments measured at fair value through other comprehensive income	4,165,147.46	3,027,941.95	10,102,971.01	1,082,531.96

### 14. OTHER ASSETS

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
Prepaid long-term commission	1,475,560.01	2,288,304.51
Loss recovery from counter parties	4,072,475.67	3,627,883.76
Other Receivables	169,204.91	3,229,010.23
Others	5,004,334.86	4,313,323.62
Less: Allowance for expected credit losses	(1,553,970.48)	-
<b>Total</b>	<b>9,167,604.97</b>	<b>13,458,522.12</b>



15. INSURANCE CONTRACT LIABILITIES

(Unit: Baht)			
September 30, 2020			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	83,738,562.85	(11,596,751.13)	72,141,811.72
- Incurred but not reported claim reserves	23,186,825.68	(3,741,863.21)	19,444,962.47
Premium liabilities - Unearned premium reserves	102,558,978.49	(17,865,163.21)	84,693,815.28
Total	209,484,367.02	(33,203,777.55)	176,280,589.47
December 31, 2019			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	58,808,348.40	(1,472,325.27)	57,336,023.13
- Incurred but not reported claim reserves	26,296,923.99	(8,884,613.96)	17,412,310.03
Premium liabilities - Unearned premium reserves	190,252,535.03	(26,403,451.19)	163,849,083.84
Total	275,357,807.42	(36,760,390.42)	238,597,417.00

Loss reserves and outstanding claims

(Unit: Baht)		
	September 30, 2020	December 31, 2019
Beginning balances	85,105,272.39	55,882,661.30
Claims incurred for the periods	127,223,300.58	160,768,900.65
Changes in claim reserves in previous period/year	5,631,229.85	(10,695,634.97)
Changes in assumption and loss reserve and outstanding claims	(21,390,783.43)	11,301,226.23
Claims paid during the periods	(89,643,630.86)	(132,151,880.82)
Ending balances	106,925,388.53	85,105,272.39

As at September 30, 2020, the Company had loss reserves and outstanding claims under reinsurance contracts of Baht 3.22 million (December 31, 2019: Baht 3.17 million).

15. INSURANCE CONTRACT LIABILITIES (Cont.)

Unearned premium reserve

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
Beginning balances	190,252,535.03	98,236,743.50
Premium written for the period	174,103,864.24	414,856,166.34
Premium earned for the current period	(261,797,420.78)	(322,840,374.81)
Ending balance	102,558,978.49	190,252,535.03

Unexpired risk reserve

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
Balance as at January 1	91,890,236.68	35,158,902.71
Estimated claims for the period	81,213,274.79	172,275,812.81
Expired risk during the period	(126,445,763.02)	(115,544,478.84)
Ending balance	46,657,748.45	91,890,236.68

As at September 30, 2020, the Company has not provided for unexpired risk reserve for the amount of Baht 46.66 million (December 31, 2019, Baht 91.89 million) since unexpired risk reserve is lower than unearned premium reserve.

16. DUE TO REINSURERS

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
Premium ceded payables	11,029,481.36	11,118,758.19
Amount withheld on reinsurance	8,459,812.29	10,554,755.72
Total reinsurance payables	19,489,293.65	21,673,513.91

# 17. EMPLOYEE BENEFIT OBLIGATIONS

(Unit: Baht)

<u>Employee benefits expenses project as determined</u>	<u>For the three-month period ended</u>		<u>For the nine-month period ended</u>	
	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Current service cost	251,070.25	168,811.00	753,210.75	506,433.00
Interest cost	41,324.25	54,789.75	123,972.75	164,369.25
Past service costs from changing				
Employee benefit conversion	-	-	-	3,216,340.00
Total Expenses	<u>292,394.50</u>	<u>223,600.75</u>	<u>877,183.50</u>	<u>3,887,142.25</u>

## As at September 30, 2020

Defined benefit obligations at January 1, 2020	13,294,767.00
Current service cost	753,210.75
Interest cost	123,972.75
Less Benefits paid	<u>(1,358,902.00)</u>
Defined benefit obligations at September 30, 2020	<u>12,813,048.50</u>

Actuarial assumptions to use for calculation: -

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
	<u>(Percentage)</u>	<u>(Percentage)</u>
Discount rate	2.50	1.32
Salary rate increase	2.00	2.25

# 18. OTHER LIABILITIES

(Unit: Baht)

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Accrued expense	4,342,553.58	14,724,486.93
Accrued commission	2,588,497.42	4,281,584.10
Others	<u>13,420,757.84</u>	<u>20,536,271.43</u>
Total	<u>20,351,808.84</u>	<u>39,542,342.46</u>

19. OPERATING EXPENSES

	(Unit: Baht)			
	For the three-month period		For the nine-month period	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
Personal expenses which are not expenses for underwriting and claims	5,839,570.75	5,977,531.08	17,556,071.40	20,546,353.27
Premises and equipment expenses which is not expenses for underwriting	2,321,969.32	2,434,474.28	5,901,657.32	7,150,794.86
Taxes and duties	246,237.32	511,372.25	964,688.14	1,945,923.80
Other operating expenses	1,145,280.25	1,780,027.45	3,761,098.94	4,961,476.02
Total operating expenses	<u>9,553,057.64</u>	<u>10,703,405.06</u>	<u>28,183,515.80</u>	<u>34,604,547.95</u>

20. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	(หน่วย:บาท)			
	For the three-month period		For the six-month period	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
Loans and interest receivables	-	-	875,988.91	-
Other assets	(561,319.78)	-	1,553,970.48	-
Investment in securities	(180,113.34)	-	19,606,023.88	-
Total net impairment losses on financial assets	<u>(741,433.12)</u>	<u>-</u>	<u>22,035,983.27</u>	<u>-</u>

21. EMPLOYEE BENEFIT EXPENSE

		(Unit: Baht)			
		For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2020	2019	2020	2019
<b>Management</b>					
Wages and salaries		2,850,706.00	2,795,706.00	8,742,118.00	8,817,118.00
Pension costs - defined contribution plans		44,952.00	44,952.00	134,856.00	134,856.00
Others		191,360.50	177,778.00	539,463.50	1,788,032.00
		<u>3,087,018.50</u>	<u>3,018,436.00</u>	<u>9,416,437.50</u>	<u>10,740,006.00</u>
<b>Other employees</b>					
Wages and salaries		4,297,248.00	4,395,314.00	12,955,188.00	13,156,987.00
Pension costs - defined contribution plans		67,338.00	63,771.00	173,804.15	173,280.18
Others		372,493.50	407,610.08	992,113.00	3,058,829.09
		<u>4,737,079.50</u>	<u>4,866,695.08</u>	<u>14,121,105.15</u>	<u>16,389,096.27</u>
Total		<u><u>7,824,098.00</u></u>	<u><u>7,885,131.08</u></u>	<u><u>23,537,542.65</u></u>	<u><u>27,129,102.27</u></u>

		(Unit: Baht)			
		For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2020	2019	2020	2019
<b>Management</b>					
Other underwriting expenses		1,286,307.75	1,362,364.50	3,874,954.75	4,759,647.50
Insurance claim and loss adjustments		698,219.50	545,235.50	2,106,516.50	1,823,101.50
Operating expenses		5,839,570.75	5,977,531.08	17,556,071.40	20,546,353.27
Total		<u><u>7,824,098.00</u></u>	<u><u>7,885,131.08</u></u>	<u><u>23,537,542.65</u></u>	<u><u>27,129,102.27</u></u>

## 22. BENEFITS PAID TO DIRECTORS AND KEY MANAGEMENT

Directors' remuneration is benefit paid to the Company's directors in accordance with the Section 90 of the Public Company Limited Act B.E. 2535 (1992) excluded salaries and related benefits to be paid to executive directors.

Benefit expenses paid to chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels consist of salaries, bonus, retirement benefit and meeting allowance.

Directors' remuneration and management benefit expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are presented as follows.

	(Unit: Baht)			
	For the three-month period		For the nine-month period	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
Short-term benefits	2,928,520.00	2,883,073.00	8,940,942.00	8,998,921.00
Long-term benefits	158,498.50	135,363.00	475,495.50	1,741,085.00
Total	<u>3,087,018.50</u>	<u>3,018,436.00</u>	<u>9,416,437.50</u>	<u>10,740,006.00</u>

## 23. Net investment revenues

For the three-month and nine-month periods ended September 30, 2020 and 2019, the Company had revenues relating to investment as follows.

	(Unit: Baht)			
	For the three-month period		For the nine-month period	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
Interest income	2,899,937.96	3,416,899.13	9,275,992.01	9,630,710.33
Dividend	1,614,341.00	2,233,360.37	5,397,663.87	6,458,851.72
Total	<u>4,514,278.96</u>	<u>5,650,259.50</u>	<u>14,673,655.88</u>	<u>16,089,562.05</u>

## 24. CAPITAL FUND MANAGEMENT

The primary objectives of the Company's capital fund management are to ensure that it has an appropriate financial structure, presences the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission (OIC).

25. ASSETS PLEDGED WITH REGISTRAR

As at September 30, 2020 and December 31, 2019, the Company pledged bank deposit in the amount of Baht 14.00 million as collateral with the registrar in accordance with the Section 19 of Insurance Act B.E.2535 (1992).

26. ASSETS RESERVE PLEDGED WITH REGISTRAR

As at September 30, 2020 and December 31, 2019, bank deposit amount of Baht 30.00 million and Baht 55.00 million respectively are used as collateral against premium reserve with the registrar

27. PROVIDENT FUND

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. (1987). The fund is contributed to by the Company and its employees at the equal monthly rate of 3 percent of the employees' basic salary, based on the length of employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Management Company Limited. For the nine-month period ended September 30, 2020 and 2019 the Company contributed to Fund approximately Baht 0.31 million and Baht 0.31 million respectively.

28. LEGAL RESERVE

Under the Section 116 of the Public Companies Act B.E. 2535 (1992), the Company is required to set aside a legal reserve at least 5 % of annual net profit until the cumulative reserve reaches an amount of 10 % of the authorized share capital. Such legal reserve is not available for dividend distribution.

29. RESTRICTED ASSETS WITH COMMITMENT

As at September 30, 2020 and December 31, 2019, the Company pledged bank deposit of Baht 64.93 million and Baht 89.93 million respectively as follows:

	(Unit: Baht)	
	September 30, 2020	December 31, 2019
Bank deposit as collateral for :		
Bank overdraft	20,000,000.00	20,000,000.00
Assets pledged with registrar	14,000,000.00	14,000,000.00
Assets reserve pledged with registrar	30,000,000.00	55,000,000.00
Credit card usage	500,000.00	500,000.00
Electricity usage	430,000.00	430,000.00
Total	64,930,000.00	89,930,000.00

## 29. RESTRICTED ASSETS WITH COMMITMENT (Cont.)

### **Litigation**

29.1. As at September 30, 2020 and December 31, 2019, the Company was sued from act as insurer with the prosecution value of Baht 3.21 million and 0.18 million respective. However, the Company's contingent liabilities from prosecution cases in the value not more than the policy custody amount of Baht 1.18 million and 0.18 million respective. Those prosecution cases have been incompletely considered and the Company expects to win the mostly cases. Nevertheless, the Company recorded the provision for contingent loss amount of Baht 1.19 million and 0.19 million respective in the financial statements.

### **Guarantees**

29.2. As at September 30, 2020 and December 31, 2019, the Company has the unused letter of guarantee issued by bank in the name of the Company for the amount of Baht 0.93 million relating to guarantee for credit card and electricity usage.

### **Operating lease commitments**

29.3. As at September 30, 2020 and December 31, 2019, the Company has commitments to pay under service agreement as follows:

	<i>(Unit : Baht)</i>	
	September 30, 2020	December 31, 2019
Due within 1 year	1,104,800.00	2,464,236.00
Total	1,104,800.00	2,464,236.00

## 30. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company's operations involve the single business segment of non-life insurance, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographical area. And for the purposes of administration. The Company reported operating segments. Divided into categories of products include fire insurance, marine and transport insurance, personal accident insurance and miscellaneous insurance as segment income and profit of the Company for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows.



30. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the three-month period ended September 30, 2020					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	9,310,698.55	1,885,744.43	11,915,763.95	579,865.56	8,166,843.04	31,858,915.33
Less: Premium ceded	(2,548,645.49)	(909,881.40)	(665,635.60)	(256,640.72)	(4,345,300.06)	(8,726,103.27)
Net premium written	6,762,053.06	975,863.03	11,250,128.35	323,224.84	3,821,542.98	23,132,812.26
Add/Less: Unearned premium reserves	259,085.42	(27,008.03)	40,801,983.82	(126,549.36)	59,524.61	40,967,036.46
Earned premium written	7,021,138.48	948,855.00	52,052,112.17	196,675.48	3,881,067.59	64,099,848.72
Fee and commissions income	791,481.38	275,050.08	132,111.78	89,125.38	1,601,469.39	2,889,238.01
<b>Total underwriting income</b>	<b>7,812,619.86</b>	<b>1,223,905.08</b>	<b>52,184,223.95</b>	<b>285,800.86</b>	<b>5,482,536.98</b>	<b>66,989,086.73</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment	2,330,573.30	227,627.26	27,486,989.75	122,269.38	(190,347.89)	29,977,111.80
Commissions and brokerages	2,172,535.89	262,060.04	1,620,726.09	107,550.60	1,390,813.02	5,553,685.64
Other underwriting expenses	770,590.55	463,375.64	3,368,554.59	3,051.33	276,276.09	4,881,848.20
<b>Total underwriting expenses</b>						
<b>before operating expenses</b>	<b>5,273,699.74</b>	<b>953,062.94</b>	<b>32,476,270.43</b>	<b>232,871.31</b>	<b>1,476,741.22</b>	<b>40,412,645.64</b>
Operating expenses						9,553,057.64
(Reversal) Net impairment losses on financial assets						(741,433.12)
<b>Profit on underwriting</b>						<b>17,764,816.57</b>
Net investment income						4,514,278.96
Other income						173,810.26
Profit before income tax expense						22,452,905.79
Income tax (Expense) income						(4,167,712.92)
<b>Profit for the period</b>						<b>18,285,192.87</b>

30. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

For the three-month period ended September 30, 2019						
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	9,181,442.67	2,279,579.26	67,732,219.28	604,244.99	25,137,558.62	104,935,044.82
Less: Premium ceded	(2,037,031.70)	(956,816.75)	(3,418,912.32)	(247,985.77)	(19,130,631.74)	(25,791,378.28)
Net premium written	7,144,410.97	1,322,762.51	64,313,306.96	356,259.22	6,006,926.88	79,143,666.54
Add/Less: Unearned premium reserves	336,201.80	(15,455.79)	(3,306,551.86)	(78,046.59)	(1,323,571.18)	(4,387,423.62)
Earned premium written	7,480,612.77	1,307,306.72	61,006,755.10	278,212.63	4,683,355.70	74,756,242.92
Fee and commissions income	668,141.65	299,705.43	541,567.18	86,121.17	2,796,964.29	4,392,499.72
<b>Total underwriting income</b>	<b>8,148,754.42</b>	<b>1,607,012.15</b>	<b>61,548,322.28</b>	<b>364,333.80</b>	<b>7,480,319.99</b>	<b>79,148,742.64</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment	8,662,601.02	1,385,357.02	27,828,523.90	304,244.60	5,030,669.57	43,211,396.11
Commissions and brokerages	2,153,620.23	327,295.11	8,327,215.68	119,529.17	1,195,661.92	12,123,322.11
Other underwriting expenses	903,621.48	464,128.02	30,376,545.75	2,964.98	1,505,808.31	33,253,068.54
<b>Total underwriting expenses</b>						
<b>before operating expenses</b>	<b>11,719,842.73</b>	<b>2,176,780.15</b>	<b>66,532,285.33</b>	<b>426,738.75</b>	<b>7,732,139.80</b>	<b>88,587,786.76</b>
Operating expenses						10,703,405.06
<b>Loss on underwriting</b>						(20,142,449.18)
Net investment income						5,650,259.50
Gains on investment						3,760,000.00
Other income						3,748,747.33
Loss before income tax expenses						(6,983,442.35)
Income tax expenses						1,838,560.55
<b>Loss for the period</b>						<b>(5,144,881.80)</b>

30. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

For the nine-month period ended September 30, 2020						
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	27,303,346.24	5,107,435.52	116,987,623.38	924,300.01	23,781,159.09	174,103,864.24
Less: Premium ceded	(6,416,880.92)	(2,169,006.60)	(5,976,172.70)	(351,818.40)	(12,294,909.84)	(27,208,788.46)
Net premium written	20,886,465.32	2,938,428.92	111,011,450.68	572,481.61	11,486,249.25	146,895,075.78
Add/Less: Unearned premium reserves	481,541.59	586,535.63	77,572,858.30	(55,558.73)	569,891.77	79,155,268.56
Earned premium written	21,368,006.91	3,524,964.55	188,584,308.98	516,922.88	12,056,141.02	226,050,344.34
Fee and commissions income	1,897,945.56	719,856.52	983,135.55	125,903.38	4,385,241.51	8,112,082.52
<b>Total underwriting income</b>	<b>23,265,952.47</b>	<b>4,244,821.07</b>	<b>189,567,444.53</b>	<b>642,826.26</b>	<b>16,441,382.53</b>	<b>234,162,426.86</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment	2,571,228.94	(639,204.06)	83,533,650.55	277,814.55	3,102,208.51	88,845,698.49
Commissions and brokerages	6,413,589.93	754,225.86	14,645,843.93	160,146.23	3,903,475.42	25,877,281.37
Other underwriting expenses	2,175,106.89	1,386,817.12	45,082,615.47	5,002.39	890,533.35	49,540,075.22
<b>Total underwriting expenses</b>						
<b>before operating expenses</b>	<b>11,159,925.76</b>	<b>1,501,838.92</b>	<b>143,262,109.95</b>	<b>442,963.17</b>	<b>7,896,217.28</b>	<b>164,263,055.08</b>
Operating expenses						28,183,515.80
Net impairment losses on financial assets						22,035,983.27
<b>Profit on underwriting</b>						<b>19,679,872.71</b>
Net investment income						14,673,655.88
Other income						920,077.47
Profit before income tax expenses						35,273,606.06
Income tax expenses						(5,975,388.42)
<b>Profit for the period</b>						<b>29,298,217.64</b>

30. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

For the nine-month period ended September 30, 2019						
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	28,518,111.51	6,902,536.26	246,984,078.88	910,517.86	38,674,017.09	321,989,261.60
Less: Premium ceded	(6,428,225.99)	(2,738,997.35)	(12,488,033.79)	(417,590.90)	(26,123,291.55)	(48,196,139.58)
Net premium written	22,089,885.52	4,163,538.91	234,496,045.09	492,926.96	12,550,725.54	273,793,122.02
Add/Less: Unearned premium reserves	398,457.68	32,765.71	(86,662,238.68)	584,061.20	(222,952.44)	(85,869,906.53)
Earned premium written	22,488,343.20	4,196,304.62	147,833,806.41	1,076,988.16	12,327,773.10	187,923,215.49
Fee and commissions income	2,182,235.45	913,285.32	1,966,031.57	148,802.03	5,381,306.21	10,591,660.58
<b>Total underwriting income</b>	<b>24,670,578.65</b>	<b>5,109,589.94</b>	<b>149,799,837.98</b>	<b>1,225,790.19</b>	<b>17,709,079.31</b>	<b>198,514,876.07</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment	8,342,272.68	3,384,738.92	63,296,901.58	712,624.39	5,512,632.76	81,249,170.33
Commissions and brokerages	6,726,173.22	1,013,770.84	30,289,179.95	116,276.36	3,501,506.52	41,646,906.89
Other underwriting expenses	2,380,637.81	1,476,085.61	117,882,649.79	5,635.97	2,235,952.51	123,980,961.69
<b>Total underwriting expenses</b>						
<b>before operating expenses</b>	<b>17,449,083.71</b>	<b>5,874,595.37</b>	<b>211,468,731.32</b>	<b>834,536.72</b>	<b>11,250,091.79</b>	<b>246,877,038.91</b>
Operating expenses						34,604,547.95
<b>Loss on underwriting</b>						(82,966,710.79)
Net investment income						16,089,562.05
Gains on investment						17,104,980.00
Other income						13,267,102.58
Loss before income tax expenses						(36,505,066.16)
Income tax expenses						8,611,783.58
<b>Loss for the period</b>						<b>(27,893,282.58)</b>

### 30. FINANCIAL INFORMATION BY SEGMENT (Cont.)

The following table presents segment assets and liabilities of the Company's operating segments as at September 30, 2020 and December 31, 2019 are as follows:

	(Unit: Baht)						
	fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Unallocated assets	Total
<b><u>Assets</u></b>							
As at September 30, 2020	17,445,736.60	3,510,297.85	14,057,597.56	487,386.65	26,289,023.14	738,132,593.31	799,922,635.11
As at December 31, 2019	26,201,916.22	5,520,159.35	33,505,304.37	658,396.05	36,177,533.29	798,287,040.45	900,350,349.73
<b><u>Liabilities</u></b>							
As at September 30, 2020	48,410,492.34	7,978,681.74	146,377,717.74	920,257.72	34,608,338.16	37,686,115.85	275,981,603.55
As at December 31, 2019	47,626,427.34	10,306,664.74	219,200,972.59	859,757.16	36,096,572.10	57,698,030.60	371,788,424.53

### 31. DIVIDEND PAYMENT

According to the resolution of annual general shareholders' meeting for the year 2019 held on July 22, 2020.

The company passed resolution to pay dividend to the shareholders from result of its operation of the year 2019 at the rate Baht 0.50 per share for 12 million shares total amount of Baht 6 million. The company already paid dividend on April 30, 2020 was approved by the shareholder meeting of the year 2020 held on March 30, 2020.

According to the resolution of annual general shareholders' meeting for the year 2018 held on April 24, 2019.

The company passed resolution to pay dividend to the shareholders from result of its operation of the year 2018 at the rate Baht 0.50 per share for 12 million shares total amount of Baht 6 million. The company already paid dividend on May 24, 2019.

32. Reclassification

The financial position as at December 31, 2019 has been reclassified in accordance with presentation statement of financial position as at September 30, 2020.

	(Unit: Baht)		
	As at December 31, 2019		
	As Previously reported	Reclassification	As reclassified
<b><u>STATEMENT OF FINANCIAL POSITION</u></b>			
Due to reinsurers:			
Due to reinsurers	20,985,069.98	688,443.93	21,673,513.91
Others liabilities:			
Other	40,230,786.39	(688,443.93)	39,542,342.46
<b>Total</b>	<b><u>61,215,856.37</u></b>	<b><u>-</u></b>	<b><u>61,215,856.37</u></b>

33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved to be issued by authorized directors on November 11, 2020.