

**TOKIO MARINE SAFETY INSURANCE (THAILAND)
PUBLIC COMPANY LIMITED**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2020



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Management of Tokio Marine Safety Insurance (Thailand) Public Company Limited

I have reviewed the interim financial information of Tokio Marine Safety Insurance (Thailand) Public Company Limited, which comprises the statement of financial position as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in equity, and cash flows for the period from 3 February 2020 (Amalgamation date) to 30 September 2020, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
10 November 2020

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Financial Position
As at 30 September 2020

		30 September 2020
	<u>Notes</u>	<u>Thousand Baht</u>
Assets		
Cash and cash equivalents	6	1,303,689
Premium receivables, net	7	2,006,767
Accrued investment income		110,304
Reinsurance assets	8	2,797,160
Amount due from reinsurance, net	9, 25	667,067
Financial assets - Debt instruments	10	17,016,103
Financial assets - Equity instruments	11	328,700
Loans		42,802
Land building and equipment, net	12	491,327
Intangible assets, net	13	95,641
Deferred tax assets	14	1,409,397
Other assets	15, 25	222,428
Total assets		26,491,385



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Director

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2020

		30 September 2020
	<u>Notes</u>	<u>Thousand Baht</u>
Liabilities and equity		
Liabilities		
Insurance liabilities	16	15,155,577
Amount due to reinsurance	17, 25	1,836,372
Income tax payable		245,404
Employee benefit obligation		335,294
Commissions and brokerage payables	25	302,775
Other liabilities	18, 25	<u>871,163</u>
Total liabilities		<u>18,746,585</u>
Equity		
Share capital		
Authorized share capital		
409,695,870 ordinary shares of Baht 10 each	19	<u>4,096,959</u>
Issued and paid-up share capital		
409,695,870 ordinary shares of Baht 10 each	19	4,096,959
Share premium		4,962,744
Deficit from business combination	20	(3,862,000)
Retained earnings		
Appropriated		
Legal reserve		141,896
Other reserve	21	1,011,200
Unappropriated		1,217,328
Other components of equity		<u>176,673</u>
Total equity		<u>7,744,800</u>
Total liabilities and equity		<u>26,491,385</u>

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2020

	<u>Notes</u>	<u>2020</u> <u>Thousand Baht</u>
Income		
Gross written premium		4,238,985
<u>Less</u> Ceded premium	25	<u>(681,361)</u>
Net written premium		3,557,624
<u>Add</u> Decrease in unearned premium reserve from previous period		<u>219,654</u>
Net premium earned		3,777,278
Fee and commission income	25	210,655
Investment income		92,342
Gain from financial instruments		35,389
Loss from remeasurement of financial instruments		(33,913)
Other income	25	<u>22,103</u>
Total Income		<u>4,103,854</u>
Expenses		
Change in long-term insurance liabilities		253,548
Gross claim	25	2,286,833
<u>Less</u> Claim recovered from reinsurers	25	<u>(271,967)</u>
Net claim		2,014,866
Commissions and brokerages	25	670,832
Other underwriting expenses	25	393,227
Operating expenses	22, 25	<u>280,929</u>
Total expenses		<u>3,613,402</u>
Profit before income tax		490,452
Income tax expense	23	<u>(59,288)</u>
Net profit for the period		<u>431,164</u>

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 September 2020

	<u>Note</u>	<u>2020</u> <u>Thousand Baht</u>
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss		
Loss on investments in debt instruments measured at fair value through other comprehensive income		(15,118)
Changes in the fair value of debt instruments at fair value through profit or loss		(4,172)
Income tax on items that will be reclassified subsequently to profit or loss		<u>3,561</u>
Total items that will be reclassified subsequently to profit or loss		<u>(15,729)</u>
Items that will not be reclassified subsequently to profit or loss		
Gains on investments in equity instruments measured at fair value through other comprehensive income		9,835
Income tax on items that will not be reclassified to profit or loss		<u>(1,967)</u>
Total items that will not be reclassified subsequently to profit or loss		<u>7,868</u>
Other comprehensive income for the period, net of tax		<u>(7,861)</u>
Total comprehensive income for the period		<u><u>423,303</u></u>
Earnings per share		
Basic earnings per share	24	<u><u>1.05</u></u>

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Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

	<u>Notes</u>	2020 <u>Thousand Baht</u>
Income		
Gross written premium		11,348,330
<u>Less</u> Ceded premium	25	<u>(2,210,996)</u>
Net written premium		9,137,334
<u>Add</u> Decrease in unearned premium reserve from previous period		<u>778,441</u>
Net premium earned		9,915,775
Fee and commission income	25	657,055
Investment income		241,922
Gain from financial instruments		85,810
Loss from remeasurement of financial instruments		(75,226)
Other income	25	<u>73,121</u>
Total Income		<u>10,898,457</u>
Expenses		
Change in long-term insurance liabilities		483,666
Gross claim	25	5,997,154
<u>Less</u> Claim recovered from reinsurers	25	<u>(796,627)</u>
Net claim		5,200,527
Commissions and brokerages	25	1,747,024
Other underwriting expenses	25	971,272
Operating expenses	22, 25	<u>784,925</u>
Total expenses		<u>9,187,414</u>
Profit before income tax		1,711,043
Income tax expense	23	<u>(303,673)</u>
Net profit for the period		<u>1,407,370</u>

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

	<u>Note</u>	<u>2020</u> <u>Thousand Baht</u>
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss		
Loss on investments in debt instruments measured at fair value through other comprehensive income		(270,962)
Changes in the fair value of debt instruments at fair value through profit or loss		(11,286)
Income tax on items that will be reclassified subsequently to profit or loss		<u>58,110</u>
Total items that will be reclassified subsequently to profit or loss		<u>(224,138)</u>
Items that will not be reclassified subsequently to profit or loss		
Gains on investments in equity instruments measured at fair value through other comprehensive income		118,526
Income tax on items that will not be reclassified to profit or loss		<u>(23,705)</u>
Total items that will not be reclassified subsequently to profit or loss		<u>94,821</u>
Other comprehensive income for the period, net of tax		<u>(129,317)</u>
Total comprehensive income for the period		<u><u>1,278,053</u></u>
Earnings per share		
Basic earnings per share	24	<u><u>3.44</u></u>

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Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Changes in Equity (Unaudited)
For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

	Retained earnings		Other components of equity				Total			
	Issued and paid-up share capital	Share premium	Deficit from business combination	Legal reserve	Other reserve	Unappropriated		Other comprehensive income		Total other components of equity
								Debt instruments designated at fair value through other comprehensive income	Equity instruments designated at fair value through other comprehensive income	
Note	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Balance as at 3 February 2020 (Amalgamation date)	4,086,959	4,962,744	(3,862,000)	141,896	1,011,200	2,620,472	198,031	107,959	305,990	9,277,261
Changes in equity for the period										
from 3 February 2020 to 30 September 2020										
Dividend	-	-	-	-	-	(2,810,514)	-	-	-	(2,810,514)
Net profit for the period	-	-	-	-	-	1,407,370	-	-	-	1,407,370
Other comprehensive income for the period	-	-	-	-	-	-	(215,109)	94,821	(120,288)	(120,288)
Change in value in fair value in the period - net of tax	-	-	-	-	-	-	(9,029)	-	(9,029)	(9,029)
Reclassified to profit or loss - net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(1,403,144)	(224,138)	94,821	(129,317)	(1,532,461)
Balance as at 30 September 2020	4,086,959	4,962,744	(3,862,000)	141,896	1,011,200	1,217,328	(26,107)	202,780	176,673	7,744,800

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Statement of Cash Flows (Unaudited)
For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

	2020
	Thousand Baht
Cash flows provided from (used in) operating activities	
Direct premium written	11,643,419
Received from reinsurance	(1,044,983)
Interest received	262,080
Other income	64,834
Claim from direct insurance	(5,986,163)
Commissions and brokerages from direct insurance	(1,783,803)
Other underwriting expenses	(1,009,595)
Operating expenses	(559,326)
Income tax	(176,910)
Cash paid for deposits at financial institutions	1,292,900
Cash received from selling and maturity investment in securities	7,980,253
Cash received from loans	56,429
Cash paid for investment in securities	(7,669,488)
Cash paid for loans	(51,321)
Net cash provided from operating activities	3,018,326
Cash flows provided from (used in) investing activities	
Cash flows provided	
Building improvement and equipment	14,774
Net cash provided from investing activities	14,774
Cash flows used	
Building improvement and equipment	(74,440)
Intangible assets	(8,412)
Net cash used in investing activities	(82,852)
Net cash used in investing activities	(68,078)
Cash flows from financing activities	
Dividend Paid	(2,810,514)
Payments on lease liabilities	(21,693)
Net cash used in financing activities	(2,832,207)
Net increase in cash and cash equivalents	118,041
Cash and cash equivalents at the beginning of period	1,185,648
Cash and cash equivalents at the end of period	1,303,689

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

1 General information

Tokio Marine Safety Insurance (Thailand) Public Company Limited ("the Company") is a company incorporated from the amalgamation, pursuant to the Public Limited Company, and its amendments, between Tokio Marine Insurance (Thailand) Public Company Limited and Safety Insurance Public Company Limited. The Company has registered on 3 February 2020 (Amalgamation date) with the Ministry of Commerce as a juristic person under the law on public limited companies.

The Company's registered address is at 1st, 2nd, 4th and 6th Floor, Orakarn Building, 26/5-8, 26/10-11 and 26/16-19 Chidlom Road, Lumpini, Pathumwan, Bangkok.

The Company has 103 branches. The principal business operation of the Company is the provision of non-life insurance.

The Company has a shareholding structure as follows:

Shareholder	Country	Type of share	Shareholding portion (%)
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Japan	Ordinary	48.83
TMF Holding (Thailand) Limited	Thailand	Ordinary	25.20
NHCT Ltd.	Thailand	Ordinary	25.20
Tokio Marine Asia Pte. Ltd.	Singapore	Ordinary	0.05
Others	Thailand, China, USA, Japan and Singapore	Ordinary	0.72
Total			<u>100.00</u>

The financial statements were authorised for issue by the Company's management on 10 November 2020.

This interim financial information has been reviewed, not audited.

2 Basis of preparation

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

The interim financial information should be read in conjunction with the financial statements for the period ended 2 February 2020 before amalgamation as the Company is a result of the amalgamation. All assets and liabilities have been transferred as initial balance.

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

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

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the previous financial statements for the period ended 2 February 2020 before amalgamation.

4 Estimates

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

5 Fair value

5.1 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- 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 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the fair values of the Company's financial assets that are measured at fair value on financial statement as at 30 September 2020.

	(Unaudited)			Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Debt instruments designated at fair value through other comprehensive income				
Government and state enterprise promissory notes	-	143,592	-	143,592
Private enterprise debt securities	-	8,590,436	-	8,590,436
Total	-	8,734,028	-	8,734,028
Debt instruments designated at fair value through profit or loss				
Unit trust	-	664,325	-	664,325
Total	-	664,325	-	664,325
Equity instruments designated at fair value through other comprehensive income				
Equity securities	-	-	328,700	328,700
Total	-	-	328,700	328,700

5 Fair value (Cont'd)

5.1 Fair value estimation (Cont'd)

The following table present the fair values of the Company's financial assets that are not measured at fair values on financial statement as at 30 September 2020.

	(Unaudited)			Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Debt instruments to be measured at amortised cost				
Government and state enterprise promissory notes	-	4,371,172	-	4,371,172
Deposit at financial institutions with original maturing more than 3 months	-	3,273,500	-	3,273,500
Government Saving Bank's lottery tickets	-	50,310	-	50,310
Total	-	7,694,982	-	7,694,982

There were no transfers between levels during the period.

5.2 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

5.3 Valuation techniques used to derive Level 3 fair values

Level 3 equity investments are fair valued using reference price from net asset value for non-marketable equity securities and the Company does not expect to receive a return from the investment.

There were no other changes in valuation techniques during the period.

6 Cash and cash equivalents

	(Unaudited) 30 September 2020 Thousand Baht
Cash on hand	20,770
Deposit at banks without fixed maturity date	1,282,919
Cash and cash equivalents	1,303,689

7 Premium receivable, net

The balances as at 30 September 2020 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	Premium received from direct insurance (Unaudited) 30 September 2020 Thousand Baht
Not yet due	1,145,653
Overdue under 30 days	317,535
Overdue over 30 days to 60 days	166,984
Overdue over 60 days to 90 days	42,833
Overdue over 90 days to 1 year	287,285
Overdue over 1 year	60,040
Total premium receivables	2,020,330
<u>Less</u> Allowance for doubtful accounts	(13,563)
Premiums receivable, net	<u>2,006,767</u>

The normal credit term of insureds, agents and brokers granted by the Company ranges 0 - 60 days and 15 - 60 days, respectively.

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

8 Reinsurance assets

	(Unaudited) 30 September 2020 Thousand Baht
<u>Insurance reserve recovered from reinsurers</u>	
Loss reserves	1,388,580
Premium reserves	
- Unearned premium reserves (UPR)	1,408,580
Reinsurance assets	<u>2,797,160</u>

9	Amount due from reinsurance	(Unaudited)
		30 September
		2020
		Thousand
		Baht
	Deposits on reinsurance	4
	Due from reinsurers	686,148
	Amount due from reinsurance	686,152
	<u>Less: Allowance for doubtful accounts</u>	<u>(19,085)</u>
	Amount due from reinsurance, net	<u>667,067</u>

10 Financial assets - Debt instruments

The details of financial assets - debt instruments as at 30 September 2020 are as follows:

		(Unaudited)
		30 September
		2020
		Fair value
		Thousand
		Baht
	<u>Debt instruments designated at fair value through other comprehensive income</u>	
	Government and state enterprise promissory notes	143,592
	Private enterprise debt securities	8,590,436
	Total debt instruments designated at fair value through other comprehensive income	<u>8,734,028</u>
	<u>Debt instruments designated at fair value through profit or loss</u>	
	Unit trust	664,325
	Total debt instruments designated at fair value through profit or loss	<u>664,325</u>
		Amortised cost
		Thousand
		Baht
	<u>Debt instruments to be measured at amortised cost</u>	
	Government and state enterprise promissory notes	4,293,940
	Deposit at financial institutions with original maturing more than 3 months	3,273,500
	Government Saving Bank's lottery tickets	50,310
	Total	7,617,750
	<u>Less: Allowance for impairment ECL</u>	<u>-</u>
	Total debt instruments to be measured at amortised cost	<u>7,617,750</u>
	Total financial asset - debt instruments, net	<u>17,016,103</u>

10 Financial assets - Debt instruments (Cont'd)

The details of financial assets - debt instruments as at 30 September 2020 are as follows: (Cont'd)

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

	(Unaudited)	
	30 September 2020	
	Fair value Thousand Baht	Expected credit loss recognised in other Comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	8,734,028	(24,934)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	8,734,028	(24,934)

10.2 Debt securities that are measured at amortised cost

	(Unaudited)		
	30 September 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)	7,617,750	-	7,617,750
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	7,617,750	-	7,617,750

11 Financial assets - Equity instruments

The details of financial assets - equity instruments as at 30 September 2020 are as follows:

	(Unaudited) 30 September 2020 Fair value Thousand Baht
<u>Equity instruments designated at fair value through other comprehensive income</u>	
Equity securities	182,746
Add Fair value adjustment	145,954
Total equity instruments designated at fair value through other comprehensive income	328,700
Total financial assets - equity instruments	328,700

Tokio Marine Safety Insurance (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

12 Land building and equipment, net

(Unaudited)
30 September 2020

	Cost		Accumulated depreciation						Net value	
	Beginning Balance of the period Thousand Baht	Addition Thousand Baht	Transfer in/out Thousand Baht	Disposal Thousand Baht	Ending Balance of the period Thousand Baht	Depreciation Charge Thousand Baht	Disposal Thousand Baht	Ending Balance of the period Thousand Baht	Beginning Balance of the period Thousand Baht	Ending Balance of the period Thousand Baht
Land	107,963	-	80,240	(2,645)	185,558	-	-	-	107,963	185,558
Building	364,845	-	(80,240)	(3,602)	281,003	3,972	(3,602)	215,641	149,574	65,362
Building improvement	110,176	417	-	(23,381)	87,212	3,115	(23,295)	75,185	14,811	12,027
Fixture and office equipment	544,928	18,617	23,017	(15,480)	571,082	36,553	(14,332)	437,445	129,704	133,637
Vehicles	133,310	8,596	-	(9,897)	132,009	12,827	(9,174)	82,054	54,909	49,955
Right-of-use asset	118,943	-	-	(118,943)	-	21,537	(35,194)	(10,909)	116,195	10,909
Work in process	9,611	47,285	(23,017)	-	33,879	-	-	-	9,611	33,879
Total	1,389,776	74,915	-	(173,948)	1,290,743	78,004	(85,597)	799,416	582,767	491,327

For the period ended 30 September 2020, the Company has adjusted on the classification between building and land amounting to Baht 80 million. The adjustment has no impact to depreciation on building and land.

Depreciation expense has been charged to gross claim Baht 11.47 million, other underwriting expenses Baht 4.86 million and operation expenses Baht 61.94 million.

13 Intangible assets, net

For the period ended 30 September 2020, the Company had amortisation for intangible assets amounting to Baht 15,932 thousand and purchasing amounting to Baht 8,912 thousand.

14 Deferred tax

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

	(Unaudited) 30 September 2020 Thousand Baht
Deferred tax assets	1,450,068
Deferred tax liabilities	<u>(40,671)</u>
Deferred tax asset, net	<u>1,409,397</u>

Tokio Marine Safety Insurance (Thailand) Public Company Limited
 Condensed Notes to the Interim Financial Information (Unaudited)
 For the period from 3 February 2020 (Amalgamation date) to 30 September 2020

14 Deferred tax (Cont'd)

The movement in deferred tax asset for the period ended 30 September 2020 is as follows:

	Unearned premium reserve, net		Loss reserves and outstanding claims		Allowance for impairment on investments		Defined retirement employee benefit obligations		Allowance for doubtful accounts		Others		Total	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets														
As at 3 February 2020	940,839	431,487	29,316	47,527	21,824	21,981	1,492,974							
Increase (decrease) in profit	2,269	(47,394)	1,661	2,785	(10,381)	8,154	(42,906)							
Increase (decrease) in other comprehensive income	-	-	-	-	-	-	-							
As at 30 September 2020	943,108	384,093	30,977	50,312	11,443	30,135	1,450,068							

14 Deferred tax (Cont'd)

The movement in deferred tax liabilities for the period ended 30 September 2020 are as follows:

	Change in financial assets designated at fair value through other comprehensive income Thousand Baht	Total Thousand Baht
Deferred tax liabilities		
As at 3 February 2020	(88,461)	(88,461)
Increase (decrease) in profit	13,385	13,385
Increase (decrease) in other comprehensive income	34,405	34,405
As at 30 September 2020	<u>(40,671)</u>	<u>(40,671)</u>

15 Other assets

	(Unaudited) 30 September 2020 Thousand Baht
Suspense Input Value Added Tax	102,416
Prepaid expenses	27,483
Deposits	24,146
Other receivables	61,561
Others	6,822
Total	<u>222,428</u>

16 Insurance liabilities

	(Unaudited) 30 September 2020		
	Insurance liabilities Thousand Baht	Liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Long-term insurance liabilities	2,637,422	-	2,637,422
Loss reserves and outstanding claims			
- Incurred and reported claim reserves	4,080,953	(1,050,817)	3,030,136
- Incurred but not reported claim reserves	382,726	(337,764)	44,962
Total claim reserves	4,463,679	(1,388,581)	3,075,098
Premium reserves			
- Unearned premium reserves	8,054,476	(1,408,579)	6,645,897
Total	15,155,577	(2,797,160)	12,358,417

Long-term insurance liabilities

	(Unaudited) 30 September 2020 Thousand Baht
Beginning balance of the period	2,153,756
Increase in reserve of new insurance policies and inforce insurance policies	937,846
Decrease from benefits payment	(70,402)
Change in actuarial assumptions	18,681
Other changes	(402,459)
Ending balance of the period	2,637,422

Short-term insurance liabilities

1) Loss reserves and outstanding claims

	(Unaudited) 30 September 2020 Thousand Baht
Beginning balance of the period	4,528,859
Claim incurred in this period	6,483,476
Changes in claim reserves incurred in previous period	(981,272)
Changes in claim reserves assumptions	136,843
Claim paid in this period	(5,704,227)
Ending balance of the period	4,463,679

16 Insurance liabilities (Cont'd)

Short-term insurance liabilities (Cont'd)

2) Unearned premium reserves

	(Unaudited) 30 September 2020 Thousand Baht
Beginning balance of the period	8,957,951
Premium written in the period	10,484,989
Earned premium in the period	<u>(11,388,464)</u>
Ending balance of the period	<u>8,054,476</u>

17 Amount due to reinsurance

	(Unaudited) 30 September 2020 Thousand Baht
Amount withheld on reinsurance	1,126,314
Due to reinsurance	<u>710,058</u>
Total	<u>1,836,372</u>

18 Other liabilities

	(Unaudited) 30 September 2020 Thousand Baht
Accrued operating expenses	275,920
Other payables	214,189
Suspense deposits	112,368
Lease liabilities	10,722
Others	<u>257,964</u>
Total	<u>871,163</u>

19 Share Capital

	Number of shares Shares	Ordinary shares Thousand Baht	Total Thousand Baht
At 3 February 2020	409,695,870	4,096,959	4,096,959
Issue of shares	-	-	-
At 30 September 2020	<u>409,695,870</u>	<u>4,096,959</u>	<u>4,096,959</u>

As at 30 September 2020, the total number of authorised ordinary shares is 409,695,870 shares with a par value of Baht 10 per share. The total number of issued and fully paid shares is 409,695,870 shares with a par value of Baht 10 per share.

20 Deficit from business combination

Deficit from business combination results from the different between the consideration paid and the net asset received from former companies which require by the Guideline for Business Combination under Common Control to separately presented in equity.

21 Other reserve

Other reserve represents the amount the Company's shareholders approved to appropriate from retained earnings for future projects.

22 Operating expenses

	(Unaudited) For the three-month period ended 30 September 2020 Thousand Baht
Personnel expenses which do not relate with the underwriting and loss adjustment	154,973
Premises and equipment expenses which do not relate with underwriting and loss adjustment	62,446
Taxes and duties	961
Bad debt and doubtful accounts expenses (reverse)	(1,772)
Other operating expenses	<u>64,321</u>
Total operating expenses	<u>280,929</u>

22 Operating expenses (Cont'd)

	(Unaudited) For the period from 3 February 2020 to 30 September 2020 Thousand Baht
Personnel expenses which do not relate with the underwriting and loss adjustment	411,093
Premises and equipment expenses which do not relate with underwriting and loss adjustment	173,080
Taxes and duties	4,996
Bad debt and doubtful accounts expenses (reverse)	(5,010)
Other operating expenses	200,766
Total operating expenses	<u>784,925</u>

23 Income tax expense

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 18%.

24 Basic earnings per share

The calculations of basic earnings per share were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	(Unaudited) For the three-month period ended 30 September 2020
Profit for the period (Thousand Baht)	431,164
Number of ordinary shares outstanding (Thousand Share)	409,696
Basic earnings per share (Baht per share)	1.05

24 Basic earnings per share (Cont'd)

	(Unaudited) For the period from 3 February 2020 to 30 September 2020
Profit for the period (Thousand Baht)	1,407,370
Number of ordinary shares outstanding (Thousand Share)	409,696
Basic earnings per share (Baht per share)	3.44

There were no potential dilutive ordinary shares issued for the period from 3 February 2020 (Amalgamation date) to 30 September 2020.

25 Transactions with related parties

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.

25 Transactions with related parties (Cont'd)

Relationships with key management and other related parties were as follows:

Name of entities/person	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Tokio Marine Holdings, Inc.	Japan	Ultimate parent company of the Group
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Japan	A parent company, 48.83% shareholding
Tokio Marine Asia Pte. Ltd.	Singapore	Shareholder of the Company, 0.05% shareholding and affiliated company of the Group
TMF Holding (Thailand) Limited	Thailand	Shareholder of the Company, 25.20% shareholding and affiliated company of the Group
NHCT Ltd.	Thailand	Shareholder of the Company, 25.20% shareholding and affiliated company of the Group
Tokio Management Services (Thailand) Co., Ltd.	Thailand	Affiliated company of the Group
Tokio Marine South East Servicing Co., Ltd.	Thailand	Affiliated company of the Group
Tokio Marine Life Insurance (Thailand) Public Company Limited	Thailand	Affiliated company of the Group
Tokio Marine Insurance Broker Co., Ltd.	Thailand	Affiliated company of the Group
Tokio Marine Europe Insurance Co., Ltd.	United Kingdom	Affiliated company of the Group
Tokio Marine Global Re Asia Ltd.	Malaysia	Affiliated company of the Group
Tokio Marine Global Re Limited (Ireland)	Ireland	Affiliated company of the Group
TM Claims Service Asia Pte. Ltd.	Singapore	Affiliated company of the Group
Tokio Marine Compania De Seguros S.A. De C.V.	Mexico	Affiliated company of the Group
Tokio Marine Management (Australasia) Pty. Ltd.	Australia	Affiliated company of the Group
Tokio Marine Insurans (Malaysia) Berhad	Malaysia	Affiliated company of the Group
Tokio Marine Insurance Singapore Ltd.	Singapore	Affiliated company of the Group
The Tokio Marine and Fire Insurance Co. (HK) Ltd.	Hong Kong	Affiliated company of the Group
PT Asuransi Tokio Marine Indonesia	Indonesia	Affiliated company of the Group
Tokio Marine & Nichido Risk Consulting Co., Ltd.	Japan	Affiliated company of the Group
Bao Viet Tokio Marine Insurance Company Limited	Vietnam	Affiliated company of the Group
Malayan Insurance Co., Ltd.	Philippines	Affiliated company of the Group
IFFCO - Tokio General Insurance Co., Ltd.	India	Affiliated company of the Group
NHCT Holding (Thailand) Co., Ltd.	Thailand	Affiliated company of the Group

25 Transaction with related parties (Cont'd)

Revenue and expense transactions with related for the period from 3 February 2020 to 30 September 2020 are as follows:

	(Unaudited) For the three-month period ended 30 September 2020 Thousand Baht
Revenues	
Commission and brokerage income	
Parent company	36,852
Affiliated company of the Group	79,261
Total	<u>116,113</u>
Other income	
Parent company	5,482
Affiliated company of the Group	10,540
Total	<u>16,022</u>
Insurance claim expense recovered from reinsurers	
Parent company	66,930
Affiliated company of the Group	21,367
Total	<u>88,296</u>

25 Transaction with related parties (Cont'd)

Revenue and expense transactions with related for the period from 3 February 2020 to 30 September 2020 are as follows: (Cont'd)

	(Unaudited) For the three-month period ended 30 September 2020 Thousand Baht
Expenses	
Ceded premium	
Parent company	126,272
Affiliated company of the Group	<u>228,932</u>
Total	<u>355,204</u>
Gross claim	
Affiliated company of the Group	<u>1,718</u>
Commissions and brokerage expenses	
Affiliated company of the Group	<u>103,662</u>
Other underwriting expenses	
Affiliated company of the Group	<u>27,285</u>
Operating expenses	
Affiliated company of the Group	<u>17,031</u>

25 Transaction with related parties (Cont'd)

Revenue and expense transactions with related for the period from 3 February 2020 to 30 September 2020 are as follows: (Cont'd)

	(Unaudited) For the period from 3 February 2020 to 30 September 2020 Thousand Baht
Revenues	
Commission and brokerage income	
Parent company	233,880
Affiliated company of the Group	184,651
Total	<u>418,531</u>
Other income	
Parent company	17,935
Affiliated company of the Group	29,477
Total	<u>47,412</u>
Insurance claim expense recovered from reinsurers	
Parent company	247,515
Affiliated company of the Group	63,152
Total	<u>310,667</u>

25 Transaction with related parties (Cont'd)

Revenue and expense transactions with related for the period from 3 February 2020 to 30 September 2020 are as follows: (Cont'd)

	(Unaudited) For the period from 3 February 2020 to 30 September 2020 Thousand Baht
Expenses	
Ceded premium	
Parent company	716,435
Affiliated company of the Group	<u>522,102</u>
Total	<u>1,238,537</u>
Gross claim	
Affiliated company of the Group	<u>4,523</u>
Commissions and brokerage expenses	
Affiliated company of the Group	<u>310,056</u>
Other underwriting expenses	
Affiliated company of the Group	<u>49,221</u>
Operating expenses	
Affiliated company of the Group	<u>45,070</u>

25 Transaction with related parties (Cont'd)

Balances with the related parties as at 30 September 2020 consist of:

	(Unaudited) 30 September 2020 Thousand Baht
Assets	
Due from reinsurers, net	
Parent company	81,116
Affiliated company of the Group	83,463
Total	<u>164,579</u>
Other assets	
Parent company	14,577
Affiliated company of the Group	12,156
Total	<u>26,733</u>
Liabilities	
Amount due to reinsurance	
Parent company	578,759
Affiliated company of the Group	484,870
Total	<u>1,063,629</u>
Commission and brokerage payables	
Affiliated company of the Group	<u>67,908</u>
Other liabilities	
Affiliated company of the Group	<u>89,639</u>

Commitments with related parties

Service agreements

- (a) The Company entered into an agreement with a related company whereby the related company will provide the service related to management of health insurance claims. The Company was charged a service fee at 4% - 5% of total premium received under the insurance policies of policyholders. The term of the agreements is for 1 year from 1 April 2019 to 1 April 2020 and the company renew the agreements for 1 year from 1 April 2020 to 1 April 2021. Either party may terminate this agreement at any time by giving not less than 30 days prior written notice to another party.
- (b) The Company entered into an agreement with a related company whereby the related company will provide the necessary human resource for risk engineering services. The Company was charged a service fee of Japanese Yens 15.7 million. The term of the agreement is from 1 April 2019 to 30 June 2020 and the company renew the agreements from 1 April 2020 to 30 June 2021.
- (c) The Company entered into an agreement with a related company whereby the related company will provide the necessary human resource for risk management services. The Company was charged a service fee of Japanese Yens 5.4 million. The term of the agreement is from 1 July 2019 to 30 June 2020 and the company renew the agreements from 1 July 2020 to 30 June 2021.

25 Transaction with related parties (Cont'd)

Directors and management's remuneration

For the period ended 30 September 2020, the Company had employee benefit expenses payable to their directors and management as below.

	(Unaudited) For the three-month period ended 30 September 2020 Thousand Baht
Short-term employee benefits	16,228
Other long-term employee benefits	2
Post-employment benefit	731
Total	<u>16,961</u>

	(Unaudited) For the period from 3 February 2020 to 30 September 2020 Thousand Baht
Short-term employee benefits	51,938
Other long-term employee benefits	6
Post-employment benefit	2,192
Total	<u>54,136</u>

26 Securities placed with the Registrar

26.1 Securities placed with the Registrar

The Company's investments in debt securities were pledged with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	(Unaudited) 30 September 2020	
	Book value Thousand Baht	Face value Thousand Baht
Deposit at financial institutions	14,000	14,000
Total	<u>14,000</u>	<u>14,000</u>

26 Securities placed with the Registrar (Cont'd)

26.2 Assets reserved with the Registrar

The Company's investments in debt securities were allocated to the reserve fund in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-Life Insurance Company B.E.2557" as follows:

	(Unaudited) 30 September 2020	
	Book value Thousand Baht	Face value Thousand Baht
Deposit at financial institutions	120,000	120,000
Government and state enterprise bonds and Bank of Thailand bonds	1,872,808	1,825,000
Private enterprise debt securities	220,496	205,000
Total	<u>2,213,304</u>	<u>2,150,000</u>

27 Investment in securities with restrictions to make commitments

As at 30 September 2020, investment in securities with restrictions to make commitments appropriation as backup assets with banks in accordance with Section 27/4 of the Insurance Act, B.E. 2535" are as follows:

	(Unaudited) 30 September 2020 Thousand Baht
Deposit at financial institutions	3,189,810
Debt securities	10,934,664
Equity securities	328,700
Unit trust	664,325
Total	<u>15,117,499</u>

28 Restricted assets

	(Unaudited) 30 September 2020 Thousand Baht
Restricted deposit at financial institutions	
Collateral against court cases	1,992
Credit lines of bank overdrafts letter of guarantee and other matters	5,400
Total	<u>7,392</u>
Government Saving Bank's saving lottery	
Bail bonds	26,520
Total	<u>26,520</u>
Total restricted assets	<u><u>33,912</u></u>

29 Contribution to non-life guarantee fund

As at 30 September 2020, in compliance with the Non-life Insurance Act (No. 2) B.E. 2551, the Company accumulated contributes to Non-life guarantee fund amounting to Baht 413 million.

30 Commitments

The Company entered into service agreement. The Company's obligation for future payments under service agreement as at 30 September 2020 are as follows:

	(Unaudited) 30 September 2020 Thousand Baht
Within 1 year	35,557
Within 2 - 5 years	32,295
Total	<u>67,852</u>

As at 30 September 2020, the Company had a commitment under "Master License Agreement" with other companies to pay an annual fee in amount of Baht 17 million.

31 Contingent liabilities

As at 30 September 2020, lawsuits have been brought against the Company, in relation to insurance claims in the normal course of business, approximately in amount of Baht 357 million. The Company's management cannot assess potential losses since there is uncertainty with respect to the outcome of the cases. Thus, the provision was not set up as at 30 September 2020.

As at 30 September 2020, the Company had letters of guarantee with a bank amounted to Baht 2.8 million.

32 Dividends

The Annual Shareholders meeting for the year 2019 held on 8 July 2020 approved dividend payment for the year 2019 with a dividend of 6.86 Baht per share for 409.7 million shares which was totalling amounting to Baht 2,810,513,668.20. The dividend was paid to shareholders in September 2020.