

Pacific Cross Health Insurance Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2020
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

To the Board of Directors of Pacific Cross Health Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Pacific Cross Health Insurance Public Company Limited as at 30 September 2020; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020; the statements of changes in equity and cash flows for the nine-month period ended 30 September 2020; and the condensed notes ("interim financial information"). Management is responsible for the preparation and fair 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".

Other Matter

The statement of financial position of Pacific Cross Health Insurance Public Company Limited as at 31 December 2019, which is included as comparative information, was audited by another auditor who expressed an unqualified opinion thereon in his report dated 23 April 2020. Furthermore, the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, changes in equity and cash flows of Pacific Cross Health Insurance Public Company Limited for the nine-month period ended 30 September 2019, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 12 November 2019.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2020

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Pacific Cross Health Insurance Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2020	2019
		(Unaudited)	
		<i>(in Baht)</i>	
Cash and cash equivalents	4	110,598,990	84,461,933
Premiums due and uncollected, net	5	44,245,821	46,325,707
Accrued investment income		1,679,782	1,452,832
Reinsurers' share of insurance contract liabilities	10	144,039,191	134,547,278
Reinsurance receivables	6	22,022,362	21,006,372
Financial assets	3, 7, 18	301,821,299	250,236,389
Premises and equipment	8	1,503,324	1,691,048
Right-of-use-assets	3, 8	13,502,176	-
Intangible assets		389,644	644,047
Other assets	9, 16	3,713,761	7,578,957
Total assets		643,516,350	547,944,563

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited

Statement of financial position

		30 September 2020 (Unaudited)	31 December 2019
Liabilities and equity	Note		
		(in Baht)	
Liabilities			
Insurance contract liabilities	10	333,289,237	299,453,900
Reinsurance payable	11	109,697,130	92,984,031
Income tax payable		1,492,139	-
Provisions for employee benefits		1,462,421	1,313,195
Lease liabilities	3	13,708,284	-
Other liabilities	12, 16	41,080,250	34,672,206
Total liabilities		500,729,461	428,423,332
Equity			
Share capital			
Authorised share capital (20,000,000 ordinary shares, par value at Baht 25 per share)		500,000,000	500,000,000
Issued and paid share capital (20,000,000 ordinary shares, par value at Baht 25 per share)		500,000,000	500,000,000
Deficit			
Deficit		(357,213,111)	(380,478,769)
Total equity		142,786,889	119,521,231
Total liabilities and equity		643,516,350	547,944,563

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited
Statement of comprehensive income (Unaudited)

		Three-month period ended	
		30 September	
	Note	2020	2019
		(in Baht)	
Revenues			
Gross premium written		148,652,738	106,109,347
Less premium ceded		<u>(58,495,778)</u>	<u>(41,580,180)</u>
Net premiums written		90,156,960	64,529,167
(Less) add unearned premium reserve (increase) decrease from previous period		(19,068,857)	184,435
Add reinsurers' share of increase in unearned premium reserve from previous period		<u>10,429,699</u>	<u>4,238,917</u>
Net premiums earned		81,517,802	68,952,519
Fee and commission income		22,921,520	16,694,855
Net investment income		1,023,982	1,027,157
Other income	16	<u>1,021,151</u>	<u>988,076</u>
Total income		<u>106,484,455</u>	<u>87,662,607</u>
Expenses			
Insurance claim expenses	16	51,736,912	74,301,670
Less insurance claim expenses recovered from reinsurers		<u>(19,406,278)</u>	<u>(29,246,412)</u>
Net insurance claim expenses		32,330,634	45,055,258
Commission and brokerage expenses		19,861,881	13,832,991
Other underwriting expenses	16	15,300,074	12,317,484
Operating expenses	16	22,754,566	18,288,095
Expected credit loss	13	<u>25,587</u>	<u>-</u>
Total expenses		<u>90,272,742</u>	<u>89,493,828</u>
Profit (loss) before income tax		16,211,713	(1,831,221)
Income tax expense	14	<u>1,667,480</u>	<u>-</u>
Profit (loss) for the period		14,544,233	(1,831,221)
Total comprehensive income (loss) for the period		<u>14,544,233</u>	<u>(1,831,221)</u>
Basic earnings (loss) per share (Baht)	15	<u>0.73</u>	<u>(0.09)</u>

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited
Statement of comprehensive income (Unaudited)

		Nine-month period ended	
		30 September	
	Note	2020	2019
		(in Baht)	
Revenues			
Gross premium written		419,871,545	316,479,601
Less premium ceded		<u>(155,191,086)</u>	<u>(125,205,369)</u>
Net premiums written		264,680,459	191,274,232
Less unearned premium reserve increase from previous period		(56,992,274)	(20,322,511)
Add reinsurers' share of increase in unearned premium reserve from previous period		<u>20,169,257</u>	<u>9,091,826</u>
Net premiums earned		227,857,442	180,043,547
Fee and commission income		60,477,667	49,127,229
Net investment income		3,121,038	3,005,749
Other income	16	<u>3,189,284</u>	<u>3,248,933</u>
Total income		<u>294,645,431</u>	<u>235,425,458</u>
Expenses			
Insurance claim expenses	16	164,144,862	188,479,457
Less insurance claim expenses recovered from reinsurers		<u>(61,416,468)</u>	<u>(74,573,397)</u>
Net insurance claim expenses		102,728,394	113,906,060
Commission and brokerage expenses		57,236,343	42,800,596
Other underwriting expenses	16	43,199,000	37,237,660
Operating expenses	16	66,455,696	56,114,769
Expected credit loss	13	<u>32,365</u>	<u>-</u>
Total expenses		<u>269,651,798</u>	<u>250,059,085</u>
Profit (loss) before income tax		24,993,633	(14,633,627)
Income tax expense	14	<u>1,667,480</u>	<u>-</u>
Profit (loss) for the period		<u>23,326,153</u>	<u>(14,633,627)</u>
Total comprehensive income (loss) for the period		<u>23,326,153</u>	<u>(14,633,627)</u>
Basic earnings (loss) per share (Baht)	15	<u>1.17</u>	<u>(0.73)</u>

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited
Statement of changes in equity (Unaudited)

	<i>Note</i>	Issued and Paid-up share capital	Deficit (in Baht)	Total equity
Nine-month period ended 30 September 2019				
Balance at 1 January 2019		500,000,000	(363,452,534)	136,547,466
Comprehensive loss for the period				
Loss for the period		-	(14,633,627)	(14,633,627)
Total comprehensive loss for the period		-	(14,633,627)	(14,633,627)
Balance at 30 September 2019		<u>500,000,000</u>	<u>(378,086,161)</u>	<u>121,913,839</u>
Nine-month period ended 30 September 2020				
Balance at 31 December 2019 - as reported		500,000,000	(380,478,769)	119,521,231
Impact of changes in accounting policies	3	-	(60,495)	(60,495)
Balance at 1 January 2020 - restated		500,000,000	(380,539,264)	119,460,736
Comprehensive income for the period				
Profit for the period		-	23,326,153	23,326,153
Total comprehensive income for the period		-	23,326,153	23,326,153
Balance at 30 September 2020		<u>500,000,000</u>	<u>(357,213,111)</u>	<u>142,786,889</u>

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited

Statement of cash flows (Unaudited)

	Note	Nine-month period ended	
		30 September	
		2020	2019
		(in Baht)	
<i>Cash flows from operating activities</i>			
Premiums written		412,648,504	314,568,157
Cash paid to reinsurers		(4,458,870)	(7,616,586)
Interest received		3,240,418	2,233,075
Other income		3,189,284	3,248,933
Insurance claims expenses		(178,584,267)	(149,874,365)
Commission and brokerage expenses		(53,158,362)	(43,569,153)
Other underwriting expenses		(43,385,422)	(37,331,297)
Operating expenses		(57,914,919)	(53,484,117)
Cash payment - financial assets		(51,677,770)	(11,333,803)
Net cash provided by operating activities		29,898,596	16,840,844
<i>Cash flows from investing activities</i>			
Cash flows used in:			
Acquisition of equipment	8	(446,891)	(565,070)
Acquisition of intangible assets		-	(480,000)
Net cash used in investing activities		(446,891)	(1,045,070)
<i>Cash flows from financing activities</i>			
Cash flows used in:			
Payment of lease liabilities		(3,314,648)	-
Cash used in financing activities		(3,314,648)	-
Net increase in cash and cash equivalents		26,137,057	15,795,774
Cash and cash equivalents at 1 January		84,461,933	66,102,663
Cash and cash equivalents at 30 September	4	110,598,990	81,898,437

The accompanying notes form an integral part of the interim financial statements.

Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

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Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issuance by Company's Board of Directors on 13 November 2020.

1 General information

Pacific Cross Health Insurance Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 152 Chartered Square Building, 21st floor, North Sathorn Road, Silom, Bangrak, Bangkok.

The Company's major shareholders during the period were Med-Sure Services Company Limited (69.15% shareholding) which is incorporated in Thailand.

The principal activities of the Company is operate in non-life insurance.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2019) Interim Financial Reporting and guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Non-Life Insurance Companies" B.E. 2562 (No. 2), dated 4 April 2019, which is effective for periods beginning on or after 1 January 2020.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

The Company has initially applied TFRS - Financial instruments standards, TAS 32 Financial Instruments: Presentation, and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Company has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in note 3.

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3 Changes in accounting policies

TFRS 4 *Insurance Contracts* (revised 2019), has allowed insurance entities that meet the conditions as laid down by TFRS 4, to use the deferral approach to TFRS 9 and TFRS 7 for insurance entities and continue to apply Accounting Guideline: Financial Instruments and Disclosure for insurance entities until TFRS 17 *Insurance Contract* becomes effective.

However, the Company has not met the conditions as mentioned in TFRS 4 *Insurance Contracts* (revised 2019) and has to apply TFRS9: Financial instrument.

From 1 January 2020, the Company has initially applied TFRS - Financial instruments standards, TAS 32 Financial Instruments: Presentation, and TFRS 16 Leases. Impact of changes in accounting policies on shareholders' equity are as follows:

	Note	Deficit (in Baht)
At 31 December 2019 - as reported		(380,478,769)
Decrease due to:		
Adoption of TFRS - Financial instruments standards		
Impairment losses on financial assets	(a)	(60,495)
At 1 January 2020 - restated		<u>(380,539,264)</u>

(a) TFRS - Financial instruments standards and TAS 32

The Company has adopted TFRS - Financial instruments standards and TAS 32 by adjusting the cumulative effects to deficit on 1 January 2020. Therefore, the Company did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets measured at amortised cost shall be calculated using effective interest rate method. Previously, the Company recognised interest income and interest expenses at the rate specified in the contract.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of the Company's financial assets as at 1 January 2020.

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For the three-month and nine-month periods ended 30 September 2020 (Unaudited)

	Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020
	Carrying amounts	Amortised cost - net
	(in Baht)	
Investment in securities		
Held to maturity securities		
- Deposits at banks with original maturity over 3 months	250,236,389	250,236,389
Total	250,236,389	250,236,389

(2) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The Company has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

(in Baht)

Allowance for impairment loss at 31 December 2019

Allowance for impairment loss of investment in securities	
Held to maturity securities	
- Deposits at banks with original maturity over 3 months	-

Additional impairment loss recognised at 1 January 2020 on:

Financial assets	
- Financial assets measured at amortised cost	60,495
Allowance for impairment loss at 1 January 2020	60,495

The Company has adopted to recognise the increase of impairment loss as an adjustment to deficit as at 1 January 2020.

(b) TFRS 16 Leases

From 1 January 2020, the Company has initially adopted TFRS 16 *Leases* on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Company, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Company allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Company recognised depreciation of right-of-use assets and interest expense on lease liabilities.

Pacific Cross Health Insurance Public Company Limited
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Impact from the adoption of TFRS 16

(in Baht)

At 1 January 2020

Right-of-use assets	3,144,957
Increase in lease liabilities	<u>3,144,957</u>

Measurement of lease liability

(in Baht)

Operating lease commitment as disclosed at 31 December 2019	5,495,046
Discounted using the incremental borrowing rate at 1 January 2020	(267,711)
Recognition exemption for short-term leases	(2,082,378)
Lease liabilities recognised at 1 January 2020	<u>3,144,957</u>
Weighted-average incremental borrowing rate (% per annum)	<u>6.00</u>

4 Cash and cash equivalents

	30 September 2020	31 December 2019
	(in Baht)	
Cash	12,333	24,253
Deposits at banks - call deposits	110,586,657	84,437,680
Cash and cash equivalents	<u>110,598,990</u>	<u>84,461,933</u>

5 Premiums due and uncollected, net

As at 30 September 2020 and 31 December 2019, premiums due and uncollected and their aging are as follows:

	30 September 2020	31 December 2019
	(in Baht)	
Not yet overdue	6,358,906	17,581,298
Overdue		
Less than 30 days	16,421,716	11,511,037
30 - 60 days	12,741,974	8,056,670
60 - 90 days	4,251,103	5,023,902
90 days - 1 year	4,472,122	4,588,395
Over 1 year	1,027,706	-
Total premium due and uncollected	45,273,527	46,761,302
Less allowance for doubtful accounts	(1,027,706)	(435,595)
Premiums due and uncollected, net	<u>44,245,821</u>	<u>46,325,707</u>

During the period ended 30 September 2020, the Office of Insurance Commission, through several announcements for relief program under COVID 19 situation, has extended the grace period by 60 days for policies for which original grace period expires during 27 February 2020 to 30 September 2020.

Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
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6 Reinsurance receivables

	30 September 2020	31 December 2019
	<i>(in Baht)</i>	
Due from reinsurers	22,022,362	21,006,372
Reinsurance receivables	22,022,362	21,006,372

As at 30 September 2020 and 31 December 2019, aging analyses for due from reinsurers were as follows:

	30 September 2020	31 December 2019
	<i>(in Baht)</i>	
Within credit terms	17,510,278	17,603,064
Overdue:		
Not over 1 year	4,512,084	3,403,308
Total due from reinsurer	22,022,362	21,006,372

7 Financial assets

7.1 Financial assets by measurement are as follows:

	30 September 2020		31 December 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	<i>(in Baht)</i>			
<i>Financial assets measured at amortised cost</i>				
Deposits at banks with original maturity over 3 months	301,914,159	301,914,159	250,236,389	250,236,389
Total	301,914,159	301,914,159	250,236,389	250,236,389
Less allowance for ECL	(92,860)	-	-	-
Total	301,821,299	301,914,159	250,236,389	250,236,389

7.2 Financial assets measured at amortised cost

	Carrying value	30 September 2020 Allowance for ECL <i>(in Baht)</i>	Net carrying value
Debt securities - no significant increase in credit risk (stage 1)	301,914,159	(92,860)	301,821,299
	301,914,159	(92,860)	301,821,299

Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
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8 Premises and equipment

Acquisitions of equipment (excluding right-of-use assets) during the nine-month period ended 30 September 2020 were as follows:

	Furniture and fixtures	Office equipment (in Baht)	Total
Net book value as at 1 January 2020	595,895	1,095,153	1,691,048
Addition - cost	-	525,612	525,612
Depreciation for the period	(247,141)	(466,195)	(713,336)
Net book value as at 30 September 2020	348,754	1,154,570	1,503,324

Carrying amounts of the Company's right-of-use assets at 30 September 2020 are Baht 13.50 million and the Company recognised depreciation of right-of-use assets for the nine-month period ended 30 September 2020, amounting to Baht 3.04 million.

Movement of right-of-use assets recognised as premises and vehicle is as follows:

<i>Right-of-use assets</i>	Note	Building and leasehold	Vehicle (in Baht)	Total
Net book value as at 1 January 2020	3	806,020	2,338,937	3,144,957
Addition		12,186,581	1,207,365	13,393,946
Depreciation for the period		(2,376,532)	(660,195)	(3,036,727)
As at 30 September 2020		10,616,069	2,886,107	13,502,176

9 Other assets

	30 September 2020	31 December 2019
	(in Baht)	
Deposits	1,450,207	1,593,510
Prepaid expense	533,907	508,524
Others	1,729,647	5,476,923
Total	3,713,761	7,578,957

Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
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10 Insurance contract liabilities

	Gross	30 September 2020 Reinsurer's share	Net	Gross	31 December 2019 Reinsurer's share	Net
	<i>(in Baht)</i>					
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	27,128,520	(30,395,991)	(3,267,471)	55,716,546	(41,903,769)	13,812,777
- Incurred but not reported	21,648,431	(6,239,286)	15,409,145	16,217,342	(5,408,852)	10,808,490
Total loss reserves and outstanding claims	48,776,951	(36,635,277)	12,141,674	71,933,888	(47,312,621)	24,621,267
Unearned premium reserves	284,512,286	(107,403,914)	177,108,372	227,520,012	(87,234,657)	140,285,355
Total	333,289,237	(144,039,191)	189,250,046	299,453,900	(134,547,278)	164,906,622
10.1 Loss reserves and outstanding claims						
At 1 January	71,933,888	(47,312,621)	24,621,267	33,607,594	(28,056,680)	5,550,914
Insurance claim expense incurred during the period/year	158,713,773	(60,586,034)	98,127,739	245,911,183	(93,100,504)	152,810,679
Change in estimation and assumption	5,431,089	(830,434)	4,600,655	(264,105)	(2,569,445)	(2,833,550)
Insurance claim expense paid during the period/year	(187,301,799)	72,093,812	(115,207,987)	(207,320,784)	76,414,008	(130,906,776)
At 30 September 2020 / 31 December 2019	48,776,951	(36,635,277)	12,141,674	71,933,888	(47,312,621)	(24,621,267)
10.2 Unearned premium reserves						
At 1 January	227,520,012	(87,234,657)	140,285,355	182,475,648	(73,751,886)	108,723,762
Premium written during the period/year	419,871,544	(155,191,086)	264,680,458	451,802,232	(170,927,494)	280,874,738
Earned premium in the period/year	(362,879,270)	135,021,829	(227,857,441)	(406,757,868)	157,444,723	(249,313,145)
At 30 September 2020 / 31 December 2019	284,512,286	(107,403,914)	177,108,372	227,520,012	(87,234,657)	140,285,355
Unexpired risk reserves	209,483,770	(71,865,350)	137,618,420	167,063,986	(58,199,171)	108,864,815

As at 30 September 2020 and 31 December 2019, no additional reserve for unexpired risk reserves has been established as the unexpired risk reserves estimated by the Company amounting to Baht 209.48 million (31 December 2019: Baht 167.06 million) are lower than the unearned premium reserves.

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11 Reinsurance payable

	30 September 2020	31 December 2019
	(in Baht)	
Amounts withheld on reinsurance	60,278,518	50,996,876
Due to reinsurers	49,418,612	41,987,155
Total	109,697,130	92,984,031

12 Other liabilities

	30 September 2020	31 December 2019
	(in Baht)	
Other accrued expenses	19,614,562	18,010,695
Commission and brokerage payable	10,682,183	9,533,959
Premium received in advance	9,108,113	4,249,240
Others	1,675,392	2,878,312
Total	41,080,250	34,672,206

13 Expected credit loss

	Three-month period ended 30 September 2020	Nine-month period ended 30 September 2020
	(in Baht)	
Financial assets		
Financial assets measured at amortised cost	25,587	32,365
Total	25,587	32,365

14 Income tax expense

Income tax recognised in profit or loss

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2020	2019	2020	2019
	(in Baht)			
Current tax				
Current period	1,667,480	-	1,667,480	-
Deferred tax				
Movements in temporary differences	-	-	-	-
Total	1,667,480	-	1,667,480	-

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Reconciliation of effective tax rate

	Rate (%)	Three-month period ended 30 September		2019		2020	Nine-month period ended 30 September		2019
		(Baht)	(%)				(Baht)	(%)	
Profit (loss) before income tax		<u>16,211,713</u>		<u>(1,831,221)</u>			<u>24,993,633</u>		<u>(14,633,627)</u>
Income tax using the Thai corporation tax rate	20	3,242,343	20	(366,244)	20	4,998,727	20	(2,926,725)	
Expenses (income) not subject to tax		(3,503,240)		(5,849,339)		7,739,757			6,918,389
Loss carry forward not recognized as deferred tax assets		<u>1,928,377</u>		<u>6,215,583</u>		<u>(11,071,004)</u>			<u>(3,991,664)</u>
Total	10	<u>1,667,480</u>	-	-	7	<u>1,667,480</u>	-	-	-

No deferred tax asset was recognised because management considered it unlikely that sufficient future taxable profits will be available to utilise the temporary difference.

15 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2020 and 2019 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2020	2019	2020	2019
Profit (loss) for the period attributable to ordinary shareholders (in Baht)	<u>14,544,233</u>	<u>(1,831,221)</u>	<u>23,326,153</u>	<u>(14,633,627)</u>
Number of ordinary shares outstanding (in shares)	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Basic earnings (loss) per share (in Baht)	<u>0.73</u>	<u>(0.09)</u>	<u>1.17</u>	<u>(0.73)</u>

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16 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(a) Relationship with key management and related parties were as follows:

Name of entities	Nature of relationships
Key management personnel	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.
Med-Sure Services Limited	Major shareholder (69.15% shareholding)
Legal Concept Company Limited	Related company

The pricing policies for significant types of transactions with are explained further below:

Significant transactions type	Pricing policies
Rental and service income (other income)	At contractually agreed prices
Underwriting and loss adjustment expense (other underwriting expenses and insurance claim expenses)	At contractually agreed prices
Legal consulting fee (operating expenses)	At contractually agreed prices

(b) Transactions with related parties and key management were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Med-Sure services Limited</i>				
Rental and service income	960,000	888,000	2,880,000	2,560,000
Underwriting and loss adjustment expense	9,057,123	7,495,721	25,626,371	22,984,662
<i>Legal Concept Company Limited</i>				
Legal consulting fee	11,250	3,500	40,870	10,500
<i>Key management personnel compensation</i>				
Short-term employee benefits	4,219,983	4,006,163	13,649,376	12,840,615
Directors remuneration	60,000	45,000	230,000	180,000
Post-employment benefits	17,031	3,503	51,092	10,508
Total	4,297,014	4,054,666	13,930,468	13,031,123

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Balance with related parties as at 30 September 2020 and 31 December 2019 were as follows:

	30 September 2020	31 December 2019
	<i>(in Baht)</i>	
<i>Med-Sure Services Limited</i>		
Underwriting and loss adjustment payable	3,687,492	4,913,054

17 Financial instruments

Financial instruments not measured at fair value

The carrying amounts of the following financial assets are considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, other receivables, reinsurance payables, and other payables.

18 Securities and assets pledged with the Registrar

18.1 As at 30 September 2020 and 31 December 2019, deposits at bank had been pledged with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	30 September 2020	31 December 2019
	Cost	Cost
	<i>(in Baht)</i>	
Deposits at bank	<u>3,500,000</u>	<u>3,500,000</u>

18.2 As at 30 September 2020 and 31 December 2019, deposits at bank had been pledged with the Registrar as 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 Companies B.E. 2557" as follows:

	30 September 2020	31 December 2019
	Cost	Cost
	<i>(in Baht)</i>	
Deposits at bank	<u>80,261,662</u>	<u>86,060,760</u>

19 Commitments with non-related parties

Future minimum lease payment under non-cancellable operating leases

	30 September 2020	31 December 2019
	<i>(in Baht)</i>	
Within 1 year	375,000	2,925,074
1 - 5 years	432,500	2,569,972
Total	<u>807,500</u>	<u>5,495,046</u>

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20 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRSs, which are relevant to the Company's operations, expected to have no material impact on the Company's financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2021, are as follows:

	TFRS	Topic
Framework		Conceptual Framework for Financial Reporting