

The Navakij Insurance Public Company Limited
Review report and interim financial information
31 March 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of The Navakij Insurance Public Company Limited

I have reviewed the accompanying statements of financial position, in which the equity method is applied, of The Navakij Insurance Public Company Limited as at 31 March 2021, the related statements of income, comprehensive income, changes in equity and cash flows, in which the equity method is applied, for the three-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information of The Navakij Insurance Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 11 May 2021

The Navakij Insurance Public Company Limited

Statements of financial position

As at 31 March 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	3	176,412,772	263,536,309	176,412,772	263,536,309
Premium receivables	4	387,908,766	495,415,614	387,908,766	495,415,614
Accrued investment income		10,750,671	6,310,348	10,750,671	6,310,348
Reinsurance assets	5	471,369,759	530,518,011	471,369,759	530,518,011
Reinsurance receivables	6	256,336,550	598,821,741	256,336,550	598,821,741
Investment assets					
Investments in securities	7	3,467,999,121	3,242,393,635	3,467,999,121	3,242,393,635
Loans and interest receivables		555,424	644,535	555,424	644,535
Investments in associates	8	24,942,855	24,810,808	33,337,976	33,337,976
Property, building and equipment	9	211,587,022	212,575,466	211,587,022	212,575,466
Right-of-use assets	10	49,634,980	57,274,903	49,634,980	57,274,903
Intangible assets		21,032,411	19,009,224	21,032,411	19,009,224
Deferred tax assets	11	214,874,581	234,453,056	202,150,638	221,702,704
Other assets					
Claims receivable from litigants	12	97,131,560	104,296,360	97,131,560	104,296,360
Deposits on rice field insurance scheme		88,057,584	148,316,496	88,057,584	148,316,496
Others		128,009,054	139,557,665	128,009,054	139,557,665
Total assets		5,606,603,110	6,077,934,171	5,602,274,288	6,073,710,987

The accompanying notes are an integral part of the financial statements.

The Navakij Insurance Public Company Limited
Statements of financial position (continued)
As at 31 March 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Insurance contract liabilities	13	2,517,979,602	2,639,423,125	2,517,979,602	2,639,423,125
Due to reinsurers	14	586,298,715	967,658,760	586,298,715	967,658,760
Income tax payable		21,224,584	25,976,848	21,224,584	25,976,848
Lease liabilities	10	47,943,323	54,273,631	47,943,323	54,273,631
Employee benefit obligations		66,242,197	63,575,523	66,242,197	63,575,523
Other liabilities					
Fee and commission payables		96,884,393	103,786,940	96,884,393	103,786,940
Accrued expenses		44,347,841	63,270,571	44,347,841	63,270,571
Others		58,913,797	65,412,256	58,913,797	65,412,256
Total liabilities		3,439,834,452	3,983,377,654	3,439,834,452	3,983,377,654
Equity					
Share capital					
Registered					
35,000,000 ordinary shares of Baht 10 each		350,000,000	350,000,000	350,000,000	350,000,000
Issued and paid up					
35,000,000 ordinary shares of Baht 10 each		350,000,000	350,000,000	350,000,000	350,000,000
Share premium		647,275,073	647,275,073	647,275,073	647,275,073
Retained earnings					
Appropriated					
Statutory reserve		35,000,000	35,000,000	35,000,000	35,000,000
General reserve		20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		1,103,713,522	1,053,031,005	1,049,257,272	998,292,067
Other components of equity		10,780,063	(10,749,561)	60,907,491	39,766,193
Total equity		2,166,768,658	2,094,556,517	2,162,439,836	2,090,333,333
Total liabilities and equity		5,606,603,110	6,077,934,171	5,602,274,288	6,073,710,987

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

The Navakij Insurance Public Company Limited**Statements of income****For the three-month period ended 31 March 2021**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Income					
Gross premium written		728,457,210	753,169,436	728,457,210	753,169,436
Less: Premiums ceded to reinsurers		(158,152,052)	(146,695,505)	(158,152,052)	(146,695,505)
Net premium written		570,305,158	606,473,931	570,305,158	606,473,931
Add (less): Unearned premium reserves (increase)					
decrease from prior period		56,408,654	(27,402,170)	56,408,654	(27,402,170)
Net earned premium		626,713,812	579,071,761	626,713,812	579,071,761
Fee and commission income		35,872,126	26,952,201	35,872,126	26,952,201
Share of loss from investments in associates	8.3	(353,360)	(194,873)	-	-
Investments income	15	11,770,020	15,939,423	11,770,020	15,939,423
Profit on investments		972,925	3,706,492	972,925	3,706,492
Fair value gain (loss)		23,825,629	(136,505,528)	23,825,629	(136,505,528)
Other income		148,129	988,393	148,129	988,393
Total income		698,949,281	489,957,869	699,302,641	490,152,742
Expenses					
Gross claim and loss adjustment expenses		415,635,031	475,277,844	415,635,031	475,277,844
Less: Claim recovery from reinsurers		(46,685,565)	(111,773,457)	(46,685,565)	(111,773,457)
Commission and brokerage expenses		121,130,606	128,233,092	121,130,606	128,233,092
Other underwriting expenses		51,569,829	63,932,601	51,569,829	63,932,601
Operating expenses		84,674,794	88,522,593	84,674,794	88,522,593
Financial costs		651,773	644,785	651,773	644,785
Expected credit loss	16	7,094,227	8,304,151	7,094,227	8,304,151
Total expenses		634,070,695	653,141,609	634,070,695	653,141,609
Profit (loss) before income tax expenses		64,878,586	(163,183,740)	65,231,946	(162,988,867)
Income tax revenues (expenses)	11.2	(14,196,069)	31,899,578	(14,266,741)	31,860,603
Profit (loss) for the period		50,682,517	(131,284,162)	50,965,205	(131,128,264)
Earnings (loss) per share					
Basic (earnings) loss per share	17	1.45	(3.75)	1.46	(3.75)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

The Navakij Insurance Public Company Limited
Statements of comprehensive income
For the three-month period ended 31 March 2021

(Unit: Baht)

Note	Financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the period	<u>50,682,517</u>	<u>(131,284,162)</u>	<u>50,965,205</u>	<u>(131,128,264)</u>
Other comprehensive income				
Other comprehensive income to be reclassified to profit and loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency	8.3	485,407	2,055,715	-
Gain (loss) on changes in value of available-for-sale investments which are measured at fair value through other comprehensive income		26,426,623	(125,814,229)	26,426,623
Income tax effect		(5,382,406)	24,751,703	(5,285,325)
Other comprehensive income to be reclassified to profit and loss in subsequent periods - net of tax (loss)		<u>21,529,624</u>	<u>(99,006,811)</u>	<u>21,141,298</u>
Total comprehensive income for the period (loss)		<u><u>72,212,141</u></u>	<u><u>(230,290,973)</u></u>	<u><u>72,106,503</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

The Navakij Insurance Public Company Limited**Statements of cash flows****For the three-month period ended 31 March 2021**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Direct premium written	808,965,888	776,246,381	808,965,888	776,246,381
Cash received (paid) for reinsurance	(86,468,214)	42,899,532	(86,468,214)	42,899,532
Interest income	3,234,743	6,029,190	3,234,743	6,029,190
Dividend income	4,196,457	5,924,218	4,196,457	5,924,218
Other income	3,023,799	3,045,841	3,023,799	3,045,841
Loss incurred and loss adjustment expenses on				
direct insurance	(384,525,215)	(435,167,401)	(384,525,215)	(435,167,401)
Commission and brokerage on direct insurance	(125,099,011)	(127,621,679)	(125,099,011)	(127,621,679)
Other underwriting expenses	(56,009,109)	(64,792,451)	(56,009,109)	(64,792,451)
Operating expenses	(84,833,268)	(79,677,199)	(84,833,268)	(79,677,199)
Income tax revenues (expenses)	(4,752,265)	6,027,886	(4,752,265)	6,027,886
Cash received - financial assets	493,579,712	486,541,014	493,579,712	486,541,014
Cash paid - financial assets	(649,017,431)	(639,981,947)	(649,017,431)	(639,981,947)
Net cash used in operating activities	(77,703,914)	(20,526,615)	(77,703,914)	(20,526,615)
Cash flows from (used in) investing activities				
Purchases of property, building and equipment	(2,668,302)	(418,690)	(2,668,302)	(418,690)
Purchases of intangible assets	(3,032,822)	-	(3,032,822)	-
Disposals of property, building and equipment	202,184	210,364	202,184	210,364
Net cash used in investing activities	(5,498,940)	(208,326)	(5,498,940)	(208,326)
Cash flows from (used in) financing activities				
Repayment of lease liabilities	(3,967,891)	(5,777,507)	(3,967,891)	(5,777,507)
Net cash used in financing activities	(3,967,891)	(5,777,507)	(3,967,891)	(5,777,507)
Net decrease in cash and cash equivalents	(87,170,745)	(26,512,448)	(87,170,745)	(26,512,448)
Cash and cash equivalents at beginning of period	263,536,309	139,646,681	263,536,309	139,646,681
Add (less): Decrease (Increase) in expected credit loss	47,208	(29,367)	47,208	(29,367)
Cash and cash equivalents at end of period	176,412,772	113,104,866	176,412,772	113,104,866

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

The Navakij Insurance Public Company Limited

Statements of changes in equity

For the three-month period ended 31 March 2021

(Unit: Baht)

	Financial statements in which the equity method is applied								
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity		Total other components of equity	Total
			Appropriated		Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of investments in securities		
			Statutory reserve	General reserve					
Balance as at 1 January 2020	350,000,000	647,275,073	35,000,000	20,000,000	1,047,820,233	(5,349,436)	(28,259,002)	(33,608,438)	2,066,486,868
Cumulative effect of change in accounting policy	-	-	-	-	(20,430,043)	-	104,105,085	104,105,085	83,675,042
Balance as at 1 January 2020 - as restated	350,000,000	647,275,073	35,000,000	20,000,000	1,027,390,190	(5,349,436)	75,846,083	70,496,647	2,150,161,910
Loss for the period	-	-	-	-	(131,284,162)	-	-	-	(131,284,162)
Other comprehensive income for the period (loss)	-	-	-	-	-	1,644,572	(100,651,383)	(99,006,811)	(99,006,811)
Balance as at 31 March 2020	350,000,000	647,275,073	35,000,000	20,000,000	896,106,028	(3,704,864)	(24,805,300)	(28,510,164)	1,919,870,937
Balance as at 1 January 2021	350,000,000	647,275,073	35,000,000	20,000,000	1,053,031,005	(6,336,078)	(4,413,483)	(10,749,561)	2,094,556,517
Profit for the period	-	-	-	-	50,682,517	-	-	-	50,682,517
Other comprehensive income for the period	-	-	-	-	-	388,326	21,141,298	21,529,624	21,529,624
Balance as at 31 March 2021	350,000,000	647,275,073	35,000,000	20,000,000	1,103,713,522	(5,947,752)	16,727,815	10,780,063	2,166,768,658

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

The Navakij Insurance Public Company Limited
Statements of changes in equity (Continued)
For the three-month period ended 31 March 2021

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity - surplus (deficit) on changes in value of investments	
			Appropriated		Unappropriated	in securities	Total
			Statutory reserve	General reserve			
Balance as at 1 January 2020	350,000,000	647,275,073	35,000,000	20,000,000	1,000,237,594	(28,259,002)	2,024,253,665
Cumulative effect of change in accounting policy	-	-	-	-	(20,430,043)	148,284,761	127,854,718
Balance as at 1 January 2020 - as restated	350,000,000	647,275,073	35,000,000	20,000,000	979,807,551	120,025,759	2,152,108,383
Loss for the period	-	-	-	-	(131,128,264)	-	(131,128,264)
Other comprehensive income for the period (loss)	-	-	-	-	-	(100,651,383)	(100,651,383)
Balance as at 31 March 2020	350,000,000	647,275,073	35,000,000	20,000,000	848,679,287	19,374,376	1,920,328,736
Balance as at 1 January 2021	350,000,000	647,275,073	35,000,000	20,000,000	998,292,067	39,766,193	2,090,333,333
Profit for the period	-	-	-	-	50,965,205	-	50,965,205
Other comprehensive income for the period	-	-	-	-	-	21,141,298	21,141,298
Balance as at 31 March 2021	350,000,000	647,275,073	35,000,000	20,000,000	1,049,257,272	60,907,491	2,162,439,836

The accompanying notes are an integral part of the financial statements.

The Navakij Insurance Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2021

1. General information

1.1 Corporate information

The Navakij Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the non-life insurance and has 25 branches located in provinces. The registered office of the Company, which is the head office, is at 100/47-55, and 90/3-6, North Sathorn Road, Silom, Bangrak, Bangkok.

1.2 The Covid-19 pandemic

The Covid-19 pandemic is continuing to evolve, and is directly and indirectly affecting businesses in many sectors, resulting in an economic slowdown and significant instability in money markets and capital markets. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis for preparation of the financial information

2.1 Basis for preparation of the interim financial information

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, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, the interim financial information focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language financial information.

2.2 Financial information in which the equity method is applied

The Company prepares the financial information, in which equity method is applied, by presented investment in associates under the equity method.

2.3 Separate financial information

The separate financial information has been prepared, which presented investments in associates under the cost method.

2.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that became effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

2.5 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 31 December 2020.

3. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2021	31 December 2020
Cash on hand	257,000	307,000
Deposits at banks with no fixed maturity date	176,195,799	263,316,544
Cash and cash equivalents	176,452,799	263,623,544
Less: Allowance for expected credit loss	(40,027)	(87,235)
Total cash and cash equivalents, net	<u>176,412,772</u>	<u>263,536,309</u>

4. Premium receivables

As at 31 March 2021 and 31 December 2020, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Not yet due	262,814,955	411,362,456
Not over 30 days	72,919,727	56,626,095
Over 31 days to 60 days	38,588,333	17,974,664
Over 61 days to 90 days	10,354,373	2,878,475
Over 91 days to 1 year	3,866,320	8,715,044
Over 1 year	5,853,338	4,288,660
Total premium receivables	394,397,046	501,845,394
Less: Allowance for doubtful accounts	(6,488,280)	(6,429,780)
Total premium receivables, net	<u>387,908,766</u>	<u>495,415,614</u>

5. Reinsurance assets

	(Unit: Baht)	
	31 March 2021	31 December 2020
Insurance reserve refundable from reinsurers		
Claims reserve	131,010,173	153,880,298
Unearned premium reserve	340,359,586	376,637,713
Reinsurance assets	<u>471,369,759</u>	<u>530,518,011</u>

6. Reinsurance receivables

	(Unit: Baht)	
	31 March 2021	31 December 2020
Amounts deposit on reinsurance	145,408	145,408
Amounts due from reinsurers	256,191,142	598,676,333
Total	256,336,550	598,821,741

As at 31 March 2021 and 31 December 2020, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Not yet due	207,889,635	251,573,288
Not over 1 year	30,902,232	269,586,242
Over 1 year to 2 years	17,293,729	77,429,861
Over 2 years	105,546	86,942
Total amounts due from reinsurers	256,191,142	598,676,333

7. Investments in securities**7.1 Classified by type of investments**

	(Unit: Baht)			
	Financial statements in which the equity method is applied			
	31 March 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at fair value through profit or loss (FVPL)				
Equity instruments	443,229,008	462,814,206	445,368,008	424,182,917
Unit trusts	156,267,420	99,157,640	156,267,420	116,102,300
Total	599,496,428	561,971,846	601,635,428	540,285,217
Less: Unrealised loss	(37,524,582)		(61,350,211)	
Total	561,971,846		540,285,217	

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied			
	31 March 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
measured at fair value through				
other comprehensive income				
(FVOCI)				
Government and state enterprise securities	1,125,582,845	1,125,962,039	979,883,319	980,893,657
Private debt securities	461,000,699	462,887,300	364,869,420	367,437,373
Equity instruments	268,883,197	225,470,263	262,837,897	194,781,440
Non-listed equity instruments	104,905,795	199,921,121	104,905,795	199,921,121
Foreign equity instruments	37,200,000	41,909,004	37,200,000	41,909,004
Unit trusts	255,173,041	201,891,494	255,585,212	199,229,535
Total	2,252,745,577	2,258,041,221	2,005,281,643	1,984,172,130
Add (less): Unrealised gain (loss)	20,909,769		(5,516,854)	
Less: Allowance for expected credit loss	(260,901)		(239,435)	
Less: Allowance for impairment	(15,353,224)		(15,353,224)	
Total	2,258,041,221		1,984,172,130	
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	30,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which matured over 3 months	618,126,506		688,126,506	
Total	648,126,506		718,126,506	
Less: Allowance for expected credit loss	(140,452)		(190,218)	
Total	647,986,054		717,936,288	
Total investments in securities	3,467,999,121		3,242,393,635	

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	31 March 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at FVPL				
Equity instruments	443,229,008	462,814,206	445,368,008	424,182,917
Unit trusts	156,267,420	99,157,640	156,267,420	116,102,300
Total	599,496,428	561,971,846	601,635,428	540,285,217
Less: Unrealised loss	(37,524,582)		(61,350,211)	
Total	561,971,846		540,285,217	
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	1,125,582,845	1,125,962,039	979,883,319	980,893,657
Private debt securities	461,000,699	462,887,300	364,869,420	367,437,373
Equity instruments	268,883,197	225,470,263	262,837,897	194,781,440
Non-listed equity instruments	49,681,200	199,921,121	49,681,200	199,921,121
Foreign equity instruments	37,200,000	41,909,004	37,200,000	41,909,004
Unit trusts	255,173,041	201,891,494	255,585,212	199,229,535
Total	2,197,520,982	2,258,041,221	1,950,057,048	1,984,172,130
Add: Unrealised gain	76,134,364		49,707,741	
Less: Allowance for expected credit loss	(260,901)		(239,435)	
Less: Allowance for impairment	(15,353,224)		(15,353,224)	
Total	2,258,041,221		1,984,172,130	
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	30,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which matured over 3 months	618,126,506		688,126,506	
Total	648,126,506		718,126,506	
Less: Allowance for expected credit loss	(140,452)		(190,218)	
Total	647,986,054		717,936,288	
Total investments in securities	3,467,999,121		3,242,393,635	

7.2 Classified by stage of credit risk

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 March 2021		31 December 2020	
	Fair value	Allowance for expected credit loss which is recognised in profit or loss	Fair value	Allowance for expected credit loss which is recognised in profit or loss
Available-for-sale investments measured at FVOCI				
Stage 1 - Debt securities without a significant increase in credit risk				
Government and state enterprise securities	1,125,962,039	-	980,893,657	-
Private debt securities	462,887,300	(260,901)	367,437,373	(239,435)
Total	1,588,849,339	(260,901)	1,348,331,030	(239,435)

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 March 2021		
	Carrying value - gross	Allowance for expected credit loss which is recognised in profit or loss	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase in credit risk			
Government and state enterprise securities	30,000,000	(6,105)	29,993,895
Deposits and certificate of deposits at financial institutions which matured over 3 months	618,126,506	(134,347)	617,992,159
Total	648,126,506	(140,452)	647,986,054

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements		
	31 December 2020		
	Carrying value - gross	Allowance for expected credit loss which is recognised in profit or loss	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities with no significant increase in credit risk			
Government and state enterprise securities	30,000,000	(6,105)	29,993,895
Deposits and certificate of deposits at financial institutions which are matured over 3 months	688,126,506	(184,113)	687,942,393
Total	718,126,506	(190,218)	717,936,288

7.3 Investments subject to restriction and obligation

As at 31 March 2021 and 31 December 2020, the Company had pledged certain assets as securities and insurance reserves with the Registrar of the Office of Insurance Commission in accordance with the Non-life Insurance Act and pledged for non-life insurance project as required in the normal course of business of the Company as described below.

(Unit: Baht)

	31 March 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Assets pledged				
Government bonds	15,000,000	16,025,364	15,000,000	16,171,969
Assets reserve as non-life insurance reserve				
Government and state enterprise securities	293,000,000	292,838,214	293,000,000	292,693,731
Non-life insurance project				
Government and state enterprise securities	10,000,000	10,000,000	10,000,000	10,000,000

8. Investments in associates

8.1 Details of associates

As at 31 March 2021 and 31 December 2020, the Company has investments in TKI General Insurance Company Limited and TKI Life Insurance Company Limited, which are incorporated in Laos, as detailed below:

(Unit: Baht)

Company's name	Nature of business	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
		31 March 2021	31 December 2020	Book value		Cost/Book value	
		(%)	(%)	31 March 2021	31 December 2020	31 March 2021	31 December 2020
TKI General Insurance Company Limited	Non-life insurance	32.50	32.50	12,152,453	11,956,098	21,628,040	21,628,040
TKI Life Insurance Company Limited	Life insurance	32.50	32.50	12,790,402	12,854,710	21,628,039	21,628,039
Total				24,942,855	24,810,808	43,256,079	43,256,079
Less: Allowance for impairment				-	-	(9,918,103)	(9,918,103)
Investments in associates - net				<u>24,942,855</u>	<u>24,810,808</u>	<u>33,337,976</u>	<u>33,337,976</u>

8.2 Financial information of associates

Summarised financial position

(Unit: Baht)

	31 March 2021		31 December 2020	
	TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited
Total assets	51,442,045	46,743,052	51,918,175	43,725,452
Total liabilities	(14,049,882)	(7,387,969)	(15,130,183)	(4,172,497)
Net assets	<u>37,392,163</u>	<u>39,355,083</u>	<u>36,787,992</u>	<u>39,552,955</u>
Shareholding percentage (%)	32.50	32.50	32.50	32.50
Book value of the associates based on equity method	12,152,453	12,790,402	11,956,098	12,854,710

Summarised comprehensive income

(Unit: Baht)

	For the three-month periods ended 31 March			
	2021		2020	
	TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited
Revenues	2,507,725	1,641,834	1,860,239	1,599,120
Gain (loss) for the periods	115,536	(1,202,798)	(10,088)	(589,520)
Other comprehensive income				
- exchange differences on translation of financial statements in foreign currency	488,635	1,004,926	3,121,686	3,203,590
Total comprehensive income (loss)	604,171	(197,872)	3,111,598	2,614,070

The financial information of associated companies as the above tables were prepared by the management of such company.

8.3 Shares of loss from investments in associated companies and dividend received

During the three-month periods ended 31 March 2021 and 2020, the Company recognised its share of loss from investments in associated companies in the financial statements, in which the equity method is applied, and recognised dividend income in the separate financial statements as follows:

Associates	Financial statements in which the equity method is applied				Separate financial statements	
	Share of gain (loss) from statement of income		Exchange differences on translation from statement of comprehensive income		Dividend received	
	2021	2020	2021	2020	2021	2020
TKI General Insurance Company Limited	37,549	(3,279)	158,806	1,014,548	-	-
TKI Life Insurance Company Limited	(390,909)	(191,594)	326,601	1,041,167	-	-
	(353,360)	(194,873)	485,407	2,055,715	-	-

9. Property, building and equipment

Movement of property, building and equipment for the three-month period ended 31 March 2021 is summarised below:

(Unit: Baht)

	Land	Buildings	Condominium	Building improvements	Furniture, fixture and equipment	Motor vehicles	Assets under construction	Total
Net book value as at 1								
January 2021	5,385,371	12,884,952	111,849,730	66,538,265	9,557,218	6,359,930	-	212,575,466
Additions during period - cost	-	-	-	-	2,626,202	-	42,100	2,668,302
Disposals during period - net book value	-	-	-	-	(12,452)	(5,402)	-	(17,854)
Depreciation for the period	-	(172,134)	(745,328)	(1,115,604)	(1,314,577)	(291,249)	-	(3,638,892)
Net book value as at 31								
March 2021	<u>5,385,371</u>	<u>12,712,818</u>	<u>111,104,402</u>	<u>65,422,661</u>	<u>10,856,391</u>	<u>6,063,279</u>	<u>42,100</u>	<u>211,587,022</u>

10. Leases

10.1 Right-of-use assets

Movement of right-of-use assets for the three-month period ended 31 March 2021 is summarised below:

(Unit: Baht)

	Lease buildings	Office equipment	Motor vehicles	Computer software	Total
As at 1 January 2021	40,262,258	6,817,373	9,024,149	1,171,123	57,274,903
Cancelled during period	(3,008,157)	-	-	-	(3,008,157)
Depreciation for the period	<u>(2,922,863)</u>	<u>(746,901)</u>	<u>(920,503)</u>	<u>(41,499)</u>	<u>(4,631,766)</u>
As at 31 March 2021	<u>34,331,238</u>	<u>6,070,472</u>	<u>8,103,646</u>	<u>1,129,624</u>	<u>49,634,980</u>

10.2 Lease liabilities

(Unit: Baht)

	Lease buildings	Office equipment	Motor vehicles	Total
Lease liabilities as at 1 January 2021	43,064,129	2,978,725	8,230,777	54,273,631
Cancelled during the period	(3,008,157)	-	-	(3,008,157)
Add: Financial cost for the period	533,976	35,258	85,886	655,120
Less: Lease payments during the period	<u>(2,558,733)</u>	<u>(288,100)</u>	<u>(1,130,438)</u>	<u>(3,977,271)</u>
Lease liabilities as at 31 March 2021	<u>38,031,215</u>	<u>2,725,883</u>	<u>7,186,225</u>	<u>47,943,323</u>

11. Deferred tax assets and income tax expenses

11.1 Deferred tax assets

The components of deferred tax assets and liabilities as at 31 March 2021 and 31 December 2020 are as follows:

	(Unit: Baht)			
	Financial statements in which the equity method is applied			
	Balance as at		Changes in deferred tax assets and liabilities recognised in profit or loss for the three-month periods ended	
	31 March	31 December	31 March	
	2021	2020	2021	2020
Deferred tax assets				
Unearned premium reserve	67,431,763	75,819,992	(8,388,229)	(5,282,022)
Allowance for loss on impairment of investments	3,070,645	3,070,645	-	-
Allowance for expected credit loss	41,281,821	39,862,976	1,418,845	1,660,831
Allowance for doubtful accounts	120,764	453,824	(333,060)	671,001
Loss reserves	65,471,357	66,105,532	(634,175)	3,046,524
Provision for loss incurred but not reported (IBNR)	8,651,694	8,916,089	(264,395)	(806,010)
Employee benefit obligations	15,584,239	18,700,944	(3,116,705)	292,249
Unutilised tax loss	1,827,560	-	1,827,560	6,426,992
Share of loss from investments in associates	3,662,644	3,689,053	70,672	38,975
Unrealised loss on changes in value of available-for-sale investments	-	1,103,372		
Fair value loss	7,504,916	12,270,042	(4,765,126)	27,301,106
Others	11,893,261	11,708,847	184,414	(1,422,513)
Total	226,500,664	241,701,316		
Deferred tax liabilities				
Unrealised gain on changes in value of available-for-sale investments	4,181,953	-		
Difference of investment cost arising from reclassification	7,444,130	6,822,493	(621,637)	-
Others	-	425,767	425,767	(27,555)
Total	11,626,083	7,248,260		
Deferred tax assets - net	214,874,581	234,453,056		
Total change			(14,196,069)	31,899,578

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	Balance as at		Changes in deferred tax assets and liabilities recognised in profit or loss for the three-month periods ended	
	31 March	31 December	31 March	
	2021	2020	2021	2020
Deferred tax assets				
Unearned premium reserve	67,431,763	75,819,992	(8,388,229)	(5,282,022)
Allowance for loss on impairment of investments	3,070,645	3,070,645	-	-
Allowance for loss on impairment of investments in associates	1,983,621	1,983,621	-	-
Allowance for expected credit loss	41,281,821	39,862,976	1,418,845	1,660,831
Allowance for doubtful accounts	120,764	453,824	(333,060)	671,001
Loss reserves	65,471,357	66,105,532	(634,175)	3,046,524
Provision for loss incurred but not reported (IBNR)	8,651,694	8,916,089	(264,395)	(806,010)
Employee benefit obligations	15,584,239	18,700,944	(3,116,705)	292,249
Unutilised tax loss	1,827,560	-	1,827,560	6,426,992
Fair value loss	7,504,916	12,270,042	(4,765,126)	27,301,106
Others	11,893,261	11,708,847	184,414	(1,422,513)
Total	224,821,641	238,892,512		
Deferred tax liabilities				
Unrealised gain on changes in value of available-for-sale investments	15,226,873	9,941,548		
Difference of investment cost arising from reclassification	7,444,130	6,822,493	(621,637)	-
Others	-	425,767	425,767	(27,555)
Total	22,671,003	17,189,808		
Deferred tax assets - net	202,150,638	221,702,704		
Total change			(14,266,741)	31,860,603

11.2 Income tax expenses (revenues)

Income tax expenses (revenues) for the three-month periods ended 31 March 2021 and 2020 are made up as follows:

(Unit: Baht)

	Financial statements in which the			
	equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge for the periods	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	14,196,069	(31,899,578)	14,266,741	(31,860,603)
Income tax expenses (revenues) reported instatement of income	14,196,069	(31,899,578)	14,266,741	(31,860,603)

Reconciliation between income tax expenses (revenues) and the product of accounting profit (loss) multiplied by the applicable tax rate for the three-month periods ended 31 March 2021 and 2020 are as follows:

(Unit: Baht)

	Financial statements in which the			
	equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before tax	64,878,587	(163,183,740)	65,231,947	(162,988,867)
Applicable tax rate	20%	20%	20%	20%
Tax expenses at the applicable tax rate	12,975,717	(32,636,748)	13,046,389	(32,597,773)
Effects of:				
Exempted expenses	1,384,021	1,184,343	1,384,021	1,184,343
Allowed additional expense deductions	(163,669)	(447,173)	(163,669)	(447,173)
Income tax expenses (revenues) reported in statement of income	14,196,069	(31,899,578)	14,266,741	(31,860,603)

12. Claims receivable from litigants

Claims receivable from litigants classified by the year of the claims incurred are as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Claim years		
Year 2021	30,414,304	-
Year 2020	82,553,965	99,888,861
Year 2019	38,112,488	42,686,952
Year 2018	31,069,171	33,056,616
Year 2017	28,976,733	30,062,106
Prior to 2017	91,969,214	97,394,517
Total claims receivable from litigants	303,095,875	303,089,052
Less: Allowance for expected credit loss	(205,964,315)	(198,792,692)
Claims receivable from litigants, net	97,131,560	104,296,360

13. Insurance contract liabilities

	(Unit: Baht)		
	31 March 2021		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	747,094,388	(89,401,653)	657,692,735
Claim incurred but not reported	84,866,989	(41,608,520)	43,258,469
Premium reserves			
Unearned premium reserves	1,686,018,225	(340,359,586)	1,345,658,639
Total	2,517,979,602	(471,369,759)	2,046,609,843
			(Unit: Baht)
	31 December 2020		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	761,833,498	(99,576,123)	662,257,375
Claim incurred but not reported	98,884,621	(54,304,175)	44,580,446
Premium reserves			
Unearned premium reserves	1,778,705,006	(376,637,713)	1,402,067,293
Total	2,639,423,125	(530,518,011)	2,108,905,114

13.1 Claim reserves and outstanding claims

(Unit: Baht)

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balance	860,718,119	938,426,814
Claim expenses for the periods	466,943,271	1,976,494,863
Change in claim reserves and outstanding claims from the prior periods	(25,469,455)	(174,781,120)
Change in assumption for calculating claim reserves	(14,017,632)	(2,785,298)
Claim paid during the periods	(456,212,926)	(1,876,637,140)
Ending balance	<u>831,961,377</u>	<u>860,718,119</u>

As at 31 March 2021, the Company has claim reserves and outstanding claims under reinsurance contracts at Baht6.1 million(31 December 2020: Baht 5.3 million).

13.2 Unearned premium reserves

(Unit: Baht)

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balance	1,778,705,006	1,642,685,707
Premium written for the periods	728,457,210	3,326,060,853
Premium earned for the current periods	(821,143,991)	(3,190,041,554)
Ending balance	<u>1,686,018,225</u>	<u>1,778,705,006</u>

14. Due to reinsurers

(Unit: Baht)

	31 March 2021	31 December 2020
Amounts withheld on reinsurance	237,329,293	321,305,350
Amounts due to reinsurers	348,969,422	646,353,410
Total due to reinsurers	<u>586,298,715</u>	<u>967,658,760</u>

15. Investments income

During the three-month periods ended 31 March 2021 and 2020, the Company has investments income as follows:

(Unit: Baht)

	For the three-month periods ended	
	31 March	
	2021	2020
Interest income from debt instruments	6,825,563	8,340,444
Dividends received from equity instruments	4,944,457	7,598,979
Investments income	11,770,020	15,939,423

16. Expected credit loss

(Unit: Baht)

	For the three-month periods ended	
	31 March	
	2021	2020
Cash and cash equivalents	(47,208)	(18,500)
Accrued investments income	(1,888)	1,650
Investments in securities	(28,300)	168,937
Claims receivable from litigants	7,171,623	8,152,064
Total	7,094,227	8,304,151

17. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit(loss) for the periods (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods.

18. Segment information

The Company summarised its business units based on its insurance products including fire, marine and transportation, motor and miscellaneous. During the current period, there were no changes in the organisation structure of its reportable segments.

Operating segment information for the three-month periods ended 31 March 2021 and 2020 can be classified by type of insurance products as follows:

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied					
For the three-month period ended 31 March 2021					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	142,466,369	16,126,492	485,126,016	84,738,333	728,457,210
Less: Premium ceded to reinsurers	(96,009,354)	(7,501,719)	(4,866,648)	(49,774,331)	(158,152,052)
Net premium written	46,457,015	8,624,773	480,259,368	34,964,002	570,305,158
Add: Unearned premium reserves					
decrease from prior period	39,638,870	1,380,878	8,727,389	6,661,517	56,408,654
Net earned premium	86,095,885	10,005,651	488,986,757	41,625,519	626,713,812
Fee and commission income	16,602,997	2,435,029	651,881	16,182,219	35,872,126
Total underwriting income	102,698,882	12,440,680	489,638,638	57,807,738	662,585,938
Underwriting expenses					
Claim and loss adjustment expenses					
- net	10,376,916	2,138,094	341,949,140	14,485,316	368,949,466
Commission and brokerage expenses	32,066,748	2,285,078	72,945,875	13,832,905	121,130,606
Other underwriting expenses	10,980,327	738,187	34,144,510	5,706,814	51,569,829
Total underwriting expenses					
before operating expenses	53,423,991	5,161,350	449,039,525	34,025,035	541,649,901
Profit from underwriting before					
operating expenses	49,274,891	7,279,330	40,599,113	23,782,703	120,936,037
Operating expenses					(84,674,794)
Profit from underwriting					36,261,243
Share of loss from investments in					
associates					(353,360)
Investments income					11,770,020
Profit on investments					972,925
Fair value gain					23,825,629
Other income					148,129
Finance costs					(651,773)
Expected credit loss					(7,094,227)
Profit before income tax					64,878,586
Income tax expense					(14,196,069)
Profit for the period					50,682,517

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied					
For the three-month period ended 31 March 2020					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	132,311,611	16,201,679	529,737,642	74,918,504	753,169,436
Less: Premium ceded to reinsurers	(88,815,020)	(7,132,313)	(5,080,212)	(45,667,960)	(146,695,505)
Net premium written	43,496,591	9,069,366	524,657,430	29,250,544	606,473,931
Add (less): Unearned premium reserves (increase) decrease from prior period	33,844,040	1,905,212	(70,485,851)	7,334,429	(27,402,170)
Net earned premium	77,340,631	10,974,578	454,171,579	36,584,973	579,071,761
Fee and commission income	8,671,745	2,055,615	731,203	15,493,638	26,952,201
Total underwriting income	86,012,376	13,030,193	454,902,782	52,078,611	606,023,962
Underwriting expenses					
Claim and loss adjustment expenses - net	16,125,260	1,723,708	315,018,323	30,637,096	363,504,387
Commission and brokerage expenses	30,802,930	2,390,655	82,713,556	12,325,951	128,233,092
Other underwriting expenses	10,791,957	902,404	39,206,102	13,032,138	63,932,601
Total underwriting expenses before operating expenses	57,720,147	5,016,767	436,937,981	55,995,185	555,670,080
Profit (loss) from underwriting before operating expenses	28,292,229	8,013,426	17,964,801	(3,916,574)	50,353,882
Operating expenses					(88,522,593)
Loss from underwriting					(38,168,711)
Share of loss from investments in associates					(194,873)
Investments income					15,939,423
Profit on investments					3,706,492
Fair value loss					(136,505,528)
Other income					988,393
Finance costs					(644,785)
Expected credit loss					(8,304,151)
Loss before income tax					(163,183,740)
Income tax revenue					31,899,578
Loss for the period					(131,284,162)

(Unaudited but reviewed)

Segment assets and liabilities of the Company's operating segments as at 31 March 2021 and 31 December 2020 are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied						
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	Total
Assets							
As at 31 March 2021	341,929,293	16,759,647	210,415,364	290,174,221	859,278,525	4,747,324,585	5,606,603,110
As at 31 December 2020	368,215,332	21,469,656	240,740,937	395,507,701	1,025,933,626	5,052,000,545	6,077,934,171
Liabilities							
As at 31 March 2021	516,889,342	22,326,584	1,667,558,610	311,205,066	2,517,979,602	921,854,850	3,439,834,452
As at 31 December 2020	535,238,645	25,623,259	1,669,715,900	408,845,321	2,639,423,125	1,343,954,529	3,983,377,654

Geographic information

The Company is operated its business in Thailand only, as a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers' information

During the three-month periods ended 31 March 2021 and 2020, the Company had gross premium written from major customers as follows:

(Unit: Million Baht)

	Financial statements in which the equity method is applied	
	For the three-month periods ended 31 March	
	2021	2020
Gross premium written ⁽¹⁾	74	146

(1) Presented total amounts of gross premium written from major customers who have premium written more than 10 percent.

19. Related party transactions

19.1 Nature of relationship

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and its related parties are summarised below.

Name of related parties	Nature of relationship
TKI General Insurance Company Limited	Associated company
TKI Life Insurance Company Limited	Associated company
The United Indemnity Co., Ltd.	7.11% of shares held in the Company
ThanasornSombat (Thai) Company Limited	5.06% of shares held in the Company and common directors
The Falcon Insurance Plc.	12.00% of shares held by the Company
Thai Metal Drum Manufacturing Plc.	Common directors and through shareholding
Varopakorn Plc.	Common directors and through shareholding
Rangsit Plaza Co., Ltd.	Common directors and through shareholding
Sathorn Thani Co., Ltd.	Common directors and through shareholding
Siam Motors Co., Ltd.	Common directors and through shareholding
Wanglee Co., Ltd.	Common directors and through shareholding
Thaire Life Assurance Plc.	Common directors and through shareholding
RangsitRuamPatana Co., Ltd.	Common directors and through shareholding
Poon Phol Co., Ltd.	Common directors and through shareholding
Pipatanasin Co., Ltd.	Common directors and through shareholding
Dusit Thani Plc.	Common directors
Serm Suk Plc.	Common directors
Chaitip Co., Ltd.	Common directors
Alinkij Siam Co., Ltd	Common directors
Siam Calsonic Co., Ltd.	Common directors
Siam Riken Industrial Co., Ltd.	Common directors
Siam International Corp., Ltd.	Common directors
The Pet Co., Ltd.	Common directors
Toyota Petchaboon Toyota's Dealer Co., Ltd.	Common directors
Thai Pechaboon Co., Ltd.	Common directors
BTS Group Holdings Plc.	Common directors
C.E.S. Co., Ltd.	Common directors
Sittinan Co., Ltd.	A related person of the Company's director is a major shareholder
PIA Interior Co., Ltd.	A related person of the Company's director is a major shareholder

19.2 Significant related party transactions

During the three-month periods ended 31 March 2021 and 2020, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Baht)

	For the three-month periods ended 31 March		Pricing policy
	2021	2020	
Transactions with associated companies			
Reinsurance premium written	359,704	110,765	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Commission paid to reinsurance	55,676	24,303	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Transactions with related companies			
Direct premium written	12,083,057	12,166,302	Rates as specified in insurance contracts
Reinsurance premium written	3,363,303	3,609,084	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Premium ceded	3,899,195	3,580,621	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Claim expenses	6,770,579	2,883,669	Actual incurred
Commission paid to reinsurance	1,139,596	1,235,643	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Commission received	682,443	786,782	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Dividend income	600,000	720,000	As declared
Rental and service fee for branch office expenses	110,599	113,339	Contract price
Rental income	43,243	40,915	Contract price

19.3 Outstanding balances

The balances of the accounts between the Company and those related companies as at 31 March 2021 and 31 December 2020 are as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Reinsurance receivables - Amounts due from reinsurers		
The Falcon Insurance Plc.	8,706,413	20,362,658
TKI General Insurance Co., Ltd.	894,614	681,418
Total	9,601,027	21,044,076
Investments in securities - Equity securities		
Varopakorn Plc.	998,932	993,413
Thai Metal Drum Manufacturing Plc.	264,504,160	257,776,850
BTS Group Holdings Plc.	38,600,000	37,000,000
Thaire Life Assurance Plc.	30,800,000	23,550,000
The Falcon Insurance Plc.	61,932,000	61,932,000
Sathorn Thani Co., Ltd.	16,745,000	16,745,000
Rangsit Plaza Co., Ltd.	11,224,000	11,224,000
Total	424,804,092	409,221,263
Due to reinsurers - Amounts due to reinsurance		
The Falcon Insurance Plc.	10,852,064	22,038,732
TKI General Insurance Co., Ltd.	284,724	229,048
Total	11,136,788	22,267,780

19.4 Directors and management's benefits

During the three-month periods ended 31 March 2021 and 2020, the Company had employment benefits expenses payable to their directors and management as below.

	(Unit: Baht)	
	For the three-month periods ended	
	31 March	
	2021	2020
Short-term benefits	14,857,791	14,164,807
Post-employment benefits	177,907	104,419
Total	15,035,698	14,269,226

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 31 March 2021, the Company had capital commitments of approximately Baht 0.9 million (31 December 2020: Baht 2.7 million) relating to computer software.

20.2 Letter of Guarantees

As at 31 March 2021, there were bank guarantees amounting to Baht 2.6 million, and a certificate issued on behalf of the Company amounting to Baht 6.1 million, as required in the normal course of the Company's business (31 December 2020: Baht 2.6 million and Baht 6.5 million, respectively).

20.3 Litigation

As at 31 March 2021, the Company has been sued for damages totaling approximately Baht 44.6 million as insurer. The cases have not yet been finalised. However, the Company's obligations in respect of these lawsuits do not exceed the maximum sum insured per the relevant policies, which is Baht 18.6 million, and the Company has set aside reserves for contingent loss amounting to Baht 18.7 million in the financial statements (31 December 2020: Baht 53.2 million, Baht 22.5 million and Baht 22.5 million, respectively).

21. Financial instrument

21.1 Fair value of financial instrument

Most of the Company's financial instruments, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income, other assets and lease liabilities, are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

21.2 Fair value hierarchy

As at 31 March 2021 and 31 December 2020, the Company had the financial assets that were measured at fair value using different levels of inputs as follows:

(Unit: Baht)

	31 March 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>				
Trading investments measured at FVPL				
Equity instruments	462,814,206	-	-	462,814,206
Unit trusts	99,157,640	-	-	99,157,640
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	-	1,125,962,039	-	1,125,962,039
Private debt securities	-	462,887,300	-	462,887,300
Equity instruments	225,470,263	-	241,830,125	467,300,388
Unit trusts	150,517,098	51,374,396	-	201,891,494

(Unit: Baht)

	31 December 2020			
	Fair value			
	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>				
Trading investments measured at FVPL				
Equity instruments	424,182,917	-	-	424,182,917
Unit trusts	116,102,300	-	-	116,102,300
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	-	980,893,657	-	980,893,657
Private debt securities	-	367,437,373	-	367,437,373
Equity instruments	194,781,440	-	241,830,125	436,611,565
Unit trusts	152,131,976	47,097,559	-	199,229,535

During the period, there were no changes in methods and assumption used in determining fair value of financial instrument and no transfers within the fair value hierarchy.

22. Event after the reporting period

On 27 April 2021, the 2021 Annual General Meeting of Shareholders passed a resolution to approve the allocation of profits for cash dividend payment from retained earnings at the rate of 1.50 Baht per share, totaling an amount of 52,500,000 Baht.

23. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 11 May 2021.