

AXA INSURANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2020



Independent Auditor's Report

To the Shareholders of AXA Insurance Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of AXA Insurance Public Company Limited (the Company) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to note 3 to the financial statements, 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 opinion is not modified in respect to this matter.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

PricewaterhouseCoopers ABAS Ltd.

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Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

PricewaterhouseCoopers ABAS Ltd.

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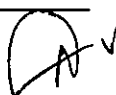
Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
2 April 2021

AXA Insurance Public Company Limited
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Baht	2019 Baht
Assets			
Cash and cash equivalents	10	290,406,401	333,363,330
Premium receivable, net	11	363,887,800	319,728,453
Accrued investment income, net		16,890,055	16,873,193
Reinsurance assets, net	12, 34	805,708,575	656,355,346
Amounts due from reinsurance, net	13, 34	29,470,293	99,317,039
Investment assets			
Investment in securities, net	14	3,940,422,500	3,389,002,386
Property and equipment, net	15	28,485,688	30,559,941
Right-of-use assets	16	46,049,194	-
Intangible assets, net	17	4,980,234	5,712,890
Deferred acquisition cost	18	185,800,276	159,388,331
Deferred tax assets, net	19	375,298,296	412,914,994
Other assets	20, 34	116,380,639	92,473,791
Total assets		6,203,779,951	5,515,689,694

Director _____

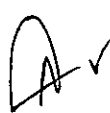

Date _____




The accompanying notes on pages 8 to 64 form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2020

	Notes	2020 Baht	2019 Baht
Liabilities and equity			
Liabilities			
Insurance liabilities	21	3,465,128,245	3,009,490,864
Due to reinsurers	22, 34	242,864,869	197,406,173
Employee benefit obligations	23	141,103,709	113,987,374
Accrued expenses		79,863,903	118,196,474
Commission payable		59,858,304	48,637,432
Lease liabilities	24	47,168,006	-
Other liabilities	25, 34	93,085,476	88,600,938
Total liabilities		4,129,072,512	3,576,319,255
Equity			
Share capital	29		
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	28	30,670,999	30,670,999
Unappropriated		(618,464,081)	(713,973,562)
Other components of equity		<u>57,964,937</u>	<u>18,137,418</u>
Total equity		2,074,707,439	1,939,370,439
Total liabilities and equity		6,203,779,951	5,515,689,694

The accompanying notes on pages 8 to 64 form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Revenues			
Gross written premium	8, 34	3,489,337,294	2,733,938,888
<u>Less</u> Reinsurance premium ceded	8, 34	(579,309,535)	(507,977,289)
Net written premium		2,910,027,759	2,225,961,599
<u>Less</u> Change in unearned premium reserve		(215,050,991)	(41,793,847)
Net earned premium		2,694,976,768	2,184,167,752
Commission and brokerage fees	34	88,958,856	77,594,571
Net investment income		64,783,666	69,448,838
Gains on investments		91,951	176,258
Other income		12,605,005	11,924,606
Total revenues		2,861,416,246	2,343,312,025
Expenses			
Losses and loss adjustment expenses	34	1,699,385,920	1,652,754,998
<u>Less</u> Claim recovered from reinsurers	34	(291,058,037)	(476,475,641)
Commissions and brokerages expenses	34	430,987,878	342,584,344
Other underwriting expenses		537,936,687	438,336,077
Operating expenses	30, 34	357,075,961	379,346,797
Other expenses		3,206,907	-
Total expenses		2,737,535,316	2,336,546,575
Profit before income taxes		123,880,930	6,765,450
Income tax expense	19, 32	(27,667,133)	(23,540,236)
Profit (loss) for the year		96,213,797	(16,774,786)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	27	761,052	(9,433,162)
Income tax relating to items that will not be reclassified	27	(152,210)	1,886,632
Total items that will not be reclassified subsequently to profit or loss		608,842	(7,546,530)
Items that will be reclassified subsequently to profit or loss			
Change in value of investments measured at fair value through other comprehensive income	27	10,675,757	47,215,390
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss	27	(91,951)	(176,258)
Income tax relating to items that will be reclassified	27	(2,116,762)	(9,407,827)
Total items that will be reclassified subsequently to profit or loss		8,467,044	37,631,305
Other comprehensive income for the year, net of tax		9,075,886	30,084,775
Total comprehensive income for the year		105,289,683	13,309,989
Loss per share			
Basic profit (loss) per share (Baht)	33	2.62	(0.46)

The accompanying notes on pages 8 to 64 form part of this financial statements.


AXA Insurance
Public Company Limited
น.ม.จ. แอกรักษ์ ประทีปชัย

AXA Insurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

		2020									
		Other components of equity									
		Other comprehensive income									
		Unrealised									
		Remeasurements of post-employment benefit obligations		gain (loss) on the change in value of investment		Other reserve		Total other component of equity		Total	
		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 4)		-	-	-	(704,316)	-	28,893,550	-	28,893,550	28,189,234	
Beginning balance as at 1 January 2020 - restated Profit for the year		3,672,642,100	(1,068,106,516)	30,670,999	(714,677,878)	(2,024,367)	62,683,442	(13,628,107)	47,030,988	1,967,559,673	
Equity-settled share-based payment		-	-	-	96,213,797	-	-	-	-	96,213,797	
Share-based payment reclassified to liabilities		-	-	-	-	-	-	4,403,362	4,403,362	4,403,362	
Remeasurements of post-employment benefit obligations		-	-	-	-	-	-	(2,545,279)	(2,545,279)	(2,545,279)	
Unrealised gain on changes in value of investments measured at fair value through other comprehensive income		-	-	-	-	608,842	-	-	608,842	608,842	
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss		-	-	-	-	-	8,540,607	-	8,540,607	8,540,607	
Closing balance as at 31 December 2020		3,672,642,100	(1,068,106,516)	30,670,999	(618,464,081)	(1,415,525)	71,150,486	(11,770,024)	57,964,937	2,074,707,439	

Beginning balance as at 1 January 2020
Retrospective adjustment from adoption of new financial reporting standard (Note 4)
Beginning balance as at 1 January 2020 - restated Profit for the year
Equity-settled share-based payment
Share-based payment reclassified to liabilities
Remeasurements of post-employment benefit obligations
Unrealised gain on changes in value of investments measured at fair value through other comprehensive income
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss

Closing balance as at 31 December 2020


AXA Insurance
Public Company Limited
บริษัท อก้าประกันภัย จำกัด (มหาชน)

		2019									
		Other components of equity									
		Other comprehensive income									
		Unrealised									
		Remeasurements of post-employment benefit obligations		gain (losses) on the change in value of investment		Other reserve		Total other component of equity		Total	
		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 year		-	-	-	(16,774,786)	-	-	-	-	(16,774,786)	
Equity-settled share-based payment		-	-	-	-	-	-	-	-	-	
Share-based payment reclassified to liabilities		-	-	-	-	-	-	5,374,792	5,374,792	5,374,792	
Remeasurements of post-employment benefit obligations		-	-	-	-	-	-	(9,177,246)	(9,177,246)	(9,177,246)	
Change in value of available-for-sale investments		-	-	-	-	(7,546,530)	-	-	(7,546,530)	(7,546,530)	
Realised gain from sale of available-for-sale investments transferred to profit or loss		-	-	-	-	-	37,772,312	-	37,772,312	37,772,312	
Closing balance as at 31 December 2019		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	

The accompanying notes on pages 8 to 64 form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
	Baht	Baht
Cash flows from operating activities		
Written premium received from direct insurance	3,407,942,290	2,786,778,127
Cash paid for reinsurance	(202,402,361)	8,342,142
Interest income received	6,126,235	6,524,555
Investment income received	67,859,706	73,014,238
Other income received	12,513,584	11,893,580
Losses paid from direct insurance	(1,393,655,948)	(1,748,845,247)
Commission and brokerage paid from direct insurance	(448,376,424)	(342,681,197)
Other underwriting expenses	(540,658,891)	(411,019,807)
Operating expenses paid	(413,585,989)	(469,902,815)
Other expenses paid	(1,412,707)	-
Income tax paid	(892,045)	(8,394,692)
Cash received from investment in securities	868,274,383	1,158,757,287
Cash paid for investment in securities	(417,104,918)	(979,738,898)
Cash received from investment in deposits at financial Institutions	651,015,717	575,227,872
Cash paid for investment in deposits at financial Institutions	(1,616,095,721)	(502,102,210)
Net cash (used in) provided from operating activities	(20,453,089)	157,852,935
Cash flows from investing activities		
<u>Cash provided from</u>		
Equipment	130,697	32,664
Cash provided from investing activities	130,697	32,664
<u>Cash used in</u>		
Equipment and computer software	(8,540,404)	(3,756,222)
Cash used in investing activities	(8,540,404)	(3,756,222)
Net cash used in investing activities	(8,409,707)	(3,723,558)
Cash flows from financing activities		
Payments on lease liabilities	(14,094,133)	-
Net cash used in financing activities	(14,094,133)	-
Net (decrease) increase in cash and cash equivalents	(42,956,929)	154,129,377
Cash and cash equivalents at beginning of the year	333,363,330	179,233,953
Cash and cash equivalents at end of the year	290,406,401	333,363,330

The accompanying notes on pages 8 to 64 form part of this financial statements.

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 financial statements have been approved by the Board of Directors on 2 April 2021.

2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and based on the formats prescribed in the Notification of the Office of Insurance Commission entitled "Standards, methods, rules and deadlines for the preparation and submission of the financial statements and regulatory returns of non-life insurers (No.2) B.E.2562" dated on 4 April 2019 ("OIC Notification").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

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

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Company

a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Company to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Company whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Company to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

From TFRS 4 provides insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions until TFRS 17 becomes effective.

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') as the Company has not previously applied TFRS 9 Financial Instrument and the Company's activities are predominantly connected with insurance business. Insurance liabilities under TFRS 4 (revised 2018) Insurance Contracts as at 1 January 2018 is greater than 90% of total company's liabilities resulting the Company be able to apply such Accounting Guidance. The impact from the first-time adoption has been disclosed in Note 4.

b) TFRS 16, Leases



Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Company has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 4.

3 New and amended financial reporting standards (Cont'd)

3.2 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have insignificant impacts to the Company

- a) **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.
- b) **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.
- c) **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, i.e. 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.

3.3 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have impacts to the Company

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company.

- a) **Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:**
 - Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

The block contains a handwritten signature and a circular official stamp. The stamp includes the text 'AXA Insurance Public Company Limited' and Thai text 'บมจ. แอ็กซ่า ประกันภัย'.

3 New and amended financial reporting standards (Cont'd)

3.3 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have impacts to the Company (Cont'd)

- b) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.
- d) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Company has chosen not to early apply the exemption for the current reporting period.

4 Impacts from initial application of the new and revised financial reporting standards

Adoption of the new financial reporting standards

This note explains the impact of the adoption of TAS 32 Financial instruments: Presentation, The 'financial instruments and disclosures for insurance companies' accounting guidance' ('The Accounting Guidance') and TFRS 16 Leases on the Company's financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 5.5 and 5.9.

The Company has adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated as permitted in the standards. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

Adoption of the new financial reporting standards (Cont'd)

The impact of first-time adoption of new financial reporting standards on the statement of financial position are as follows:

	Notes	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	a, b	3,389,002,386	36,080,354	-	3,425,082,740
Right-of-use assets	c	-	-	62,443,578	62,443,578
Deferred tax assets, net	a, b	412,914,994	(7,216,071)	-	405,698,923
Other asset	c	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	c	-	-	60,272,879	60,272,879
Total liabilities		-	-	60,272,879	60,272,879
Equity					
Retained earnings (Deficits)	a, c	(713,973,562)	(29,267)	(675,049)	(714,677,878)
Unrealised gains on changes in value of investments	a, b	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)

Note:

- a) Adjustments on impairment of financial assets (Note 4.1)
- b) Impacts from changes in classification and measurement of financial assets (Note 4.1)
- c) Recognition of right of use assets and lease liabilities under TFRS 16 (Note 4.2)

4.1 Financial instruments

The total impact on the Company's unappropriated retained earnings as of 1 January 2020 are as follows:

	Baht
Unappropriated retained earnings (deficits) as of 31 December 2019 (as previously reported)	(713,973,562)
Increase in provision for debt investments measured at FVOCI	(645,835)
Reclassify general investments to equity investments	
Measured at FVOCI	609,252
Increase in deferred tax assets related to the above adjustments	7,316
Total adjustments to opening unappropriated retained earnings from adoption of The Accounting Guidance	(29,267)
Unappropriated retained earnings (deficits) as of 1 January 2020 after reflecting The Accounting Guidance	(714,002,829)

AXA Insurance
Public Company Limited
บมจ. แอกซ่า ประกันภัย

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

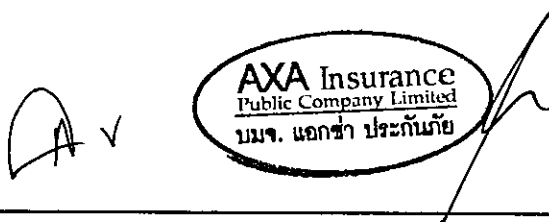
4.1 Financial instruments (Cont'd)

The impact of these changes on the Company's equity as of 1 January 2020 are as follows:

	AFS Reserves Baht	FVOCI reserve Baht	Effect on retained earnings (deficits) Baht
Balance as of 31 December 2019 (Previously reported)	33,789,892	-	(713,973,562)
Reclassify investments from available-for-sale to FVOCI	(33,789,892)	33,789,892	-
Reclassify general investments to FVOCI	-	36,116,938	-
Increase in deferred tax assets / deferred tax liabilities related to the above adjustments	-	(7,223,388)	-
Total adjustments to opening retained earnings from adoption of The Accounting Guidance	-	-	(29,267)
Total impact	(33,789,892)	62,683,442	(29,267)
Opening balance as of 1 January 2020 after reflecting The Accounting Guidance adoption	-	62,683,442	(714,002,829)

The impact of the adoption of The Accounting Guidance was applied 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



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4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

On 1 January 2020, the date of initial application, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows:

	Notes	Measurement categories		Carrying amounts		
		Previously reported (TAS 105 and other TAS)	New (TAS 32 and The Accounting Guidance)	Previously reported Baht	New Baht	Difference Baht
Financial assets						
Cash and cash equivalents	10	Amortised cost	Amortised cost	333,363,330	333,363,330	-
Investments measured at fair value through other comprehensive income	14	Available-for-sale	FVOCI	3,096,306,682	3,096,306,682	-
Investments measured at fair value through other comprehensive income	14	Cost less impairment	FVOCI	281,817	36,362,171	36,080,354
Held-to-maturity investments	14	Amortised cost	Amortised cost	292,413,887	292,413,887	-

The changes in carrying amounts of financial assets were as follows.

		Changes in carrying amounts		
	Previously reported Baht	Reclassification Baht	Remeasurement Baht	New Baht
Financial assets				
1.Amortised cost				
- Cash and cash equivalents	333,363,330	333,363,330	-	333,363,330
- Investment in securities	292,413,887	292,413,887	-	292,413,887
	625,777,217	625,777,217	-	625,777,217
2. Fair value through other comprehensive income (FVOCI)				
- Investment in securities	3,096,588,499	3,096,588,499	36,080,354	3,132,668,853
	3,096,588,499	3,096,588,499	36,080,354	3,132,668,853
Total financial assets	3,722,365,716	3,722,365,716	36,080,354	3,758,446,070

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4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

On 1 January 2020, the Company has classified its financial instruments into the appropriate The Accounting Guidance categories as follows:

	Notes	Available- for-sale investments Baht	Held-to- maturity Baht	General investments Baht	FVOCI Baht	Amortised cost Baht
Financial assets						
Balance as at 31 December 2019 (Previously reported)		3,096,306,682	292,413,887	281,817	-	-
Reclassify investments from held-to-maturity to amortised cost	a	-	(292,413,887)	-	-	292,413,887
Reclassify debt investments from available-for-sale to FVOCI	b	(3,096,306,682)	-	-	3,096,306,682	-
Reclassify general investments to FVOCI	c	-	-	(281,817)	281,817	-
Fair value adjustments on financial assets	c	-	-	-	36,080,354	-
Opening balance 1 January 2020 - The Accounting Guidance adoption		-	-	-	3,132,668,853	292,413,887

(a) Reclassification from held-to-maturity to amortised cost

As of 1 January 2020, the Company reclassified deposit with financial institutions with maturity over 3 months and promissory notes amounting to Baht 292,413,887 and Baht 17,519,400 and impairment amounting to Baht 17,519,400 respectively that would have previously been classified as held-to maturity are now classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows. There was no difference between the previous carrying amount and the revised carrying amount.

(b) Available-for-sale debt instruments classified as financial assets at fair value through other comprehensive income (FVOCI)

As of 1 January 2020, the Company reclassified investments in government securities and private enterprises securities from available-for-sale to FVOCI. There was no fair value gain/loss occurred from the reclassification. The fair value of government and private bonds amounting Baht 2,394,473,570 and Baht 701,833,112, respectively. The fair value gains of Baht 30,856,145 and Baht 11,380,047, respectively, were reclassified from the AFS reserve to the FVOCI reserve.

(c) General investments classified as FVOCI

As of 1 January 2020, the Company reclassified general investments in equity instruments that previously measured at cost less impairment of Baht 281,817 to FVOCI. The respective fair value gains of Baht 36,080,354 were recognised in FVOCI reserve on 1 January 2020 as they are held as long-term strategic investments.

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4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

(d) Impairment of financial assets

The Company has following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- debt investments carried at amortised cost; and
- debt investments carried at FVOCI.

The Company was required to revise its impairment methodology under The Accounting Guidance. The impact of the change in impairment methodology on the Company's retained earnings at 1 January 2020 of investment in securities were Baht 18.2 million and equity Baht 516,669.

While cash and cash equivalents and investment in debt instruments measured at amortised cost are subject to the new impairment requirement, the management assess that the identified impact was immaterial.

Debt investments measured at fair value through other comprehensive income

The reconciliation of loss allowances for debt investments measured at FVOCI as at 31 December 2020 are as follows:

	Baht
As at 31 December 2019	-
Amount restated through opening retained earnings	645,836
Opening loss allowance as at 1 January 2020	-
- calculated under The Accounting Guidance	645,836
Increase in loss allowance recognised in profit or loss during the year	27,399
Written off during the year as uncollectible	-
Unused amount reversed	-
As at 31 December 2020	673,235



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4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.2 Leases

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%.

The associated right-of-use assets for property 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. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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

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.




5 Accounting policies

5.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call at financial institutions and short-term highly liquid investment with maturity of three months or less from the acquisition date.

5.2 Premium receivable

Premium receivable is carried at anticipated realisable value. An estimate is made for doubtful accounts based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

The Company makes allowance for doubtful accounts based on past experiences of uncollectable and long past due accounts.

5.3 Reinsurance assets

Reinsurance assets are stated at the outstanding of balance insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium, loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

The allowance for reinsurance asset impairment is recognised when the objective evidences in related to credit risks of reinsurer incurred before closing date.

5.4 Amount due from reinsurance and amount due to reinsurance

Outward reinsurance premiums are accounted for in the same manner as the related gross premium written.

- (a) Amount due from reinsurance is stated at the outstanding balance of amount due from reinsurers and amount of deposit on reinsurance.

Amount due from reinsurers consist of reinsurance commission receivables, reinsurance outstanding claim and other items receivable from reinsurers. The Company recognises an allowance for doubtful accounts which may incur from uncollection being based on consideration of historical collection experience and current status of due from reinsurers at the end of reporting period.

- (b) Amounts due to reinsurance is stated at the outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims reserve.

The reinsurance transactions in statements of financial position shall be presented net when these contracts meet setoff requirements in contractual clauses.

5 Accounting policies (Cont'd)

5.5 Investment in securities

For the year ended 31 December 2020

(a) Classification

From 1 January 2020, the Company classifies its investments in securities 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

(b) Recognition and derecognition

Regular way purchases, acquires and sales of investments in securities are recognised on trade-date, the date on which the Company commits to purchase or sell the investments. Investments in securities are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Company measures an investment in securities at its fair value plus, in the case of an investment in securities not at FVPL, transaction costs that are directly attributable to the acquisition of the investments. Transaction costs of investments carried at FVPL are expensed in profit or loss.

(d) Debt instruments

There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Investments in securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these investments is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Investments in securities that are held for i) collection of contractual cash flows; and ii) for selling, where the investments' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of 1) impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the investments is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain (loss) on sale of investment. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.

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5 Accounting policies (Cont'd)

5.5 Investment in securities (Cont'd)

For the year ended 31 December 2020 (Cont'd)

(e) Equity instruments

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is still subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by measuring the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of The Accounting Guidance). As a result, the equity investments measured at FVOCI as at 31 December 2020 of Baht 36,362,171 was presented at their fair value as of 1 January 2020. No gain or loss from changes in fair value was recognised.

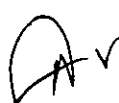
(f) Impairment

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.

For impairment of equity instruments and unit trust which classified as available-for-sale securities will be recognised in profit and loss and allowance of losses in other comprehensive income immediately when there is evidence supports the impairment of the securities. The Company will recognise allowance of losses in other comprehensive income and the carrying amount of financial assets which classified as equity instruments in the statement of financial position will not be decreased.



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5 Accounting policies (Cont'd)

5.5 Investment in securities (Cont'd)

For the year ended 31 December 2019

Investments are classified into the following categories: held-to-maturity investment, available-for-sale investment and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investments. Cost of investment includes transaction costs.

Available-for-sale investments are subsequently carried at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Thai Bond Dealing Centre. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of comprehensive income. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.




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5 Accounting policies (Cont'd)

5.6 Premises and equipment

All premises and equipment are initially recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. All assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over the estimated useful life as follows:

Building	20 years
Office furniture and equipment	3 - 5 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income/expenses, net in statement of comprehensive income.

5.7 Intangible assets

Intangible assets are software cost which is stated at cost less accumulated amortisation and is amortised using the straight-line method over the estimated useful life of 3 - 4 years.

5.8 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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5 Accounting policies (Cont'd)

5.9 Leases

For the year ended 31 December 2020

Leases - where the Company is the lessee

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.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 payments 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.

5 Accounting policies (Cont'd)

5.9 Leases (Cont'd)

For the year ended 31 December 2019

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

5.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the Revenue department.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The temporary differences arise from allowance for doubtful accounts, unearned premium reserve, loss reserve and outstanding claims, provision for impairment of investments, depreciation on computers, provision for retirement benefits, accrued expenses, deferred acquisition cost and unrealised gains (losses) on investments.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding 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.

5 Accounting policies (Cont'd)

5.11 Insurance liabilities

Loss reserve and outstanding claims

The purpose of loss reserve and outstanding claims is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted.

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs and unallocated loss adjustment expenses (ULAE). IBNR are based on historical claims data, current trends, and actual payment patterns for all insurance business lines or anything else that could impact amounts to be paid in accordance with actuarial technique.

Unearned premium reserve

Unearned premium reserve (UPR) represents the prorated portion of written premiums less reinsurance ceded that relates to unexpired risks. It is calculated on the following basis:

Fire, marine, motor, miscellaneous and travel accident (coverage period more than 6 months)	- Daily pro-rata basis (1/365th basis)
Marine cargo - single trip	- Net premium written for the coverage period
Travel accident (coverage period less than 6 months)	- Net premium written for the coverage period

Unexpired risk reserve and premium deficiency reserve

Unexpired risk reserve (URR) represents future insurance cost after reinsurance transaction of the related unexpired risks. The Company recognises premium deficiency reserve when the URR is higher than UPR.

5.12 Product classification

The Company has classified the insurance and reinsurance contracts considering the transfer of significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event, insured event, adversely affects the policyholder. None of the insurance and reinsurance contracts contain embedded derivatives or are required to be unbundled the components or classified as financial reinsurance contract. Such contracts are accounted for as insurance contracts for the remainder of its lifetime until all right and obligations of loss compensation to the policyholder are extinguished or expired.

The Company has classified all insurance contracts as short term insurance contracts which mean the coverage period under the contract is not exceeding 1 year and no certification of automatic renewal. The insurance contracts that cover dread disease and the personal accident or health insurance contracts which the coverage period is exceeding 1 year, the Company is able to terminate the contract, the insurance premium can either be added or reduced, and any amendment of the benefit of the insurance contract can be made throughout coverage period.

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5 Accounting policies (Cont'd)

5.13 Liabilities adequacy testing

Liability adequacy tests of insurance contract liabilities recognised in the financial statement are performed at the end of reporting period, using the best estimate of ultimate loss, best estimate of future contractual liabilities of the in-forced insurance contracts, also including claims handling expense, policy maintenance expense, and cost of reinsurance. If that assessment shows that the carrying amount of its insurance liabilities less related acquisition cost is inadequate in the light of the future estimates, the entire deficiency shall be recognised in profit or loss.

5.14 Employee benefits

Defined contribution plans

The Company has established a provident fund which is a defined contribution plan, and the assets of the provident fund are held separately from those of the Company in funds independently administered by a fund manager who is authorised by the Securities and Exchange Commission. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the year to which they relate.

Defined benefit plans

The Company provides for post employment benefits called severance benefit, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees.

The liability in respect of employee benefits is measured, using the projected unit credit method which is calculated in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated contingent future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in statement of comprehensive income.

Short-term employee benefits

Short-term employee benefits are recognized on an accrual basis.

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5 Accounting policies (Cont'd)

5.15 Sharebase payment

The Company is a subsidiary company of AXA SA whose domiciled and listed in stock exchange in France. The Company has a stock plan to eligible key employees. The key employees have the right to receive at the settlement date, a certain number of AXA shares based on criteria defined by AXA. Those shares vest over 3 and 4 years from the grant dates and any unvested shares are cancelled on termination of the employment. The annual expense is based on an amortisation calculated over the vesting period of the current year's expense portion of all restricted stock grants issued in the prior to current year. Expenses under this plan will be charged out by AXA after the settlement of the shares. The Company presents obligation under employee benefit obligation.

5.16 Provisions

Provisions except for insurance transactions and defined employee benefits are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

5.17 Recognition of revenues and expenses

(a) Premium

Premium income is recognised as revenue on the effective date net of reinsurance ceded and change in unearned premium reserve.

(b) Ceded premium

Ceded premium is recognised from the effective date of the related insurance policy.

(c) Acquisition costs, such as commissions and brokerage

Acquisition costs, such as commissions and brokerage, are deferred in recognition that they represent a future benefit. Deferred acquisition cost is calculated on the same basis as unearned premium reserve

(d) Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive the dividends is established.

(e) Losses and other expenses

Losses are recognised upon receipt of claims advice from the insured. All other expenses are recognised on an accrual basis.

(f) Other incomes

Other incomes are recognised as income when a performance obligation is satisfied. The amount of revenue recognised may be satisfied at a point in time or over time. For performance obligations satisfied over time, the Company recognises revenue by selecting an appropriate method for measuring the progress towards complete satisfaction of that performance obligation. Revenue is recognised when there is probability that the amount will be collected.

The block contains a handwritten signature and a circular official stamp. The stamp reads "AXA Insurance Public Company Limited" in English and Thai, with the Thai text "บมจ. แอกซ่า ประกันภัย" at the bottom. There is also a handwritten checkmark to the left of the stamp.

5 Accounting policies (Cont'd)

5.18 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

6 Critical accounting estimates, assumptions and judgment

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Impairment of premium receivable

The Company maintains an allowance for doubtful accounts to reflect impairment of premium due and uncollected relating to estimated losses that may be incurred in collection of the premium due. The allowance for doubtful accounts is based on collection experience and a review of current status of the premium due as at the statement of financial position date.

6.2 Impairment on reinsurance assets

The objective evidence of impairment on reinsurance assets is based on latest credit rating or solvency capital data available as at closing date and other public information.

6.3 Premises and equipment and intangible assets

Management determines the estimated useful lives and residual values for the premises and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previous estimates, or will write off or write down technically obsolete assets that have been abandoned or sold.

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6 Critical accounting estimates, assumptions and judgment (Cont'd)

6.4 Deferred tax

Deferred taxes are provided in full on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Company's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on the Company's reported financial position and results of operations.

6.5 Unexpired risk reserve

Unexpired risks reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time

6.6 Loss reserves and outstanding claims

Throughout the course of the financial year, management regularly re-assesses claims and related provisions both on an individual and class basis, based on independent surveyor advice and reports, other available information and management's own assessment.

6.7 Employee benefit

The Company has a commitment on post-retirement benefits to employees. Employee benefit liabilities recognised in the statement of financial position is determined on an estimation basis utilising various assumptions. The assumptions used in determining the cost for employee benefits include the rate of salary inflation and employee turnover. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis the Company determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

Additional information of other key assumptions for retirement benefit obligations is disclosed in note 23.

6.8 Liabilities adequacy testing

At the end of each reporting period, the company assesses the adequacy of insurance liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of insurance liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

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6 Critical accounting estimates, assumptions and judgment (Cont'd)

6.9 Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

6.10 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

6.11 Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 9.

6.12 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

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7 Financial risk management

7.1 Financial risk

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on The Company's financial performance.

Financial risk management is carried out by the Company's Risk Management Committee. The Company's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools by Risk Management Committee.

7.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

a) Foreign exchange risk

The Company's business is primarily conducted in Thai Baht and relates to risks located in Thailand so there is limited foreign currency exposure.

b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument and the Company's cash flows will change due to changes in market interest rates.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

		As at 31 December 2020								
		Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets										
Cash and cash equivalents		-	-	-	254,998,964	-	-	34,926,524	289,925,488	0.00-2.00
Accrued investment income		-	-	-	-	-	-	16,890,055	16,890,055	-
Investment in securities, net		2,039,122,322	1,810,098,077	54,839,930	-	-	-	-	3,904,060,329	0.25-3.20
		<u>2,039,122,322</u>	<u>1,810,098,077</u>	<u>54,839,930</u>	<u>254,998,964</u>	<u>-</u>	<u>-</u>	<u>51,816,579</u>	<u>4,210,875,872</u>	
Financial liabilities										
Lease liabilities		13,635,391	32,654,926	877,689	-	-	-	-	47,168,006	4.68-6.18
		<u>13,635,391</u>	<u>32,654,926</u>	<u>877,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,168,006</u>	

		As at 31 December 2019								
		Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets										
Cash and cash equivalents		49,990,536	-	-	266,177,610	-	-	16,918,153	333,086,299	0.00-1.11
Accrued investment income		-	-	-	-	-	-	16,873,194	16,873,194	-
Investment in securities, net		1,120,850,274	2,252,404,225	15,466,070	-	-	-	-	3,388,720,569	0.80-3.20
		<u>1,170,840,810</u>	<u>2,252,404,225</u>	<u>15,466,070</u>	<u>266,177,610</u>	<u>-</u>	<u>-</u>	<u>33,791,347</u>	<u>3,738,680,062</u>	

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.1 Market risk (Cont'd)

b) Cash flow and fair value interest rate risk (Cont'd)

Interest rate sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash at bank as a result of changes in interest rates.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at reporting date.

	31 December 2020	
	Interest rate	
	Increase 1%*	Decrease 1%*
Impact to other components of equity	(42,199,121)	42,199,121

* Holding all other variables constant

c) Price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price.

The Company's exposure to equity securities price risk arises from investments held by The Company which are classified either as at fair value through other comprehensive income (FVOCI).

Equity price risk sensitivity analysis

The table below summarises the impact of increase/decrease of these equity indices on the Company's other components of equity for the period. The analysis is based on the assumption that the equity price had increased by 1% or decreased by 1%, respectively.

	31 December 2020	
	Equity price	
	Increase 1%*	Decrease 1%*
Impact to other components of equity	363,622	(363,622)

* Holding all other variables constant and all the Company's equity instruments moved in line with the index

Other components of equity would increase or decrease as a result of gains/losses on equity securities classified at FVOCI.

7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of investment in debt instruments carried at amortised cost and at fair value through other comprehensive income (FVOCI), premium receivable, and amounts due from reinsurance

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-' are accepted.

The Company's investments in debt instruments are considered to be low risk investments. The Company regularly monitors the credit ratings of the investments for credit deterioration.

b) Impairment of financial assets

The Company has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalent
- Investment in debt instruments measured at amortised cost
- Investment in debt instruments measured at FVOCI

While cash and cash equivalents are also subject to the impairment requirements of The Accounting Guidance, the identified impairment loss was immaterial.

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether the significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired financial asset. The expected credit loss is the discounted product of probability of default, loss given default and exposure at default, defined as follows;

- The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation.
- The exposure at default is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The loss given default represents the Company's expectation of the extent of loss on a defaulted exposure. The loss given default varies by type of borrower, type and seniority of claim and availability of collateral or other credit support. The loss given default is calculated on a 12-month or over the remaining lifetime of the loan.

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.2 Credit risk (Cont'd)

b) Impairment of financial assets (Cont'd)

The expected credit loss is determined by projecting the probability of default, loss given default and exposure at default for each future month and for each individual exposure segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an expected credit loss for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the expected credit loss calculation is the original EIR.

Forward-looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Debt investments

The Company considers that all debt investments measured at amortised cost and FVOCI has low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Investment in debt instruments measured at FVOCI

The allowance of expected credit loss for investment in debt instruments measured at FVOCI by stage of risk are as follows:

	31 December 2020		
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht
Investment in debt instruments measured at FVOCI			
Beginning balance 1 January 2020	645,836	-	-
New financial assets purchased or originated	90,532	-	-
Derecognised financial assets	(63,133)	-	-
Ending balance 31 December 2020	673,235	-	-




7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.3 Liquidity risk

Liquidity risk, is the risk that the insurance company will encounter difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 290,406,401 (2019: Baht 333,363,330) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The company's policy is to ensure that sufficient financial assets are available to meet financial commitments by performing cash flow analysis regularly to ensure that cash flows generated are sufficient so that financial commitments are met.

The Company's financial assets mainly comprises of cash and deposits at financial institutions and investment in securities. The management believes that such financial assets will be able to be sold quickly at close to their fair value.

b) Maturity period of financial liabilities

The maturity analysis of financial liabilities is disclosed in Note 24.

7.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital
- in order to maintain solvency capital as required by the Office of Insurance Commission, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

8 Insurance risk

Underwriting risk

Underwriting risk is the risk that the total costs of claims, claim adjustment expenses and premium acquisition expenses will exceed premiums received, and the risk that actual claims and other expenses can differ adversely from the assumptions included in setting of reserves which might affect the adequacy of premium and loss reserves. Underwriting standards and underwriting guidelines are developed in order to manage the risk and to ensure that premiums received will be sufficient considering the total risks that may arise. Loss reserve and unexpired risk reserve are reviewed by an actuary and regional risk team. Underwriting principles are individually developed for each group of risk based on each type of insurance. The principles also limit insurance proportion for each risk group to control the concentration of risks.

Reinsurance risk

Reinsurance risk is the risk that in-force reinsurance contracts are inadequate for risk transfers according to the Company's risk appetite level, and also the risk that reinsurers cannot fulfil their obligations according to reinsurance contracts. Reinsurance risk management guideline was developed in order to manage the risks including reinsurance guidelines and reinsurance plan selection. Overall risk monitoring has been conducted in order to ensure that retained risks are according to risk management policy. In addition, reinsurer selection principles were developed for both domestic and foreign reinsurers to ensure that they will be able to fulfil their obligations.

Concentration risk

Concentration risk will increase the possibility of load of claims to incur at the same time and may result in actual claim losses deviated from expectation. Concentration risk also includes the risk from natural catastrophes or man-made events that could result in significant underwriting losses. The Company mitigates the risks by diversifying business portfolio across all lines of business and through reinsurance including proportional treaties, non-proportional treaties and facultative reinsurance which cover such events.

Net earned premium and net claim reserve concentration.

	2020					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	87,029,173	162,241,122	2,077,273,972	139,975,514	1,022,817,513	3,489,337,294
Less Reinsurance premium ceded	(41,613,281)	(29,851,968)	(28,780,378)	(5,882,558)	(473,181,350)	(579,309,535)
Net written premium	45,415,892	132,389,154	2,048,493,594	134,092,956	549,636,163	2,910,027,759
Add (Less) Change in unearned premium reserve	12,171,747	15,967	(222,856,713)	(22,315,009)	17,933,017	(215,050,991)
Net earned premium	57,587,639	132,405,121	1,825,636,881	111,777,947	567,569,180	2,694,976,768
Claim reserve	48,177,458	215,228,553	546,435,264	65,103,547	969,458,070	1,844,402,892
Claim reserve recovered from reinsurance	(5,366,279)	(93,321,722)	(19,399,001)	(11,039,923)	(508,798,945)	(637,923,870)
Net claim reserve	42,811,179	121,906,831	527,036,263	54,063,624	460,661,125	1,206,479,022

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8 Insurance risk (Cont'd)

Concentration risk (Cont'd)

Net earned premium and net claim reserve concentration. (Cont'd)

	2019					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	86,112,803	153,490,047	1,373,897,474	150,922,144	969,516,420	2,733,938,888
Less Reinsurance premium ceded	(46,061,255)	(26,981,089)	(33,410,664)	(1,693,187)	(399,831,094)	(507,977,289)
Net written premium	40,051,548	126,508,958	1,340,486,810	149,228,957	569,685,326	2,225,961,599
Add (Less) Change in unearned premium reserve	21,496,988	3,632,272	(189,649,773)	7,276,984	115,449,682	(41,793,847)
Net earned premium	61,548,536	130,141,230	1,150,837,037	156,505,941	685,135,008	2,184,167,752
Claim reserve	49,501,109	174,776,705	501,962,633	43,706,179	870,261,800	1,640,208,426
Claim reserve recovered from reinsurance	(139,251)	(67,014,972)	(7,865,828)	(10,122,279)	(439,820,235)	(524,962,565)
Net claim reserve	49,361,858	107,761,733	494,096,805	33,583,900	430,441,565	1,115,245,861

9 Fair value

9.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets by category.

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensi ve income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2020					
Financial assets measured at fair value					
Financial assets at FVOCI	-	2,682,928,609	-	2,682,928,609	2,682,928,609
	-	2,682,928,609	-	2,682,928,609	2,682,928,609
Financial assets not measured at fair value					
Financial assets at amortised cost	-	-	1,257,493,891	1,257,493,891	1,257,493,891
	-	-	1,257,493,891	1,257,493,891	1,257,493,891

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9 Fair value (Cont'd)

9.1 Fair value estimation (Cont'd)

The following table shows fair values and carrying amounts of financial assets by category, excluding those with the carrying amount approximates fair value. (Cont'd)

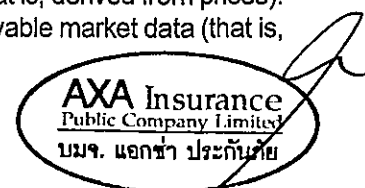
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2019					
<i>Financial assets measured at fair value</i>					
Available-for-sale investments	-	3,096,306,682	-	3,096,306,682	3,096,306,682
	-	3,096,306,682	-	3,096,306,682	3,096,306,682
<i>Financial assets not measured at fair value</i>					
General Investment	-	-	281,817	281,817	36,362,171
Held-to-maturity investments	-	-	292,413,887	292,413,887	292,413,887
	-	-	292,695,704	292,695,704	328,776,058

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

	2020			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	-	1,927,692,256	-	1,927,692,256
Private enterprise debt securities	-	718,874,182	-	718,874,182
Equity securities	-	-	36,362,171	36,362,171
Total	-	2,646,566,438	36,362,171	2,682,928,609
	2019			
	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

- 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).

There were no transfers between Levels 1 and 2 during the year.



9 Fair value (Cont'd)

9.2 Valuation techniques

9.2.1 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.

9.2.2 Valuation techniques used to measure fair value level 3

Changes in level 3 financial instruments for the year ended 31 December 2020 is as follows:

	31 December 2020 Baht
Beginning balance of the year	36,362,171
Unrealized gain	-
Closing balance of the 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.

10 Cash and cash equivalents

	2020 Baht	2019 Baht
Cash on hand	228,085	238,086
Cheque on hand	252,828	38,946
Bank deposits held at call	289,925,488	283,095,763
Short-term investment	-	49,990,535
Total cash and cash equivalents	290,406,401	333,363,330



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11 Premium receivable, net

The balances of premium receivable were aged as follows:

	From direct channel	
	2020 Baht	2019 Baht
Undue	242,757,527	242,413,395
Less than 30 days	40,189,164	30,721,662
30 - 60 days	18,647,406	22,472,651
60 - 90 days	8,652,715	6,896,130
90 days - 1 year	51,808,801	17,818,416
More than 1 year	8,538,799	7,665,442
Total premium receivable	370,594,412	327,987,696
<u>Less</u> Allowance for doubtful accounts	<u>(6,706,612)</u>	<u>(8,259,243)</u>
Premium receivable, net	<u>363,887,800</u>	<u>319,728,453</u>

12 Reinsurance assets, net

	2020 Baht	2019 Baht
Reserve of recovery from reinsurers		
Loss reserve	637,923,870	524,962,564
Premium reserve		
- Unearned premium reserve (UPR)	167,784,705	131,392,782
Reinsurance assets, net	<u>805,708,575</u>	<u>656,355,346</u>

The movement in loss reserve recovery is as follows:

	2020 Baht	2019 Baht
Balance as at 1 January	524,962,564	540,956,753
Claim insured recovered during the year	177,780,187	416,991,645
Change in claim reserve and assumptions	113,277,850	59,483,996
Reserve recovered during the year	<u>(178,096,731)</u>	<u>(492,469,830)</u>
Balance as at 31 December	<u>637,923,870</u>	<u>524,962,564</u>

The movement in reinsurance premium reserve is as follows:

	2020 Baht	2019 Baht
Balance as at 1 January	131,392,782	139,018,167
Reinsurance premium ceded during the year	579,309,535	507,977,289
Premium ceded recognised during the year	<u>(542,917,612)</u>	<u>(515,602,674)</u>
Balance as at 31 December	<u>167,784,705</u>	<u>131,392,782</u>

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13 Amounts due from reinsurance, net

	2020 Baht	2019 Baht
Reinsurance premium receivable	29,593,416	99,423,971
<u>Less</u> Allowance for doubtful account	(123,123)	(106,932)
Amounts due from reinsurance, net	29,470,293	99,317,039

Reinsurance premium receivable aged based on due date is as follows:

	2020 Baht	2019 Baht
Undue Overdue	4,485,366	154,107,196
Less than 12 months	9,687,536	42,878,004
1 - 2 years	17,211,504	14,735,603
More than 2 years	2,623,166	2,547,172
Total reinsurance premium receivable	34,007,572	214,267,975
<u>Less</u> Due to reinsurer with setoff arrangement	(4,414,156)	(114,844,004)
<u>Less</u> Allowance for doubtful account	(123,123)	(106,932)
Due from reinsurers, net	29,470,293	99,317,039

14 Investments in securities

Investments in securities as at 31 December 2020 and 2019 are as follows:

Debt instrument financial assets

	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	1,890,173,888	1,927,644,235
Private enterprise debt securities	703,598,756	718,922,203
Total	2,593,772,644	2,646,566,438
<u>Add</u> Unrealised gain	52,793,794	-
Total debt instrument measured at fair value through other comprehensive income	2,646,566,438	2,646,566,438
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	1,257,493,891	
Total	1,275,013,291	
<u>Less</u> Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	1,257,493,891	
Total debt instrument financial assets	3,904,060,329	

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14 Investments in securities (Cont'd)

Investments in securities as at 31 December 2020 and 2019 are as follows: (Cont'd)

Equity instrument financial assets

	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
<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	3,940,422,500	
	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	




14 Investment in securities (Cont'd)

14.1 Investment measured at amortised cost

- a) Classification of financial assets at amortised cost (2019: amortised cost / fair value under TAS105)

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

- b) Investments in debt securities that are measured at amortised cost as at 31 December 2020 and 2019 will be due as follows:

	2020			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Debt securities that are measured at amortised cost				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	1,157,493,891	100,000,000	-	1,257,493,891
Total	1,175,013,291	100,000,000	-	1,275,013,291
Less Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	1,157,493,891	100,000,000	-	1,257,493,891
	2019			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Held-to-maturity securities				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	292,413,887	-	-	292,413,887
Total	309,933,287	-	-	309,933,287
Less Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	292,413,887	-	-	292,413,887




14 Investment in securities (Cont'd)

14.1 Investment measured at amortised cost (Cont'd)

c) Fair values of investment measured at amortised cost

For promissory notes and deposit at banks and other institutions with maturity over 3 months from issuance, their carrying amount is considered to be the same as their fair value.

d) Loss allowance

The Company's debt investments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at amortised cost for the year ended 31 December 2020 are as follows:

	Promissory notes Baht	Deposit at banks and other institutions with maturity over 3 months from issuance Baht	Total Baht
As of 31 December 2019 - calculated under TAS 101	17,519,400	-	17,519,400
Amounts restated through opening retained earnings (Note 4)	-	-	-
Opening loss allowance as at 1 January 2020 - calculated under The Accounting Guidance	17,519,400	-	17,519,400
Increase in loss allowance recognised in profit or loss during the year	-	-	-
As of 31 December 2020 - calculated under The Accounting Guidance	17,519,400	-	17,519,400
			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)	1,257,493,891	-	1,257,493,891
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	1,275,013,291	(17,519,400)	1,257,493,891

14 Investment in securities (Cont'd)

14.2 Investment measured at fair value through other comprehensive income

- a) Classification of financial assets at fair value through other comprehensive income (2019: amortised cost/ fair value under TAS 105)

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

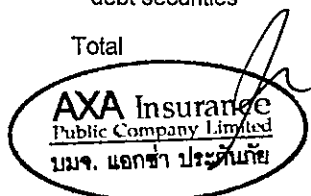
Financial assets at FVOCI comprise the following investments

	2020 Fair value Baht	2019 Baht
Investments in equity securities		
Unlisted securities (2019: at cost)	36,362,171	891,069
Investments in debt securities		
Government, state enterprise, and private enterprise debt securities (2019: fair value)	2,646,566,438	3,096,306,682
Total	2,682,928,609	3,097,197,751

- b) Investments in debt securities that are measured at fair value through other comprehensive income as at 31 December 2020 and 2019 will be due as follows:

	2020			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Debt securities that are measured at fair value through other comprehensive income				
Government and state enterprise securities	550,652,967	1,337,823,981	39,167,287	1,927,644,235
Private enterprise debt securities	230,975,464	472,274,096	15,672,643	718,922,203
Total	781,628,431	1,810,098,077	54,839,930	2,646,566,438
	2019			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sales investment				
Government and state enterprise securities	707,864,075	1,686,609,495	-	2,394,473,570
Private enterprise debt securities	120,572,312	565,794,730	15,466,070	701,833,112
Total	828,436,387	2,252,404,225	15,466,070	3,096,306,682

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14 Investment in securities (Cont'd)

14.2 Investment measured at fair value through other comprehensive income

c) Amounts recognised in profit or loss and other comprehensive income

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	2020 Baht	2019 Baht
Gains recognised in other comprehensive income (2019: relating to available-for-sale financial assets)	10,675,757	47,215,390
Gains reclassified from other comprehensive income to profit or loss on the sale of investments (reclassified AFS reserve in OCI to other gains/(losses))	(91,951)	(176,258)

d) Loss allowance

The Company's debt investments at FVOCI are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at FVOCI for the year ended 31 December 2020 are as follows:

	Debt securities Baht	Equity securities Baht	Total Baht
As of 31 December 2019 - calculated under TAS 101	-	-	-
Amounts restated through opening retained earnings (Note 4)	645,836	-	645,836
Opening loss allowance as at 1 January 2020 - calculated under The Accounting Guidance	645,836	-	645,836
Increase in loss allowance recognised in profit or loss during the year	27,399	-	27,399
As of 31 December 2020	673,235	-	673,235



Investments in debt securities which
credit risk has not significantly
increased (Stage 1)
Investment in debt securities which
credit risk has significantly
increased (Stage 2)
Credit-impaired investments in debt
securities (Stage 3)

Total

2020	
Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
2,646,566,438	(673,235)
-	-
-	-
2,646,566,438	(673,235)

14 Investment in securities (Cont'd)

14.2 Investment measured at fair value through other comprehensive income

As at 31 December 2020, the government bonds and 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 (2019: Baht 1,080,113).

During the year 2020 and 2019, the Company has revenues relating to investment as follows:

- Interest income from investments with amounting to Baht 67 million (2019: Baht 71.6 million).
- Amount received from selling investments with totaling amounting to Baht 868.3 million (2019: Baht 1,158.6 million) and gain from selling investments with totaling amounting to Baht 0.1 million (2019: Baht 0.2 million).

14.3 Disclosure on fair value of investment in debt instruments

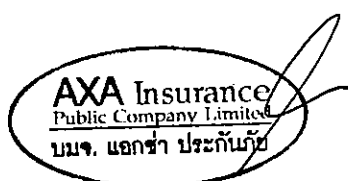
The fair value measurement of investment in debt instruments were as follows.

	2020	
	Ending Fair value Baht	Changes in Fair value Baht
Financial assets		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	4,211,356,785	47,384,328
Cash flows arising that are not solely payments of principal and interest on the outstanding principal	-	-
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	-	-

As of 31 December 2020, financial asset qualifying as SPPI includes debt securities, accrued investment income, cash and cash equivalents whereas the remaining includes equity securities.

Certain financial assets included within the financial statements, including premium receivables and amount due from reinsurance amounting to Baht 393.36 million are not included above.

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15 **Property and equipment, net**

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16 Right-of-use assets

2020

	Cost/Revaluation			Accumulated amortisation			Right-of-use assets Baht
	Beginning balance Baht	Addition Baht	Change in contract revaluation Baht	Gain on revaluation Baht	Ending balance Baht	Beginning balance Baht	Ending balance Baht
Buildings and Improvements (Note 4)	62,443,578	-	(3,013,345)	-	59,430,233	-	(13,381,039)
Total	62,443,578	-	(3,013,345)	-	59,430,233	-	(13,381,039)

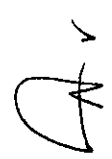
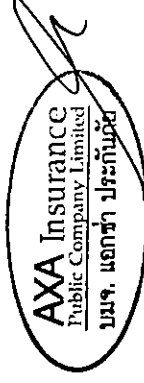
For the year ended 31 December 2020, the lease payments resulting from lease and service contracts which are not capitalised comprised of low-value leases amounting to Baht 3.23 million.

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17 Intangible assets, net

	2020								
	Cost			Accumulated depreciation				Net	
	Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ write off Baht	Ending Baht	intangible assets Baht
Computer software	118,704,500	3,139,000	-	121,843,500	(112,991,610)	(3,871,656)	-	(116,863,266)	4,980,234
Assets under installation	-	-	-	-	-	-	-	-	-
Total	118,704,500	3,139,000	-	121,843,500	(112,991,610)	(3,871,656)	-	(116,863,266)	4,980,234
	2019								
	Cost			Accumulated depreciation				Net	
	Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ write off Baht	Ending Baht	intangible assets Baht
Computer software	117,043,747	1,660,753	-	118,704,500	(108,125,328)	(4,866,282)	-	(112,991,610)	5,712,890
Assets under installation	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)	5,712,890

18 Deferred acquisition cost

Movements in deferred acquisition cost for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Balance as at 1 January	159,388,331	145,742,612
Acquisition cost incurred during the year	368,440,967	278,635,492
Acquisition cost recognised during the year	(342,029,022)	(264,989,773)
Balance as at 31 December	<u>185,800,276</u>	<u>159,388,331</u>

19 Deferred income tax

The movements on the deferred income tax for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Beginning balance	412,914,994	443,025,812
Reclassifications and adjustments (Note 4)	(7,216,071)	-
Credit to the statements of comprehensive income (Note 32)	(27,667,133)	(23,540,236)
Deferred income tax from unrealised (gains) losses on investments in equity (Note 27)	(2,268,972)	(7,521,195)
Deferred income tax from other reserve	(464,522)	950,613
Ending balance	<u>375,298,296</u>	<u>412,914,994</u>

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	2020 Baht	2019 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	234,017,986	255,510,736
Deferred tax asset to be recovered after 12 months	196,014,081	202,797,880
	<u>430,032,067</u>	<u>458,308,616</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	38,267,944	37,578,667
Deferred tax liabilities to be settled after 12 months	16,465,827	7,814,955
	<u>54,733,771</u>	<u>45,393,622</u>
Deferred tax assets, net	<u>375,298,296</u>	<u>412,914,994</u>


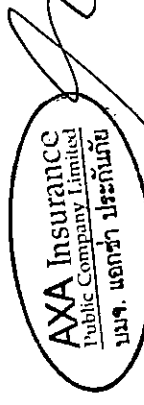



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19 Deferred income tax (Cont'd)

Deferred tax assets and liabilities presented in statements of financial position and changes in deferred tax for the year ended 31 December 2020 arises from the following items:

	31 December 2019 Baht	TAS 32 and The Accounting Guidance Reclassifications and adjustments Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	Transaction in other reserve Baht	31 December 2020 Baht
Deferred tax assets						
- Allowance for doubtful accounts	1,673,235	-	(307,288)	-	-	1,365,947
- Unearned premium reserve	72,785,662	-	(14,999,753)	-	-	57,785,909
- Loss reserve and outstanding claims	223,049,172	-	18,246,633	-	-	241,295,805
- Provision for impairment of investments (Note 4)	3,625,731	(3,625,731)	-	-	-	-
- Depreciation for computers	1,751,491	-	(1,590,174)	-	-	161,317
- Provision for retirement benefits	9,837,310	-	(464,166)	(152,210)	-	9,220,934
- Accrued expenses	3,348,462	-	1,100,842	-	(464,522)	3,984,782
- Loss carry forward	142,237,553	-	(29,910,040)	-	-	112,327,513
- Lease Liabilities	-	-	251,333	-	-	251,333
- Expected credit losses (Note 4)	-	3,633,047	5,480	-	-	3,638,527
	458,308,616	7,316	(27,667,133)	(152,210)	(464,522)	430,032,067
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 4)	8,447,473	7,094,220	-	2,111,282	-	17,652,975
- Expected credit losses (Note 4)	-	129,167	-	5,480	-	134,647
	45,393,622	7,223,387	-	2,116,762	-	54,733,771
Deferred income tax, net	412,914,994					375,298,296



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19 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 31 December 2020, the Company did not recognise deferred income tax assets of Baht 19.6 million (2019: Baht 19.6 million) in respect of loss amounting to Baht 98.1 million (2019: Baht 98.1 million) that can be carried forward against future taxable income. Loss amounting to Baht 98.1 million expires in 2021.

20 Other assets

	2020 Baht	2019 Baht
Income tax receivable and undue valued added tax	45,425,622	48,267,609
Prepaid expenses and refundable deposits	15,032,224	19,205,224
Reserve withheld for claims	44,861,206	14,482,490
Amount due from related companies (Note 34)	904,155	1,324,199
Others	10,157,432	9,194,269
Total other assets	116,380,639	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.

21 Insurance liabilities

	2020			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	965,356,961	(206,936,342)	758,420,619	894,979,278	(253,832,197)	641,147,081
- Claim incurred but not reported	879,045,931	(430,987,528)	448,058,403	745,229,148	(271,130,368)	474,098,780
Total claims reserve	1,844,402,892	(637,923,870)	1,206,479,022	1,640,208,426	(524,962,565)	1,115,245,861
Premium reserve						
- Unearned premium reserve (UPR)	1,620,725,353	(167,784,705)	1,452,940,648	1,369,282,438	(131,392,781)	1,237,889,657
Total	3,465,128,245	(805,708,575)	2,659,419,670	3,009,490,864	(656,355,346)	2,353,135,518

Insurance reserve for short-term insurance contract

21.1 Claims reserve

	2020 Baht	2019 Baht
Beginning balance	1,640,208,426	1,871,942,169
Claims incurred during the year	1,610,263,766	1,732,017,626
Changes in claims reserve and assumptions method on claims reserve	31,602,007	(133,983,864)
Claims paid during the year	(1,437,671,307)	(1,829,767,505)
Closing balance	1,844,402,892	1,640,208,426

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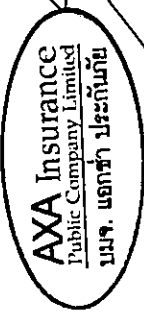
21 Insurance liabilities (Cont'd)

21.1 Claims reserve (Cont'd)

21.1.1 Claim development table

Claim Development Table Before Reinsurance

Incident Year	Before 2016	2016	2017	2018	2019	2020	Total
Estimated claim:							
- At the end of the year	24,871,520,167	2,211,164,240	2,519,201,352	2,329,454,224	1,875,935,051	1,825,523,622	
- After 1 year	26,092,804,652	2,244,020,607	2,439,269,237	2,296,952,672	1,915,531,452	-	
- After 2 years	25,523,999,517	2,219,209,272	2,417,822,934	2,154,584,941	-	-	
- After 3 years	26,463,768,228	2,134,404,730	2,347,523,293	-	-	-	
- After 4 years	26,263,167,749	2,122,391,309	-	-	-	-	
- After 5 years	25,233,700,403	-	-	-	-	-	
Absolute estimated claim	25,233,700,403	2,122,391,309	2,347,523,293	2,154,584,941	1,915,531,452	1,825,523,622	
Cumulative claim paid	25,178,916,080	2,069,195,994	2,251,889,155	1,872,655,969	1,572,585,692	970,569,017	
Total	54,784,323	53,195,315	95,634,138	281,928,972	342,945,760	854,954,605	1,683,443,113
Unallocated loss adjustment expense							89,497,871
Technical safety margin							71,461,908
Total claims reserve							1,844,402,892

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21 Insurance liabilities (Cont'd)

21.1 Claims reserve (Cont'd)

21.1.1 Claim development table (Cont'd)

Claim Development Table, Net

Incident Year	Before 2016	2016	2017	2018	2019	2020	Total
Estimated claim:							
- At the end of the year	14,760,974,339	1,896,666,312	1,916,389,007	1,786,132,736	1,368,114,963	1,496,586,539	
- After 1 year	15,630,001,109	1,865,246,752	1,943,080,805	1,740,668,784	1,410,417,678	-	
- After 2 years	15,116,648,989	1,843,119,499	1,899,973,512	1,611,008,703	-	-	
- After 3 years	14,743,709,421	1,786,270,403	1,845,937,175	-	-	-	
- After 4 years	14,571,519,956	1,780,559,507	-	-	-	-	
- After 5 years	14,443,285,167	-	-	-	-	-	
Absolute estimated claim	14,443,285,167	1,780,559,507	1,845,937,175	1,611,008,703	1,410,417,678	1,496,586,539	
Cumulative claim paid	14,392,429,653	1,757,014,842	1,780,731,432	1,488,687,267	1,231,695,758	891,716,574	
Total	50,855,514	23,544,665	65,205,743	122,321,436	178,721,920	604,869,965	1,045,519,243
Unallocated loss adjustment expense							89,497,871
Technical safety margin							71,461,908
Total claims reserve							1,206,479,022

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21 Insurance liabilities (Cont'd)

21.1 Claims reserve (Cont'd)

21.1.2 Aging analysis of loss reserve's repayment

	2020 Baht	2019 Baht
Repayment within 1 year	1,352,183,368	1,179,134,305
Repayment between 1 - 2 years	244,754,018	249,085,239
Repayment between 2 - 5 years	228,690,820	190,348,209
Repayment over 5 years	18,774,686	21,640,673
Total	<u>1,844,402,892</u>	<u>1,640,208,426</u>

21.1.3 Sensitivity analysis on change in main assumption

2020					
	Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss	Impact to equity
Estimated loss ratio	Increase 2%	5,001,697	17,099,096	(9,677,919)	(9,677,919)
Estimated loss ratio	Decrease 2%	(5,001,697)	(17,099,096)	9,677,919	9,677,919
Technical safety margin	Increase 2%	-	1,429,238	(1,429,238)	(1,429,238)
Technical safety margin	Decrease 2%	-	(1,429,238)	1,429,238	1,429,238

2019					
	Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss	Impact to equity
Estimated loss ratio	Increase 2%	4,496,281	13,911,066	(7,531,828)	(7,531,828)
Estimated loss ratio	Decrease 2%	(4,496,281)	(13,911,066)	7,531,828	7,531,828
Technical safety margin	Increase 2%	-	1,354,744	(1,354,744)	(1,354,744)
Technical safety margin	Decrease 2%	-	(1,354,744)	1,354,744	1,354,744

21.2 Unearned premium reserve

	2020 Baht	2019 Baht
Beginning balance	1,369,282,438	1,335,113,977
Premium written for the year	3,489,337,294	2,733,938,888
Premium earned for the year	(3,237,894,379)	(2,699,770,427)
Closing balance	<u>1,620,725,353</u>	<u>1,369,282,438</u>

As at 31 December 2020 and 2019, the Company's unearned premium reserve is higher than unexpired risk reserve.

22 Due to reinsurers

	2020 Baht	2019 Baht
Reinsurance premium payable	124,035,567	134,396,538
Fund withheld from reinsurance	40,372,563	55,256,437
Reinsurance payable - others	78,456,739	7,753,198
Total due to reinsurers	<u>242,864,869</u>	<u>197,406,173</u>

23 Employee benefit obligations

	2020 Baht	2019 Baht
Short-term employee benefits	83,184,225	50,588,968
Long-term employee benefits	13,584,217	16,742,313
Post-employee benefit	44,335,267	46,656,093
	<u>141,103,709</u>	<u>113,987,374</u>

As at 31 December 2020 and 2019, the Company has recognised long-term employee benefit obligations which is share-based payment of Baht 13.6 million and Baht 16.7 million respectively. Expenses of share-based payment for the year are as following:

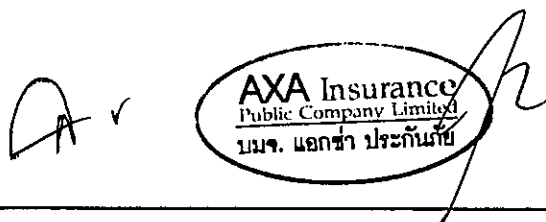
	2020 Baht	2019 Baht
Expense of share-based payment	5,504,202	6,718,490

Movements in the number of shares outstanding and their related weighted average exercise prices are as follows:

	2020 Shares	2019 Shares
At 1 January	43,706	45,796
Granted	16,213	11,856
Exercised	(11,632)	(13,946)
At 31 December	<u>48,287</u>	<u>43,706</u>

Post-employment benefit expenses which are recognised in the statements of comprehensive income are as follows:

	2020 Baht	2019 Baht
Current service costs	3,758,188	3,957,387
Interest costs	711,373	757,356
Past service cost	-	-
Total	<u>4,469,561</u>	<u>4,714,743</u>



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23 Employee benefit obligations (Cont'd)

Movements of the provision for employee benefits are as follows:

	2020 Baht	2019 Baht
Beginning balance	46,656,093	35,117,188
Current service costs	3,758,188	3,957,388
Remeasurements:		
(Gain) loss from change in financial assumptions	(761,052)	9,433,162
Experience losses	-	-
Interest costs	711,373	757,355
Past service cost	-	-
<u>Less</u> Benefits paid	<u>(6,029,335)</u>	<u>(2,609,000)</u>
Ending balance	<u>44,335,267</u>	<u>46,656,093</u>

The principal actuarial assumptions used are as follows:

	2020	2019
Discount rate	1.55%	1.70%
Salary increase rate	6.00%	6.00%
Average turnover rate	11.00% - 30.00%	10.00% - 27.00%
Retirement age	55 or 60 years	55 or 60 years

The principal actuarial assumptions used are as follows:

	2020		
	Impact on employee benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 3.33%	Increase 3.56%
Salary increase rate	0.50%	Increase 3.90%	Decrease 3.69%
Average turnover rate	0.50%	Decrease 2.29%	Increase 2.42%

	2019		
	Impact on employee benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 3.28%	Increase 3.51%
Salary increase rate	0.50%	Increase 3.82%	Decrease 3.61%
Average turnover rate	0.50%	Decrease 4.24%	Increase 4.54%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation is 13 years.

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23 Employee benefit obligations (Cont'd)

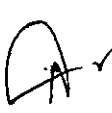

Expected maturity analysis of undiscounted retirement benefits.

	2020				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2020					
Retirement benefits	5,195,730	17,144,413	18,575,089	50,425,790	91,341,022
Total	5,195,730	17,144,413	18,575,089	50,425,790	91,341,022
	2019				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2019					
Retirement benefits	8,502,872	12,247,383	22,208,911	58,693,690	101,652,856
Total	8,502,872	12,247,383	22,208,911	58,693,690	101,652,856

24 Lease liabilities

Maturity of lease liabilities are as follows:

	2020 Baht
Minimum lease liabilities payments	
Not later than one year	16,003,603
Later than 1 year but not later than 5 years	35,416,033
Later than 5 years	894,295
<u>Less</u> Future finance charges on leases	(5,145,925)
Present value of lease liabilities	47,168,006
Lease liabilities	
- Current portion	16,003,603
- Non-current portion	36,310,328
Present value of lease liabilities:	
Not later than one year	13,635,391
Later than 1 year but not later than 5 years	32,654,926
Later than 5 years	877,689
	47,168,006

25 Other liabilities

	2020 Baht	2019 Baht
Revenue Department payable	21,250,058	22,643,698
Amount due from related companies (Note 34)	10,664,914	11,618,454
Premium suspense	57,999,585	44,626,981
Others	3,170,919	9,711,805
Total other liabilities	93,085,476	88,600,938

26 Unrealised gains (losses) on investments

Movements of unrealised gains (losses) on investments for the years ended 31 December 2020 and 2019 are as follows:

	2020 Baht	2019 Baht
Opening balance	62,683,442	(3,841,413)
Add/(Less) Changes in fair values of investments	10,583,806	47,039,132
Changes in deferred tax assets/liabilities (Note 19)	(2,116,762)	(9,407,827)
Closing balance	71,150,486	33,789,892

27 Effective tax relating to each component of other comprehensive income

	2020			2019		
	Amount before tax Baht	Income tax Baht	Amount after tax Baht	Amount before tax Baht	Income tax Baht	Amount after tax Baht
Remeasurement of post-employment benefit obligations	761,052	(152,210)	608,842	(9,433,162)	1,886,632	(7,546,530)
Gains (losses) in changes in value of investment	10,583,806	(2,116,762)	8,467,044	47,039,132	(9,407,827)	37,631,305
Total	11,344,858	(2,268,972)	9,075,886	37,605,970	(7,521,195)	30,084,775

28 Legal reserve

	2020 Baht	2019 Baht
Opening balance	30,670,999	30,670,999
Addition during the year	-	-
Closing balance	30,670,999	30,670,999

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.

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29 Share capital

	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 31 December 2020	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584

30 Operating expenses

	2020 Baht	2019 Baht
Employee expenses not relating to underwriting and claim expenses	198,788,489	179,300,521
Property and equipment expenses not relating to underwriting expenses	70,617,800	87,174,124
Tax expenses	1,561,466	7,179,849
Bad debt and doubtful accounts	871,642	1,173,648
Expected credit loss	27,399	-
Other operating expenses	85,209,165	104,518,655
Total operating expenses	357,075,961	379,346,797

31 Employee benefit expenses

	2020 Baht	2019 Baht
Salary	444,771,218	373,757,229
Social security fund	3,260,242	4,009,857
Contribution to employee benefit project	21,663,772	18,938,797
Other employee benefit expenses	31,063,046	23,051,055
Total employee benefit expenses	500,758,278	419,756,938

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32 Income tax

	2020 Baht	2019 Baht
Income tax for the year	-	-
Deferred tax (Note 19)	27,667,133	23,540,236
Income tax expense	27,667,133	23,540,236

Reconciliation of income tax credit and the results of the accounting loss multiplied by the income tax rate are as follows:

	2020 Baht	2019 Baht
Profit before income tax	123,880,930	6,765,450
Tax rate	20%	20%
The result of the accounting loss multiplied by income tax rate	24,776,186	1,353,090
Tax losses for which no deferred Income tax asset was recognised	1,970,782	19,622,000
Effect of non - taxable income and non-deductible expenses	920,165	2,565,146
Income tax expense	27,667,133	23,540,236

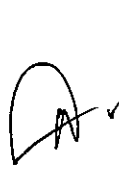

More information relating to deferred tax is presented in Note 19.

33 Basic profit (loss) per share

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

	2020	2019
Net profit (loss) for the period attributable to ordinary shareholders (Baht)	96,213,797	(16,774,786)
Weighted average number of ordinary shares in issue during the period (Shares)	36,726,421	36,726,421
Basic profit (loss) per share (Baht)	2.62	(0.46)

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2020 and 2019.

34 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.

The Company had the following significant transactions with related parties:

	2020 Baht	2019 Baht
Statement of comprehensive income		
Revenues		
Gross written premium	430,537,344	355,530,993
Reinsurance premium ceded	(390,240,165)	(379,703,258)
Commission and brokerage fees	48,804,219	47,568,600
Expenses		
Losses and loss adjustment expenses	16,630,400	24,841,788
Claim recovered from reinsurers	(90,950,161)	(269,003,598)
Commission and brokerage expenses	71,823,482	57,335,240
Other underwriting expenses	25,841,374	5,074,525
Operating expenses		
Other expenses recoveries	(10,701,301)	(11,899,230)
Management and service fees	59,706,830	78,987,615
	2020 Baht	2019 Baht
Statement of financial position		
Assets		
Reinsurance assets, net	161,163,720	189,414,639
Amount due from reinsurance, net	1,393,791	54,277,422
Other assets		
Amount due from related companies	904,155	1,324,199
Liabilities		
Due to reinsurers	72,024,554	107,863,496
Accrued expenses	2,521,916	-
Other liabilities	10,664,914	11,435,215




34 Related parties transactions (Cont'd)

The Company had the following significant transactions with related parties: (Cont'd)

Key management compensation

The compensation to key management for employee service for the years ended 31 December 2020 and 2019 are shown below:

	2020 Baht	2019 Baht
Short-term employee benefits	101,099,689	73,393,480
Post-employee benefits	1,109,065	1,017,244
Total	102,208,754	74,410,724

35 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 325,000,000 (31 December 2019: government bonds amounting to Baht 330,000,000) have been placed at the Office of Insurance Commission.

36 Contribution to Non-life guarantee fund

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, during the year the Company contributes to Non-life guarantee fund amounting to Baht 8,632,393 (2019: Baht 6,719,543).

37 Operating lease commitments

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

	2020 Baht	2019 Baht
Not later than 1 year	-	11,732,134
Later than 1 year but not later than 5 years	-	10,302,213
More than 5 years	-	-
Total operating lease commitments	-	22,034,347

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