###### **The Navakij Insurance Public Company Limited**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2020**

**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, 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 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 Financial reporting standards that became effective in the current period**

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 1 January 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 adoption of these financial reporting standards does not have any significant impact on the Company’s financial information, except for the new standards involve changes to key principles which are summarised below:

**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 |
| TFRS 9 | Financial Instruments |

Accounting standard

|  |  |
| --- | --- |
| TAS 32 | Financial Instruments: Presentation |

Financial Reporting Standard Interpretations

|  |  |
| --- | --- |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised 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.

**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 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts.

According to the Company’s statements of financial position as at 31 December 2017, liabilities in connection with insurance services under the scope of TFRS 4 Insurance Contracts comprise more than 90% 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.

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 trading securities that are listed equity instruments and debt instruments which measured at fair value through profit or loss, the Company considers and decides to continue classifying them as investments in trading securities measured at fair value through profit or loss.
* 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 recognised 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 recognised 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 amortised cost.

Classification of financial liabilities

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 amortised cost.

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 recognising 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 1 January 2020, and the comparative information was not restated.

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

**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 recognise 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.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

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

**Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as Covid-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the Covid-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring business. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this accounting guidance have to apply all temporary relief measures in this Accounting Guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by such situations during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes.

The Company has not adopted such Accounting Guidance.

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

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

* To measure the fair value of investments in non-listed equity instruments using the fair value as at 1 January 2020.
* Not to consider the Covid-19 situation as an indication that an asset may be impaired in accordance with TAS 36 Impairment of Assets.

**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 2019 except the changes in accounting policies as follows.

**(a) 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 amortised cost.

**(b) Investment in securities**

Investments in trading securities are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss. Investments are classified as investments in trading securities if the Company intends to sell them in the near future.

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 amortised cost. The premium/discount on debt instruments is amortised by the effective rate method with the amortised/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.

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 available-for-sale securities that are debt instruments are stated in the statements of financial position at fair value net of an allowance for expected credit loss (if any) and investments in held to maturity debt instruments are stated at amortised 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 recognised in profit or loss.

In addition, as at 31 March 2020, the Company elects to measure the fair value of investments in non-listed equity instruments using the fair value as at 1 January 2020 in accordance with the Accounting Guidance.

**(c) Impairment of financial assets**

The Company recognises expected credit loss on its financial assets measured at amortised 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 recognised 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.

**(d) Leases**

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company’s incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

**Short-term leases and Leases of low-value assets**

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 2.4 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 and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

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

| (Unit: Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied | | | |
|  |  | The impacts of | |  |
|  | 31 December 2019 | Accounting Guidance related to financial instruments | TFRS 16 | 1 January 2020 |
| **Statements of financial position** |  |  |  |  |
| **Assets** |  |  |  |  |
| Cash and cash equivalents | 139,646,681 | (47,866) | - | 139,598,815 |
| Accrued investment income | 7,992,591 | (2,403) | - | 7,990,188 |
| Investments in securities | 3,044,185,647 | 129,701,235 | - | 3,173,886,882 |
| Property, building and equipment | 242,549,566 | - | (18,738,076) | 223,811,490 |
| Right-of-use assets | - | - | 75,089,163 | 75,089,163 |
| Intangible assets | 53,359,278 | - | (1,339,423) | 52,019,855 |
| Deferred tax assets | 213,721,758 | (20,918,761) | - | 192,802,997 |
| Other assets - Claims receivable from litigants | 118,749,174 | (25,057,163) | - | 93,692,011 |
| Other assets - Others | 128,901,665 | - | (1,889,164) | 127,012,501 |
| **Liabilities** |  |  |  |  |
| Lease liabilities | - | - | 68,992,420 | 68,992,420 |
| Liabilities under finance lease agreements | 15,869,920 | - | (15,869,920) | - |
| **Equity** |  |  |  |  |
| Retained earnings - unappropriated | 1,047,820,233 | (20,430,043) | - | 1,027,390,190 |
| Other components of equity | (33,608,438) | 104,105,085 | - | 70,496,647 |

| (Unit: Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
|  |  | The impacts of | |  |
|  | 31 December 2019 | Accounting Guidance related to financial instruments | TFRS 16 | 1 January 2020 |
| **Statements of financial position** |  |  |  |  |
| **Assets** |  |  |  |  |
| Cash and cash equivalents | 139,646,681 | (47,866) | - | 139,598,815 |
| Accrued investment income | 7,992,591 | (2,403) | - | 7,990,188 |
| Investments in securities | 2,988,961,052 | 184,925,830 | - | 3,173,886,882 |
| Property, building and equipment | 242,549,566 | - | (18,738,076) | 223,811,490 |
| Right-of-use assets | - | - | 75,089,163 | 75,089,163 |
| Intangible assets | 53,359,278 | - | (1,339,423) | 52,019,855 |
| Deferred tax assets | 210,473,910 | (31,963,680) | - | 178,510,230 |
| Other assets - Claims receivable from litigants | 118,749,174 | (25,057,163) | - | 93,692,011 |
| Other assets - Others | 128,901,665 | - | (1,889,164) | 127,012,501 |
| **Liabilities** |  |  |  |  |
| Lease liabilities | - | - | 68,992,420 | 68,992,420 |
| Liabilities under finance lease agreements | 15,869,920 | - | (15,869,920) | - |
| **Equity** |  |  |  |  |
| Retained earnings - unappropriated | 1,000,237,594 | (20,430,043) | - | 979,807,551 |
| Other components of equity | (28,259,002) | 148,284,761 | - | 120,025,759 |

**3.1 Accounting Guidance related to financial instruments and disclosures applicable to insurance business**

Details of the impact on equity as at 1 January 2020 due to the initial adoption of Accounting Guidance related to financial instruments and disclosures applicable to insurance business are presented as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit: Baht) | |
|  | Financial  statements in which the equity method is applied | Separate  financial statements |
| **Retained earnings - Unappropriated** |  |  |
| Recognition of an allowance for expected credit loss on financial assets | (25,537,554) | (25,537,554) |
| Relating income tax | 5,107,511 | 5,107,511 |
| Total | (20,430,043) | (20,430,043) |
| **Other components of equity** |  |  |
| Fair value measurement of investments in equity instruments of non-listed companies | 129,799,094 | 185,023,689 |
| Recognition of an allowance for expected credit loss on financial assets | 332,262 | 332,262 |
| Relating income tax | (26,026,271) | (37,071,190) |
| Total | 104,105,085 | 148,284,761 |

The classification and measurement of financial assets in accordance with Accounting Guidance related to financial instruments and disclosures applicable to insurance business as at 1 January 2020, and with the classification and measurement under the former basis, are as follows:

|  |  | (Unit: Baht) | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Financial statements in which the equity method is applied | | | | | | |
| Classification and measurement under the former basis as at 31 December 2019 | | Classification and measurement in accordance with Accounting Guidance as at 1 January 2020 | | | | |
|  |  | Trading securities | Available for sale securities | Held to maturity securities | Amortised cost | Total |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 139,646,681 | - | - | - | 139,598,815 | 139,598,815 |
| Accrued investment income | 7,992,591 | - | - | - | 7,990,188 | 7,990,188 |
| Investments in securities | 3,044,185,647 | 609,442,767 | 2,069,541,974 | 494,902,141 | - | 3,173,886,882 |
| Loans and interest receivables | 949,846 | - | - | - | 949,846 | 949,846 |
| Other assets - Claims receivable from litigants | 118,749,174 | - | - | - | 93,692,011 | 93,692,011 |
| Other assets - Brokers receivables | 67,819,301 | - | - | - | 67,819,301 | 67,819,301 |

|  | (Unit: Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Separate financial statements | | | | | | |
| Classification and measurement under the former basis as at 31 December 2019 | | Classification and measurement in accordance with Accounting Guidance as at 1 January 2020 | | | | |
|  |  | Trading securities | Available for sale securities | Held to maturity securities | Amortised cost | Total |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 139,646,681 | - | - | - | 139,598,815 | 139,598,815 |
| Accrued investment income | 7,992,591 | - | - | - | 7,990,188 | 7,990,188 |
| Investments in securities | 2,988,961,052 | 609,442,767 | 2,069,541,974 | 494,902,141 | - | 3,173,886,882 |
| Loans and interest receivables | 949,846 | - | - | - | 949,846 | 949,846 |
| Other assets - Claims receivable from litigants | 118,749,174 | - | - | - | 93,692,011 | 93,692,011 |
| Other assets - Brokers receivables | 67,819,301 | - | - | - | 67,819,301 | 67,819,301 |

**3.2 Leases**

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

|  |  |
| --- | --- |
|  | (Unit: Baht) |
|  | Financial statements in which the equity method is applied and Separate financial  statements |
| Operating lease commitments as at 31 December 2019 | 16,653,624 |
| Add: Option to extend lease term | 44,403,407 |
| Less: Short-term leases and leases of low-value assets | (433,191) |
| Less: Contracts reassessed as service agreements | (133,594) |
| Less: Others | (147,180) |
| Less: Deferred interest expenses | (7,220,566) |
| Increase in lease liabilities due to TFRS 16 adoption | 53,122,500 |
| Liabilities under finance lease agreements as at 31 December 2019 | 15,869,920 |
| Lease liabilities as at 1 January 2020 | 68,992,420 |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

|  |  |
| --- | --- |
|  | (Unit: Baht) |
|  | Financial statements in which the equity method is applied and Separate financial  statements |
| Lease buildings | 52,103,958 |
| Office equipment | 8,888,482 |
| Motor vehicles | 12,757,300 |
| Computer software | 1,339,423 |
| Total right-of-use assets | 75,089,163 |

**4. Cash and cash equivalents**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2020 | 31 December 2019 |
| Cash on hand | 307,000 | 312,000 |
| Deposits at banks with no fixed maturity date | 112,827,233 | 139,334,681 |
| Cash and cash equivalents | 113,134,233 | 139,646,681 |
| Less: Allowance for expected credit loss | (29,367) | - |
| Total cash and cash equivalents, net | 113,104,866 | 139,646,681 |

**5. Premium receivables**

As at 31 March 2020 and 31 December 2019, 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 2020 | 31 December 2019 |
| Not yet due | 296,517,188 | 391,625,782 |
| Not over 30 days | 67,377,483 | 47,929,031 |
| Over 31 days to 60 days | 34,655,068 | 13,363,642 |
| Over 61 days to 90 days | 4,695,760 | 3,817,421 |
| Over 91 days to 1 year | 4,973,396 | 4,874,366 |
| Over 1 year | 4,452,105 | 4,215,739 |
| Total premium receivables | 412,671,000 | 465,825,981 |
| Less: Allowance for doubtful accounts | (8,986,150) | (5,637,148) |
| Total premium receivables, net | 403,684,850 | 460,188,833 |

**6. Reinsurance assets**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2020 | 31 December 2019 |
| Insurance reserve refundable from reinsurers |  |  |
| Claims reserve | 245,692,651 | 298,792,366 |
| Unearned premium reserve | 329,152,981 | 360,823,804 |
| Reinsurance assets | 574,845,632 | 659,616,170 |

**7. Reinsurance receivables**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2020 | 31 December 2019 |
| Amounts deposit on reinsurance | 59,816 | 59,817 |
| Amounts due from reinsurers | 938,953,272 | 532,672,026 |
| Total | 939,013,088 | 532,731,843 |

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

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2020 | 31 December 2019 |
| Not yet due | 669,129,241 | 424,238,134 |
| Not over 1 year | 268,196,198 | 106,220,217 |
| Over 1 year to 2 years | 606,922 | 1,704,343 |
| Over 2 years | 1,020,911 | 509,332 |
| Total amounts due from reinsurers | 938,953,272 | 532,672,026 |

**8. Investments in securities**

**8.1 Classified by type of investments**

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost/ |  | Cost/ |  |
|  | Amortised cost | Fair value | Amortised cost | Fair value |
| **Trading investments which are measured at fair value through profit or loss** |  |  |  |  |
| Government and state enterprise securities | 5,440,000 | 2,608,000 | 5,440,000 | 5,440,000 |
| Equity instruments | 450,467,008 | 365,908,439 | 451,337,108 | 447,735,347 |
| Unit trusts | 156,267,420 | 103,550,700 | 156,267,420 | 156,267,420 |
| Total | 612,174,428 | 472,067,139 | 613,044,528 | 609,442,767 |
| Less: Unrealised loss | (140,107,289) |  | (3,601,761) |  |
| **Total** | 472,067,139 |  | 609,442,767 |  |

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost/ |  | Cost/ |  |
|  | Amortised cost | Fair value | Amortised cost | Fair value |
| **Available-for-sale investments which are measured at fair value through other comprehensive income** |  |  |  |  |
| Government and state enterprise securities | 708,003,183 | 699,479,453 | 679,590,742 | 677,750,938 |
| Private debt securities | 597,312,946 | 601,885,436 | 675,238,297 | 679,475,371 |
| Equity instruments | 260,772,239 | 142,103,431 | 260,526,131 | 224,504,036 |
| Non-listed equity instruments | 104,905,795 | 229,766,043 | - | - |
| Foreign equity instruments | 37,200,000 | 42,138,847 | - | - |
| Unit trusts | 228,579,130 | 174,613,023 | 232,958,890 | 215,906,740 |
| Total | 1,936,773,293 | 1,889,986,233 | 1,848,314,060 | 1,797,637,085 |
| Less: Unrealised loss | (31,006,624) |  | (35,323,751) |  |
| Less: Allowance for expected credit loss | (427,212) |  | - |  |
| Less: Allowance for impairment | (15,353,224) |  | (15,353,224) |  |
| **Total** | 1,889,986,233 |  | 1,797,637,085 |  |
| **Held-to-maturity investments which are measured at amortised cost** |  |  |  |  |
| Government and state enterprise securities | 30,000,000 |  | 10,000,000 |  |
| Deposits and certificate of deposits at financial institutions which matured over 3 months | 675,000,000 |  | 485,000,000 |  |
| Total | 705,000,000 |  | 495,000,000 |  |
| Less: Allowance for expected credit loss | (171,846) |  | - |  |
| **Total** | 704,828,154 |  | 495,000,000 |  |
| **Other investments** |  |  |  |  |
| Equity instruments | - |  | 144,673,295 |  |
| Less: Allowance for impairment | - |  | (2,567,500) |  |
| **Total** | - |  | 142,105,795 |  |
| **Total investments in securities** | 3,066,881,526 |  | 3,044,185,647 |  |

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost/ |  | Cost/ |  |
|  | Amortised cost | Fair value | Amortised cost | Fair value |
| **Trading investments which are measured at fair value through profit or loss** |  |  |  |  |
| Government and state enterprise securities | 5,440,000 | 2,608,000 | 5,440,000 | 5,440,000 |
| Equity instruments | 450,467,008 | 365,908,439 | 451,337,108 | 447,735,347 |
| Unit trusts | 156,267,420 | 103,550,700 | 156,267,420 | 156,267,420 |
| Total | 612,174,428 | 472,067,139 | 613,044,528 | 609,442,767 |
| Less: Unrealised loss | (140,107,289) |  | (3,601,761) |  |
| **Total** | 472,067,139 |  | 609,442,767 |  |
| **Available-for-sale investments which are measured at fair value through other comprehensive income** |  |  |  |  |
| Government and state enterprise securities | 708,003,183 | 699,479,453 | 679,590,742 | 677,750,938 |
| Private debt securities | 597,312,946 | 601,885,436 | 675,238,297 | 679,475,371 |
| Equity instruments | 260,772,239 | 142,103,431 | 260,526,131 | 224,504,036 |
| Non-listed equity instruments | 49,681,200 | 229,766,043 | - | - |
| Foreign equity instruments | 37,200,000 | 42,138,847 | - | - |
| Unit trusts | 228,579,130 | 174,613,023 | 232,958,890 | 215,906,740 |
| Total | 1,881,548,698 | 1,889,986,233 | 1,848,314,060 | 1,797,637,085 |
| Add (less): Unrealised gain (loss) | 24,217,971 |  | (35,323,751) |  |
| Less: Allowance for expected credit loss | (427,212) |  | - |  |
| Less: Allowance for impairment | (15,353,224) |  | (15,353,224) |  |
| **Total** | 1,889,986,233 |  | 1,797,637,085 |  |
| **Held-to-maturity investments which are measured at amortised cost** |  |  |  |  |
| Government and state enterprise securities | 30,000,000 |  | 10,000,000 |  |
| Deposits and certificate of deposits at financial institutions which matured over 3 months | 675,000,000 |  | 485,000,000 |  |
| Total | 705,000,000 |  | 495,000,000 |  |
| Less: Allowance for expected credit loss | (171,846) |  | - |  |
| **Total** | 704,828,154 |  | 495,000,000 |  |

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost/ |  | Cost/ |  |
|  | Amortised cost | Fair value | Amortised cost | Fair value |
| **Other investments** |  |  |  |  |
| Equity instruments | - |  | 89,448,700 |  |
| Less: Allowance for impairment | - |  | (2,567,500) |  |
| **Total** | - |  | 86,881,200 |  |
| **Total investments in securities** | 3,066,881,526 |  | 2,988,961,052 |  |

**8.2 Classified by stage of credit risk**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | Financial statements in which the equity method is applied and Separate financial statements | |
|  | 31 March 2020 | |
|  | Fair value | Allowance for expected credit loss which is recognised in other comprehensive income |
| **Available-for-sale investments which are measured at fair value through other comprehensive income** |  |  |
| Stage 1 - Debt securities without a significant increase in credit risk |  |  |
| Government and state enterprise securities | 689,873,537 | 168,037 |
| Private debt securities | 601,885,436 | 259,175 |
| Total | 1,291,758,973 | 427,212 |

|  |  |  |  |
| --- | --- | --- | --- |
| (Unit: Baht) | | | |
|  | Financial statements in which the equity method is applied and Separate financial statements | | |
|  | 31 March 2020 | | |
|  | Amortised cost-gross | Allowance for expected credit loss which is recognised in profit or loss | Net value |
| **Held-to-maturity investments which are measured at amortised cost** |  |  |  |
| Stage 1 - Debt securities without a significant increase in credit risk |  |  |  |
| Government and state enterprise securities | 30,000,000 | 5,671 | 29,994,329 |
| Deposits and certificate of deposits at financial institutions which matured over 3 months | 675,000,000 | 166,175 | 674,833,825 |
| **Total** | 705,000,000 | 171,846 | 704,828,154 |

**8.3 Other components of equity - surplus (deficit) on changes in value of investments**

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied | | Separate financial statements | |
|  | For the three-month period ended 31 March 2020 | For the year ended 31 December 2019 | For the three-month period ended 31 March 2020 | For the year ended 31 December 2019 |
| Balance - beginning of the periods | (28,259,002) | (15,797,649) | (28,259,002) | (15,797,649) |
| Cumulative effects of changes in accounting policies - net relating income tax | 104,105,085 | - | 148,284,761 | - |
| Changes during the periods |  |  |  |  |
| Unrealised gain (loss) during the periods | (122,491,207) | 67,762,069 | (122,491,207) | 67,762,069 |
| Realised gain that included in profit or loss | (3,323,022) | (83,338,760) | (3,323,022) | (83,338,760) |
|  | (125,814,229) | (15,576,691) | (125,814,229) | (15,576,691) |
| Relating income tax | 25,162,846 | 3,115,338 | 25,162,846 | 3,115,338 |
| Net comprehensive income for the periods (loss) | (100,651,383) | (12,461,353) | (100,651,383) | (12,461,353) |
| Balance - end of the periods | (24,805,300) | (28,259,002) | 19,374,376 | (28,259,002) |

**8.4 Investments subject to restriction**

As at 31 March 2020 and 31 December 2019, the Company placed some investments as a security with the Registrar and pledged some investments as bail bond in cases where insured drivers have been charged with criminal offence as described in Note 24 and 25 to the interim financial statements.

**9. Loans and interest receivables**

As at 31 March 2020, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Unit: Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | 31 March 2020 | | |
| Classification | Mortgaged loans | Others | Total |
| Stage 1 - Loans without a significant increase in credit risk | 200,223 | 742,382 | 942,605 |
| Total loans and interest receivables | 200,223 | 742,382 | 942,605 |
| Less: Allowance for expected credit loss | - | - | - |
| Loans and interest receivables - net | 200,223 | 742,382 | 942,605 |

As at 31 December 2019, the balances of loans classified by aging, were as follows:

(Unit: Baht)

|  |  |  |  |
| --- | --- | --- | --- |
|  | 31 December 2019 | | |
| Outstanding period | Mortgaged loans | Others | Total |
| Not yet due | 209,950 | 739,896 | 949,846 |
| Total loans and interest receivables | 209,950 | 739,896 | 949,846 |

These are loans provided to employees in accordance with the employee welfare scheme, with a credit facility not to exceed 5 times employee’s base salary with a limit of Baht 50,000 for loans secured by personal guarantees, and a credit facility not to exceed 80% of the appraised value of collateral for secured loans. Interest on these loans is charged at rates of 7.0% and 6.5% per annum, respectively.

**10. Investments in associates**

**10.1 Details of associates**

As at 31 March 2020 and 31 December 2019, 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)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Nature of |  | | Financial statements in which the equity method is applied | | Separate financial statements | |
| Company’s name | business | Shareholding percentage | | Book value | | Cost/Book value | |
|  |  | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 | 31 March 2020 | 31 December 2019 |
|  |  | (%) | (%) |  |  |  |  |
| TKI General Insurance Company Limited | Non-life insurance | 32.50 | 32.50 | 14,403,580 | 13,392,311 | 21,628,040 | 21,628,040 |
| TKI Life Insurance Company Limited | Life insurance | 32.50 | 32.50 | 14,474,101 | 13,624,528 | 21,628,039 | 21,628,039 |
|  |  |  |  | 28,877,681 | 27,016,839 | 43,256,079 | 43,256,079 |

**10.2 Financial information of associates**

**Summarised financial position**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Baht) | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | TKI General Insurance Company Limited | TKI Life Insurance Company Limited | TKI General Insurance Company Limited | TKI Life Insurance Company Limited |
| Total assets | 56,370,788 | 46,719,090 | 53,516,674 | 44,067,450 |
| Total liabilities | (12,052,079) | (2,183,396) | (12,309,563) | (2,145,826) |
| Net assets | 44,318,709 | 44,535,694 | 41,207,111 | 41,921,624 |
| Shareholding percentage (%) | 32.50 | 32.50 | 32.50 | 32.50 |
| Book value of the associates based on equity method | 14,403,580 | 14,474,101 | 13,392,311 | 13,624,528 |

**Summarised comprehensive income**

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | For the three-month periods ended 31 March | | | |
|  | 2020 | | 2019 | |
|  | TKI General Insurance Company Limited | TKI Life Insurance Company Limited | TKI General Insurance Company Limited | TKI Life Insurance Company Limited |
| Revenues | 1,860,239 | 1,599,120 | 1,394,522 | 1,018,777 |
|  |  |  |  |  |
| Loss for the periods | (10,088) | (589,520) | (1,265,554) | (1,147,659) |
| Other comprehensive income - exchange differences on translation of financial statements in foreign currency | 3,121,686 | 3,203,590 | (1,286,073) | (1,516,932) |
| Total comprehensive income (loss) | 3,111,598 | 2,614,070 | (2,551,627) | (2,664,591) |

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

**10.3 Shares of loss from investments in associated companies and dividend received**

During the three-month periods ended 31 March 2020 and 2019, 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:

(Unit: Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied | | | | Separate financial statements | |
| Associates | Share of loss from profit and loss | | Exchange differences on translation from other comprehensive income | | Dividend received | |
|  | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| TKI General Insurance Company Limited | (3,279) | (411,305) | 1,014,548 | (417,974) | - | - |
| TKI Life Insurance Company Limited | (191,594) | (372,989) | 1,041,167 | (493,003) | - | - |
|  | (194,873) | (784,294) | 2,055,715 | (910,977) | - | - |

**11. Property,** **building and equipment**

Movement of property, building and equipment for the three-month period ended 31 March 2020 is summarised below:

(Unit: Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land | Buildings | Condominium | Building improvements | Furniture, fixture and equipment | Motor vehicles | Total |
| Net book value as at 1 January 2020 | 5,385,371 | 13,583,050 | 114,872,449 | 71,065,251 | 18,676,981 | 18,966,464 | 242,549,566 |
| Adjustments of right-of-use assets due to TFRS 16 adoption | - | - | - | - | (5,980,776) | (12,757,300) | (18,738,076) |
| Additions during period - cost | - | - | - | - | 418,690 | - | 418,690 |
| Disposals during period - net book value | - | - | - | - | (2) | (6,420) | (6,422) |
| Depreciation for the period | - | (173,571) | (751,550) | (1,125,157) | (1,384,186) | (601,469) | (4,035,933) |
| Net book value as at 31 March 2020 | 5,385,371 | 13,409,479 | 114,120,899 | 69,940,094 | 11,730,707 | 5,601,275 | 220,187,825 |

# **12. Right-of-use assets**

Movement of right-of-use assets for the three-month period ended 31 March 2020 is summarised below:

(Unit: Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Lease buildings | Office equipment | Motor vehicles | Computer software | Total |
| As at 31 December 2019 *(1)* | 1,889,164 | 5,980,776 | 12,757,300 | 1,339,423 | 21,966,663 |
| Adjustments of right-of-use assets due to TFRS 16 adoption | 50,214,794 | 2,907,706 | - | - | 53,122,500 |
| As at 1 January 2020 | 52,103,958 | 8,888,482 | 12,757,300 | 1,339,423 | 75,089,163 |
| Amortisation for the period | (2,761,504) | (694,005) | (928,188) | (41,845) | (4,425,542) |
| As at 31 March 2020 | 49,342,454 | 8,194,477 | 11,829,112 | 1,297,578 | 70,663,621 |

*(1) Presented as part of building and equipment, intangible assets and other assets.*

The following amounts were recognised in profit or loss.

|  |  |
| --- | --- |
|  | (Unit: Baht) |
|  | For the three-month period ended 31 March 2020 |
| Amortisation of right-of-use assets | 4,425,542 |
| Interest expenses on lease liabilities | 644,785 |
| Short-term contracts expenses | 242,519 |
| Total expenses | 5,312,846 |

**13. Intangible assets**

Movement of computer software for the three-month period ended 31 March 2020 is summarised below:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | (Unit: Baht) |
|  | Computer software | Computer software under development | Total |
| Net book value as at 1 January 2020 | 21,108,178 | 32,251,100 | 53,359,278 |
| Adjustments of right-of-use assets due to TFRS 16 adoption | (1,339,423) | - | (1,339,423) |
| Amortisation for the period | (1,041,040) | - | (1,041,040) |
| Net book value as at 31 March 2020 | 18,727,715 | 32,251,100 | 50,978,815 |

**14. Deferred tax assets and income tax expenses**

**14.1 Deferred tax assets**

The components of deferred tax assets and liabilities as at 31 March 2020 and 2019 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 | |
|  | 2020 | 2019 | 2020 | 2019 |
| **Deferred tax assets** |  |  |  |  |
| Unearned premium reserve | 68,810,110 | 74,092,132 | (5,282,022) | (13,054,637) |
| Allowance for loss on impairment of investments | 3,070,645 | 3,584,145 | - | 1,000,000 |
| Allowance for expected credit loss | 40,301,269 | - | 1,660,831 | - |
| Allowance for doubtful accounts | 961,498 | 33,823,425 | 671,001 | 1,722,086 |
| Loss reserves | 59,845,512 | 56,798,988 | 3,046,524 | 4,038,148 |
| Provision for loss incurred but not reported (IBNR) | 7,717,389 | 8,523,399 | (806,010) | 858,851 |
| Employee benefit obligations | 14,659,825 | 14,367,576 | 292,249 | (7,801,576) |
| Unutilised tax loss | 6,426,992 | - | 6,426,992 | 7,799,623 |
| Share of loss from investments in associates | 2,875,679 | 3,247,848 | 38,975 | 156,859 |
| Unrealised loss on changes in value of available-for-sale investments | 6,201,325 | 7,064,750 |  |  |
| Fair value loss | 28,021,458 | 720,352 | 27,301,106 | - |
| Others | 13,038,066 | 14,460,579 | (1,422,513) | 737,198 |
| Total | 251,929,768 | 216,683,194 |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| Difference of investment cost arising from reclassification | 2,119,673 | 2,633,173 | - | - |
| Others | 355,818 | 328,263 | (27,555) | 1,562,416 |
| Total | 2,475,491 | 2,961,436 |  |  |
| Deferred tax assets - net | 249,454,277 | 213,721,758 |  |  |
| Total change |  |  | 31,899,578 | (2,981,032) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (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 December | |
|  | 2020 | 2019 | 2020 | 2019 |
| **Deferred tax assets** |  |  |  |  |
| Unearned premium reserve | 68,810,110 | 74,092,132 | (5,282,022) | (13,054,637) |
| Allowance for loss on impairment of investments | 3,070,645 | 3,584,145 | - | 1,000,000 |
| Allowance for expected credit loss | 40,301,269 | - | 1,660,831 | - |
| Allowance for doubtful accounts | 961,498 | 33,823,425 | 671,001 | 1,722,086 |
| Loss reserves | 59,845,512 | 56,798,988 | 3,046,524 | 4,038,148 |
| Provision for loss incurred but not reported (IBNR) | 7,717,389 | 8,523,399 | (806,010) | 858,851 |
| Employee benefit obligations | 14,659,825 | 14,367,576 | 292,249 | (7,801,576) |
| Unutilised tax loss | 6,426,992 | - | 6,426,992 | 7,799,623 |
| Unrealised loss on changes in value of available-for-sale investments | - | 7,064,750 |  |  |
| Fair value loss | 28,021,458 | 720,352 | 27,301,106 | - |
| Others | 13,038,066 | 14,460,579 | (1,422,513) | 737,198 |
| Total | 242,852,764 | 213,435,346 |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| Unrealised gain on changes in value of available-for-sale investments | 4,843,595 | - |  |  |
| Difference of investment cost arising from reclassification | 2,119,673 | 2,633,173 | - | - |
| Others | 355,818 | 328,263 | (27,555) | 1,562,416 |
| Total | 7,319,086 | 2,961,436 |  |  |
| Deferred tax assets - net | 235,533,678 | 210,473,910 |  |  |
| Total change |  |  | 31,860,603 | (3,137,891) |

**14.2 Income tax expenses (revenues)**

Income tax expenses (revenues) for the three-month periods ended 31 March 2020 and 2019 are made up as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Baht) | | | |
|  | Financial statements in which the equity method is applied | | Separate financial statements | |
|  | 2020 | 2019 | 2020 | 2019 |
| **Current income tax:** |  |  |  |  |
| Current income tax charge for the periods | - | - | - | - |
| **Deferred tax:** |  |  |  |  |
| Relating to origination and reversal of temporary differences | (31,899,578) | 2,981,032 | (31,860,603) | 3,137,891 |
| **Income tax expenses (revenues) reported in** **profit or loss** | (31,899,578) | 2,981,032 | (31,860,603) | 3,137,891 |

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2020 and 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Baht) | | | |
|  | Financial statements in which the equity method is applied | | Separate financial statements | |
|  | 2020 | 2019 | 2020 | 2019 |
| Deferred tax from |  |  |  |  |
| Exchange differences on translating of financial statements in foreign currency | (411,143) | 182,195 | - | - |
| Unrealised gain (loss) on changes in value of available-for-sale securities | 25,162,846 | (7,521,137) | 25,162,846 | (7,521,137) |
| Total | 24,751,703 | (7,338,942) | 25,162,846 | (7,521,137) |

Reconciliation between income tax expenses (revenues) and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2020 and 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Baht) | |
|  | Financial statements in which the equity method is applied | | Separate financial statements | |
|  | 2020 | 2019 | 2020 | 2019 |
| Accounting loss before tax | (163,183,740) | (6,231,657) | (162,988,867) | (5,447,363) |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Tax expenses at the applicable tax rate | (32,636,748) | (1,246,332) | (32,597,773) | (1,089,473) |
| Effects of: |  |  |  |  |
| Exempted expenses | 1,184,343 | 4,828,390 | 1,184,343 | 4,828,390 |
| Allowed additional expense deductions | (447,173) | (601,026) | (447,173) | (601,026) |
| Income tax expenses (revenues) reported in profit or loss | (31,899,578) | 2,981,032 | (31,860,603) | 3,137,891 |

**15. Claims receivable from litigants**

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

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2020 | 31 December 2019 |
| **Claim years** |  |  |
| Year 2020 | 32,058,865 | - |
| Year 2019 | 66,755,234 | 85,444,014 |
| Year 2018 | 38,733,165 | 43,179,550 |
| Year 2017 | 33,625,772 | 34,705,577 |
| Year 2016 | 31,157,361 | 33,918,630 |
| Prior to 2016 | 83,410,707 | 89,166,042 |
| Total claims receivable from litigants | 285,741,104 | 286,413,813 |
| Less: Allowance for doubtful accounts | - | (167,664,639) |
| Less: Allowance for expected credit loss | (200,873,866) | - |
| Claims receivable from litigants, net | 84,867,238 | 118,749,174 |

**16. Insurance contract liabilities**

|  |  |  |  |
| --- | --- | --- | --- |
| (Unit: Baht) | | | |
|  | 31 March 2020 | | |
|  | Insurance contract liabilities | Reinsurance assets | Net |
| Claim reserves and outstanding claims |  |  |  |
| Claim incurred and reported | 833,375,576 | (206,823,435) | 626,552,141 |
| Claim incurred but not reported | 77,456,162 | (38,869,216) | 38,586,946 |
| Premium reserves |  |  |  |
| Unearned premium reserves | 1,638,417,054 | (329,152,981) | 1,309,264,073 |
| Total | 2,549,248,792 | (574,845,632) | 1,974,403,160 |

|  |  |  |  |
| --- | --- | --- | --- |
| (Unit: Baht) | | | |
|  | 31 December 2019 | | |
|  | Insurance contract liabilities | Reinsurance assets | Net |
| Claim reserves and outstanding claims |  |  |  |
| Claim incurred and reported | 836,756,895 | (239,739,440) | 597,017,455 |
| Claim incurred but not reported | 101,669,919 | (59,052,926) | 42,616,993 |
| Premium reserves |  |  |  |
| Unearned premium reserves | 1,642,685,707 | (360,823,804) | 1,281,861,903 |
| Total | 2,581,112,521 | (659,616,170) | 1,921,496,351 |

**16.1 Claim reserves and outstanding claims**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | For the three-month period ended 31 March 2020 | For the year ended 31 December 2019 |
| Beginning balance | 938,426,814 | 644,933,444 |
| Claim expenses for the periods | 573,053,357 | 2,122,093,137 |
| Change in claim reserves and outstanding claims from the prior periods | (46,631,362) | (74,981,925) |
| Change in assumption for calculating claim reserves | (24,213,757) | 31,999,655 |
| Claim paid during the periods | (529,803,314) | (1,785,617,497) |
| Ending balance | 910,831,738 | 938,426,814 |

As at 31 March 2020, the Company has claim reserves and outstanding claims under reinsurance contracts at Baht 6.1 million (31 December 2019: Baht 6.3 million).

**16.2 Unearned premium reserves**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | For the three-month period ended 31 March 2020 | For the year ended 31 December 2019 |
| Beginning balance | 1,642,685,707 | 1,551,386,936 |
| Premium written for the periods | 753,169,436 | 3,023,909,573 |
| Premium earned for the current periods | (757,438,089) | (2,932,610,802) |
| Ending balance | 1,638,417,054 | 1,642,685,707 |

**17. Due to reinsurers**

|  |  |  |
| --- | --- | --- |
|  |  | (Unit: Baht) |
|  | 31 March 2020 | 31 December 2019 |
| Amounts withheld on reinsurance | 283,859,539 | 277,788,790 |
| Amounts due to reinsurers | 880,770,219 | 483,233,443 |
| Total due to reinsurers | 1,164,629,758 | 761,022,233 |

**18. Lease liabilities**

(Unit: Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Lease buildings | Office equipment | Motor vehicles | Computer software | Total |
| Lease liabilities as at 31 December 2019 | - | 2,418,037 | 12,314,968 | 1,136,915 | 15,869,920 |
| Cumulative effect from TFRS 16 adoption | 50,214,794 | 2,907,706 | - | - | 53,122,500 |
| Lease liabilities as at 1 January 2020 | 50,214,794 | 5,325,743 | 12,314,968 | 1,136,915 | 68,992,420 |
| Add: Financial cost for the period | 431,289 | 59,226 | 142,748 | 11,522 | 644,785 |
| Less: Lease payments during the period | (1,953,344) | (801,112) | (1,079,490) | (386,133) | (4,220,079) |
| Lease liabilities as at 31 March 2020 | 48,692,739 | 4,583,857 | 11,378,226 | 762,304 | 65,417,126 |

(Unit: Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 31 March 2020 | | | | |
|  | Lease buildings | Office equipment | Motor vehicles | Computer software | Total |
| Lease liabilities before deferred interest expenses |  |  |  |  |  |
| Portion due within 1 year | 10,069,142 | 2,706,516 | 4,582,328 | 772,465 | 18,130,451 |
| Portion due over 1 year | 45,138,581 | 2,146,000 | 7,604,277 | - | 54,888,858 |
| Total lease liabilities before deferred interest expenses | 55,207,723 | 4,852,516 | 12,186,605 | 772,465 | 73,019,309 |
| Less: Deferred interest expenses | (6,514,984) | (268,659) | (808,379) | (10,161) | (7,602,183) |
| Lease liabilities at end of period | 48,692,739 | 4,583,857 | 11,378,226 | 762,304 | 65,417,126 |

**19. Investments income**

During the three-month periods ended 31 March 2020 and 2019, the Company has investments income as follows:

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | For the three-month periods ended 31 March | |
|  | 2020 | 2019 |
| Interest income from debt securities | 8,340,444 | 8,208,683 |
| Dividends received from equity securities | 7,598,979 | 6,485,999 |
| Investments income | 15,939,423 | 14,694,682 |

# **20. Expected credit loss**

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | For the three-month periods ended 31 March | |
|  | 2020 | 2019 |
| Cash and cash equivalents | (18,500) | - |
| Accrued investments income | 1,650 | - |
| Investments in securities | 168,937 | - |
| Claims receivable from litigants | 8,152,064 | - |
| Total | 8,304,151 | - |

**21. Earnings (loss) per share**

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

**22. 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 and three-month periods ended 31 March 2020 and 2019 can be classified by type of insurance products as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (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 revenues |  |  |  |  | 31,899,578 |
| **Loss for the period** |  |  |  |  | (131,284,162) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit: Baht) |
|  | Financial statements in which the equity method is applied | | | | |
|  | For the three-month period ended 31 March 2019 | | | | |
|  | Fire | Marine and transportation | Motor | Miscellaneous | Total |
| **Underwriting income** |  |  |  |  |  |
| Gross premium written | 126,399,627 | 14,219,297 | 398,801,398 | 95,338,495 | 634,758,817 |
| Less: Premium ceded to reinsurers | (80,530,413) | (6,280,916) | (4,084,422) | (71,919,834) | (162,815,585) |
| Net premium written | 45,869,214 | 7,938,381 | 394,716,976 | 23,418,661 | 471,943,232 |
| Add: Unearned premium reserves decrease from prior period | 31,280,547 | 2,926,941 | 23,739,826 | 13,603,583 | 71,550,897 |
| Net earned premium | 77,149,761 | 10,865,322 | 418,456,802 | 37,022,244 | 543,494,129 |
| Fee and commission income | 17,456,116 | 1,819,266 | 466,056 | 17,069,966 | 36,811,404 |
| **Total underwriting income** | 94,605,877 | 12,684,588 | 418,922,858 | 54,092,210 | 580,305,533 |
| **Underwriting expenses** |  |  |  |  |  |
| Claim and loss adjustment expenses - net | 23,506,255 | 3,116,461 | 295,888,158 | 21,717,543 | 344,228,417 |
| Commission and brokerage expenses | 29,649,216 | 1,803,313 | 55,962,111 | 9,863,976 | 97,278,616 |
| Other underwriting expenses | 13,540,666 | 1,632,327 | 36,894,726 | 11,631,580 | 63,699,299 |
| **Total underwriting expenses**  **before operating expenses** | 66,696,137 | 6,552,101 | 388,744,995 | 43,213,099 | 505,206,332 |
| **Profit from underwriting before operating expenses** | 27,909,740 | 6,132,487 | 30,177,863 | 10,879,111 | 75,099,201 |
| Operating expenses |  |  |  |  | (96,042,715) |
| **Loss from underwriting** |  |  |  |  | (20,943,514) |
| Share of loss from investments in associates |  |  |  |  | (784,294) |
| Investments income |  |  |  |  | 14,694,682 |
| Profit on investments |  |  |  |  | 490,577 |
| Other income |  |  |  |  | 542,696 |
| Finance costs |  |  |  |  | (231,804) |
| **Loss before income tax** |  |  |  |  | (6,231,657) |
| Income tax expenses |  |  |  |  | (2,981,032) |
| **Loss for the period** |  |  |  |  | (9,212,689) |

Segment assets and liabilities of the Company’s operating segments as at 31 March 2020 and 31 December 2019 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 Match 2020 | 405,866,292 | 15,804,286 | 266,893,484 | 289,966,419 | 978,530,481 | 4,976,509,766 | 5,955,040,247 |
| As at 31 December 2019 | 448,635,328 | 23,203,045 | 229,715,862 | 418,250,768 | 1,119,805,003 | 4,583,496,278 | 5,703,301,281 |
| **Liabilities** |  |  |  |  |  |  |  |
| As at 31 Match 2020 | 582,815,395 | 22,373,485 | 1,602,129,029 | 341,930,883 | 2,549,248,792 | 1,485,920,518 | 4,035,169,310 |
| As at 31 December 2019 | 622,197,490 | 27,737,728 | 1,486,373,090 | 444,804,212 | 2,581,112,520 | 1,055,701,893 | 3,636,814,413 |

**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 2020 and 2019, 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 | |
|  | 2020 | 2019 |
| Gross premium written *(1)* | 146 | 140 |

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

**23. Related party transactions**

**23.1 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 |
| Thanasorn Sombat (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. *(1)* | 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 |
| The Siam Cement Plc. *(2)* | Common directors and through shareholding |
| Thaire Life Assurance Plc. | Common directors and through shareholding |
| Rangsit Ruam Patana 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 |

*(1) During June - July 2019 not related party*

*(2) Since December 2019 not related party*

**23.2 Significant related party transactions**

During the three-month periods ended 31 March 2020 and 2019, 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)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied and Separate financial statements | |  |
|  | For the three-month periods ended 31 March | |  |
|  | 2020 | 2019 | Pricing policy |
| **Transactions with associated companies** |  |  |  |
| Reinsurance premium written | 110,765 | 187,265 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| Commission paid to reinsurance | 24,303 | 29,062 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| **Transactions with related companies** |  |  |  |
| Direct premium written | 12,166,302 | 9,476,300 | Rates as specified in insurance contracts |
| Reinsurance premium written | 3,609,084 | 40,899 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| Premium ceded | 2,208,752 | 2,307,023 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| Claim expenses | 2,883,669 | 1,769,834 | Actual incurred |
| Commission paid to reinsurance | 1,235,643 | 6,135 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| Commission received | 750,427 | 830,832 | Ceded rates as specified based on the type of reinsurance and the reinsurance contracts |
| Dividend income | 720,000 | 1,190,000 | As declared |
| Rental and service fee for branch office expenses | 113,339 | 112,981 | Contract price |
| Rental income | 40,915 | 106,500 | Contract price |

**23.3 Outstanding balances**

The balances of the accounts between the Company and those related companies as at 31 March 2020 and 31 December 2019 are as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit: Baht) | |
|  | Financial statements in which the equity method is applied | |
|  | 31 March 2020 | 31 December 2019 |
| **Reinsurance receivables - Amounts due from reinsurers** |  |  |
| The Falcon Insurance Plc. | 10,260,349 | 9,478,860 |
| TKI General Insurance Co., Ltd. | 1,067,627 | 1,195,598 |
| Total | 11,327,976 | 10,674,458 |
| **Investments in securities - Equity securities** |  |  |
| Varopakorn Plc. | 1,448,727 | 1,793,662 |
| Thai Metal Drum Manufacturing Plc. | 257,444,580 | 293,953,800 |
| BTS Group Holdings Plc. | 36,200,000 | 52,400,000 |
| Thaire Life Assurance Plc. | 15,900,000 | 27,000,000 |
| The Siam Cement Plc. | - | 23,520,000 |
| The Falcon Insurance Plc. | 56,544,000 | 74,071,555 |
| Sathorn Thani Co., Ltd. | 28,817,500 | 12,780,000 |
| Rangsit Plaza Co., Ltd. | 17,224,000 | 6,560,000 |
| Total | 413,578,807 | 492,079,017 |
| **Due to reinsurers - Amounts due to reinsurance** |  |  |
| The Falcon Insurance Plc. | 16,162,636 | 14,906,724 |
| TKI General Insurance Co., Ltd. | 255,404 | 286,578 |
| Total | 16,418,040 | 15,193,302 |

|  |  |  |
| --- | --- | --- |
|  | (Unit: Baht) | |
|  | Separate financial statements | |
|  | 31 March 2020 | 31 December 2019 |
| **Reinsurance receivables - Amounts due from reinsurers** |  |  |
| The Falcon Insurance Plc. | 10,260,349 | 9,478,860 |
| TKI General Insurance Co., Ltd. | 1,067,627 | 1,195,598 |
| Total | 11,327,976 | 10,674,458 |
| **Investments in securities - Equity securities** |  |  |
| Varopakorn Plc. | 1,448,727 | 1,793,662 |
| Thai Metal Drum Manufacturing Plc. | 257,444,580 | 293,953,800 |
| BTS Group Holdings Plc. | 36,200,000 | 52,400,000 |
| Thaire Life Assurance Plc. | 15,900,000 | 27,000,000 |
| The Siam Cement Plc. | - | 23,520,000 |
| The Falcon Insurance Plc. | 56,544,000 | 18,846,960 |
| Sathorn Thani Co., Ltd. | 28,817,500 | 12,780,000 |
| Rangsit Plaza Co., Ltd. | 17,224,000 | 6,560,000 |
| Total | 413,578,807 | 436,854,422 |
| **Due to reinsurers - Amounts due to reinsurance** |  |  |
| The Falcon Insurance Plc. | 16,162,636 | 14,906,724 |
| TKI General Insurance Co., Ltd. | 255,404 | 286,578 |
| Total | 16,418,040 | 15,193,302 |

**23.4 Directors and management’s benefits**

During the three-month periods ended 31 March 2020 and 2019, the Company had employment benefits expenses payable to their directors and management as below.

(Unit: Baht)

|  |  |  |
| --- | --- | --- |
|  | For the three-month periods ended 31 March | |
|  | 2020 | 2019 |
| Short-term benefits | 14,164,807 | 15,521,150 |
| Post-employment benefits | 104,419 | 167,016 |
| Total | 14,269,226 | 15,688,166 |

# **24. Assets pledged and reserved with the Registrar**

As at 31 March 2020 and 31 December 2019, 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.

(Unit: Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost | Fair value | Cost | Fair value |
| **Assets pledged** |  |  |  |  |
| Government bonds | 15,000,000 | 15,062,472 | 15,000,000 | 15,098,068 |
| **Assets reserve as non-life insurance reserve** |  |  |  |  |
| Deposits and certificate of deposits at financial institutions | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 |
| Government and state enterprise securities | 20,000,000 | 19,983,285 | 20,000,000 | 19,914,109 |

# **25. Other assets with restrictions and commitments**

As at 31 March 2020 and 31 December 2019, the Company had pledged the following assets as collateral.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Baht) | | | | |
|  | 31 March 2020 | | 31 December 2019 | |
|  | Cost | Fair value | Cost | Fair value |
| **Pledged as bail bond in cases where insured drivers have been charged with criminal offense** |  |  |  |  |
| Government bonds | 100,000 | 100,416 | 100,000 | 100,654 |

# **26. Commitments and contingent liabilities**

**26.1 Capital commitments**

As at 31 March 2020, the Company had capital commitments of approximately Baht 61.2 million (31 December 2019: Baht 61.2 million) relating to computer software.

**26.2 Operating lease commitments**

As at 31 March 2020, future minimum payments required under lease and service agreements with related short-term leases and leases of low-value assets were as follows.

|  |  |
| --- | --- |
| Payable within: | (Unit: Baht) |
| Within 1 year | 485,627 |
| Over 1 to 3 years | 887,145 |

**26.3 Letter of Guarantees**

As at 31 March 2020, there were bank guarantees amounting to Baht 2.8 million, and a certificate issued in the Company’s name amounting to Baht 4.9 million, as required in the normal course of the Company’s business (31 December 2019: Baht 2.8 million and Baht 4.7 million, respectively).

**26.4 Litigation**

As at 31 March 2020, the Company has been sued for damages totaling approximately Baht 153.6 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 41.9 million, and the Company has set aside reserves for contingent loss amounting to Baht 41.9 million in the financial statements (31 December 2019: Baht 52.2 million, Baht 22.2 million and Baht 22.1 million, respectively).

**27. Fair value measurement for financial assets**

As at 31 March 2020 and 31 December 2019, the Company had the following financial assets that were measured at fair value using different levels of inputs as follows

| (Unit: Baht) | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied and Separate financial statements | | | | |
|  | 31 March 2020 | | | | |
|  | Fair value | | | |  |
|  | Level 1 | Level 2 | Level 3 | Total | Book value |
| **Financial assets measured at fair value** |  |  |  |  |  |
| Trading investments which are measured at fair value through profit or loss |  |  |  |  |  |
| Government and state enterprise securities | 2,608,000 | - | - | 2,608,000 | 2,608,000 |
| Equity instruments | 365,908,439 | - | - | 365,908,439 | 365,908,439 |
| Unit trusts | 103,550,700 | - | - | 103,550,700 | 103,550,700 |
| Available-for-sale investments which are measured at fair value through other comprehensive income |  |  |  |  |  |
| Government and state enterprise securities | 9,605,916 | 689,873,537 | - | 699,479,453 | 699,479,453 |
| Private debt securities | - | 601,885,436 | - | 601,885,436 | 601,885,436 |
| Equity instruments | 142,103,432 | - | 271,904,889 | 414,008,321 | 414,008,321 |
| Unit trusts | 135,281,575 | 39,331,448 | - | 174,613,023 | 174,613,023 |

| (Unit: Baht) | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Financial statements in which the equity method is applied and Separate financial statements | | | | |
|  | 31 December 2019 | | | | |
|  | Fair value | | | |  |
|  | Level 1 | Level 2 | Level 3 | Total | Book value |
| **Financial assets measured at fair value** |  |  |  |  |  |
| Trading investments which are measured at fair value through profit or loss |  |  |  |  |  |
| Government and state enterprise securities | 5,440,000 | - | - | 5,440,000 | 5,440,000 |
| Equity securities | 447,735,347 | - | - | 447,735,347 | 447,735,347 |
| Unit trusts | 156,267,420 | - | - | 156,267,420 | 156,267,420 |
| Available-for-sale investments which are measured at fair value through other comprehensive income |  |  |  |  |  |
| Government and state enterprise securities | 15,975,562 | 661,775,376 | - | 677,750,938 | 677,750,938 |
| Private debt securities | - | 679,475,371 | - | 679,475,371 | 679,475,371 |
| Equity instruments | 224,504,036 | - | - | 224,504,036 | 224,504,036 |
| Unit trusts | 163,894,456 | 52,012,284 | - | 215,906,740 | 215,906,740 |

The Company had valuation techniques for financial assets as follows:

1. The fair value of investments in debt instruments is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
2. Investments in marketable equity instruments have been presented at fair value by using market price. Investments in non-listed equity instruments are determined using generally accepted pricing model or approximated to their net book values if the fair value cannot be reliably estimated.
3. Investments in marketable unit trusts have been presented at fair value by using market price. Investments in non-listed unit trusts are determined by using the net asset value as announced by asset management company.

**28. Event after the reporting period**

On 14 April 2020, a meeting no.3/2563 of the Board of Directors of the Company passed a resolution to approve an interim dividend payment from retained earnings, in the form of a cash dividend payment of Baht 1.2857 per share for the 35,000,000 shares, totaling Baht 44,999,500. Shareholders who are eligible to receive dividends are those appearing in the shareholders’ list with a record date of 10 March 2020. Payment is scheduled to be made on 11 May 2020.

**29. Approval of interim financial information**

This interim financial information was authorised for issue by the Company’s Board of Directors on 12 May 2020.