

Thaire Life Assurance Public Company Limited  
Review report and interim financial statements  
30 September 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thaire Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of Thaire Life Assurance Public Company Limited as at 30 September 2019, the statements of income and comprehensive income, in which the equity method is applied, for the three-month and nine-month periods then ended, and the statements of changes in owners' equity and cash flows, in which the equity method is applied, for the nine-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of Thaire Life Assurance Public Company Limited for the same period. 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.

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 11 November 2019

**Thaire Life Assurance Public Company Limited**  
**Statements of financial position**  
**As at 30 September 2019 and 31 December 2018**

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Assets</b>					
Cash and cash equivalents	3	60,721,284	55,107,499	60,721,284	55,107,499
Accrued investment income		11,587,114	10,979,404	11,587,114	10,979,404
Reinsurance assets	4	2,608,028	2,890,523	2,608,028	2,890,523
Reinsurance receivables	5	447,097,211	195,504,325	447,097,211	195,504,325
Investment assets					
Investments in securities - net	6	1,777,217,983	1,880,320,416	1,777,217,983	1,880,320,416
Loans	7	1,110,769	1,350,532	1,110,769	1,350,532
Investment in an associate	8	14,003,246	16,102,055	21,684,234	21,684,234
Premises and equipment - net	9	54,505,094	55,212,073	54,505,094	55,212,073
Intangible assets - net	10	34,695,547	37,834,960	34,695,547	37,834,960
Deferred tax assets	11.1	14,904,519	30,797,125	13,368,321	30,797,125
Other assets					
Deferred commission expenses		81,804,493	70,819,695	81,804,493	70,819,695
Others		10,416,314	950,292	10,416,314	950,292
<b>Total assets</b>		<b>2,510,671,602</b>	<b>2,357,868,899</b>	<b>2,516,816,392</b>	<b>2,363,451,078</b>
<b>Liabilities and owners' equity</b>					
<b>Liabilities</b>					
Insurance contract liabilities	12	831,418,976	683,877,504	831,418,976	683,877,504
Due to reinsurers	13	140,591,244	184,571,501	140,591,244	184,571,501
Income tax payable		16,175,429	33,572,395	16,175,429	33,572,395
Employee benefit obligations	14	14,648,230	10,871,877	14,648,230	10,871,877
Other liabilities					
Accrued expenses		3,160,577	2,587,759	3,160,577	2,587,759
Deferred commission income		39,120	43,358	39,120	43,358
Others		10,218,162	3,423,973	10,218,162	3,423,973
<b>Total liabilities</b>		<b>1,016,251,738</b>	<b>918,948,367</b>	<b>1,016,251,738</b>	<b>918,948,367</b>
<b>Owners' equity</b>					
Share capital					
Registered, issued and paid-up					
600,000,000 ordinary shares of Baht 1 each		600,000,000	600,000,000	600,000,000	600,000,000
Share premium		79,162,825	79,162,825	79,162,825	79,162,825
Retained earnings					
Appropriated - statutory reserve		60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		723,875,952	714,249,360	727,626,962	718,202,902
Other components of owners' equity		31,381,087	(14,491,653)	33,774,867	(12,863,016)
<b>Total owners' equity</b>		<b>1,494,419,864</b>	<b>1,438,920,532</b>	<b>1,500,564,654</b>	<b>1,444,502,711</b>
<b>Total liabilities and owners' equity</b>		<b>2,510,671,602</b>	<b>2,357,868,899</b>	<b>2,516,816,392</b>	<b>2,363,451,078</b>

The accompanying notes are an integral part of the financial statements.

Directors

## Thaire Life Assurance Public Company Limited

## Statements of income

For the three-month periods ended 30 September 2019 and 2018

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Reinsurance premium written		566,036,931	731,338,783	566,036,931	731,338,783
Less: Reinsurance premium ceded		(5,076,600)	(4,646,535)	(5,076,600)	(4,646,535)
Net reinsurance premium written		560,960,331	726,692,248	560,960,331	726,692,248
Add (less) : Unearned premium reserves (increased) decreased from prior period		43,948,364	(65,352,551)	43,948,364	(65,352,551)
Earned premium		604,908,695	661,339,697	604,908,695	661,339,697
Commission income		564,117	569,224	564,117	569,224
Share of profit (loss) from investments in an associate, accounted for under the equity method	8.3	176,722	(266,243)	-	-
Net investment revenue		19,043,672	15,438,676	19,043,672	15,438,676
Gains on investments		13,178,713	7,854,148	13,178,713	7,854,148
Fair value gain (loss)		(7,392,490)	8,429,269	(7,392,490)	8,429,269
Other income		312,209	55,401	312,209	55,401
<b>Total revenues</b>		<b>630,791,638</b>	<b>693,420,172</b>	<b>630,614,916</b>	<b>693,686,415</b>
<b>Expenses</b>					
Long-term insurance policy reserves increased from prior period		29,542,212	20,339,370	29,542,212	20,339,370
Gross benefits and claims		344,642,162	386,107,567	344,642,162	386,107,567
Less: claims recovered from reinsurers		(608,409)	(978,235)	(608,409)	(978,235)
Commission expenses		143,079,613	168,712,167	143,079,613	168,712,167
Other underwriting expenses		9,763,872	6,742,750	9,763,872	6,742,750
Operating expenses		21,023,610	20,751,812	21,023,610	20,751,812
<b>Total expenses</b>		<b>547,443,060</b>	<b>601,675,431</b>	<b>547,443,060</b>	<b>601,675,431</b>
<b>Profits before income tax expenses</b>		<b>83,348,578</b>	<b>91,744,741</b>	<b>83,171,856</b>	<b>92,010,984</b>
Income tax expenses	11.2	(14,165,074)	(16,906,428)	(14,129,730)	(16,906,428)
<b>Profits for the periods</b>		<b>69,183,504</b>	<b>74,838,313</b>	<b>69,042,126</b>	<b>75,104,556</b>
<b>Earnings per share</b>	16				
Basic earnings per share					
Profits for the periods		0.12	0.12	0.12	0.13

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thaire Life Assurance Public Company Limited**

**Statements of comprehensive income**

**For the three-month periods ended 30 September 2019 and 2018**

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
<b>Profits for the periods</b>		69,183,504	74,838,313	69,042,126	75,104,556
<b>Other comprehensive income</b>					
Items to be recognised in statements of income in subsequent periods:					
Translation adjustments of the financial statements in foreign currency of an associate	8.3	(269,652)	(684,069)	-	-
Gain (loss) on revaluation of available-for-sale investments		(13,070,445)	33,097,386	(13,070,445)	33,097,386
Total items to be recognised in statements of income in subsequent periods		(13,340,097)	32,413,317	(13,070,445)	33,097,386
Add (less) : Income tax		2,668,019	(6,619,477)	2,614,089	(6,619,477)
Items to be recognised in statements of income in subsequent periods - net of income taxes		(10,672,078)	25,793,840	(10,456,356)	26,477,909
<b>Other comprehensive income (loss) for the periods</b>		(10,672,078)	25,793,840	(10,456,356)	26,477,909
<b>Total comprehensive income for the periods</b>		58,511,426	100,632,153	58,585,770	101,582,465

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thaire Life Assurance Public Company Limited****Statements of income****For the nine-month periods ended 30 September 2019 and 2018**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Reinsurance premium written		1,826,888,135	1,912,846,448	1,826,888,135	1,912,846,448
Less: Reinsurance premium ceded		(11,182,154)	(14,280,407)	(11,182,154)	(14,280,407)
Net reinsurance premium written		1,815,705,981	1,898,566,041	1,815,705,981	1,898,566,041
Less: Unearned premium reserves increased from prior period		(89,067,136)	(119,807,299)	(89,067,136)	(119,807,299)
Earned premium		1,726,638,845	1,778,758,742	1,726,638,845	1,778,758,742
Commission income		985,740	2,130,083	985,740	2,130,083
Share of loss from investments in an associate, accounted for under the equity method	8.3	(735,221)	(1,450,774)	-	-
Net investment revenue		56,619,131	45,747,775	56,619,131	45,747,775
Gains on investments		18,540,966	23,163,113	18,540,966	23,163,113
Fair value gain (loss)		6,457,600	(439,688)	6,457,600	(439,688)
Other income		541,507	1,593,815	541,507	1,593,815
<b>Total revenues</b>		<b>1,809,048,568</b>	<b>1,849,503,066</b>	<b>1,809,783,789</b>	<b>1,850,953,840</b>
<b>Expenses</b>					
Long-term insurance policy reserves increased from prior period		36,177,732	60,246,517	36,177,732	60,246,517
Gross benefits and claims		1,059,161,815	988,106,472	1,059,161,815	988,106,472
Less: claims recovered from reinsurers		(1,746,114)	(2,858,455)	(1,746,114)	(2,858,455)
Commission expenses		404,059,380	428,445,077	404,059,380	428,445,077
Other underwriting expenses		27,492,159	19,024,881	27,492,159	19,024,881
Operating expenses		70,318,051	64,573,411	70,318,051	64,573,411
<b>Total expenses</b>		<b>1,595,463,023</b>	<b>1,557,537,903</b>	<b>1,595,463,023</b>	<b>1,557,537,903</b>
<b>Profits before income tax expenses</b>		<b>213,585,545</b>	<b>291,965,163</b>	<b>214,320,766</b>	<b>293,415,937</b>
Income tax expenses	11.2	(35,483,714)	(54,595,470)	(36,421,467)	(54,595,470)
<b>Profits for the periods</b>		<b>178,101,831</b>	<b>237,369,693</b>	<b>177,899,299</b>	<b>238,820,467</b>
<b>Earnings per share</b>	16				
Basic earnings per share					
Profits for the periods		0.30	0.40	0.30	0.40

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thaire Life Assurance Public Company Limited****Statements of comprehensive income****For the nine-month periods ended 30 September 2019 and 2018**

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied		2019	2018
		2019	2018	2019	2018
<b>Profits for the periods</b>		178,101,831	237,369,693	177,899,299	238,820,467
<b>Other comprehensive income</b>					
Items to be recognised in statements of income in subsequent periods:					
Translation adjustments of the financial statements in foreign currency of an associate	8.3	(1,363,588)	(416,082)	-	-
Gain (loss) on revaluation of available-for-sale investments		58,297,354	(13,119,093)	58,297,354	(13,119,093)
Total items to be recognised in statements of income in subsequent periods		56,933,766	(13,535,175)	58,297,354	(13,119,093)
Add (less): Income tax		(11,061,026)	2,623,819	(11,659,471)	2,623,819
Items to be recognised in statement of income in subsequent periods - net of income taxes		45,872,740	(10,911,356)	46,637,883	(10,495,274)
Items not to be recognised in statements of income in subsequent periods:					
Actuarial losses		(595,133)	(847,604)	(595,133)	(847,604)
Add: Income tax		119,027	169,521	119,027	169,521
Items not to be recognised in statements of income in subsequent periods - net of income taxes		(476,106)	(678,083)	(476,106)	(678,083)
<b>Other comprehensive income (loss) for the periods</b>		45,396,634	(11,589,439)	46,161,777	(11,173,357)
<b>Total comprehensive income for the periods</b>		223,498,465	225,780,254	224,061,076	227,647,110

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thaire Life Assurance Public Company Limited****Statements of cash flows****For the nine-month period ended 30 September 2019 and 2018**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from (used in) operating activities</b>				
Cash received from reinsurance	69,243,061	259,064,764	69,243,061	259,064,764
Interest income	13,314,325	12,617,550	13,314,325	12,617,550
Dividend income	43,117,867	33,418,890	43,117,867	33,418,890
Other investment income	18,131,966	22,734,350	18,131,966	22,734,350
Other income	554,294	486,241	554,294	486,241
Other underwriting expenses	(27,357,061)	(18,535,946)	(27,357,061)	(18,535,946)
Operating expenses	(62,591,810)	(57,833,028)	(62,591,810)	(57,833,028)
Income tax expenses	(47,992,321)	(82,650,932)	(47,992,321)	(82,650,932)
Investments in securities	169,315,939	63,515,722	169,315,939	63,515,722
Loans	239,763	(1,296,726)	239,763	(1,296,726)
<b>Net cash provided by operating activities</b>	<b>175,976,023</b>	<b>231,520,885</b>	<b>175,976,023</b>	<b>231,520,885</b>
<b>Cash flows from (used in) investing activities</b>				
Disposals of equipment	419,321	1,699,120	419,321	1,699,120
Purchases of equipment	(2,596,021)	(11,720,836)	(2,596,021)	(11,720,836)
Purchases of intangible assets	(185,538)	(2,007,402)	(185,538)	(2,007,402)
<b>Net cash used in investing activities</b>	<b>(2,362,238)</b>	<b>(12,029,118)</b>	<b>(2,362,238)</b>	<b>(12,029,118)</b>
<b>Cash flows from (used in) financing activities</b>				
Dividend paid	(168,000,000)	(300,000,000)	(168,000,000)	(300,000,000)
<b>Net cash used in financing activities</b>	<b>(168,000,000)</b>	<b>(300,000,000)</b>	<b>(168,000,000)</b>	<b>(300,000,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,613,785</b>	<b>(80,508,233)</b>	<b>5,613,785</b>	<b>(80,508,233)</b>
Cash and cash equivalents at beginning of the periods	55,107,499	212,087,690	55,107,499	212,087,690
<b>Cash and cash equivalents at end of the periods</b>	<b>60,721,284</b>	<b>131,579,457</b>	<b>60,721,284</b>	<b>131,579,457</b>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

## Thaire Life Assurance Public Company Limited

## Statements of changes in owners' equity

For the nine-month period ended 30 September 2019 and 2018

(Unit: Baht)

		Financial statements in which the equity method is applied							
				Retained earnings		Other component of owners' equity			
		Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Revaluation surplus (deficit) on available-for-sale investments - net of income taxes	Translation adjustments of the financial statements in foreign currency of an associate	Total other component of owners' equity	Total owners' equity
Note									
	<b>Balance as at 1 January 2018</b>	600,000,000	79,162,825	60,000,000	761,494,365	43,958,235	(1,151,259)	42,806,976	1,543,464,166
17	Dividend paid	-	-	-	(300,000,000)	-	-	-	(300,000,000)
	Reversal of dividend payable due to ineligible shareholders	-	-	-	2,250	-	-	-	2,250
	Profit for the period	-	-	-	237,369,693	-	-	-	237,369,693
	Other comprehensive loss for the period	-	-	-	(678,083)	(10,495,274)	(416,082)	(10,911,356)	(11,589,439)
	<b>Balance as at 30 September 2018</b>	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>698,188,225</u>	<u>33,462,961</u>	<u>(1,567,341)</u>	<u>31,895,620</u>	<u>1,469,246,670</u>
	<b>Balance as at 1 January 2019</b>	600,000,000	79,162,825	60,000,000	714,249,360	(12,863,016)	(1,628,637)	(14,491,653)	1,438,920,532
17	Dividend paid	-	-	-	(168,000,000)	-	-	-	(168,000,000)
	Reversal of dividend payable due to ineligible shareholders	-	-	-	867	-	-	-	867
	Profit for the period	-	-	-	178,101,831	-	-	-	178,101,831
	Other comprehensive income (loss) for the period	-	-	-	(476,106)	46,637,883	(765,143)	45,872,740	45,396,634
	<b>Balance as at 30 September 2019</b>	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>723,875,952</u>	<u>33,774,867</u>	<u>(2,393,780)</u>	<u>31,381,087</u>	<u>1,494,419,864</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Thaire Life Assurance Public Company Limited

## Statements of changes in owners' equity (continued)

For the nine-month period ended 30 September 2019 and 2018

(Unit: Baht)

	Separate financial statements						
	Note	Issued and paid-up share capital	Share permium	Retained earnings		Other component of owners' equity	Total owners' equity
				Appropriated - statutory reserve	Unappropriated	Revaluation surplus (deficit)	
						on available-for-sale investments - net of income taxes	
<b>Balance as at 1 January 2018</b>		600,000,000	79,162,825	60,000,000	763,441,126	43,958,235	1,546,562,186
Dividend paid	17	-	-	-	(300,000,000)	-	(300,000,000)
Reversal of dividend payable due to ineligible shareholders		-	-	-	2,250	-	2,250
Profit for the period		-	-	-	238,820,467	-	238,820,467
Other comprehensive loss for the period		-	-	-	(678,083)	(10,495,274)	(11,173,357)
<b>Balance as at 30 September 2018</b>		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>701,585,760</u>	<u>33,462,961</u>	<u>1,474,211,546</u>
<b>Balance as at 1 January 2019</b>		600,000,000	79,162,825	60,000,000	718,202,902	(12,863,016)	1,444,502,711
Dividend paid	17	-	-	-	(168,000,000)	-	(168,000,000)
Reversal of dividend payable due to ineligible shareholders		-	-	-	867	-	867
Profit for the period		-	-	-	177,899,299	-	177,899,299
Other comprehensive income (loss) for the period		-	-	-	(476,106)	46,637,883	46,161,777
<b>Balance as at 30 September 2019</b>		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>727,626,962</u>	<u>33,774,867</u>	<u>1,500,564,654</u>

The accompanying notes are an integral part of the financial statements.

# Thaire Life Assurance Public Company Limited

## Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2019 and 2018

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**Thaire Life Assurance Public Company Limited**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2019 and 2018**

**1. Corporate information**

Thaire Life Assurance Public Company Limited (“the Company”) is a public company, incorporated under Thai laws, domiciled in Thailand and listed on the Stock Exchange of Thailand since 9 October 2013. Its major shareholder is Thai Reinsurance Public Company Limited, a public company incorporated under Thai laws, domiciled in Thailand and listed on the Stock Exchange of Thailand. As at 30 September 2019 and 31 December 2018, the major shareholder held 10.10% and 11.10%, respectively, of the issued and paid-up share capital of the Company. The Company is principally engaged in the provision of life reinsurance. The registered office of the Company is located at No. 48/15 Soi Ratchadapisek 20, Ratchadapisek Road, Samsennok Sub-district, Huaykwang District, Bangkok.

**2. Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies B.E. 2559 dated 4 March 2016, whereby the Company choose to present condensed interim financial statements. However, the Company presented each line items in the statements of financial position, income, comprehensive income, changes in owners’ equity and cash flows in the same format as that used in it’s annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the financial statements in Thai language.

## 2.1 The financial statements in which the equity method is applied

The Company prepares the financial statements, in which equity method is applied, which has presented investment in an associate under the equity method.

## 2.2 Separate financial statements

The Company prepares the separate financial statements, which has presented investment in an associate under the cost method.

## 2.3 New financial reporting standards

### (a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on these financial statements.

#### **TFRS 4 (revised 2018) Insurance contracts**

This standard provides an option to insurers that meet certain criteria stipulated in the standard, whereby they can be temporarily exempted from adoption of certain measures under TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which applicable for the financial reporting period beginning in or after 1 January 2020, and can instead adopt the Thai Accounting Guidance applicable for insurance business related to financial instruments and disclosures for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts (when issued).

This standard does not have any significant impact on the current period's financial statements and the Company's management is currently considering the option as discussed above.

- (b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

#### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

This accounting guidance allows to use a temporary exemption from adoption of certain measures under TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures which effective in 2020. This accounting guidance has some differences from TFRS 9, with the significant differences being as described below.

- Classification and measurement of financial assets: These are to be classified as trading securities, available-for-sale securities, held to maturity debt securities, and loans and receivables, with no requirement to take into account the assessment of the Company's business model and the characteristics of the contractual cash flows.
- Loss on impairment, gain or loss on derecognition, and gain and loss on fair value hedges for available-for-sale equity securities items are to be recognised in profit or loss.
- The embedded derivatives in financial assets that are hybrid contracts are to be separated from host contract if they meet all criteria for separation.

In addition, the accounting guidance has some differences from TFRS 7 with respect to disclosures.

The Company's management is currently evaluating the impact of the financial reporting standards related to financial instruments on the financial statements in the year when they are adopted and considering the alternatives allowed under TFRS 4 (revise 2018) insurance contracts for the insurer that meet certain criteria stipulated in the standard.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

(Unaudited but reviewed)

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company's management is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## 2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the changes in accounting policy as a result of the adoption of financial reporting standards as discussed in Note 2.3 (a) to interim financial statements.

## 3. Cash and cash equivalents

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>30 September 2019</u>	<u>31 December 2018</u>
Cash	3,559	8,783
Deposits at banks with no fixed maturity date	10,941,174	44,821,548
Deposits at other financial institutions	13,590,247	10,277,168
Short-term investments in money market funds	36,186,304	-
Total cash and cash equivalents	<u>60,721,284</u>	<u>55,107,499</u>

As at 30 September 2019 and 31 December 2018, saving deposits, and deposits at other financial institutions carried interests between 0.1 and 1.0 percent per annum.

## 4. Reinsurance assets

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>30 September 2019</u>	<u>31 December 2018</u>
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,599,748	2,883,108
Unearned premium reserves	8,280	7,415
Total reinsurance assets	<u>2,608,028</u>	<u>2,890,523</u>



**5. Reinsurance receivables**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2019	31 December 2018
Amounts deposited on reinsurance	72,313,937	62,033,064
Amounts due from reinsurers	374,783,274	133,471,261
Total reinsurance receivables	447,097,211	195,504,325

**6. Investments in securities****6.1 Classified by types of investments**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	30 September 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	82,037,823	80,558,875	86,439,441	78,514,664
Less: Unrealised loss	(1,478,948)	-	(7,924,777)	-
Trading investments - net	80,558,875	80,558,875	78,514,664	78,514,664
<b>Available-for-sale investments</b>				
Equity securities	892,701,058	934,919,641	959,411,077	943,332,306
Add (less): Unrealised gain (loss)	42,218,583	-	(16,078,771)	-
Available-for-sale investments - net	934,919,641	934,919,641	943,332,306	943,332,306
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	386,627,694		546,367,877	
Private enterprise debt securities	228,006,053		179,999,849	
Deposits at financial institutions with a maturity period of longer than 3 months	145,000,000		130,000,000	
Total held-to-maturity investments	759,633,747		856,367,726	
<b>General investments</b>				
Equity securities	2,105,720		2,105,720	
Total general investments	2,105,720		2,105,720	
Investments in securities - net	1,777,217,983		1,880,320,416	

**6.2 Revaluation surplus (deficit) on available-for-sale investments**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	For the	For the	For the	For the
	nine-month period ended 30 September 2019	year ended 31 December 2018	nine-month period ended 30 September 2019	year ended 31 December 2018
Revaluation surplus on available-for-sale investments - net of income taxes				
- beginning of the periods	(12,863,016)	43,958,235	(12,863,016)	43,958,235
Gains (losses) on revaluation during the periods	72,779,030	(45,837,502)	72,779,030	(45,837,502)
Gains transferred to be recognised in statements of income	(14,481,676)	(25,189,062)	(14,481,676)	(25,189,062)
Total	58,297,354	(71,026,564)	58,297,354	(71,026,564)
Add (less): Income taxes	(11,659,471)	14,205,313	(11,659,471)	14,205,313
Other comprehensive income (loss) for the periods - net of income taxes	46,637,883	(56,821,251)	46,637,883	(56,821,251)
Revaluation surplus (deficit) on available-for-sale investments - net of income taxes				
- end of the periods	33,774,867	(12,863,016)	33,774,867	(12,863,016)

**6.3 Investments subject to restriction**

As at 30 September 2019 and 31 December 2018, the Company placed some investments as a security with the Registrar and had some investments placed to guarantee for electricity consumption as described in Notes 19 and 20 to the interim financial statements.

## 7. Loans

The outstanding balances of loans are on loans provided to employees in accordance with the Company's employee welfare plan, which shall be charged with interest at the rates of not lower than 1.00% and not higher than MLR-3% per annum. The MLR is reference to that announced by commercial banks, depending on types of loans granted. The whole amounts of the outstanding balances were classified as not yet due and no interest was receivable at the end of the reporting period.

	(Unit: Baht)	
	Financial statements	
	in which the equity method is applied	
	and Separate financial statements	
	30 September 2019	31 December 2018
Mortgage loans	1,110,769	1,350,532
Total loans	<u>1,110,769</u>	<u>1,350,532</u>

## 8. Investment in an associate

### 8.1 Corporate information of an associate

Company's name	Nature of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage held by the Company	
			30 September	31 December	30 September	31 December
			2019	2018	2019	2018
			(Thousand Baht)	(Thousand Baht)	(%)	(%)
TKI Life Insurance Company Limited	Life insurance	Lao	66,118	66,118	32.50	32.50

Company's name	Financial statements		Separate financial statements	
	in which the equity method is applied		Investment value under cost method	
	Investment value under equity method		Investment value under cost method	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
TKI Life Insurance Company Limited	14,003	16,102	21,684	21,684

**8.2 Financial information of an associate****Summary of items in statements of financial position**

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	30 September 2019	31 December 2018
Total assets	45,273	50,607
Total liabilities	(2,186)	(1,062)
Net assets	43,087	49,545
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate based on equity method	14,003	16,102

**Summary of items in statements of comprehensive income**

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited			
	For the three-month periods ended 30		For the nine-month periods ended 30	
	September		September	
	2019	2018	2019	2018
Total revenues	2,957	1,288	4,896	2,933
Gains (loss) for the periods	544	(819)	(2,262)	(4,464)
Other comprehensive loss for the periods	(830)	(2,105)	(4,196)	(1,280)
Total comprehensive loss for the periods	(286)	(2,924)	(6,458)	(5,744)

### 8.3 Share of profit (loss), other comprehensive income (loss) and dividend income

During the periods, the Company recognised shares of profit (loss) and other comprehensive income (loss) from investment in an associate in the financial statements, in which the equity method is applied, and recognised dividends received from an associate in the separate financial statements as below.

(Unit: Thousand Baht)

Associates	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profit (loss) from investments in an associate for the three-month periods ended 30 September		Share of other comprehensive loss from investments in an associate for the three-month periods ended 30 September		Dividends received during the three-month periods ended 30 September	
	2019	2018	2019	2018	2019	2018
TKI Life Insurance Company Limited	177	(266)	(270)	(684)	-	-
	177	(266)	(270)	(684)	-	-

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of loss from investments in an associate for the nine-month periods ended 30 September		Share of other comprehensive loss from investments in an associate for the nine-month periods ended 30 September		Dividends received during the nine-month periods ended 30 September	
	2019	2018	2019	2018	2019	2018
TKI Life Insurance Company Limited	(735)	(1,451)	(1,364)	(416)	-	-
	(735)	(1,451)	(1,364)	(416)	-	-

As at 30 September 2019 and 31 December 2018, the Company presented investment in an associate under the equity method in the financial statements, in which the equity method is applied, based on the financial information, as prepared by the associate's management. However, the Company obtained the 2018 financial statements of TKI Life Insurance Company Limited, which were audited by the associate's auditor under report dated 26 March 2019. Such audited financial statements presented financial information that were not significantly different from the financial information prepared by the associate's management used for equity-accounting in that year.

(Unaudited but reviewed)

**9. Premises and equipment**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements					
	For the nine-month period ended 30 September 2019					
	Land	Building	Furniture, fixtures and equipment	Computers	Construction in progress	Total
Net book value as at						
1 January 2019	17,640,000	23,854,853	3,778,395	1,576,144	8,362,681	55,212,073
Acquisition during the period						
- at cost	-	986,842	1,020,829	588,350	-	2,596,021
Transfer in (out) - at cost	-	6,668,687	1,693,994	-	(8,362,681)	-
Disposals and write-offs during the period - net book value	-	-	(12,769)	(4,317)	-	(17,086)
Depreciation charged for the period	-	(1,539,872)	(1,000,139)	(745,903)	-	(3,285,914)
Net book value as at 30 September 2019	<u>17,640,000</u>	<u>29,970,510</u>	<u>5,480,310</u>	<u>1,414,274</u>	<u>-</u>	<u>54,505,094</u>

**10. Intangible assets**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended 30 September 2019	
	Computer software	
Net book value as at 1 January 2019		37,834,960
Acquisition during the period - at cost		185,538
Amortisation charged for the period		(3,324,951)
Net book value as at 30 September 2019		<u>34,695,547</u>

## 11. Deferred tax assets and income tax expenses

### 11.1 Deferred tax assets

As at 30 September 2019 and 31 December 2018, the components of deferred tax assets were as follows:

	(Unit: Thousand Baht)							
	Financial statements				Financial statements		Separate financial	
	in which the equity		Separate financial		in which the equity		statements	
	method is applied		statements		method is applied		statements	
30	31	30	31	Changes in deferred tax		Changes in deferred tax		
September	December	September	December	assets for		assets for the nine-		
2019	2018	2019	2018	the nine-month periods		month periods		
				ended 30 September		ended 30 September		
				2019	2018	2019	2018	
<b>Deferred tax assets arose</b>								
<b>from:</b>								
Loss reserves	8,856	4,341	8,856	4,341	4,515	126	4,515	126
Commission payable on reinsurance	25,185	34,123	25,185	34,123	(8,938)	(15,393)	(8,938)	(15,393)
Differences between premium/discount on debt securities recognised at effective interest rates and interest actually incurred	(60)	(156)	(60)	(156)	96	188	96	188
Unrealised (gains) losses on available-for-sale investments	(8,444)	3,216	(8,444)	3,216	(11,660)	2,624	(11,660)	2,624
Net deferred commission	(16,353)	(14,155)	(16,353)	(14,155)	(2,198)	(4,335)	(2,198)	(4,335)
Others	5,721	3,428	4,184	3,428	2,293	302	756	302
Deferred tax assets	<u>14,905</u>	<u>30,797</u>	<u>13,368</u>	<u>30,797</u>				
<b>Total changes</b>					<u>(15,892)</u>	<u>(16,488)</u>	<u>(17,429)</u>	<u>(16,488)</u>
<b>Recognition of changes in:</b>								
- Statements of income					(4,950)	(19,281)	(5,887)	(19,281)
- Statements of comprehensive income					(10,942)	2,793	(11,542)	2,793
<b>Total changes</b>					<u>(15,892)</u>	<u>(16,488)</u>	<u>(17,429)</u>	<u>(16,488)</u>

**11.2 Income tax expenses**

Income tax expenses for the three-month and nine-month periods ended 30 September 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2019	2018	2019	2018
<b>Current income taxes:</b>				
Interim corporate income tax charge	(16,176)	(24,164)	(16,176)	(24,164)
<b>Deferred income taxes:</b>				
Relating to origination and reversal of temporary differences	2,011	7,258	2,047	7,258
Income tax expenses reported in the statements of income	<u>(14,165)</u>	<u>(16,906)</u>	<u>(14,129)</u>	<u>(16,906)</u>

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2019	2018	2019	2018
<b>Current income taxes:</b>				
Interim corporate income tax charge	(30,574)	(35,314)	(30,574)	(35,314)
Adjustment of prior year's corporate income tax expenses	40	-	40	-
<b>Deferred income taxes:</b>				
Relating to origination and reversal of temporary differences	(4,950)	(19,281)	(5,887)	(19,281)
Income tax expenses reported in the statements of income	<u>(35,484)</u>	<u>(54,595)</u>	<u>(36,421)</u>	<u>(54,595)</u>



(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profits for the three-month and nine-month periods ended 30 September 2019 and 2018 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2019	2018	2019	2018
Accounting profits before income tax expenses	83,349	91,745	83,172	92,011
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(16,670)	(18,349)	(16,634)	(18,402)
Tax effects of:				
Tax - exempted revenues	2,471	1,470	2,471	1,470
Additional tax deductible expenses allowed	52	44	52	44
Others	(18)	(71)	(18)	(18)
Total	2,505	1,443	2,505	1,496
Income tax expenses reported in statements of income	(14,165)	(16,906)	(14,129)	(16,906)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2019	2018	2019	2018
Accounting profits before income tax expenses	213,586	291,965	214,321	293,416
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(42,717)	(58,393)	(42,864)	(58,683)
Adjustment of prior year's corporate income tax expenses	40	-	40	-
Tax effects of:				
Tax - exempted revenues	7,007	3,916	7,007	3,916
Non - tax deductible expenses	(846)	(14)	(846)	(14)
Additional tax deductible expenses allowed	296	240	296	240
Others	736	(344)	(54)	(54)
Total	7,193	3,798	6,403	4,088
Income tax expenses reported in statements of income	(35,484)	(54,595)	(36,421)	(54,595)

(Unaudited but reviewed)

## 12. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	30 September 2019		
	<u>Insurance contract liabilities</u>	<u>Liabilities on reinsurance</u>	<u>Net</u>
Long-term insurance policy reserves	442,645,961	(2,599,748)	440,046,213
Loss reserves			
Claims incurred and reported	373,922	-	373,922
Claims incurred but not yet reported	43,907,585	-	43,907,585
Premium reserves			
Unearned premium reserves	<u>344,491,508</u>	<u>(8,280)</u>	<u>344,483,228</u>
Total	<u>831,418,976</u>	<u>(2,608,028)</u>	<u>828,810,948</u>

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2018		
	<u>Insurance contract liabilities</u>	<u>Liabilities on reinsurance</u>	<u>Net</u>
Long-term insurance policy reserves	406,751,589	(2,883,108)	403,868,481
Loss reserves			
Claims incurred and reported	343,915	-	343,915
Claims incurred but not yet reported	21,358,494	-	21,358,494
Premium reserves			
Unearned premium reserves	<u>255,423,506</u>	<u>(7,415)</u>	<u>255,416,091</u>
Total	<u>683,877,504</u>	<u>(2,890,523)</u>	<u>680,986,981</u>

**12.1 Long-term insurance policy reserves**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month	
	period ended 30 September 2019	For the year ended 31 December 2018
Beginning balances	406,751,589	321,283,566
Reserves increased from new policies and enforced policies	82,194,551	143,083,523
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(37,691,563)	(41,212,054)
Assumptions changes	(8,608,616)	(16,403,446)
Ending balances	<u>442,645,961</u>	<u>406,751,589</u>

**12.2 Loss reserves**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month	
	period ended 30 September 2019	For the year ended 31 December 2018
Beginning balances	21,702,409	34,949,431
Claims incurred for the periods	712,991,409	979,028,274
Changes in loss reserve	37,794,066	56,925,383
Changes in assumptions for calculating loss reserves	(15,245,218)	(66,185,055)
Claims paid during the periods	(712,961,159)	(983,015,624)
Ending balances	<u>44,281,507</u>	<u>21,702,409</u>

(Unaudited but reviewed)

### 12.3 Unearned premium reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended 30 September 2019	For the year ended 31 December 2018
Beginning balances	255,423,506	222,128,295
Premium written for the periods	1,059,848,733	1,322,323,819
Premium earned during the periods	(970,780,731)	(1,289,028,608)
Ending balances	<u>344,491,508</u>	<u>255,423,506</u>

### 13. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2019	31 December 2018
Amounts due to reinsurers	<u>140,591,244</u>	<u>184,571,501</u>
Total due to reinsurers	<u>140,591,244</u>	<u>184,571,501</u>

**14. Employee benefit obligations**

The movements employee benefit obligations for the periods ended 30 September 2019 and 31 December 2018 were as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended	For the year ended
	<u>30 September 2019</u>	<u>31 December 2018</u>
Employee benefit obligations at beginning of the periods	10,871,877	9,087,919
Included in statements of income:		
Current service costs	937,075	765,915
Interest costs	174,907	125,831
Past service costs	2,069,238	-
Included in statements of comprehensive income:		
Actuarial losses	<u>595,133</u>	<u>892,212</u>
Employee benefit obligations at end of the periods	<u><u>14,648,230</u></u>	<u><u>10,871,877</u></u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment, resulting in the Company having addition employee benefit obligations of Baht 2 million. The Company already reflected the effect of such change by recognising past service costs as expenses in the statement of income.

**15. Segment information**

The Company is organised into business units based on its insurance products. During the current period, there was no change in the organisational structure of its reportable segments.

## 15.1 Operating segment information reporting

Operating segment information for the three-month and nine-month periods ended 30 September 2019 and 2018 can be classified by types of insurance products as follows:

	(Unit: Baht)		
	Financial statements in which the equity method is applied		
	For the three-month period ended 30 September 2019		
	Conventional products	Non-conventional products	Total
<b>Underwriting revenues</b>			
Reinsurance premium written	378,748,976	187,287,955	566,036,931
Less: Reinsurance premium ceded	(4,749,598)	(327,002)	(5,076,600)
Net reinsurance premium written	373,999,378	186,960,953	560,960,331
Add (less): Unearned premium reserves (increased) decreased from prior period	(25,100,934)	69,049,298	43,948,364
<b>Earned premium</b>	<b>348,898,444</b>	<b>256,010,251</b>	<b>604,908,695</b>
<b>Underwriting expenses</b>			
Long-term insurance policy reserves increased from prior period	1,751,265	27,790,947	29,542,212
Net benefits and claims	182,483,626	161,550,127	344,033,753
Commissions and brokerages expenses - net	91,730,237	50,785,259	142,515,496
Other underwriting expenses	6,290,315	3,473,557	9,763,872
<b>Total underwriting expenses</b>	<b>282,255,443</b>	<b>243,599,890</b>	<b>525,855,333</b>
<b>Profit from underwriting</b>	<b>66,643,001</b>	<b>12,410,361</b>	<b>79,053,362</b>
Operating expenses			(21,023,610)
<b>Profit from operation</b>			<b>58,029,752</b>
Share of profit from investment in an associates			176,722
Net investment revenue			24,829,895
Other income			312,209
<b>Profit before income tax expenses</b>			<b>83,348,578</b>
Income tax expenses			(14,165,074)
<b>Profit for the period</b>			<b>69,183,504</b>

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the three-month period ended 30 September 2018			
	Conventional	Non-conventional	
	products	products	Total
<b>Underwriting revenues</b>			
Reinsurance premium written	389,326,773	342,012,010	731,338,783
Less: Reinsurance premium ceded	(4,424,058)	(222,477)	(4,646,535)
Net reinsurance premium written	384,902,715	341,789,533	726,692,248
Less: Unearned premium reserves increased from prior period	(28,434,610)	(36,917,941)	(65,352,551)
<b>Earned premium</b>	<b>356,468,105</b>	<b>304,871,592</b>	<b>661,339,697</b>
<b>Underwriting expenses</b>			
Long-term insurance policy reserves increased from prior period	3,380,010	16,959,360	20,339,370
Net benefits and claims	181,651,851	203,477,481	385,129,332
Commissions expenses - net	99,300,927	68,842,016	168,142,943
Other underwriting expenses	3,577,572	3,165,178	6,742,750
<b>Total underwriting expenses</b>	<b>287,910,360</b>	<b>292,444,035</b>	<b>580,354,395</b>
<b>Profit from underwriting</b>	<b>68,557,745</b>	<b>12,427,557</b>	<b>80,985,302</b>
Operating expenses			(20,751,812)
<b>Profit from operations</b>			<b>60,233,490</b>
Share of loss from investment in an associate			(266,243)
Net investment revenue			31,722,093
Other revenue			55,401
<b>Profit before income tax expenses</b>			<b>91,744,741</b>
Income tax expenses			(16,906,428)
<b>Profit for the period</b>			<b>74,838,313</b>



(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the nine-month period ended 30 September 2019			
	Conventional products	Non-conventional products	Total
<b>Underwriting revenues</b>			
Reinsurance premium written	976,550,975	850,337,160	1,826,888,135
Less: Reinsurance premium ceded	(10,397,861)	(784,293)	(11,182,154)
Net reinsurance premium written	966,153,114	849,552,867	1,815,705,981
Less: Unearned premium reserves increased from prior period	(9,503,613)	(79,563,523)	(89,067,136)
<b>Earned premium</b>	<b>956,649,501</b>	<b>769,989,344</b>	<b>1,726,638,845</b>
<b>Underwriting expenses</b>			
Long-term insurance policy reserves increased (decreased) from prior period	(12,645,964)	48,823,696	36,177,732
Net benefits and claims	577,605,542	479,810,159	1,057,415,701
Commissions and brokerages expenses - net	253,883,177	149,190,463	403,073,640
Other underwriting expenses	14,695,752	12,796,407	27,492,159
<b>Total underwriting expenses</b>	<b>833,538,507</b>	<b>690,620,725</b>	<b>1,524,159,232</b>
<b>Profit from underwriting</b>	<b>123,110,994</b>	<b>79,368,619</b>	<b>202,479,613</b>
Operating expenses			(70,318,051)
<b>Profit from operation</b>			<b>132,161,562</b>
Share of loss from investment in an associate			(735,221)
Net investment revenue			81,617,697
Other income			541,507
<b>Profit before income tax expenses</b>			<b>213,585,545</b>
Income tax expenses			(35,483,714)
<b>Profit for the period</b>			<b>178,101,831</b>

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied		
	For the nine-month period ended 30 September 2018		
	Conventional products	Non-conventional products	Total
<b>Underwriting revenues</b>			
Reinsurance premium written	1,044,815,667	868,030,781	1,912,846,448
Less: Reinsurance premium ceded	(13,612,978)	(667,429)	(14,280,407)
Net reinsurance premium written	1,031,202,689	867,363,352	1,898,566,041
Less: Unearned premium reserves increased from prior period	(43,618,836)	(76,188,463)	(119,807,299)
<b>Earned premium</b>	<b>987,583,853</b>	<b>791,174,889</b>	<b>1,778,758,742</b>
<b>Underwriting expenses</b>			
Long-term insurance policy reserves increased (decreased) from prior period	(7,364,575)	67,611,092	60,246,517
Net benefits and claims	519,579,328	465,668,689	985,248,017
Commission expenses	259,647,019	166,667,975	426,314,994
Other underwriting expenses	10,391,578	8,633,303	19,024,881
<b>Total underwriting expenses</b>	<b>782,253,350</b>	<b>708,581,059</b>	<b>1,490,834,409</b>
<b>Profit from underwriting</b>	<b>205,330,503</b>	<b>82,593,830</b>	<b>287,924,333</b>
Operating expenses			(64,573,411)
<b>Profit from operations</b>			<b>223,350,922</b>
Share of loss from investment in an associate			(1,450,774)
Net investment revenue			68,471,200
Other revenue			1,593,815
<b>Profit before income tax expenses</b>			<b>291,965,163</b>
Income tax expenses			(54,595,470)
<b>Profit for the period</b>			<b>237,369,693</b>

## 15.2 Geographic information

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### 15.3 Major customers

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company had reinsurance premium written from each life insurance company for the amount equal to or higher than 10% of total reinsurance premium written as follows:

(Unit: Million Baht)

	Financial statements in which the equity method is applied			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Reinsurance premium written	430	540	1,136	1,171

### 16. Earnings per share

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

### 17. Dividends paid

Dividends declared during the nine-month periods ended 30 September 2019 and 2018 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend from 2018 net income	Annual General Meeting of the shareholders on 23 April 2019	90.0	0.15
Interim dividend for 2019	Board of Director meeting on 20 August 2019	78.0	0.13
Total dividend paid during the period of 2019		168.0	0.28
Final dividend from 2017 net income	Annual General Meeting of the shareholders on 25 April 2018	180.0	0.30
Interim dividend for 2018	Board of Director meeting on 21 August 2018	120.0	0.20
Total dividend paid during the period of 2018		300.0	0.50

## 18. Related party transactions

### 18.1 Nature of relationship

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

The relationship between the Company and its related parties are summarised below:

Name of related parties	Relationship with the Company
TKI Life Insurance Company Limited	An associate whereby the Company holds 32.50% of its shares
Thai Reinsurance Plc.	Related by way of having common directors and being the Company's shareholder
Bangkok Life Assurance Plc.	Related by way of having common directors and being the Company's shareholder
The Navakij Insurance Plc.	Related by way of having common directors and being the Company's shareholder
Thaire Services Co., Ltd.	Related by way of having common directors and shareholder
Thai Life Insurance Plc.	Related by way of having common directors
Thaire Actuarial Consulting Co., Ltd.	Related by way of having a common shareholder
EMCS Thai Co., Ltd.	Related by way of having common directors and shareholder
Thaire Innovation Co., Ltd.	Related by way of having common directors and shareholder

## 18.2 Significant related party transactions

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2019	2018	2019	2018	
<b><u>Transactions with associates</u></b>					
<b><i>Revenues</i></b>					
Service revenues	69	69	207	207	Mutually agreed rates
<b><u>Transactions with related parties</u></b>					
<b><i>Revenues</i></b>					
Reinsurance premium written	111,200	137,955	419,086	402,138	According to terms of reinsurance contracts
Commissions income	173	139	544	474	According to terms of reinsurance contracts
Claims refundable	186	227	686	639	According to the ratios as specified in the reinsurance contracts
Service revenues	-	-	-	208	Mutually agreed rates
<b><i>Expenses</i></b>					
Reinsurance premium ceded	701	620	1,949	1,828	According to terms of reinsurance contracts
Claim expenses	81,742	79,879	202,895	191,168	According to the ratios as specified in the reinsurance contracts
Commissions expenses	37,931	42,953	110,692	97,808	According to terms of reinsurance contracts
Service fee expenses <sup>(1)</sup>	1,724	2,239	6,026	6,560	Mutually agreed rates
<b><i>Owner's equity</i></b>					
Dividend paid	9,649	19,904	20,782	49,761	As declared

<sup>(1)</sup> Including in "Operating expenses" in statement of income

### 18.3 Outstanding balances

As at 30 September 2019 and 31 December 2018, the Company had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	30 September 2019	31 December 2018
<b>Associate</b>		
Other receivable <sup>(1)</sup>	94	108
<b>Related parties</b>		
Insurance reserves refundable from reinsurers <sup>(2)</sup>	790	694
Amounts due from reinsurers <sup>(3)</sup>	126,091	17,765
Amounts deposited on reinsurance <sup>(3)</sup>	8,753	753
Deferred commissions expenses	31,737	17,508
Loss reserves <sup>(4)</sup>	21,926	4,326
Amounts due to reinsurers <sup>(5)</sup>	17,629	16,735
Deferred commissions income	12	10

(1) Including in "Other assets" in statements of financial position

(2) Including in "Reinsurance assets" in statements of financial position

(3) Including in "Reinsurance receivables" in statements of financial position

(4) Including in "Insurance contract liabilities" in statements of financial position

(5) Including in "Due to reinsurers" in statements of financial position

### 18.4 Directors' and key management's remuneration

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company had salaries, bonuses, meeting allowances and post-employment benefits of its directors and key management personnel recognised as expenses, are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2019	2018	2019	2018
Short-term benefits	8,342	8,171	27,982	23,740
Post employment benefits	1,089	958	3,337	2,509
<b>Total</b>	<b>9,431</b>	<b>9,129</b>	<b>31,319</b>	<b>26,249</b>

(Unaudited but reviewed)

## 19. Assets placed and reserved with the Registrar

As at 30 September 2019 and 31 December 2018, the Company had the following assets placed and reserved with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act.

(Unit: Million Baht)

Financial statements in which the equity method is applied  
and Separate financial statements

	30 September 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
<b>Assets placed</b>				
Government bonds	21.0	21.6	21.0	20.8
<b>Assets reserved as insurance reserves</b>				
Government and state enterprise bonds	152.0	154.4	214.0	215.3
Fixed deposits	130.0	130.0	-	-

## 20. Other assets subject to restrictions

As at 30 September 2019 and 31 December 2018, the Company had the following assets placed as collateral.

(Unit: Million Baht)

Financial statements  
in which the equity method is applied  
and Separate financial statements

	30 September	31 December
	2019	2018
<b>Guarantee for electricity consumption</b>		
Government bonds	0.1	0.1

## 21. Commitments

### 21.1 Operating lease commitments

The Company entered into a lease agreement in respect of the lease of vehicle. The term of the agreement is 5 years. As at 30 September 2019 and 31 December 2018, the Company had future minimum lease payments required under such non-cancellable operating lease contract as follows.

Payable	(Unit: Million Baht)	
	30 September 2019	31 December 2018
Within 1 year	0.8	0.8
Longer than 1 year but within 5 years	1.8	2.4

### 21.2 Capital Commitments

As at 30 September 2019, the Company had no outstanding capital commitments in relation to building renovation (As at 31 December 2018, the Company had outstanding capital commitments in relation to building renovation amounting to Baht 0.9 million).

### 21.3 Service commitments

As at 30 September 2019 and 31 December 2018, the Company had outstanding service commitments and future minimum service fees payable of Baht 0.6 million and Baht 1.2 million, respectively.

## 22. Fair value of financial instruments

As of 30 September 2019 and 31 December 2018, the Company had the following financial assets measured at fair value, using different levels of inputs as follows:

	(Unit: Baht)					
	30 September 2019			31 December 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment in securities						
Trading - Equity						
securities	80,558,875	-	80,558,875	78,514,664	-	78,514,664
Available-for-sale -						
Equity securities	577,014,060	357,905,581	934,919,641	584,809,424	358,522,882	943,332,306



The Company determined fair value of financial instruments by the following methods.

- (a) Investments in debts securities are presented at fair values, which are based on market prices or prices determined using the yield curves as announced by the Thai Bond Market Association.
- (b) Investments in equity securities are presented at fair values, which are market prices. In case of investment units, which are not listed securities, their fair values are determined using the net asset value per unit as announced by the fund managers.

During the current period, there were no transfers within the fair value hierarchy.

### **23. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Audit Committee on 11 November 2019.