

AXA INSURANCE PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2020



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of AXA Insurance Public Company Limited

I have reviewed the interim financial information of AXA Insurance Public Company Limited, which comprises the statement of financial position as at 30 June 2020, the statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the 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".

Emphasis of matter

I draw attention to note 3 of the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

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Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
7 August 2020

AXA Insurance Public Company Limited
Statement of Financial Position
As at 30 June 2020

	<u>Notes</u>	<u>Unaudited 30 June 2020 Baht</u>	<u>Audited 31 December 2019 Baht</u>
Assets			
Cash and cash equivalents	6	450,407,702	333,363,330
Premium receivable, net	7	496,151,367	319,728,453
Accrued investment income, net		16,016,026	16,873,193
Reinsurance assets, net	8, 22	772,352,296	656,355,346
Amounts due from reinsurance, net	9, 22	58,468,392	99,317,039
Investment assets			
Investment in securities, net	10	3,574,202,851	3,389,002,386
Property and equipment, net	11	29,537,836	30,559,941
Right-of-use assets	12	50,147,374	-
Intangible assets, net	13	6,562,281	5,712,890
Deferred acquisition cost		184,454,499	159,388,331
Deferred tax assets, net	14	401,375,847	412,914,994
Other assets	15, 22	94,415,869	92,473,791
Total assets		<u><u>6,134,092,340</u></u>	<u><u>5,515,689,694</u></u>



Director _____

Date _____

The accompanying notes form part of this interim financial information.

AXA Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2020

	<u>Notes</u>	<u>Unaudited 30 June 2020 Baht</u>	<u>Audited 31 December 2019 Baht</u>
Liabilities and equity			
Liabilities			
Insurance liabilities	16	3,414,068,882	3,009,490,864
Due to reinsurers	17, 22	288,725,744	197,406,173
Employee benefit obligations		93,919,640	113,987,374
Accrued expenses		117,545,773	118,196,474
Commission payable		63,038,379	48,637,432
Lease liabilities		49,140,013	-
Other liabilities	18	123,502,861	88,600,938
Total liabilities		<u>4,149,941,292</u>	<u>3,576,319,255</u>
Equity			
Share capital	19		
Registered			
36,726,421 ordinary shares			
of par Baht 100 each		<u>3,672,642,100</u>	<u>3,672,642,100</u>
Issued and paid-up			
36,726,421 ordinary shares			
of par Baht 100 each		3,672,642,100	3,672,642,100
Discount on paid-up capital		(1,068,106,516)	(1,068,106,516)
Retained (Deficits) earnings			
Appropriated			
Legal reserve		30,670,999	30,670,999
Unappropriated		(710,846,514)	(713,973,562)
Other components of equity		59,790,979	18,137,418
Total equity		<u>1,984,151,048</u>	<u>1,939,370,439</u>
Total liabilities and equity		<u>6,134,092,340</u>	<u>5,515,689,694</u>



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The accompanying notes form part of this interim financial information.

AXA Insurance Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2020

	<u>Notes</u>	<u>Unaudited 2020 Baht</u>	<u>Unaudited 2019 Baht</u>
Revenues			
Gross written premium	22	857,010,835	588,797,661
<u>Less</u> Reinsurance premium ceded	22	(163,040,537)	(98,125,128)
Net written premium		693,970,298	490,672,533
<u>(Less) Add</u> Change in unearned premium reserve		(38,010,273)	48,938,523
Net earned premium		655,960,025	539,611,056
Commission and brokerage fees	22	18,514,239	18,111,381
Net investment income		16,598,199	17,381,228
Gains on investments		38,642	6,056
Other income		835,977	912,318
Total revenues		<u>691,947,082</u>	<u>576,022,039</u>
Expenses			
Losses and loss adjustment expenses	22	464,766,228	484,933,007
<u>Less</u> Claim recovered from reinsurers	22	(95,000,101)	(192,095,969)
Commissions and brokerages expenses	22	105,719,258	84,239,067
Other underwriting expenses	22	110,788,950	103,368,219
Operating expenses	20, 22	96,999,139	95,744,057
Finance cost		1,180,686	(1,525)
Total expenses		<u>684,454,160</u>	<u>576,186,856</u>
Profit (Loss) before income taxes		7,492,922	(164,817)
Income taxes (expense) credit		(1,598,374)	47,144
Profit (Loss) for the period		<u>5,894,548</u>	<u>(117,673)</u>
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Change in value of investments measured at fair value through other comprehensive income		2,787,184	10,875,777
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		(38,642)	(6,056)
Income tax relating to items that will be reclassified		(548,352)	(2,173,944)
Total items that will be reclassified subsequently to profit or loss		<u>2,200,190</u>	<u>8,695,777</u>
Other comprehensive income for the period, net of tax		<u>2,200,190</u>	<u>8,695,777</u>
Total comprehensive income for the period		<u>8,094,738</u>	<u>8,578,104</u>
Profit (Loss) per share			
Basic profit (loss) per share (Baht)	21	0.16	(0.003)



The accompanying notes form part of this interim financial information.

AXA Insurance Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2020

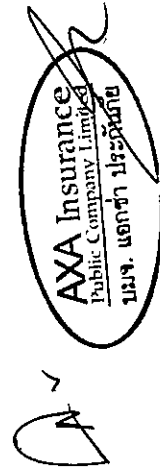
	Notes	Unaudited 2020 Baht	Unaudited 2019 Baht
Revenues			
Gross written premium	22	1,797,796,430	1,272,333,796
<u>Less</u> Reinsurance premium ceded	22	(301,133,335)	(245,072,270)
Net written premium		1,496,663,095	1,027,261,526
<u>(Less) Add</u> Change in unearned premium reserve		(226,924,062)	39,284,264
Net earned premium		1,269,739,033	1,066,545,790
Commission and brokerage fees	22	38,093,246	39,796,425
Net investment income		33,506,127	34,618,354
Gains on investments		91,951	176,258
Other income		953,013	2,250,561
Total revenues		1,342,383,370	1,143,387,388
Expenses			
Losses and loss adjustment expenses	22	825,223,983	891,934,044
<u>Less</u> Claim recovered from reinsurers	22	(173,487,649)	(273,369,675)
Commissions and brokerages expenses	22	202,810,143	168,735,830
Other underwriting expenses	22	283,492,070	190,978,478
Operating expenses	20, 22	197,630,126	186,775,257
Finance cost		1,748,565	-
Total expenses		1,337,417,238	1,165,053,934
Profit (Loss) before income taxes		4,966,132	(21,666,546)
Income taxes (expense) credit		(1,134,768)	4,067,279
Profit (Loss) for the period		3,831,364	(17,599,267)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Change in value of investments measured at fair value through other comprehensive income		11,229,319	18,048,043
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		(91,951)	(176,258)
Income tax relating to items that will be reclassified		(2,226,118)	(3,574,357)
Total items that will be reclassified subsequently to profit or loss		8,911,250	14,297,428
Other comprehensive income for the period, net of tax		8,911,250	14,297,428
Total comprehensive income (expense) for the period		12,742,614	(3,301,839)
Profit (Loss) per share			
Basic profit (loss) per share (Baht)	21	0.10	(0.48)

The accompanying notes form part of this interim financial information.

AXA Insurance Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2020

	2020 (Unaudited)											
	Other comprehensive income						Other components of equity					
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Remeasurements of post-employment benefit obligations	Unrealised gain (loss) on the change in value of investment	Total other component of equity	Legal reserve	Unappropriated	Other reserve	Unrealised gain (loss) on the change in value of investment	Other reserve	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2020	3,672,642,100	(1,068,106,516)	30,670,999	(713,973,562)	(2,024,367)	33,789,892	(13,628,107)	18,137,418	1,939,370,439			
Retrospective adjustment from adoption of new financial reporting standard (Note 3)	-	-	-	(704,316)	-	28,893,550	-	28,893,550	28,189,234			
Beginning balance as at 1 January 2020	3,672,642,100	(1,068,106,516)	30,670,999	(714,677,878)	(2,024,367)	62,683,442	(13,628,107)	47,030,968	1,967,559,673			
Profit for the period	-	-	-	3,831,364	-	-	-	-	3,831,364			
Equity-settled share-based payment	-	-	-	-	-	-	-	1,271,448	1,271,448			
Share-based payment reclassified to liabilities	-	-	-	-	-	-	-	2,577,313	2,577,313			
Unrealised losses on changes in value of investments measured at fair value through other comprehensive income	-	-	-	-	-	8,984,811	-	8,984,811	8,984,811			
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss	-	-	-	-	-	(73,561)	-	(73,561)	(73,561)			
Closing balance as at 30 June 2020	3,672,642,100	(1,068,106,516)	30,670,999	(710,846,514)	(2,024,367)	71,594,692	(9,779,346)	59,790,979	1,984,151,048			

	2019 (Unaudited)											
	Other comprehensive income						Other components of equity					
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Remeasurements of post-employment benefit obligations	Unrealised gain (loss) on the change in value of investment	Total other component of equity	Legal reserve	Unappropriated	Other reserve	Unrealised gain (loss) on the change in value of investment	Other reserve	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2019	3,672,642,100	(1,068,106,516)	30,670,999	(697,198,776)	5,522,163	(3,841,413)	(9,825,653)	(8,144,903)	1,929,862,904			
Loss for the period	-	-	-	(17,599,267)	-	-	-	-	(17,599,267)			
Equity-settled share-based payment	-	-	-	-	-	-	-	2,498,063	2,498,063			
Share-based payment reclassified to liabilities	-	-	-	-	-	-	-	(5,261,428)	(5,261,428)			
Change in value of available-for-sale investments	-	-	-	-	-	14,438,434	-	14,438,434	14,438,434			
Realised gain from sale of available-for-sale investments transferred to profit or loss	-	-	-	-	-	(141,006)	-	(141,006)	(141,006)			
Closing balance as at 30 June 2019	3,672,642,100	(1,068,106,516)	30,670,999	(714,798,043)	5,522,163	10,456,015	(12,589,018)	3,389,160	1,923,797,700			


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Beginning balance as at 1 January 2019
Loss for the period
Equity-settled share-based payment
Share-based payment reclassified to liabilities
Change in value of available-for-sale investments
Realised gain from sale of available-for-sale investments transferred to profit or loss

The accompanying notes form part of this interim financial information.

AXA Insurance Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2020

	Unaudited 2020 Baht	Unaudited 2019 Baht
Cash flows from operating activities		
Written premium received from direct insurance	1,604,191,107	1,377,486,285
Cash paid for reinsurance	(24,811,471)	(113,349,515)
Interest income received	2,428,103	3,767,206
Investment income received	36,836,673	37,642,364
Other income received	953,013	2,224,162
Losses paid from direct insurance	(644,457,564)	(778,943,392)
Commission and brokerage paid from direct insurance	(224,654,525)	(165,345,886)
Other underwriting expenses	(278,921,800)	(168,648,130)
Operating expenses paid	(187,782,822)	(244,977,630)
Other expenses paid	(1,164,019)	-
Income tax paid	(8,658,308)	(6,762,306)
Cash received from investment in securities	598,404,631	698,659,987
Cash paid for investment in securities	(156,168,169)	(703,645,228)
Cash received from investment in deposits at financial Institutions	257,810,603	241,467,017
Cash paid for investment in deposits at financial Institutions	(842,890,477)	(88,340,841)
Net cash generated from operating activities	131,114,975	91,234,093
Cash flows from investing activities		
Proceeds from disposal of equipment	-	27,991
Purchase of equipment and computer software	(6,251,657)	(1,280,670)
Net cash used in investing activities	(6,251,657)	(1,252,679)
Cash flows from financing activities		
Payments on lease liabilities	(7,818,946)	-
Net cash used in investing activities	(7,818,946)	-
Net increase in cash and cash equivalents	117,044,372	89,981,414
Cash and cash equivalents at beginning of the period	333,363,330	179,233,953
Cash and cash equivalents at end of the period	450,407,702	269,215,367

The accompanying notes form part of this interim financial information.

1 General information

AXA Insurance Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The address of its registered office is as follows:

23rd Floor, Lumpini Tower, 1168/67 Rama 4 Road, Sathorn, Bangkok.

The principal business operation of the Company is general insurance. The Company operates only in Thailand.

These interim financial information was authorised for issue by the Company's management on 7 August 2020.

This interim financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation are based on the formats of interim financial information attached in an Office of Insurance Commission's Notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company (No.2) B.E. 2562" dated on 4 April 2019 ('OIC Notification').

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

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except as described in note 3.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Income taxes in the interim periods are accrued by using the expected income taxes in the interim period.

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2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

TAS 12	Income tax
TAS 19	Employee benefits
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- That the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- That the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements

The Company has already adopted above revised standards for the current reporting period. The management assessed that the above revised standards do not have significant impact to the Company.

A handwritten signature is written over a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" and its Thai equivalent "บมจ. แอกซ่า ประกันภัย".

3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation

Adoption of new financial reporting standards

On 1 January 2020, the Company passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Company is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidance' ('The Accounting Guidance').

The Company has adopted financial reporting standards relating to financial instruments (TAS 32, and The Accounting Guidance) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The Company has apply the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

Reversal of deferred tax assets

The Company has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Company writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

Valuation of the unquoted equity investments

The Company has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 when measuring unquoted equity investments. The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

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AXA Insurance Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2020

3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation (Cont'd)

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and The Accounting Guidance) and leases standard (TFRS 16):

	As at 31 December 2019 Previously reported Baht	TAS 32 and The Accounting Guidance Reclassifications and adjustments Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets				
Accrued income on investment	16,873,193	-	-	16,873,193
Investment in securities	3,389,002,386	36,080,354	-	3,425,082,740
Right-of-use assets	-	-	62,443,578	62,443,578
Deferred tax assets, net	412,914,994	(7,216,071)	-	405,698,923
Other asset	92,473,791	-	(2,845,748)	89,628,043
Total assets	3,911,264,364	28,864,283	59,597,830	3,999,726,477
Liabilities and equity				
Liabilities				
Lease liabilities	-	-	60,272,879	60,272,879
Total liabilities	-	-	60,272,879	60,272,879
Equity				
Retained earnings	(713,973,562)	(29,267)	(675,049)	(714,677,878)
Unrealised gains on changes in value of investments	33,789,892	28,893,550	-	62,683,442
Total equity	(680,183,670)	28,864,283	(675,049)	(651,994,436)
Total liabilities and equity	(680,183,670)	28,864,283	59,597,830	(591,721,557)



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3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment as follows:

Classification and measurement

The Company has equity instruments measured at cost of Baht 0.9 million. These instruments will be remeasured to fair value through other comprehensive income and reclassified with a corresponding adjustment to equity of Baht 28.9 million as of 1 January 2020.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Company recognised impairment losses for investment in securities of Baht 18.2 million. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

The adoption of the new financial reporting standards on leases mainly affects the Company's accounting treatment as follows:

Classification and measurement

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 6%.

	<u>Baht</u>
Operating lease commitments disclosed as at 31 December 2019	22,034,347
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	(8,055,231)
Less: low-value leases recognised on a straight-line basis as expense	(8,309,000)
Add: adjustments as a result of a different treatment of extension and termination options	<u>54,602,763</u>
Lease liability recognised as at 1 January 2020	<u>60,272,879</u>


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3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation (Cont'd)

The associated right-of-use assets for building leases were measured on a retrospective basis as if the new rules had always been applied. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepayment relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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

	30 June 2020 Baht	1 January 2020 Baht
Buildings and improvements (Note 12)	50,147,374	62,443,578
Total right-of-use assets	50,147,374	62,443,578

Practical expedients applied

In applying TFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Investment in securities

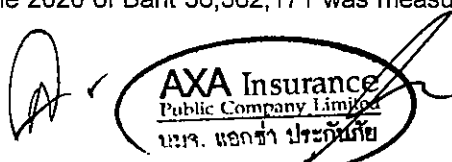
Classification and measurements

From 1 January 2020, the Company classifies its financial assets as follows:

- Investments measured at fair value through profit or loss (FVPL)
- Investments measured at fair value through other comprehensive income (FVOCI)
- Investments measured at amortised cost

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

The Company has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 when measuring unquoted equity investments. As a result, the equity investments measured at FVOCI as at 30 June 2020 of Baht 36,362,171 was measured at their fair value as of 1 January 2020.



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3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Investment in securities (Cont'd)

Impairment

From 1 January 2020, the Company assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss.

Right-of-use assets and lease liabilities

The Company leases property, plant and equipment. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Before 2020 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are recorded in the statement of financial positions.

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3 Adoption of new financial reporting standards, changes in accounting policies, and change in presentation (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Right-of-use assets and lease liabilities (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease prepayments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise car rental agreement.

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

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5 Fair value

5.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets that are measured at fair value at 30 June 2020 and 31 December 2019.

	30 June 2020 (Unaudited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	2,660,346,919	-	2,660,346,919
Equity securities	-	-	36,362,171	36,362,171
Total assets	-	2,660,346,919	36,362,171	2,696,709,090
	31 December 2019 (Audited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Asset				
Available-for-sale financial assets				
Debt securities	-	3,096,306,682	-	3,096,306,682
Equity securities	-	-	-	-
Total assets	-	3,096,306,682	-	3,096,306,682

There were no transfers between Levels, no changes in valuation techniques and no reclassifications of financial assets during the period.

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5 Fair value (Cont'd)

5.2 Valuation techniques

5.2.1 Valuation techniques used to measure fair value level 2

Level 2 debt investments of marketable securities are fair valued using discounted cash flow model based on individual debt instrument's yield curve published by the Thai Bond Market Association at the end of reporting period.

5.2.2 Valuation techniques used to measure fair value level 3

Changes in level 3 financial instruments for the six-months period ended 30 June 2020 is as follows:

	Unaudited 30 June 2020 Baht
Beginning balance of the period/year	36,362,171
Unrealized gain (loss)	-
Closing balance of the period/year	36,362,171

Valuation process

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

Fair value hierarchy level 3 of Road Accident Victims Protection Co., Ltd. is determine based on fair value calculated using discounted cashflows method announced by Thailand General Insurance Association.

6 Cash and cash equivalents

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Cash on hand	238,086	238,086
Cheque on hand	545,163	38,946
Bank deposits held at call	449,624,453	283,095,763
Short-term investment	-	49,990,535
Total cash and cash equivalents	450,407,702	333,363,330



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7 Premium receivable, net

The balances of premium receivable were aged as follows:

	From direct channel	
	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Undue	249,251,856	242,413,395
Less than 30 days	104,031,079	30,721,662
30 - 60 days	42,821,100	22,472,651
60 - 90 days	18,647,126	6,896,130
90 days - 1 year	72,073,634	17,818,416
More than 1 year	18,440,583	7,665,442
Total premium receivable	505,265,378	327,987,696
<u>Less</u> Allowance for doubtful accounts	(9,114,011)	(8,259,243)
Premium receivable, net	<u>496,151,367</u>	<u>319,728,453</u>

8 Reinsurance assets, net

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Reinsurance recoveries on technical reserve (Note 16)		
Claim reserve	587,021,587	524,962,565
Premium reserve		
- Unearned premium reserve (UPR)	185,330,709	131,392,781
Reinsurance assets, net	<u>772,352,296</u>	<u>656,355,346</u>

9 Amounts due from reinsurance, net

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Reinsurance premium receivable	58,641,203	99,423,971
<u>Less</u> Allowance for doubtful account	(172,811)	(106,932)
Amounts due from reinsurance, net	<u>58,468,392</u>	<u>99,317,039</u>



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10 Investment in securities, net

Investment in securities as at 30 June 2020 and 31 December 2019 are as follows:

Debt instrument financial assets

	(Unaudited) 30 June 2020	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	1,909,371,224	1,954,464,812
Private enterprise debt securities	697,652,078	705,882,107
Foreign debt securities	-	-
Total	2,607,023,302	2,660,346,919
<u>Add</u> Unrealised gain	53,323,617	-
Total debt instrument measured at fair value through other comprehensive income	2,660,346,919	2,660,346,919
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	877,493,761	
Total	895,013,161	
<u>Less</u> Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	877,493,761	
Total debt instrument financial assets	3,537,840,680	

Equity instrument financial assets

	(Unaudited) 30 June 2020	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Local equity securities	891,069	36,362,171
Foreign equity securities	-	-
Total	891,069	36,362,171
<u>Add</u> Unrealised gain	35,471,102	-
Total equity instrument measured at fair value through other comprehensive income	36,362,171	36,362,171
Total equity instrument financial assets	36,362,171	36,362,171
Total investment in securities	3,574,202,851	3,574,202,851



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10 Investment in securities, net (Cont'd)

The details of investment in securities are as follows (Cont'd):

	Audited 31 December 2019	
	Cost / Amortise cost Baht	Fair value Baht
<u>Available-for-sale investments</u>		
Government securities	2,363,617,425	2,394,473,570
Private enterprises securities	690,453,065	701,833,112
Total	3,054,070,490	3,096,306,682
<u>Add</u> Unrealised gains	42,236,192	-
Total available-for-sale Investments	3,096,306,682	3,096,306,682
<u>Held-to-maturity investments</u>		
Private enterprises securities	17,519,400	
Deposits at financial Institutions with maturity over 3 months from the acquisition	292,413,887	
Total	309,933,287	
<u>Less</u> Impairment charge	(17,519,400)	
Total held-to-maturity investments	292,413,887	
<u>General investments</u>		
Non-marketable equity securities	891,069	
<u>Less</u> Impairment charge	(609,252)	
Total general investments	281,817	
Total investment in securities	3,389,002,386	

As at 30 June 2020, the deposits at financial institutions with maturity over 3 months from issuance at par value amounting to Baht 1,091,871 were placed as bail bonds (31 December 2019: Baht 1,080,113).



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10 Investment in securities, net (Cont'd)

10.1 Debt securities that are measured at fair value through other comprehensive income

	(Unaudited)	
	30 June 2020	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,660,346,919	(696,973)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	2,660,346,919	(696,973)

10.2 Debt securities that are measured at amortised cost

	(Unaudited)		
	30 June 2020		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	877,493,761	-	877,493,761
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	17,519,400	(17,519,400)	-
Total	895,013,161	(17,519,400)	877,493,761



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10 Investment in securities, net (Cont'd)

For the three-months periods ended 30 June 2020 and 2019, the Company has revenues relating to investment as follows:

- Interest income from investments with amounting to Baht 17 million (2019: Baht 17.9 million).
- Amount received from selling investments with totaling amounting to Baht 384.2 million (2019: Baht 196.2 million) and gain from selling investments with totaling amounting to Baht 0.04 million (2019: Baht 0.006 million).

For the six-month periods ended 30 June 2020 and 2019, the Company has revenues relating to investment as follows:

- Interest income from investments with amounting to Baht 34.4 million (2019: Baht 35.6 million).
- Amount received from selling investments with totaling amounting to Baht 598.4 million (2019: Baht 698.7 million) and gain from selling investments with totaling amounting to Baht 0.1 million (2019: Baht 0.2 million).

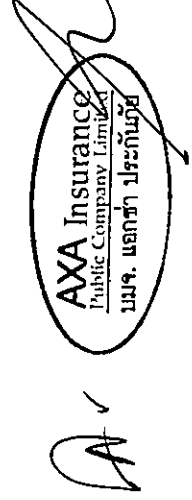
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11 Property and equipment, net

	30 June 2020 (Unaudited)											
	Cost					Accumulated depreciation					Net property and equipment Baht	
	For the six-months period					For the six-months period						
Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ Write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ Write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ Write off Baht	Ending Baht	
Condo - office	54,347,560	-	-	54,347,560	(34,125,132)	-	(34,125,132)	20,222,428	(34,125,132)	-	(34,125,132)	20,222,428
Office furniture and equipment	215,254,648	3,412,657	-	218,667,305	(207,024,190)	(3,961,135)	(210,985,325)	7,681,980	(3,961,135)	-	(210,985,325)	7,681,980
Motor vehicles	5,441,299	-	-	5,441,299	(3,334,244)	(473,627)	(3,807,871)	1,633,428	(473,627)	-	(3,807,871)	1,633,428
Assets under installation	-	1,552,428	(1,552,428)	-	-	-	-	-	-	-	-	-
Total	275,043,507	4,965,085	(1,552,428)	278,456,164	(244,483,566)	(4,434,762)	(248,918,328)	29,537,836	(4,434,762)	-	(248,918,328)	29,537,836

	31 December 2019 (Audited)											
	Cost					Accumulated depreciation					Net property and equipment Baht	
	For the year					For the year						
Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ Write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ Write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ Write off Baht	Ending Baht	
Condo - office	54,347,560	-	-	54,347,560	(34,125,132)	-	(34,125,132)	20,222,428	(34,125,132)	-	(34,125,132)	20,222,428
Office furniture and equipment	213,414,017	2,535,643	(695,012)	215,254,648	(196,469,325)	(11,248,241)	(207,024,190)	8,230,458	(11,248,241)	693,376	(207,024,190)	8,230,458
Motor vehicles	5,441,299	-	-	5,441,299	(2,381,785)	(952,459)	(3,334,244)	2,107,055	(952,459)	-	(3,334,244)	2,107,055
Total	273,202,876	2,535,643	(695,012)	275,043,507	(232,976,242)	(12,200,700)	(244,483,566)	30,559,941	(12,200,700)	693,376	(244,483,566)	30,559,941




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12 Right-of-use assets

	30 June 2020 (Unaudited)										
	Cost/Revaluation					Accumulated amortisation					
	For the six-months period		Gain on revaluation		Ending balance	For the six-months period		Revaluation adjustment		Ending balance	Right-of-use assets
Beginning balance	Addition	Change in contract	revaluation	Baht	Baht	Amortisation charge	Baht	Baht	Baht	Baht	Baht
Buildings and Improvements (Note 3)	62,443,578	-	(4,956,417)	-	57,487,161	-	(7,339,787)	-	(7,339,787)	50,147,374	
Total	62,443,578	-	(4,956,417)	-	57,487,161	-	(7,339,787)	-	(7,339,787)	50,147,374	


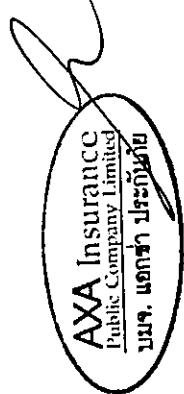
For the six-months period ended 30 June 2020, the lease payments resulting from lease and service contracts which are not capitalised comprised of low-value leases amounting to Baht 1.74 million.


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13 Intangible assets, net

	30 June 2020 (Unaudited)										
	Cost					Accumulated depreciation					Net intangible assets Baht
	For the six-months period		Disposal/ Transfer out/ Write off Baht		Ending Baht	For the six-months period		Disposal/ Transfer out/ Write off Baht		Ending Baht	
Opening Baht	Addition/ Transfer Baht	Transfer out/ Write off Baht	Ending Baht	Opening Baht		Depreciation Baht	Ending Baht	Disposal/ Transfer out/ Write off Baht	Ending Baht		Net intangible assets Baht
Computer software Assets under installation	118,704,500	2,839,000	-	121,543,500	(112,991,610)	(1,989,609)	(114,981,219)	-	(114,981,219)	6,562,281	
Total	118,704,500	2,839,000	-	121,543,500	(112,991,610)	(1,989,609)	(114,981,219)	-	(114,981,219)	6,562,281	
	31 December 2019 (Audited)										
	Cost					Accumulated depreciation					Net intangible assets Baht
	For the year		Disposal/ Transfer out/ Write off Baht		Ending Baht	For the year		Disposal/ Transfer out/ Write off Baht		Ending Baht	
Opening Baht	Addition/ Transfer Baht	Transfer out/ Write off Baht	Ending Baht	Opening Baht		Depreciation Baht	Ending Baht	Disposal/ Transfer out/ Write off Baht	Ending Baht		Net intangible assets Baht
Computer software Assets under installation	117,043,747	1,660,753	-	118,704,500	(108,125,328)	(4,866,282)	(112,991,610)	-	(112,991,610)	5,712,890	
	440,174	931,779	(1,371,953)	-	-	-	-	-	-	-	
Total	117,483,921	2,592,532	(1,371,953)	118,704,500	(108,125,328)	(4,866,282)	(112,991,610)	-	(112,991,610)	5,712,890	


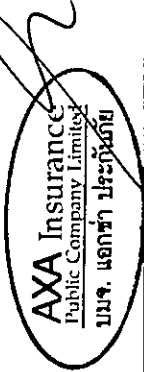


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For the six-month period ended 30 June 2020

14 Deferred income tax

Deferred tax assets and liabilities presented in statements of financial position and changes in deferred tax for the six-months period ended 30 June 2020 arises from the following items:

	Audited 31 December 2019 Baht	TAS 32 and The Accounting Reclassifications and adjustments Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	Transaction in other reserve Baht	Unaudited 30 June 2020 Baht
Deferred tax assets						
- Allowance for doubtful accounts	1,673,235	-	184,129	-	-	1,857,364
- Unearned premium reserve	72,785,662	-	4,548,029	-	-	77,333,691
- Loss reserve and outstanding claims	223,049,172	-	12,331,402	-	-	235,380,574
- Provision for impairment of investments (Note 3)	3,625,731	(3,625,731)	-	-	-	-
- Depreciation for computers	1,751,491	-	(504,189)	-	-	1,247,302
- Provision for retirement benefits	9,837,310	-	471,475	-	-	10,308,785
- Accrued expenses	3,348,462	-	317,862	-	(962,190)	2,704,134
- Loss carry forward	142,237,553	-	(18,645,662)	-	-	123,591,891
- Lease Liabilities	-	-	153,315	-	-	153,315
- Expected credit losses (Note 3)	-	3,633,047	8,871	-	-	3,641,918
	458,308,616	7,316	(1,134,768)	-	(962,190)	456,218,974
Deferred tax liabilities						
- Deferred acquisition cost	36,946,149	-	-	-	-	36,946,149
- Changes in value of investment measured at fair value through other comprehensive income (Note 3)	8,447,473	7,094,220	-	2,217,247	-	17,758,940
- Expected credit losses (Note 3)	-	129,167	-	8,871	-	138,038
	45,393,622	7,223,387	-	2,226,118	-	54,843,127
Deferred income tax, net	412,914,994					401,375,847



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14 Deferred income tax (Cont'd)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 30 June 2020, the Company did not recognise deferred income tax assets of Baht 19.6 million (31 December 2019: Baht 19.6 million) in respect of loss amounting to Baht 98.1 million (31 December 2019: Baht 98.1 million) that can be carried forward against future taxable income. Loss amounting to Baht 98.1 million expires in 2021.

15 Other assets

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Income tax receivable and undue valued added tax	60,522,551	48,267,609
Prepaid expenses and refundable deposits	13,068,524	19,205,224
Reserve withheld for claims	2,481,685	14,482,490
Amount due from related companies (Note 22)	2,101,159	1,324,199
Others	16,241,950	9,194,269
Total other assets	94,415,869	92,473,791

Reserve withheld for claims is cash withheld from premiums received on Thai Rice and Maize Insurance Scheme and which is the Government's Scheme co-operating with the Office of Insurance Commission and Thai General Insurance Association for payments for losses and other expenses which the Company will receive this cash when the coverage period in the insurance contracts is over.

16 Insurance liabilities

	Unaudited 30 June 2020			Audited 31 December 2019		
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Claims reserve						
- Reported claim	873,496,793	(227,316,857)	646,179,936	894,979,278	(253,832,197)	641,147,081
- Claim incurred but not reported	890,427,661	(359,704,730)	530,722,931	745,229,148	(271,130,368)	474,098,780
Total claims reserve	1,763,924,454	(587,021,587)	1,176,902,867	1,640,208,426	(524,962,565)	1,115,245,861
Premium reserve						
- Unearned premium reserve (UPR)	1,650,144,428	(185,330,709)	1,464,813,719	1,369,282,438	(131,392,781)	1,237,889,657
Total	3,414,068,882	(772,352,296)	2,641,716,586	3,009,490,864	(656,355,346)	2,353,135,518



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16 Insurance liabilities (Cont'd)

16.1 Insurance reserve for short-term insurance contract

16.1.1 Claims reserve

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Beginning balance	1,640,208,426	1,871,942,169
Claims incurred during the period/year	647,836,568	1,732,017,626
Changes in claims reserve and assumptions method on claims reserve	153,219,644	(133,983,864)
Claims paid during the period/year	(677,340,184)	(1,829,767,505)
Closing balance	<u>1,763,924,454</u>	<u>1,640,208,426</u>

16.1.2 Unearned premium reserve

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Beginning balance	1,369,282,438	1,335,113,977
Premium written for the period/year	1,797,796,430	2,733,938,888
Premium earned for the period/year	(1,516,934,440)	(2,699,770,427)
Closing balance	<u>1,650,144,428</u>	<u>1,369,282,438</u>

17 Due to reinsurers

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Reinsurance premium payable	203,096,405	134,396,538
Fund withheld from reinsurance	49,809,876	55,256,437
Reinsurance payable - others	35,819,463	7,753,198
Total due to reinsurers	<u>288,725,744</u>	<u>197,406,173</u>

18 Other liabilities

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Revenue Department payable	33,149,000	22,643,698
Amount due from related companies (Note 22)	36,779,491	11,618,454
Premium suspense	44,376,407	44,626,981
Others	9,197,963	9,711,805
Total other liabilities	<u>123,502,861</u>	<u>88,600,938</u>



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For the six-month period ended 30 June 2020

19 Share capital

For the six-months period ended 30 June 2020 and for the year ended 31 December 2019.

	Number of Ordinary shares Shares	Ordinary Shares Baht	Share discount Baht	Total Baht
At 1 January 2019	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 31 December 2019	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 30 June 2020	<u>36,726,421</u>	<u>3,672,642,100</u>	<u>(1,068,106,516)</u>	<u>2,604,535,584</u>

20 Operating expenses

	For the three-months period ended	
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Employee expenses not relating to underwriting and claim expenses	54,289,818	42,617,414
Property and equipment expenses not relating to underwriting expenses	17,715,629	25,138,763
Tax expenses	242,066	204,774
Bad debt and doubtful accounts	1,655,207	1,645,344
Expected credit loss	6,784	-
Other operating expenses	23,089,635	26,136,237
Total operating expenses	<u>96,999,139</u>	<u>95,742,532</u>
	For the six-months period ended	
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Employee expenses not relating to underwriting and claim expenses	113,728,274	86,189,125
Property and equipment expenses not relating to underwriting expenses	35,780,528	44,248,108
Tax expenses	516,340	403,605
Bad debt and doubtful accounts	847,177	1,094,179
Expected credit loss	51,137	-
Other operating expenses	46,706,670	54,840,240
Total operating expenses	<u>197,630,126</u>	<u>186,775,257</u>



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21 Basic profit (loss) per share

Basic profit (loss) per share is calculated by dividing the net profit (loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	For the three-months period ended	
	Unaudited 30 June 2020	Unaudited 30 June 2019
Net profit (loss) for the period attributable to ordinary shareholders (Baht)	5,894,548	(117,673)
Weighted average number of ordinary shares in issue during the period (Shares)	36,726,421	36,726,421
Basic profit (loss) per share (Baht)	0.16	(0.003)

	For the six-months period ended	
	Unaudited 30 June 2020	Unaudited 30 June 2019
Net profit (loss) for the period attributable to ordinary shareholders (Baht)	3,831,364	(17,599,267)
Weighted average number of ordinary shares in issue during the period (Shares)	36,726,421	36,726,421
Basic profit (loss) per share (Baht)	0.10	(0.48)

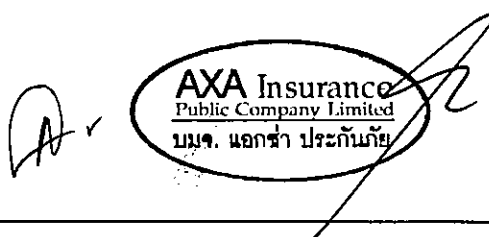
There are no potential dilutive ordinary shares in issue for the six-months periods ended 30 June 2020 and 2019.

22 Related parties transactions

Enterprises and individuals that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The Company is a subsidiary company of AXA SA whose incorporated and domiciled in France.



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22 Related parties transactions (Cont'd)

The Company had the significant transactions with entities under the same group as follows:

	For the three-months period ended	
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Statement of comprehensive income		
Revenues		
Gross written premium	92,466,807	70,912,258
Reinsurance premium ceded	(118,358,628)	(80,238,141)
Commission and brokerage fees	11,083,389	9,975,261
Expenses		
Losses and loss adjustment expenses	3,871,032	8,558,266
Claim recovered from reinsurers	(23,066,891)	(108,798,241)
Commission and brokerage expenses	15,558,614	11,337,226
Other underwriting expenses	-	2,183,263
Operating expenses		
Other expenses recoveries	(3,631,913)	(5,367,697)
Management and service fees	15,077,492	20,325,544
For the six-months period ended		
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Statement of comprehensive income		
Revenues		
Gross written premium	212,062,249	157,436,226
Reinsurance premium ceded	(224,253,483)	(194,943,158)
Commission and brokerage fees	28,028,751	26,977,454
Expenses		
Losses and loss adjustment expenses	9,706,315	10,119,826
Claim recovered from reinsurers	(42,456,622)	(213,700,747)
Commission and brokerage expenses	35,224,324	25,171,463
Other underwriting expenses	280,262	2,372,653
Operating expenses		
Other expenses recoveries	(5,691,762)	(6,175,500)
Management and service fees	33,750,402	40,415,759



22 Related parties transactions (Cont'd)

Outstanding balances are as follows:

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Statement of financial position		
Assets		
Reinsurance assets	158,434,798	189,414,639
Amount due from reinsurance, net	14,779,783	54,277,422
Other assets		
Amount due from related companies	2,101,159	1,324,199
Liabilities		
Due to reinsurers	135,120,128	107,863,496
Other liabilities	36,651,235	11,435,215

Key management compensation

The compensation paid or payable to key management for employee service for the three-months and six-months periods ended 30 June 2020 and 2019 are shown below:

	For the three-months period ended	
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Short-term employee benefits	18,440,089	16,470,020
Post-employee benefits	277,266	254,311
Total	18,717,355	16,724,331
	For the six-months period ended	
	Unaudited 30 June 2020 Baht	Unaudited 30 June 2019 Baht
Short-term employee benefits	54,749,647	36,359,658
Post-employee benefits	554,532	508,622
Total	55,304,179	36,868,280

23 Deposits with Registrar

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, government bonds amounting to Baht 14,000,000 and state-owned enterprise bonds amounting to Baht 275,000,000 (31 December 2019: government bonds amounting to Baht 330,000,000) have been placed at the Office of Insurance Commission.



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24 Contribution to Non-life guarantee fund

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, For the three-month periods ended 30 June 2020 and 30 June 2019 the Company contributes to Non-life guarantee fund amounting to Baht 2,123,871 (2019: Baht 1,453,112).

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, For the six-month periods ended 30 June 2020 and 30 June 2019 the Company contributes to Non-life guarantee fund amounting to Baht 4,453,488 (2019: Baht 3,136,953).

25 Operating lease commitments

The future minimum lease payments under operating leases are as follows:

	Unaudited 30 June 2020 Baht	Audited 31 December 2019 Baht
Not later than 1 year	199,404	11,732,134
Later than 1 year but not later than 5 years	-	10,302,213
More than 5 years	-	-
Total operating lease commitments	199,404	22,034,347



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